



FirstRand Bank

FIRSTRAND BANK LIMITED

(incorporated in the Republic of South Africa)
(registration number 1929/001225/06)
("Issuer")

ZAR5,000,000,000 Preference Share Programme

Under this ZAR5,000,000,000 Preference Share Programme, the Issuer may from time to time issue cumulative, redeemable, non-participating preference shares denominated in South African Rand on the terms and conditions contained in the section of this programme memorandum headed "*Preference Share Terms and Conditions*" ("**Preference Share Terms and Conditions**").

Capitalised terms used below shall have the meanings ascribed thereto in the Preference Share Terms and Conditions. Any reference in this Programme Memorandum to a Condition is to that Condition of the Preference Share Terms and Conditions, and any reference to this Programme Memorandum or the Preference Share Terms and Conditions shall mean this Programme Memorandum or the Preference Share Terms and Conditions, as the case may be, as amended, varied, restated, novated or supplemented from time to time.

Any Preference Shares issued are subject to the JSE Debt Listings Requirements and/or the listings requirements of any other Financial Exchange(s) as may be determined by the Issuer. The Programme has been registered with the JSE and this Programme Memorandum was approved by the JSE.

A Tranche of Preference Shares may comprise, without limitation, Fixed Rate Preference Shares, Floating Rate Preference Shares, Mixed Rate Preference Shares and/or such other type of Preference Shares as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Preference Shares. Each Preference Share will be in a specified Class, as indicated in the Applicable Pricing Supplement. A Tranche of Preference Shares will be issued on, and subject to, the Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Preference Shares set out in the Applicable Pricing Supplement. Before the Issuer issues any Tranche of Preference Shares, the Issuer shall complete and sign an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Preference Shares. The Applicable Pricing Supplement in relation to any Tranche of Preference Shares may specify other terms and conditions, which are not inconsistent with the general terms and conditions set out in the Issuer's Memorandum of Incorporation, which shall, to the extent so specified, supplement the Preference Share Terms and Conditions for the purpose of such Tranche of Preference Shares.

The Programme Amount will not exceed ZAR5,000,000,000 unless such Programme Amount is increased as set out in the section of this Programme Memorandum headed "*Summary of the Programme*".

Any reference to the JSE in any documents in respect of the Programme shall apply only in relation to any Tranche of Preference Shares listed on the JSE. A Tranche of Preference Shares may be listed on the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. With respect to a Tranche of Preference Shares listed on the JSE, the Applicable Pricing Supplement(s) relating to that Tranche will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Preference Shares in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The trading of Preference Shares listed on the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Preference Shares listed on another Financial Exchange, irrespective of whether that Tranche is listed on the JSE as well, will be specified in the Applicable Pricing Supplement.

Unlisted Preference Shares may also be issued under this Programme. The Issuer may determine that particular Preference Shares will not be listed on the JSE or any other or additional Financial Exchange(s). Unlisted Preference Shares are not regulated by the JSE or such other or additional Financial Exchange(s). The placement of such Unlisted Preference Shares may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Preference Shares not listed on the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE or the Central Securities Depository.

Preference Shareholders holding Preference Shares listed on the JSE will have recourse against the JSE Guarantee Fund only if such Preference Shares are traded by or through members of the JSE (in accordance with the Applicable Procedures) through the Central Securities Depository electronic settlement system. Claims against the JSE Guarantee Fund may only be made in respect of Preference Shares listed on the JSE and only in accordance with the rules of the JSE Guarantee Fund. Preference Shareholders holding Preference Shares that are not listed on the JSE will have no recourse against the JSE Guarantee Fund.

Preference Shares may be issued on a continuing basis and be placed by one or more Dealer(s) appointed by the Issuer from time to time, which appointment may be for a specific issue or on an on-going basis.

As at the Programme Date, the Issuer is rated. The Programme is not rated. Tranches of Preference Shares issued under the Programme may be rated on or before their Issue Date by a Rating Agency and, if so, this rating as well as the Rating Agency(ies) which assigned such rating(s) will be available on the Issuer's website and contained in the Applicable Pricing Supplement. Unrated Tranches of Preference Shares may also be issued.

The Issuer may determine that Preference Shares may be issued in a form and on terms not contemplated by the Preference Share Terms and Conditions in which case a supplementary programme memorandum, if appropriate, will be made available which will describe the terms and conditions upon which such Preference Shares will be issued.

This Programme Memorandum does not constitute, advertise or relate to an offer to the public (as defined in the Companies Act) for the sale of or subscription for, or the solicitation of an offer to acquire or subscribe for, Preference Shares. Preference Shares will only be offered by way of private placement to, and such offer will only be capable of acceptance by, (i) persons falling within the exemptions set out in section 96(1)(a) of the Companies Act; or (ii) persons who subscribe, as principal, for Preference Shares at a minimum aggregate Issue Price of R1,000,000, as envisaged in section 96(1)(b) of the Companies Act (each a "**Qualifying Investor**") and this Programme Memorandum is only being made available to such Qualifying Investors. Should any person who is not a Qualifying Investor receive this Programme Memorandum, they should not and will not be entitled to acquire or subscribe for any Preference Shares as described in this Programme Memorandum or otherwise act thereon.

This Programme Memorandum does not, nor is it intended to, constitute a prospectus registered under the Companies Act and accordingly, does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the Companies Regulations of 2011.

Nothing in this Programme Memorandum should be viewed, or construed, as "advice" as that term is used in the Financial Markets Act and/or the Financial Advisory and Intermediary Services Act, No 37 of 2002, and nothing in this Programme Memorandum should be construed as constituting the canvassing for, or marketing or advertising of, financial services.

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

Legal Adviser to the Issuer and Arranger
Cliffe Dekker Hofmeyr Incorporated

Programme Memorandum dated 17 September 2019

Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed "Preference Share Terms and Conditions", unless separately defined elsewhere and/or, in relation to any Tranche of Preference Shares, the Applicable Pricing Supplement. Expressions defined in this Programme Memorandum will bear the same meanings in supplements, including the Applicable Pricing Supplements, to this Programme Memorandum which do not themselves contain their own definitions.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Programme Memorandum contains all information required by Applicable Law and, in relation to any Tranche of Preference Shares listed on the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, the Applicable Pricing Supplements, the Issuer's annual financial statements, interim financial statements and the Issuer's annual report and any amendments or any supplement to the aforementioned documents, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or the Issuer's annual financial statements or the Issuer's annual report or any other information incorporated by reference into this Programme Memorandum and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement or the Issuer's annual financial statements or the Issuer's annual report or any other information incorporated by reference into this Programme Memorandum and any amendments or supplements to the aforementioned documents and the JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of this Programme Memorandum and the listing of the Preference Shares is not to be taken in any way as an indication of the merits of the Issuer or of the Preference Shares and that, to the extent permitted by Applicable Law, the JSE will not be liable for any claim whatsoever.

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

This Programme Memorandum is to be read and construed in conjunction with all documents which are incorporated herein by reference (see the section of this Programme Memorandum headed "Documents Incorporated by Reference") and, in relation to any Tranche of Preference Shares, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that all documents incorporated by reference form part of this Programme Memorandum.

*No person has been authorised by the Issuer to give any information or make any representation not contained in or which is inconsistent with this Programme Memorandum or any other information supplied 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) or the other professional advisers. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Debt Sponsor, the Arranger or the Dealer(s), or any of their respective subsidiary or holding companies or any subsidiary of their respective holding companies ("**Affiliates**") or professional advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Preference Shares shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Programme Memorandum is correct at any time subsequent to the date of this Programme Memorandum.*

The Debt Sponsor, Arranger, Dealer(s) and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme. The Debt Sponsor, the Arranger, the Dealer(s) and other professional advisers have not separately verified the information contained in this Programme Memorandum. Accordingly, none of the Debt Sponsor, the Arranger, the Dealer(s) nor any of their respective Affiliates or professional advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Programme Memorandum or any other information supplied in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Debt Sponsor, the Arranger, the Dealer(s), or any of their Affiliates or professional advisers, in connection with its investigation of the accuracy of such information or its investment decision.

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 as at any time subsequent to the date indicated in the document containing the same. Investors should review, among others, the most recent financial statements of the Issuer when deciding whether to subscribe for and/or purchase any Preference Shares.

Neither this Programme Memorandum nor any other information supplied in connection with the Preference Shares is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the JSE, the Issuer, the Debt Sponsor, the Arranger or the Dealer(s) that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for or purchase any Preference Shares. Each person contemplating making an investment in the Preference Shares must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Arranger and the Dealer(s) do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Preference Shares of any information coming to the attention of the JSE, the Debt Sponsor, the Arranger or the Dealer(s).

The obligations under the Preference Shares will be obligations of the Issuer. The obligations under the Preference Shares will not be obligations of, or the responsibility of, or guaranteed by the JSE, the Debt Sponsor, the Arranger or the Dealer(s). No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Preference Shares shall be accepted by the JSE, the Debt Sponsor, the Arranger or the Dealer(s).

None of the Issuer, the JSE, the Debt Sponsor, the Arranger or the Dealer(s) makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE or any other relevant Financial Exchange.

This Programme Memorandum does not constitute an offer or an invitation by or on behalf of the Issuer, the Debt Sponsor, the Arranger, the Dealer(s) or to any person to subscribe for or purchase any of the Preference Shares.

The distribution of this Programme Memorandum, any Applicable Pricing Supplement and the issue, sale or offering of the Preference Shares in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Debt Sponsor, the Arranger or the Dealer(s) that this Programme Memorandum may be lawfully distributed, or that the Preference Shares may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Debt Sponsor, the Arranger or the Dealer(s) which would permit a public offering of the Preference Shares or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Preference Shares may not be offered or sold, directly or indirectly, and neither this Programme Memorandum, any Applicable Pricing Supplement nor any advertisement or other offering material may be distributed or

published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws. Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement come are required by the Issuer, the Debt Sponsor, the Arranger and the Dealer(s) to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Preference Shares in the United States of America, the European Economic Area, the United Kingdom, South Africa and certain other jurisdictions (see the section headed "Subscription and Sale").

*The Preference Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"). Subject to certain exceptions, Preference Shares may not be offered, sold or delivered within the United States or to any U.S. persons. In addition, there are restrictions on the distribution of this Programme Memorandum in South Africa, the European Economic Union and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Preference Shares and distribution of this Programme Memorandum, see the section of this Programme Memorandum headed "Subscription and Sale" below.*

The terms of this Programme Memorandum, if sent to persons resident in jurisdictions outside of South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Preference Shares to satisfy itself as to the full observance of the laws of the relevant jurisdiction. If and to the extent that any offer of Preference Shares under the Programme is illegal in any jurisdiction, it is not and will not be made in such jurisdiction and this Programme Memorandum is sent to persons in such jurisdiction for information purposes only.

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 terms 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 Preference Shares as set out in the Applicable Pricing Supplement, or unless the context otherwise requires.

In connection with the issue and distribution of any Tranche of Preference Shares, the Issuer or a Dealer disclosed as the approved stabilisation manager, if any, ("Stabilisation Manager") in the Applicable Pricing Supplement may, to the extent approved by the JSE (if such Preference Shares are listed on the JSE) and permitted by Applicable Laws, over-allot or effect transactions for a limited period after the Issue Date with a view to supporting the market price of the Preference Shares of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period and the price/yield and amount of Preference Shares to be issued under the Programme will be determined by the Issuer and each Dealer at the time of issue in accordance with the prevailing market conditions.

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Documents Incorporated by Reference

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

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

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) the published annual report of the Issuer incorporating its audited annual financial statements prepared in accordance with the Companies Act, 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 as well as for each financial year thereafter, and the unaudited interim financial statements of the Issuer for each financial half-year commencing with the financial half-year ended 31 December 2018;
- (c) each Applicable Pricing Supplement relating to any Tranche of Preference Shares issued and outstanding under the Programme;
- (d) a document containing, *inter alia* the following information is available on the Issuer's website at <https://www.firststrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/>:
 - i. all information pertaining to the risk factors specific to the Issuer;
 - ii. all information pertaining to the description of the Issuer, including, but not limited to, its business, management, directors and corporate governance disclosure; and
 - iii. all information pertaining to the Overview of the Banking Sector in South Africa;
- (e) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum, which is electronically submitted, after the date of this Programme Memorandum, on SENS, or such other similar service, established by the JSE; and
- (f) the Memorandum of Incorporation of the Issuer, as amended or restated from time to time,

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

The Issuer will, for so long as this Programme Memorandum remains registered with the JSE, provide at the registered office of the Issuer as set out at the end of this Programme Memorandum, without charge, upon request of such person, a copy of this Programme Memorandum, the constitutional documents of the Issuer and any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded in which case the modified or superseding documents will be provided.

Requests for the documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. This Programme Memorandum, Applicable Pricing Supplements and any supplementary documents thereto will be available on the JSE website, www.jse.co.za. The Issuer's annual report, including the audited annual financial statements of the Issuer is available on the Issuer's website at <https://www.firststrand.co.za/investors/annual-reporting/>, and interim financial statements are available on the Issuer's website at <https://www.firststrand.co.za/investors/financial-results/> and the information incorporated herein by reference in paragraph (a), (c) and (d) above together with this Programme Memorandum will be available on the Issuer's website at <https://www.firststrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/>.

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

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

- (a) a material change in the condition (financial or otherwise) of the Issuer occurs; or
- (b) a material event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by the holders of Preference Shares and/or potential investors in the Preference Shares; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures,

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

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

General description of the Programme

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

Under the Programme, the Issuer may from time to time issue Preference Shares. The applicable terms of any Preference Shares will be set out in the Preference Share Terms and Conditions, as modified and supplemented by the Applicable Pricing Supplement relating to any Tranche of Preference Shares issued under the Programme. A summary of the Programme and the Preference Share Terms and Conditions appears in the section of this Programme Memorandum headed "*Summary of the Programme*".

As at the Programme Date, the Programme Amount is ZAR5,000,000,000. This Programme Memorandum will only apply to Preference Shares issued under the Programme in an aggregate amount which do not exceed the Programme Amount, unless such amount is increased as set out below.

A Tranche of Preference Shares may be listed on the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Law. Unlisted Preference Shares may also be issued under the Programme. The Applicable Pricing Supplement will specify whether a Tranche of Preference Shares will be listed and, if so, on which Financial Exchange(s).

The Issuer may wish to increase the Programme Amount from time to time. Subject to the Applicable Procedures and all Applicable Law, the Issuer may, without the consent of Preference Shareholders, increase the Programme Amount by delivering notice thereof to (i) the Debt Sponsor; (ii) the Preference Shareholders; (iii) the relevant Financial Exchange(s); (iv) the Transfer, Paying, Settlement and Calculation Agents; (v) the Arranger; and (vi) the Dealer(s) in accordance with the Preference Share Terms and Conditions and the Applicable Procedures. Upon such notices being given, all references in this Programme Memorandum or any other agreement, deed or document in relation to the Programme and the Programme Amount, shall be, and shall be deemed to be, references to the increased Programme Amount.

Claims against the JSE Guarantee Fund may only be made in respect of trading in Preference Shares listed on the JSE and in accordance with the rules of the JSE Guarantee Fund and can in no way relate to a default by the Issuer of its obligations in respect of the Preference Shares. Unlisted Preference Shares are not regulated by the JSE.

Investing in the Preference Shares involves certain risks (see the section of this Programme Memorandum headed "*Risk Factors*").

A summary of the Programme and the Preference Share Terms and Conditions appear below.

This Programme Memorandum will only apply to Preference Shares issued under the Programme.

Risk Factors

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

The Issuer believes that the factors described below, which are not set out in any particular order, represent key risks inherent in investing in the Preference Shares, but the inability of the Issuer to pay any amounts on or in connection with any Preference Shares 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. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. Accordingly, the Issuer does not represent or warrant that the statements below regarding the risks of holding of any Preference Shares are exhaustive.

All of these risks could materially affect the Issuer and its Subsidiaries, where applicable, its reputation, business, results of its operations and overall financial condition.

The information set out below is therefore not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective investor.

Investors contemplating making an investment in the Preference Shares should determine their own investment objectives and experience, and any other factors which may be relevant to them in connection with such investment.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER PREFERENCE SHARES ISSUED UNDER THE PROGRAMME

1. RISKS RELATING TO THE ISSUER

Please refer to the document on the Issuer's website at <https://www.firstrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/>, and which is incorporated herein by reference. This document contains *inter alia* risk factors relating to the Issuer that may affect the Issuer's ability to fulfil its obligations under the Preference Shares.

2. RISKS RELATING TO SOUTH AFRICA

Please refer to the document on the Issuer's website at <https://www.firstrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/>, and which is incorporated herein by reference. This document contains *inter alia* risk factors relating to South Africa that may affect the Issuer's ability to fulfil its obligations under the Preference Shares.

3. RISKS RELATING TO THE PREFERENCE SHARES

The risks (if any) of investing in particular types of Preference Shares which are not set out in, or covered by, this section of the Programme Memorandum headed "Risk Factors" may be set out in a Supplement prior to the Issue Date of the first Tranche of such Preference Shares to be issued under the Programme.

3.1 The Preference Shares will rank after debt owing by the Issuer

The Preference Shares will rank after all debt owing by the Issuer, which may result in the Preference Shareholders not receiving their full Issue Price and accrued Preference Dividends on the winding-up or liquidation of the Issuer.

3.2 The Preference Shares may not be a suitable investment for all investors

- (a) Each potential investor in any Preference Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- i. have sufficient knowledge and experience to make a meaningful evaluation of the Preference Shares, the merits and risks of investing in the Preference Shares and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
 - ii. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Preference Shares and the impact such an investment will have on its overall investment portfolio;
 - iii. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Preference Shares, including Preference Shares where the currency for principal or interest payments, namely Rand, is different from the potential investor's currency;
 - iv. understand thoroughly the terms of the Preference Shares and be familiar with the behaviour of any relevant indices and financial markets; and
 - v. 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.
- (b) Some Preference Shares 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 Preference Shares which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Preference Shares will perform under changing conditions, the resulting effects on the value of the Preference Shares and the impact this investment will have on the potential investor's overall investment portfolio.

3.3 **There may not be an active trading market for the Preference Shares**

Preference Shares issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Preference Shares 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.

3.4 **The Preference Shares may be redeemed prior to maturity**

- (a) Unless in the case of any particular Tranche of Preference Shares the Preference Share Terms and Conditions provide otherwise, in the event that the Issuer is obliged to increase the amounts payable in respect of any Preference Shares due to any withholding or deduction for or on account of, any Taxes, the Issuer may redeem all outstanding affected Tranches Preference Shares in accordance with the Preference Share Terms and Conditions.
- (b) In addition, if in the case of any particular Tranche of Preference Shares the Preference Share Terms and Conditions provide that the Preference Shares are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Preference Shares 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 rate as high as that of the relevant Preference Shares.
- (c) Because Preference Shares listed on the JSE may be held by the Central Securities Depository, investors will have to rely on its procedures for transfer, payment and communication with the Issuer.

- (d) Each Tranche of Preference Shares which is listed on the JSE and held in uncertificated form, will be held in the Central Securities Depository. Unlisted Preference may also be held in the Central Securities Depository. Except in the circumstances described in the Preference Share Terms and Conditions, investors will not be entitled to receive Certificates. The Central Securities Depository will maintain records of the Beneficial Interests in Preference Shares held in the Central Securities Depository. While the Preference Shares are held in the Central Securities Depository, investors will be able to trade their Beneficial Interests in such Preference Shares only through the Central Securities Depository.
- (e) While Preference Shares are held in the Central Securities Depository the Issuer will discharge its payment obligations under such Preference Shares by making payments to or to the order of the Central Securities Depository (as the registered holder of such Preference Shares), for distribution to the holders of Beneficial Interests in such Preference Shares. A holder of a Beneficial Interest in Preference Shares must rely on the procedures of the Central Securities Depository and Participants to receive payments under such Preference Shares. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.
- (f) Holders of Beneficial Interests in Preference Shares will not have a direct right to vote in respect of such Preference Shares.

3.5 **JSE Guarantee Fund**

Preference Shareholders holding Preference Shares listed on the Main Board of the JSE will have recourse against the JSE Guarantee Fund only if such Preference Shares are traded by or through members of the JSE (in accordance with the Applicable Procedures) through the Central Securities Depository electronic settlement system. Claims against the JSE Guarantee Fund may only be made in respect of Preference Shares listed on the Main Board of the JSE and only in accordance with the rules of the JSE Guarantee Fund and can in no way relate to a default by the Issuer of its obligations in respect of the Preference Shares. Preference Shareholders holding Preference Shares that are not listed on the Main Board of the JSE will have no recourse against the JSE Guarantee Fund. Unlisted Preference Shares are not regulated by the JSE.

3.6 **Credit Rating**

Tranches of Preference Shares issued under the Programme may be rated or unrated. A Credit Rating is not a recommendation to subscribe for, buy, sell or hold Preference Shares 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 price for the Preference Shares issued under the Programme.

3.7 **Risks related to the structure of a particular issue of Preference Shares**

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

3.7.1 *Preference Shares subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of the Preference Shares. During any period when the Issuer may elect to redeem the Preference Shares, the market value of those Preference Shares generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period. The Issuer may be expected to redeem Preference Shares when its cost of borrowing is lower than the dividend rate on the Preference Shares. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective dividend rate as high as the dividend rate respectively on the Preference Shares being redeemed and may only be able

to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

3.7.2 *Variable Rate Preference Shares with a multiplier or other leverage factor*

Preference Shares with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for Preference Shares that do not include those features.

3.7.3 *Fixed or Floating Rate Preference Shares*

Fixed or Floating Rate Preference Shares may bear interest or dividends at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate or dividend rate will affect the secondary market and the market value of such Preference Shares since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Preference Shares may be less favourable than then prevailing spreads on comparable Floating Rate Preference Shares tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Preference Shares. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Preference Shares.

3.7.4 *Preference Shares issued at a substantial discount or premium*

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

3.8 **Risks related to Preference Shares generally**

3.8.1 *Modification and waivers*

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

3.8.2 *Change of law*

No assurance can be given as to the impact of any possible judicial decision or change to South African law or other Applicable Law or administrative practice after the Programme Date or after the date of any Applicable Pricing Supplement.

3.8.3 *Compliance with section 46 of the Companies Act*

The payment of any Preference Dividend and/or Redemption Amount under the Preference Shares is subject to the provisions of section 46 of the Companies Act. Failure by the Issuer to satisfy the requirements of section 46 of the Companies Act at any time when any Preference Dividend and/or Redemption Amount, as the case may be, is due to be paid under the Preference Share Terms shall not relieve the Issuer of its obligation to pay such Preference Dividend and/or Redemption Amount, as applicable, at any time when it is lawfully able to do so.

3.9 **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult

its legal advisers to determine whether and to what extent (1) Preference Shares are legal investments for it, (2) Preference Shares can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Preference Shares. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Preference Shares under any applicable risk-based capital or similar rules.

Summary of the Programme

Capitalised terms used in this section headed "Summary of the Programme" shall bear the same meanings as used in the Preference Share Terms and Conditions, except to the extent that they are separately defined in this section or it is clearly inappropriate from the context.

The applicable terms of any Preference Shares will be set out in the Preference Share Terms and Conditions, as modified and supplemented by the Applicable Pricing Supplement relating to any Tranche of Preference Shares issued under the Programme. A summary of the Programme and the Preference Share Terms and Conditions appears in this section of the Programme Memorandum headed "Summary of the Programme".

The information set out below is a brief summary of certain aspects of the Programme. This summary should be read in conjunction with, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Preference Shares, the Applicable Pricing Supplement.

Parties

Issuer	FirstRand Bank Limited, registration number 1929/001225/06, a limited liability public company duly incorporated in South Africa, with its date of registration being 11 January 1929.
Arranger	Rand Merchant Bank and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis.
Auditor	PricewaterhouseCoopers Inc and Deloitte & Touche or such other auditor (or firm of auditors) as may be appointed by the Issuer from time to time.
Calculation Agent	Rand Merchant Bank or, in relation to any particular Tranche or Class of Preference Shares, such other person(s) appointed by the Issuer as specified in the Applicable Pricing Supplement.
Central Securities Depository	Strate Proprietary Limited, registration number 1998/022242/07, a limited liability private company duly incorporated in South Africa, and registered as a central securities depository in terms of the Financial Markets Act, or its nominee.
Dealer(s)	Rand Merchant Bank and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis.
Debt Sponsor	Rand Merchant Bank and/or such other person(s) appointed by the Issuer from time to time in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis.
JSE	JSE Limited, registration number 2005/022939/06, a limited liability public company duly incorporated in South Africa, licensed as an exchange under the Financial Markets Act.
Paying Agent	the Issuer or such other person(s) appointed by the Issuer from time to time, as specified in the Applicable Pricing Supplement.
Preference Shareholders	The holders of Preference Shares as recorded in the Register.
Rand Merchant Bank	FirstRand Bank Limited, acting through its Rand Merchant Bank division, registration number 1929/001225/06, a limited liability public company

	duly incorporated in South Africa.
Settlement Agent	Rand Merchant Bank and/or such other person(s) appointed by the Issuer from time to time, as specified in each Applicable Pricing Supplement.
Transfer Agent	Rand Merchant Bank and/or such other person(s) appointed by the Issuer from time to time, as specified in each Applicable Pricing Supplement.
Transfer Secretaries	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a limited liability private company duly incorporated in South Africa, and/or such other person(s) appointed by the Issuer from time to time, as specified in each Applicable Pricing Supplement.
<i>Programme Description</i>	
Description of the Programme	FirstRand Bank Limited ZAR5,000,000,000 Preference Share Programme.
Size of the Programme	The Programme Amount will not exceed ZAR5,000,000,000. The Issuer may, without the consent of Preference Shareholders, increase the Programme Amount in accordance with the Programme Agreement, Applicable Laws and subject to any required regulatory approvals. The Programme Amount at the time of the issue of any Tranche of Preference Shares will be set out in each Applicable Pricing Supplement.
Listing	Preference Shares issued under the Programme may, subject to the Programme having been registered with the JSE, be listed on JSE, or such other or further Financial Exchange(s) as may be selected by the Issuer and any relevant Dealer(s) and subject to Applicable Laws. Unlisted Preference Shares may also be issued under the Programme. Unlisted Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement in respect of a Tranche of Preference Shares will specify whether or not such Preference Shares will be listed and, if so, on which Financial Exchange(s).
Credit Rating	<p>As at the Programme Date, the Issuer is rated. The Programme is not rated. Tranches of Preference Shares issued under the Programme may, on or before the Issue Date, be rated by a Rating Agency and, if so, this Credit Rating will be available on the Issuer's website and contained in the Applicable Pricing Supplement. Unrated Tranches of Preference Shares may also be issued. Each Applicable Pricing Supplement will reflect the Credit Rating which has been assigned to the Issuer and/or a Tranche of Preference Shares, as well as the Rating Agency(s) which assigned such Credit Rating(s), the date on which such Credit Rating was assigned. Any changes to the Credit Rating of the Issuer and/or a Tranche of Preference Shares, as well as any changes to the Rating Agency(s) which assigned such Credit Rating(s), will be notified to Preference Shareholders in accordance with the Preference Share Terms and Conditions.</p> <p>A Credit Rating is not a recommendation to subscribe for, buy, sell or hold Preference Shares and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.</p>
Preference Shares	<p>The description of, and terms and conditions applicable to, Preference Shares other than those specifically described in this Programme Memorandum will be set out in each Applicable Pricing Supplement.</p> <p>Subject to each Applicable Pricing Supplement, Preference Shares shall be cumulative, redeemable, non-participating preference shares.</p> <p>Preference Shares will bear the characteristics described under "<i>Status of Preference Shares</i>" below. Preference Shares will be issued with a</p>

Redemption Date, as specified in the Applicable Pricing Supplement. Preference Shares may, subject to the Issuer's Memorandum of Incorporation, comprise any of the following:

Fixed Rate Preference Shares: Fixed Rate Preference Shares will accrue dividends at a fixed rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 7.2;

Floating Rate Preference Shares: Floating Rate Preference Shares will accrue dividends at a floating rate, as indicated in the Applicable Pricing Supplement, and more fully described in Condition 7.3;

Mixed Rate Preference Shares: Mixed Rate Preference Shares will accrue dividends over respective periods at the rates applicable for any combination of Fixed Rate Preference Shares or Floating Rate Preference Shares, as indicated in the Applicable Pricing Supplement;

Other Preference Shares: terms applicable to Preference Shares other than those specifically contemplated under this Programme Memorandum will be set out in each Applicable Pricing Supplement.

Form of Preference Shares	Preference Shares will be issued in registered form as described in the section of this Programme Memorandum headed " <i>Form of the Preference Shares</i> ". Preference Shares will not be issued in bearer form or in order form. The section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfers of Preference Shares</i> " describes how Beneficial Interests are created and what the rights of holders of Beneficial Interests are.
Currency	Preference Shares will be issued in Rand, the lawful currency of South Africa.
Terms and Conditions	The terms and conditions of the Preference Shares are set out in the section of this Programme Memorandum headed " <i>Preference Share Terms and Conditions</i> ". The Applicable Pricing Supplement in relation to any Tranche of Preference Shares may specify other terms and conditions, which are not inconsistent with the general terms and conditions set out in the Issuer's Memorandum of Incorporation, which shall, to the extent so specified, supplement the Preference Share Terms and Conditions for the purpose of such Tranche of Preference Shares.
Issue Price	Preference Shares will be issued at an issue price as specified in the Applicable Pricing Supplement.
JSE Guarantee Fund	Claims against the JSE Guarantee Fund may only be made in respect of Preference Shares which are listed on the separate platform or sub-market of the JSE designated as the "Main Board" and in accordance with the rates of the JSE Guarantee Fund. The holders of Preference Shares that are not listed on the separate platform or sub-market of the JSE designated as the "Main Board" will have no recourse against the JSE or the JSE Guarantee Fund.
Denomination of Preference Shares	Preference Shares will be issued in such denominations as will be specified in the Applicable Pricing Supplement.
Maturities	Preference Shares will be subject to a minimum maturity of three years and one day. The maturity of each Tranche of Preference Shares will be specified in the Applicable Pricing Supplement.
Dividend Rate and Dividend Payment Dates	The Dividend Rate and Dividend Payment Dates in respect of each Tranche of Preference Shares will be specified in the Applicable Pricing Supplement.

Emigrant's Capital Account	Rand held in an emigrant's capital account may be used for the subscription for or purchase of Preference Shares, subject to the South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933.
Redemption	<p>Preference Shares may be redeemed before their stated maturity at the option of the Issuer if so specified in the Applicable Pricing Supplement, or following a Redemption Event or an Adjustment Event.</p> <p>The following provisions may apply:</p> <p><i>Final Redemption:</i> Unless previously redeemed or purchased and cancelled and subject to the Companies Act, a Tranche of Preference Shares will be redeemed by the Issuer, on the Final Redemption Date, at its issue price or at such other Final Redemption Amount as specified in the Applicable Pricing Supplement.</p> <p><i>Early Redemption at the option of the Issuer:</i> If specified as being applicable in the Applicable Pricing Supplement, the Issuer may, having given not less than 15 Business Days' notice to the Preference Shareholders in accordance with Condition 14, and, in relation to any Class of Preference Shares listed on the JSE, having complied with the Applicable Procedures, redeem the Preference Shares in whole, or if so specified in the Applicable Pricing Supplement, in part, on the Optional Redemption Dates, in accordance with Condition 9.2.</p> <p><i>Early Redemption following an Adjustment Event:</i> Upon the occurrence of an Adjustment Event, the Issuer may, having given not less than 15 Business Days' notice to the Preference Shareholders in accordance with Condition 14, and, in relation to any Class of Preference Shares listed on the JSE, having complied with the Applicable Procedures, redeem all, and not some only, of the Preference Shares in accordance with Condition 9.3.</p> <p><i>Early Redemption following a Redemption Event:</i> Upon the occurrence of a Redemption Event and receipt by the Issuer of a resolution of Preference Shareholders or a written notice delivered declaring the Preference Shares held by the relevant Preference Shareholder(s) to be forthwith due and payable, all of the Preference Shares, in the event of a resolution as aforesaid, or the relevant Preference Shares, in the event of notice from a specific Preference Shareholder(s), shall become forthwith due and payable in accordance with Condition 9.5.</p>
Status of the Preference Shares	Each Preference Share will rank in regard to the payment of dividends and a return of capital on the winding-up of the Issuer equally among themselves and the Existing Preference Shares, and senior to the Ordinary Shares.
Securities Transfer Tax	The Securities Transfer Tax Act imposes securities transfer tax (subject to certain exemptions stipulated in the Securities Transfer Tax Act) on the transfer and/or redemption of a Preference Share (see the section of this Programme Memorandum headed " <i>South African Taxation</i> ").
Withholding Tax	Part VIII of Chapter III of the Income Tax Act imposes a withholding tax on dividends declared by (i) a company which is a resident (such as the Issuer); and (ii) a company which is not a resident if the share in respect of which that dividend is paid is listed on the JSE. Section 64F of the Income Tax Act exempts various different types of entities from the withholding tax on dividends. Amongst others, resident companies and pension funds are exempt from the dividends tax. Non-residents are, however, subject to the dividends tax although it is possible that in specific

instances a non-resident could obtain relief (or partial relief) from the dividends tax in terms of a double taxation agreement.

Tax Status	A summary of applicable current South African tax legislation in respect of the Preference Shares as at the Programme Date appears in the section of this Programme Memorandum headed " <i>South African Taxation</i> ". The section does not constitute tax advice and potential investors in the Preference Shares should, before making an investment in the Preference Shares, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Preference Shares.
Governing Law	The Preference Share Terms and Conditions and Preference Shares will be governed by, and construed in accordance with, the laws of South Africa.
Distribution	Preference Shares may be offered by way of private placement or any other means permitted by Applicable Law, as determined by the Issuer and reflected in the Applicable Pricing Supplement.
Method of Transfer	The method of transfer of Preference Shares is (i) by registration for transfer of Preference Shares through the Register; and (ii) electronic book entry in the securities accounts of Participants or the Central Securities Depository, as the case may be, for transfers of Beneficial Interests in the Securities; in all cases subject to the restrictions described in this Programme Memorandum. The Preference Shares will be fully paid up on the Issue Date and freely transferable.
Register	The Register will be maintained by the Transfer Agent in accordance with the Preference Share Terms and Conditions and the Issuer's Memorandum of Incorporation.
Selling Restrictions	The distribution of this Programme Memorandum and any offering or sale of a particular Tranche of Preference Shares may be restricted by law in certain jurisdictions, and are restricted by law in, amongst others, the United States of America, the United Kingdom, the European Economic Area and South Africa. Any relevant selling restrictions and other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Preference Shares shall be included 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 such restrictions.
Settlement	Listed Preference Shares will be cleared and settled in accordance with the relevant listings requirements of the JSE or such other or additional Financial Exchange(s) and the rules of the Central Securities Depository. Listed Preference Shares have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system that is managed by the Central Securities Depository 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 the South African Reserve Bank, Citibank N.A. – South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank - Johannesburg Branch and Société Générale – Johannesburg Branch. If applicable, Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking S.A. may hold Preference Shares through their participant).

Use of Proceeds

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

Form of the Preference Shares

Capitalised terms used in this section entitled "Form of Preference Shares" shall bear the same meanings as used in the Preference Share Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Each Tranche of Preference Shares may be listed on the JSE or on such other Financial Exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Preference Shares may also be issued under the Programme. Unlisted Preference Shares are not regulated by the JSE.

Each Tranche of Preference Shares (whether listed or unlisted) will be issued in the form of registered Preference Shares in accordance with the Preference Share Terms and Conditions and represented by (i) Certificates; or (ii) no Certificates, if issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Preference Shares issued in uncertificated form

If the Preference Shares are to be listed on the JSE, the Issuer will, subject to Applicable Laws, issue such Preference Shares in uncertificated form to be held in the Central Securities Depository. Unlisted Preference Shares may also be issued in uncertificated form.

Preference Shares issued in uncertificated form will not be represented by any Certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Preference Shares held in the Central Securities Depository will apply to Preference Shares issued in uncertificated form.

In terms of section 50 of the Companies Act, read with the Financial Markets Act and the rules of the Central Securities Depository, the Issuer will (i) record in the Register, the total number of the Preference Shares issued by it in uncertificated form; and (ii) the Central Securities Depository and Central Securities Depository Participants will administer and maintain the Issuer's uncertificated securities register, which will form part of the Register.

Beneficial Interests

The Central Securities Depository will hold each Tranche of Preference Shares issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

Accordingly, and except where the contrary is provided in the Preference Share Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Preference Shares issued in uncertificated form will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Preference Shares, in accordance with the Applicable Procedures.

While a Tranche of Preference Shares is held in its entirety in the Central Securities Depository, the Central Securities Depository's Nominee will be named in the Register as the sole holder of the Preference Shares in that Tranche.

All amounts to be paid and all rights to be exercised in respect of Preference Shares held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Preference Shares.

The Central Securities Depository maintains central securities accounts only for Participants. As at the Programme Date, the Participants are the South African Reserve Bank, Citibank N.A. – South Africa

Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank - Johannesburg Branch and Société Générale – Johannesburg Branch.

Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository 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 Preference Shares 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 Preference Shares held by them in the Central Securities Depository only through their Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System and Clearstream Banking S.A. may hold Preference Shares through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in Preference Shares, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the number of such Preference Shares standing to the credit of the account of such person shall be *prima facie* proof of such Beneficial Interest. The Central Securities Depository's Nominee (as the registered holder of such Preference Shares named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of such Preference Shares for all purposes.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Preference Shares held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Preference Share Terms and Conditions and the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

The Issuer shall regard the Register as the conclusive record of title to the Preference Shares.

Certificates

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Preference Shares represented by a Certificate.

Title to Preference Shares represented by Certificates will pass upon registration of transfer in accordance with Condition 5.1.1.

The Preference Shares represented by Certificates will be registered in the name of the individual holders in the Register. Preference Shares represented by Certificates may be transferred only in accordance with the Preference Share Terms and Conditions.

The Issuer, the Paying Agent and the Transfer Agent shall regard the Register as the conclusive record of title to the Preference Shares represented by Certificates.

Payments of all amounts due and payable in respect of Preference Shares represented by Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Certificates in the Register on the Record Date and the payment obligation of the Issuer will be discharged by proper payment to, or to the order of, the registered holder of the Certificate in respect of each amount so paid.

Other Preference Shares

The Issuer may, without the consent of the respective holders of any Preference Shares, agree with any Dealer appointed in relation to the relevant Tranche of Preference Shares that such Tranche of Preference Shares be issued in bearer form or in order form or in another form not contemplated by the Preference Share Terms and Conditions, in which case a supplement to this Programme Memorandum or the Applicable Pricing Supplement, if appropriate, will be issued which will describe the effect of the agreement reached in relation to such Tranche of Preference Shares.

Pro Forma Applicable Pricing Supplement

Set out below is the form of Applicable Pricing Supplement, which will be completed for each Tranche of Preference Shares issued under the Programme:

APPLICABLE PRICING SUPPLEMENT



FirstRand Bank

FIRSTRAND BANK LIMITED

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

Issue of [Aggregate Issue Price of Tranche] [Title of Preference Shares]
Under its ZAR5,000,000,000 Preference Share Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Preference Shares described herein.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum prepared by the Issuer dated 17 September 2019, as may be amended, varied, restated, novated or supplemented from time to time, and the general preferences, rights, limitations and other terms attaching to each Preference Share, as set out in the Issuer's Memorandum of Incorporation ("**General Preference Share Terms**"). This Applicable Pricing Supplement may specify other terms and conditions, which are not inconsistent with the General Preference Share Terms, which shall, to the extent so specified supplement the General Preference Share Terms for the purpose of such Tranche of Preference Shares.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the General Preference Share Terms. References in this Applicable Pricing Supplement to the General Preference Share Terms are to the section of the Programme Memorandum headed "*Preference Share Terms and Conditions*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the General Preference Share Terms.

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 the Applicable Pricing Supplement shall prevail unless such conflict or inconsistency is also inconsistent with the terms attaching to each Preference Share as set out in the Issuer's Memorandum of Incorporation, in which case the terms set out in the Memorandum of Incorporation will prevail.

DESCRIPTION OF THE PREFERENCE SHARES

1	Issuer	FirstRand Bank Limited
2	Status of the Preference Shares	Cumulative, Redeemable, Non-Participating Preference Shares
3	Listed/Unlisted	[]

4	Class	[]
5	Tranche number	[]
6	Aggregate Issue Price of this Tranche	[]
7	Number of Preference Shares	[]
8	Dividend/Payment Basis	[]
9	Issue Date	[]
10	Minimum Aggregate Issue Price per subscriber, acting as principal	R1,000,000, unless the person subscribing for the Preference Shares is a person falling within the exemptions set out in section 96(1)(a) of the Companies Act
11	Issue Price	[] per Preference Share
12	Dividend Commencement Date	[]
13	Final Redemption Date	[] or, if such day is not a Business Day, the Business Day the day determined in accordance with the Applicable Business Day Convention, and in respect of Listed Preference Shares, the Applicable Procedures
14	Final Redemption Amount	[]
15	Applicable Business Day Convention	[Business Day convention described in Condition 10.3/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
16	Default Rate	[]
17	Set out the relevant description of any additional/other Preference Share Terms and Conditions relating to the Preference Shares (including additional covenants, if any)	[]

FIXED RATE PREFERENCE SHARES

18	Fixed Dividend Rate	[]% per annum nacq/nacm/nacs/naca
19	Dividend Payment Date(s)	[] of each calendar year] or, if such day is not a Business Day, the Business Day on which the Preference Dividends will be paid, as determined in accordance with the Applicable Business Day Convention, and in respect of Listed Preference Shares, the Applicable Procedures

- 20 Dividend Compounding Date(s) []
- 21 Dividend Period(s) []/[Each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the following Dividend Payment Date, provided that the first Dividend Period will commence on (and include) the Dividend Commencement Date and end on (but exclude) the following Dividend Payment Date (each Dividend Payment Date as adjusted in accordance with the Applicable Business Day Convention)]
- 22 Any other items relating to the particular method of calculating Preference Dividends []

FLOATING RATE PREFERENCE SHARES

- 23 Dividend Rates(s) [] of the Prime Rate
- 24 Dividend Payment Date(s) [] of each calendar year or, if such day is not a Business Day, the Business Day on which the Preference Dividends will be paid, as determined in accordance with the Applicable Business Day Convention, and in respect of Listed Preference Shares, subject to the Applicable Procedures
- 25 Dividend Compounding Date(s) []
- 26 Dividend Period(s) []/[Each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the following Dividend Payment Date, provided that the first Dividend Period will commence on (and include) the Dividend Commencement Date and end on (but exclude) the following Dividend Payment Date (each Dividend Payment Date as adjusted in accordance with the Applicable Business Day Convention)]
- 27 Manner in which the Dividend Rate is to be determined [Screen Rate Determination/other (insert details)]
- 28 Margin/Spread for the Dividend Rate [(+/-)[]% per annum to be added to/subtracted from the relevant Reference Rate]
- 29 Minimum Dividend Rate []%
- 30 Maximum Dividend Rate []%
- 31 If ISDA Determination

- (a) Floating Rate (including relevant period) []
- (b) Floating Rate Option []
- (c) Reset Date(s) []
- (d) ISDA definitions to apply []

32 If Screen Determination

- (a) Reference Rate (including relevant period by reference to which the Dividend Rate is to be calculated) [e.g. Prime Rate]
- (b) Dividend Rate Determination Date(s) [The first Business Day of each Dividend Period]
- (c) Relevant Screen page and Reference Code []
- (d) Relevant Time []

33 If Dividend Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Dividend Rate/Margin/Fall back provisions []

34 Any other terms relating to the particular method of calculating Preference Dividends []

MIXED RATE PREFERENCE SHARES

35 Period(s) during which the Dividend Rate for the Mixed Rate Preference Shares will be (as applicable):

- (a) Fixed Rate Preference Shares []
- (b) Floating Rate Preference Shares []
- (c) Other Preference Shares []

36 The Dividend Rate and other pertinent details are set out under the headings relating to the applicable forms of Preference Shares []

OTHER PREFERENCE SHARES

37 If the Preference Shares are not Fixed []

Rate Preference Shares, Floating Rate Preference Shares or Mixed Rate Preference Shares or if the Preference Shares are a combination of the above and some other Preference Shares, set out the relevant description of any additional Preference Share Terms and Conditions relating to such Preference Shares

PROVISIONS REGARDING REDEMPTION / MATURITY

- | | | |
|-----|--|------------------------|
| 38 | Redemption at the option of the Issuer: if yes: | [Yes/No] |
| (a) | Optional Redemption Date(s) | [] |
| (b) | Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | [] |
| (c) | Redeemable in part | [] |
| (d) | Other terms applicable on Redemption | [] |
| 39 | Early Redemption Amount and method, if any, of calculation of such amount | [As per Condition 9.6] |

GENERAL

- | | | |
|----|---|--------------|
| 40 | International Securities Identification Number (ISIN) | [] |
| 41 | Stock Code | [] |
| 42 | Financial Exchange | [] |
| 43 | Dealer(s) | [] |
| 44 | Arranger | [] |
| 45 | Transfer Secretaries | [] |
| 46 | Method of distribution | [] |
| 47 | Credit Rating assigned to the Issuer/the Programme/this Tranche of Preference Shares (if any), and date of such Credit Rating | [] |
| 48 | Rating Agency (if any) | [] |
| 49 | Governing Law | South Africa |

50	Last Day to Trade	[In respect of Unlisted Preference Shares, 17h00 on the day that is three Business Days before the Record Date / in respect of Listed Preference Shares, the " <i>Last Day to Trade</i> " as set out in the Applicable Procedures]
51	Record Date	The date on which the holdings of Preference Shares, upon which the Event entitlement is ascertained, being [in respect of Unlisted Preference Shares being the Friday immediately prior to each Event, or if such Friday is not a Business Day, the last Business Day of the week preceding the Event / in respect of Listed Preference Shares, the " <i>Record Date</i> " as set out in the Applicable Procedures.
52	Calculation Agent	[]
53	Specified Office of the Calculation Agent	[]
54	Transfer Agent	[]
55	Specified Office of the Transfer Agent	[]
56	Settlement Agent	[]
57	Specified Office of the Settlement Agent	[]
58	Paying Agent	[]
59	Specified Office of the Paying Agent	[]
60	Debt Sponsor	[]
61	Stabilisation Manager, if any	[]
62	Programme Amount	ZAR5,000,000,000
63	Aggregate Issue Price of all Preference Shares in issue on the Issue Date of this Tranche	R[], excluding this Tranche of Preference Shares and any other Tranche(s) of Preference Shares to be issued on the Issue Date
64	Other Banking Jurisdiction	[]
65	Use of proceeds	[General corporate purposes]/[]
66	Surrendering of Certificates	[] days after the date on which the Certificate in respect of the Preference Shares to be redeemed has been surrendered to the Issuer
67	Additional Redemption Events	[]

- 68 Additional Adjustment Events []
- 69 Material change [The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest [unaudited/audited] [interim/annual] financial statements for the [six month period ended [date]/ twelve months ended [date]]. This statement has not been confirmed nor verified by the auditors of the Issuer.]
- 70 Exchange Control Approval []
- 71 Other provisions []

Responsibility Statements

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Law and, in relation to any Tranche of Preference Shares listed on the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, the Issuer's audited annual financial statements and the Issuer's annual report and any amendment or supplement to the aforementioned documents, except as otherwise stated therein.

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

As at the date of this Applicable Pricing Supplement the Issuer confirms that the authorised Programme Amount of ZAR 5,000,000,000 has not been exceeded.

Application is hereby made to list Tranche [●] of the Preference Shares on the JSE, as from [●], pursuant to the FirstRand Bank Limited ZAR5,000,000,000 Preference Share Programme.

FirstRand Bank Limited

By: _____

Director, duly authorised

Name of signatory:

Date: _____

By: _____

Director, duly authorised

Name of signatory:

Date: _____

Preference Share Terms and Conditions

The following are the General Preference Share Terms attaching to each Preference Share, as set out in the Issuer's Memorandum of Incorporation, which will be supplemented, in respect of each Tranche of Preference Shares to be issued by the Issuer, by the Specific Preference Share Terms to be determined by the Board at the time of allotment and issue of such Tranche of Preference Shares, in accordance with section 36(3) of the Companies Act, and set out in the Applicable Pricing Supplement.

Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Preference Shares. Before the Issuer issues any Tranche of Preference Shares, the Board will pass an Authorising Resolution (i) determining the Specific Preference Share Terms of that Tranche of Preference Shares; and (ii) authorising the issue of that Tranche of Preference Shares; and the Issuer shall complete and sign the Applicable Pricing Supplement, based on the Pro Forma Applicable Pricing Supplement. The Applicable Pricing Supplement in relation to any Tranche of Preference Shares may specify further terms and conditions, which are not inconsistent with these General Preference Share Terms, which shall, to the extent so specified, supplement these General Preference Share Terms for the purpose of such Tranche of Preference Shares.

1 Definitions and Interpretation

1.1 In the Preference Share Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement in a manner not inconsistent with these General Preference Share Terms, the following expressions shall have the following meanings:

- | | | |
|-------|---|--|
| 1.1.1 | "Accrued Preference Dividends" | at any time, any and all Preference Dividends which have accrued (whether declared or not), but which have not been paid at that time; |
| 1.1.2 | "Actual Redemption Date" | in relation to a Preference Share, the date upon which that Preference Share is redeemed in full by the Issuer; |
| 1.1.3 | "Adjustment Event" | has the meaning ascribed thereto in Condition 8.1 or any other event specified as such in the Applicable Pricing Supplement; |
| 1.1.4 | "Applicable Business Day Convention" | the Business Day convention described in Condition 10.3; |
| 1.1.5 | "Applicable Law" | in relation to a person, all and any statutes and subordinate legislation, regulations and ordinances, by-laws, judgements and decisions of any competent authority, present or future common law, codes of practice, circulars, guidance notices, judgements and decisions of any competent authority, and other similar provisions, from time to time; |
| 1.1.6 | "Applicable Pricing Supplement" | in relation to a Tranche of Preference Shares, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Preference Shares, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Preference Shares, based upon the <i>pro forma</i> pricing supplement which is set out in the |

		section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
1.1.7	"Applicable Procedures"	the rules, listings requirements (including the JSE Listings Requirements and the JSE Debt Listings Requirements) and operating procedures for the time being of the Central Securities Depository, Settlement Agents, JSE and/or any other applicable Financial Exchange, as the case may be;
1.1.8	"Arranger"	Rand Merchant Bank and/or such other person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis;
1.1.9	"Authorisation"	an authorisation, consent, approval, resolution, licence, permit, exemption, filing, notarisation, lodgement or registration;
1.1.10	"Authorising Resolution"	in respect of each Tranche of Preference Shares, a resolution of the Board (i) determining the Specific Preference Share Terms of that Tranche of Preference Shares; and (ii) authorising the issue of that Tranche of Preference Shares;
1.1.11	"Banks Act"	the Banks Act, 1990;
1.1.12	"Beneficial Interest"	in relation to a Tranche of Preference Shares an interest as co-owner of an undivided interest in a Preference Share held in uncertificated form in accordance with the Financial Markets Act;
1.1.13	"Board"	the board of directors of the Issuer from time to time;
1.1.14	"Business Day"	a day (other than a Saturday or Sunday or public holiday) on which commercial banks settle Rand payments in Johannesburg;
1.1.15	"Calculation Agent"	Rand Merchant Bank or, in relation to any particular Tranche or Class of Preference Shares, such other person(s) appointed by the Issuer as specified in the Applicable Pricing Supplement;
1.1.16	"Central Securities Depository"	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee (being the Central Securities Depository's Nominee), a central securities depository operating in terms of the Financial Markets Act;
1.1.17	"Central Securities Depository's Nominee"	any wholly owned subsidiary (as defined in the Companies Act) of the Central Securities Depository approved by the Registrar (as defined in the Financial Markets Act) for purposes of, and as contemplated in, section 36 of the Financial Markets Act, and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to

		include a reference to its successor operating in terms of the Financial Markets Act;
1.1.18	"Certificate"	a certificate representing Preference Shares registered in the name of the relevant Preference Shareholder;
1.1.19	"Class"	a Tranche of Preference Shares, together with any further Tranche or Tranches of Preference Shares, which are (i) expressed in the Applicable Pricing Supplement to form part of the same Class as another Tranche of Preference Shares; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates;
1.1.20	"Class of Preference Shareholders"	the holders of a Class of Preference Shares;
1.1.21	"Companies Act"	the Companies Act, 2008;
1.1.22	"Condition"	a numbered term or condition of the Preference Shares forming part of the Preference Share Terms and Conditions;
1.1.23	"Corporate Actions"	in respect of the JSE Debt Listings Requirements, Schedule 4 Form A5, and in respect of the JSE Listings Requirements, Schedule 2 Form H, as these may be amended from time to time or any successor documents to such schedules;
1.1.24	"Corporate Tax Rate"	the maximum nominal rate of income tax (expressed as a decimal) levied from time to time in terms of the Income Tax Act on the taxable income of companies domiciled and tax-resident in South Africa (other than small business corporations, employment companies, gold mining companies, long-term insurance companies, tax holiday companies and companies to which the provisions of the Income Tax Act applicable to a portfolio of a collective investment scheme in securities apply);
1.1.25	"Credit Rating"	in relation to a Class of Preference Shares, the Programme or the Issuer, a rating, if any, granted by a Rating Agency, as specified in the Applicable Pricing Supplement;
1.1.26	"Dealer(s)"	Rand Merchant Bank and/or such other person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis;
1.1.27	"Debt Sponsor"	Rand Merchant Bank and/or such other person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis;
1.1.28	"Default Rate"	in relation to a Class of Preference Shares, the rate specified as such in the Applicable Pricing Supplement relating to that Class;

1.1.29	"Dividend Commencement Date"	in relation to a Tranche of Preference Shares, the first date from which Preference Dividends on such Tranche will accrue, being the Issue Date of that Tranche or such other date as specified in the Applicable Pricing Supplement;
1.1.30	"Dividend Compounding Date(s)"	in relation to a Class of Preference Shares, the last day of each Dividend Period, unless otherwise specified in the Applicable Pricing Supplement;
1.1.31	"Dividend Payment Date(s)"	in relation to a Class of Preference Shares, the date(s) specified as such in the Applicable Pricing Supplement;
1.1.32	"Dividend Period"	in relation to a Class of Preference Shares, each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the following Dividend Payment Date, provided that the first Dividend Period will commence on (and include) the Dividend Commencement Date and end on (but exclude) the following Dividend Payment Date (each Dividend Payment Date as adjusted in accordance with the Applicable Business Day Convention);
1.1.33	"Dividend Rate"	in relation to a Class of Preference Shares, the dividend rate(s) specified in the Applicable Pricing Supplement;
1.1.34	"Dividend Rate Determination Date"	in respect of a Class of Preference Shares, the date(s) specified in the Applicable Pricing Supplement;
1.1.35	"Dividends Tax"	the withholding tax on dividends imposed under Part VIII of Chapter II of the Income Tax Act;
1.1.36	"Event"	an action taken by the Issuer or any other person which affects the Preference Shareholders in terms of entitlements or notifications;
1.1.37	"Existing Preference Shares"	any class of preference shares authorised in terms of the Issuer's Memorandum of Incorporation in addition to the Preference Shares;
1.1.38	"Final Redemption Amount"	in relation to a Class of Preference Shares, the amount payable in respect of each Preference Share in the Class upon final redemption thereof, as specified in the Applicable Pricing Supplement;
1.1.39	"Final Redemption Date"	in relation to a Class of Preference Shares, the final date upon which the Preference Shares are to be redeemed, as specified in the Applicable Pricing Supplement;
1.1.40	"Financial Exchange"	the JSE and/or such other or further financial exchange(s) as may be selected by the Issuer and the relevant Dealer, subject to Applicable Law;

1.1.41	"Financial Indebtedness"	any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of:
1.1.41.1		moneys borrowed and debit balances at any bank or financial institution;
1.1.41.2		liabilities under or in respect of any acceptance or acceptance credit;
1.1.41.3		any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
1.1.41.4		any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) or otherwise classified as borrowings under IFRS;
1.1.41.5		the amount of any liability in respect of leases or hire purchases contract which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
1.1.41.6		the amount of trade payables or due to trade creditors in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days;
1.1.41.7		any amount raised by acceptance under any acceptance credit or bill discounting facility;
1.1.41.8		receivables sold or discounted (other than to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under IFRS);
1.1.41.9		any derivative transaction entered into in connection with protection against fluctuations in any rate or price;
1.1.41.10		guarantees given, whether present or future, actual or contingent;
1.1.41.11		any counter-indemnity obligation (other than those given in the ordinary course of business) in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
1.1.41.12		amounts raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and

lease back agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS;

1.1.42	"Financial Markets Act"	the Financial Markets Act, 2012;
1.1.43	"Fixed Rate Preference Shares"	Preference Shares which will bear dividends at a fixed Dividend Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 7.2;
1.1.44	"Floating Rate Preference Shares"	Preference Shares which will bear dividends at a floating Dividend Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 7.3;
1.1.45	"General Preference Share Terms"	the preferences, rights, limitations and other terms attaching to each Preference Share, as set out herein;
1.1.46	"IFRS"	the international financial reporting standards issued by the International Accounting Standards Board (" IASB ") and interpretations issued by the Financial Reporting Interpretations Committee of the IASB (as amended or reissued from time to time);
1.1.47	"Income Tax Act"	the Income Tax Act, 1962;
1.1.48	"Insolvency Event"	the occurrence of any of the following events:
1.1.48.1		an order is made (i) for the liquidation (whether provisional or final) of the Issuer; (ii) placing the Issuer under curatorship (in terms of the Banks Act) or business rescue; or (iii) for the appointment of a liquidator (whether provisional or final), curator or business rescue practitioner in respect of the Issuer; in each case, and where applicable, other than for purposes of a solvent reconstruction or amalgamation in which the Issuer remains the debtor under the Preference Shares; or
1.1.48.2		the Issuer's activities are suspended by the Registrar of Banks under the Banks Act;
1.1.49	"Issue Date"	in relation to each Preference Share, the date on which the Issuer issues that Preference Share to the subscriber thereof, as specified in the Applicable Pricing Supplement;
1.1.50	"Issue Price"	in relation to each Preference Share, the subscription price payable as consideration for the issue of that Preference Share, as specified in the Applicable Pricing Supplement;
1.1.51	"Issuer"	FirstRand Bank Limited, registration number 1929/001225/06, a limited liability public company duly incorporated in South Africa, registered as a bank in terms of the Banks Act;

1.1.52	"JIBAR"	the Johannesburg Interbank Agreed Rate, being the mid-market rate for deposits in Rand for a designated period;
1.1.53	"JSE"	JSE Limited, registration number 2005/022939/06, a limited liability public company duly incorporated in South Africa, licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;
1.1.54	"JSE Debt Listings Requirements"	the debt listings requirements of the JSE pursuant to the provisions of the Financial Markets Act for the listing of debt securities on the JSE, as amended from time to time;
1.1.55	"JSE Listings Requirements"	the listings requirements of the JSE pursuant to the provisions of the Financial Markets Act, as amended from time to time;
1.1.56	"Last Day to Trade"	in respect of:
1.1.56.1		Unlisted Preference Shares, the date specified as such in the Applicable Pricing Supplement as the the last date on which the Transfer Agent will accept Transfer Forms and record the transfer of Preference Shares in the Register for that particular Class of Preference Shares in respect of any relevant Event; and
1.1.56.2		in the case of Listed Preference Shares, the " <i>Last Day to Trade</i> " as set out in the Applicable Procedures;
1.1.57	"Listed Preference Shares"	Preference Shares listed on the JSE or any other Financial Exchange(s);
1.1.58	"Margin"	in relation to a Class of Floating Rate Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.59	"Memorandum of Incorporation"	the Memorandum of Incorporation of the Issuer, including its annexures and/or schedules;
1.1.60	"Minimum Aggregate Issue Price"	means the minimum aggregate Issue Price in respect of any Tranche of Preference Shares for which any single person, acting as principal, may subscribe;
1.1.61	"Mixed Rate Preference Shares"	Preference Shares which will attract dividends over respective periods at differing Dividend Rates applicable to any combination of Fixed Rate Preference Shares, Floating Rate Preference Shares or other Preference Shares, as more fully described in Condition 7.4 and in the Applicable Pricing Supplement;
1.1.62	"Ongoing Preference Dividends"	the cumulative cash preference dividends which are payable in respect of a Preference Share in

		accordance with the Preference Share Terms and Conditions and the Applicable Pricing Supplement;
1.1.63	"Optional Redemption Amount"	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.64	"Optional Redemption Date"	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.65	"Ordinary Resolution"	a resolution (i) supported at a properly constituted meeting of the Preference Shareholders or Preference Shareholders of the relevant Class of Preference Shares, as the case may be, by more than 50% of the voting rights exercised on the resolution; or (ii) supported in writing by Preference Shareholders or Preference Shareholders of the relevant Class of Preference Shares, as the case may be, entitled to exercise more than 50% of the voting rights exercisable on the resolution in accordance with section 60 of the Companies Act;
1.1.66	"Ordinary Shares"	ordinary shares in the Issuer;
1.1.67	"Outstanding Preference Share"	at any time, any Preference Share which has been issued, but which has not been redeemed;
1.1.68	"Participants"	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;
1.1.69	"Paying Agent"	the Issuer or such other person(s) appointed by the Issuer from time to time, as specified in the Applicable Pricing Supplement;
1.1.70	"Preference Dividend"	each dividend accrued and/or paid in relation to any Preference Share, including the Ongoing Preference Dividends and any other dividends specified in the Preference Share Terms and Conditions;
1.1.71	"Preference Shareholders"	the holders of the Preference Shares (as recorded in the Register);
1.1.72	"Preference Share"	a cumulative, redeemable, non-participating preference share in the Issuer, having the preferences, rights, limitations and other terms set out in the Preference Share Terms and Conditions;
1.1.73	"Preference Share Terms and Conditions"	these General Preference Share Terms, as supplemented by the Specific Preference Share Terms;
1.1.74	"Prime Rate"	the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 day year (irrespective of whether or not the year is a leap year)) from time to time published by First National Bank (a division of FirstRand Bank

		Limited) as being its prime overdraft rate as certified by any authorised official of the Issuer, whose appointment, designation or authority need not be proved;
1.1.75	"Programme"	the FirstRand Bank Limited ZAR5,000,000,000 Preference Share Programme;
1.1.76	"Programme Agreement"	the agreement concluded between the Issuer, the Arranger, the Debt Sponsor, if any, and the Dealer(s) relating to the procuring of subscriptions for the Preference Shares;
1.1.77	"Programme Amount"	the maximum aggregate Issue Price of all of the Preference Shares in issue under the Programme at any one point in time, being ZAR5,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to and in accordance with all Applicable Laws, the Programme Agreement, the requirements of the JSE and/or any such other Financial Exchange(s) on which the Preference Shares may be listed;
1.1.78	"Programme Date"	the date of the Programme Memorandum;
1.1.79	"Programme Memorandum"	the programme memorandum dated 17 September 2019, issued by the Issuer providing information about the Issuer and the Preference Shares, and incorporating the Preference Share Terms and Conditions, as amended, varied, restated, novated or supplemented from time to time;
1.1.80	"Rand"	South African Rand, the lawful currency of South Africa;
1.1.81	"Rand Merchant Bank"	Rand Merchant Bank, a division of the Issuer;
1.1.82	"Rating Agency"	any of Standard & Poor's, Moody's Investor Service Limited and/or such other rating agency, if any, appointed by the Issuer to assign a Credit Rating to a Class of Preference Shares, the Programme or the Issuer, as specified in the Applicable Pricing Supplement;
1.1.83	"Record Date"	the date on which the holdings of Preference Shares, upon which the Event entitlement is based, are ascertained, which in the case of:
1.1.83.1		Unlisted Preference Shares, is the Friday immediately prior to each Dividend Payment Date or Redemption Date, as the case may be, or if such Friday is not a Business Day, the last Business Day of the week preceding the Dividend Payment Date or Redemption Date, as the case may be; and

- 1.1.83.2 Listed Preference Shares, will be determined in accordance with the Applicable Procedures;
- 1.1.84 **"Redemption Amount"** in respect of each Preference Share, the amount per Preference Share payable on redemption of that Preference Share, in an amount equal to:
- 1.1.84.1 in the case of redemption on the Final Redemption Date, its Final Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Final Redemption Date;
- 1.1.84.2 in the case of redemption on the Optional Redemption Date, its Optional Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Optional Redemption Date; and
- 1.1.84.3 in the case of redemption in terms of Conditions 9.3, 9.4, 9.5 or 12, its Final Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Redemption Date;
- 1.1.85 **"Redemption Date"** each date on which any Preference Share is to be redeemed, in terms of the Preference Share Terms and Conditions, including:
- 1.1.85.1 the Final Redemption Date;
- 1.1.85.2 any Optional Redemption Date;
- 1.1.85.3 the date on which the Issuer will redeem that Preference Share in accordance with Conditions 9.3, 9.4, 9.5 or 12; and
- 1.1.85.4 the date of payment of a return of capital, in the event of the liquidation, dissolution or winding-up of the Issuer;
- 1.1.86 **"Redemption Event"** in relation to any Preference Shares, any of the events specified as such in Condition 12;
- 1.1.87 **"Reduction Notice"** has the meaning ascribed thereto in Condition 8.2;
- 1.1.88 **"Reference Banks"** four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer (where the Issuer does not act as the Calculation Agent);
- 1.1.89 **"Reference Rate"** in relation to a Class of Floating Rate Preference Shares, such rate as is specified in the Applicable Pricing Supplement;

1.1.90	"Register"	the register of shareholders maintained by the Transfer Agent;
1.1.91	"Registrar of Banks"	the Registrar of Banks designated under section 4 of the Banks Act;
1.1.92	"Regulatory Event"	on or after the Issue Date of any Preference Shares, any:
1.1.92.1		change in Applicable Law (including any changes to the Banks Act, the Companies Act or the South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933) or in the interpretation or general application of any Applicable Law (including in or of the aforesaid specific legislation), whether in force before or after the Issue Date of the relevant Preference Shares), or the introduction of any new Applicable Law;
1.1.92.2		change in banking practice as it affects or is applied generally by any financial institution in South Africa;
1.1.92.3		requirement or request by any statutory or monetary authority, to pay any amounts, or maintain special deposits or reserve assets, in addition to those currently paid or reserved by the Issuer;
1.1.92.4		compliance by the Issuer with any reserve, capital adequacy, cash ratio, special deposit or liquidity requirement (or any other similar requirement) in terms of any Applicable Law, or as otherwise required by a regulator, in respect of the relevant Preference Shares in addition to those required of the Issuer as at the Issued Date of such Preference Shares; or
1.1.92.5		change in the Applicable Procedures, which the Issuer, in each case, determines has, or is likely to have:
1.1.92.5.1		the effect that it will be contrary to Applicable Law for the relevant Preference Shares to remain in issue;
1.1.92.5.2		an adverse financial implication to the Issuer in respect of the relevant Preference Shares; or
1.1.92.5.3		the effect that the Issuer will be subject to materially less favourable regulatory treatment in respect of the relevant Preference Shares;

1.1.93	"Relevant Date"	the date on which a payment first becomes due and payable in accordance with the Preference Share Terms and Conditions, except that in relation to monies payable to the Central Securities Depository in accordance with the Preference Share Terms and Conditions, the claim in respect of any payment under the Preference Shares will prescribe three years after the date on which (i) the full amount of such monies has been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
1.1.94	"Relevant Screen Page"	the page, section or other part of a particular information service (including 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;
1.1.95	"Relevant Time"	the time specified as the Relevant Time in the Applicable Pricing Supplement;
1.1.96	"Representative"	a person duly authorised to act on behalf of a Preference Shareholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (all 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 Preference Shareholder;
1.1.97	"Return"	the overall net after-Tax return to be achieved by any Preference Shareholder in respect of the Preference Shares held by that Preference Shareholder from time to time;
1.1.98	"Solvency and Liquidity Test"	the "solvency and liquidity test" contemplated in section 4(1) of the Companies Act;
1.1.99	"SENS"	the Stock Exchange News Service of the JSE;
1.1.100	"Settlement Agents"	those Participants who are approved by the Central Securities Depository from time to time, in terms of the Applicable Procedures, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
1.1.101	"South Africa"	the Republic of South Africa as constituted from time to time;
1.1.102	"Specific Preference Share Terms"	the preferences, rights, limitations and other terms attaching to each Preference Share, to be determined

- by the Board at the time of allotment and issue thereof, in accordance with section 36(3) of the Companies Act and set out in the Applicable Pricing Supplement, to supplement these General Preference Share Terms;
- 1.1.103 **"Specified Office"** in relation to each of the Issuer, the Calculation Agent, the Transfer Agent or any other applicable person, the address of the office specified in respect of such person in the Applicable Pricing Supplement, or such other address as is notified by such person (or, where applicable, a successor to such person) to the Preference Shareholders in accordance with the Preference Share Terms and Conditions;
- 1.1.104 **"Special Resolution"** a resolution passed:
- 1.1.104.1 at a meeting (duly convened) of the Preference Shareholders or of the Preference Shareholders of a specific Class of Preference Shares, as the case may be, by Preference Shareholders holding (i) at least 75% of the voting rights exercised on the resolution; and (ii) not less than 66.67% of the value of the Outstanding Preference Shares or the specific Class of Preference Shares, as the case may be, present in person or by proxy voting at such meeting upon a show of hands or a poll; or
- 1.1.104.2 other than at a meeting of the by Preference Shareholders or of the Preference Shareholders of the relevant Class of Preference Shares, as the case may be, with the written consent of Preference Shareholders holding (i) at least 75% of the voting rights exercisable on the resolution in accordance with section 60 of the Companies Act; and (ii) not less than 66.67% of the value of the Outstanding Preference Shares or the specific Class of Preference Shares, as the case may be;
- 1.1.104.3 **"Subsidiary"** a "subsidiary" contemplated in section 4(1) of the Companies Act, including any person who would, but for not being a "company" as contemplated in the Companies Act, qualify as a "subsidiary" in the Companies Act;
- 1.1.105 **"STT"** securities transfer tax levied under the Securities Transfer Tax Act, 2007;
- 1.1.106 **"Taxes"** all present and future taxes, duties, imposts, levies, charges, fees withholdings or deductions of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to

- pay, or delay in paying, any of the same) and "**Tax**" and "**Taxation**" will be construed accordingly;
- 1.1.107 "**Trading Day**" in respect of any Listed Preference Share, any day on which the relevant Financial Exchange(s) is scheduled to be open for trading for its regular trading session;
- 1.1.108 "**Tranche**" all Preference Shares which are identical in all respects (including as to listing) and are issued in a single issue;
- 1.1.109 "**Transfer Agent**" Rand Merchant Bank, or such other person with whom the Issuer enters into an agreement in terms of which such person agrees to provide registry services to the Issuer;
- 1.1.110 "**Transfer Form**" in relation to the transfer of a Preference Share as contemplated in the Preference Share Terms and Conditions, a form of transfer in the usual form or in such other form approved by the Transfer Agent;
- 1.1.111 "**Unlisted Preference Shares**" Preference Shares that are not listed on the JSE or on any other Financial Exchange(s); and
- 1.1.112 "**ZAR**" South African Rand, the lawful currency of South Africa.
- 1.2 In the Preference Share Terms and Conditions:
- 1.2.1 clause headings are for convenience only and are not to be used in the interpretation of the Preference Share Terms and Conditions;
- 1.2.2 an expression which denotes:
- 1.2.2.1 any gender includes the other genders;
- 1.2.2.2 a natural person includes a juristic person and *vice versa*; and
- 1.2.2.3 the singular includes the plural and *vice versa*;
- 1.2.3 a reference to a person includes a reference to that person's successors in title and assigns allowed at law;
- 1.2.4 a reference to a consecutive series of two or more Conditions is deemed to be inclusive of both the first and last mentioned Conditions.
- 1.3 Any reference in the Preference Share Terms and Conditions to:
- 1.3.1 "**days**" is a reference to calendar days, unless expressly stated otherwise;
- 1.3.2 "**person**" includes any natural person, company, close corporation, trust, partnership, joint venture, association, unincorporated association, governmental body, or other entity whether or not having separate legal personality, and includes that person's permitted successor, transferee, assignee, cessionary and/or delegate;
- 1.3.3 "**asset**" includes present and future properties, revenues and rights of every description;
- 1.3.4 "**disposal**" means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary); and

- 1.3.5 a time of day is a reference to Johannesburg time.
- 1.4 The words "**include**" and "**including**" mean "include without limitation" and "including without limitation". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.5 Any substantive provision, conferring rights or imposing obligations on a person and appearing in any of the definitions in this Condition 1 or elsewhere in the Preference Share Terms and Conditions, shall be given effect to as if it were a substantive provision in the body of the Preference Share Terms and Conditions.
- 1.6 A reference to any statutory enactment shall be construed as a reference to that enactment as at the Programme Date and as amended or substituted from time to time.
- 1.7 The use of any expression in the Preference Share Terms and Conditions covering a process available under South African law, such as winding-up, shall, if any person is subject to the law of any other jurisdiction, be construed as including any equivalent or analogous proceedings under the law of such other jurisdiction.
- 1.8 Any reference to the Preference Share Terms and Conditions or to any other agreement or document shall be construed as a reference to the Preference Share Terms and Conditions or, as the case may be, such other agreement or document, as amended, varied, restated, novated or supplemented from time to time.

2 **Issue**

- 2.1 The Issuer may issue Preference Shares from time to time, subject to these General Preference Share Terms, which will be supplemented, in respect of each Class of Preference Shares to be issued by the Issuer, by the Specific Preference Share Terms.
- 2.2 Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Preference Shares.
- 2.3 Before the Issuer issues any Tranche of Preference Shares, the Board will pass a resolution:
- 2.3.1 determining the Specific Preference Share Terms of that Tranche of Preference Shares; and
- 2.3.2 authorising the issue of that Tranche of Preference Shares,
- and the Issuer will complete and sign the Applicable Pricing Supplement in respect of that Tranche.
- 2.4 The Applicable Pricing Supplement for each Tranche of Preference Shares supplements these General Preference Share Terms in respect of that Tranche of Preference Shares. The Applicable Pricing Supplement may specify other terms and conditions, which are not inconsistent with these General Preference Share Terms, in which event such other terms and conditions shall supplement these General Preference Share Terms.
- 2.5 Copies of the Applicable Pricing Supplements will be available for inspection at the Specified Office of the Issuer.

3 **Form**

- 3.1 Preference Shares will be issued in registered form for such Minimum Aggregate Issue Price per subscriber, acting as principal, as is determined by the Issuer and specified in the Applicable Pricing Supplement.

- 3.2 Each Preference Share will be issued in a specified Class, as set out in the Applicable Pricing Supplement.
- 3.3 A Tranche of Preference Shares may be listed on the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Law. Unlisted Preference Shares may also be issued under the Programme. Unlisted Preference Shares are not regulated by the JSE or any other or further Financial Exchange(s). The Applicable Pricing Supplement will specify:
- 3.3.1 whether or not a Tranche of Preference Shares will be listed;
- 3.3.2 on which Financial Exchange(s) they are to be listed (if applicable); and
- 3.3.3 if such Tranche of Preference Shares is to be listed on the JSE, the relevant platform or sub-market of the JSE on which such Tranche of Preference Shares are to be listed.
- 3.4 Each Class of Preference Shares will:
- 3.4.1 be redeemable;
- 3.4.2 be issued with a Redemption Date which falls more than three years after the Issue Date, as indicated in the Applicable Pricing Supplement;
- 3.4.3 be issued as fully paid up shares in the Issuer;
- 3.4.4 be issued in accordance with the Companies Act and the Issuer's Memorandum of Incorporation, and, in respect of any Class of Listed Preference Share, in accordance with the Applicable Procedures;
- 3.4.5 be issued at such Issue Price as is specified in the Applicable Pricing Supplement;
- 3.4.6 be Fixed Rate Preference Shares, Floating Rate Preference Shares, Mixed Rate Preference Share or such other type of Preference Shares, in each case as may be determined by the Issuer (subject to the provisions of the applicable Authorising Resolution) and specified in the Applicable Pricing Supplement;
- 3.4.7 be cumulative; and
- 3.4.8 have the status set out in Condition 6.
- 3.5 The Preference Shares in a Tranche of Preference Shares will be issued either in certificated or uncertificated form, provided that any Class of Listed Preference Share will only be issued in uncertificated form.

4 Beneficial Interests in Preference Shares held in the Central Securities Depository

The Central Securities Depository will hold Preference Shares issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Preference Shares held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Preference Shares. A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Preference Shares represented by a Certificate.

5 Title

5.1 General

- 5.1.1 Title to the Preference Shares will pass upon registration of transfer in the Register. The Issuer and the Transfer Agent shall recognise a Preference Shareholder as the sole holder of

the Preference Shares registered in that Preference Shareholder'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 Preference Share may be subject.

5.1.2 Beneficial Interests in Preference Shares held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the central securities accounts of the Participants. Such transfers will not be recorded in the Register and the Central Securities Depository will continue to be reflected in the Register as the Preference Shareholder in respect of the Preference Shares held in uncertificated form, notwithstanding such transfers.

5.1.3 Any reference in these General Preference Share Terms to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

5.2 Preference Shares issued in certificated form

5.2.1 Each holder of Preference Shares represented by a Certificate will be named in the Register as the registered holder of such Preference Shares.

5.2.2 Title to Preference Shares represented by a Certificate will pass upon registration of transfer in the Register.

5.2.3 The Issuer, the Transfer Agent and the Paying Agent shall recognise a holder of Preference Shares represented by a Certificate as the sole and absolute owner of the Preference Shares registered in that Preference Shareholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and neither the Issuer nor the Transfer Agent shall 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 Preference Share may be subject.

5.3 Preference Shares issued in uncertificated form

5.3.1 The Central Securities Depository's Nominee will be named in the Register as the registered holder of each Tranche Preference Shares which is issued in uncertificated form and held in the Central Securities Depository.

5.3.2 Title to Preference Shares issued in uncertificated form will pass upon registration of transfer in the Register in accordance with Condition 5.1.1.

5.3.3 The Central Securities Depository's Nominee will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of those uncertificated Preference Shares for all purposes.

5.4 Beneficial Interests in Preference Shares held in the Central Securities Depository

5.4.1 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 Preference Shares held by them in the Central Securities Depository only through their Participants.

5.4.2 In relation to each Person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular

number of Preference Shares, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the aggregate number of such Preference Shares standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest.

- 5.4.3 Beneficial Interests in Preference Shares may be transferred only in accordance with the Applicable Procedures. Transfer of Beneficial Interests in Preference Shares issued in uncertificated form will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the registered holder of such Preference Shares, notwithstanding such transfers.

6 Status of Preference Shares

6.1 Ranking

The Preference Shares of each Class of Preference Shares will rank:

- 6.1.1 equally among themselves, with every other Class of Preference Shares and with the Existing Preference Shares, with respect to:
- 6.1.1.1 the payment of dividends by the Issuer; and
- 6.1.1.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise;
- 6.1.2 in priority to the rights of all other classes of shares in the Issuer, including the Ordinary Shares, but excluding any other Preference Shares and Existing Preference Shares, with respect to:
- 6.1.2.1 the payment of dividends by the Issuer; and
- 6.1.2.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise.

6.2 Right of the Preference Shares on liquidation, dissolution or winding-up

Each Preference Share shall confer on the holder thereof, the right of the holder to receive, in the event of the liquidation, dissolution or winding-up of the Issuer, a preferential right in priority to the rights of all other classes of shares in the Issuer, including the Ordinary Shares, but excluding any other Preference Shares, to a return of capital in an amount equal to the Final Redemption Amount in respect of such Preference Share, together, if applicable, with any Accrued Preference Dividends which have not yet been paid, calculated on the date on which payment of that return of capital is made by the Issuer to the holder of such Preference Share.

6.3 Non-participating Preference Shares

Save as set out in Conditions 6.2 and 7, the Preference Shares do not confer on the Preference Shareholders any further right to participate in the profits or assets of the Issuer nor, upon a winding-up, to any surplus assets of the Issuer.

7 Dividends

7.1 Right to Preference Dividends

- 7.1.1 Subject to Condition 7.1.2, each Preference Share will confer on the holder thereof a right to receive, in priority to any payments of dividends to the holders of any lower ranking shares in

the Issuer, a cumulative preferential cash dividend, determined and payable in accordance with this Condition 7 and the Applicable Pricing Supplement.

- 7.1.2 If the Issuer is specified in the Applicable Pricing Supplement as having a discretion to declare and pay Preference Dividends, no Preference Dividend shall accrue or be payable to the Preference Shareholders if the Issuer does not declare such Preference Dividends.

7.2 Dividends on Fixed Rate Preference Shares

7.2.1 Fixed Dividend Rate

Each Fixed Rate Preference Share will have associated with it the right of the holder of such Fixed Rate Preference Share to receive a cumulative preferential cash dividend during each Dividend Period commencing on (and including) the Dividend Commencement Date to (but excluding) the Actual Redemption Date in an amount calculated at the Dividend Rate specified in the Applicable Pricing Supplement.

7.2.2 Dividend Payment Dates

The Ongoing Preference Dividends will be payable in arrears on each Dividend Payment Date. The first payment of Ongoing Preference Dividends will be made on the Dividend Payment Date following the Dividend Commencement Date. If any Dividend Payment Date falls upon a day which is not a Business Day, the provisions of Condition 10.3 shall determine the date of payment of dividends due upon such Dividend Payment Date. The Ongoing Preference Dividend in respect of any Dividend Period shall accrue to and be paid on the relevant Dividend Payment Date.

7.2.3 Calculation of Ongoing Preference Dividend

- 7.2.3.1 The Calculation Agent will calculate the Ongoing Preference Dividend payable in respect of each Class of Fixed Rate Preference Shares for each Dividend Period.

- 7.2.3.2 Unless stated otherwise in the Applicable Pricing Supplement, the Ongoing Preference Dividend shall be calculated in respect of each Dividend Period at the Dividend Rate on an amount equal to the aggregate of the Issue Price of each Fixed Rate Preference Share together with all Preference Dividends which have accrued and been compounded in accordance with Condition 7.2.3.3, but which have not been paid, on the basis of the actual number of days in such Dividend Period and a 365 day year, whether or not the year is a leap year, rounded to the nearest cent, half a cent being rounded upwards.

- 7.2.3.3 The Ongoing Preference Dividend will accrue on a daily basis and be compounded in arrears on each Dividend Compounding Date to the extent not paid on that date.

7.3 Dividends on Floating Rate Preference Shares

7.3.1 Floating Dividend Rate

- 7.3.1.1 Each Floating Rate Preference Share will have associated with it the right of the holder of such Floating Rate Preference Share to receive a cumulative preferential cash dividend during each Dividend Period commencing on (and including) the Dividend Commencement Date to (but excluding) the Actual Redemption Date in an amount calculated at the Dividend Rate specified in the Applicable Pricing Supplement.

- 7.3.1.2 Notwithstanding the foregoing, in respect of Floating Rate Preference Shares that have a Dividend Rate calculated with reference to the Prime Rate, such Dividend Rate will be determined and applied on a daily basis and compounded on each Dividend Compounding Date to the extent not paid on that date.

7.3.2 **Dividend Payment Dates**

The Ongoing Preference Dividend will be payable in arrears on each Dividend Payment Date. The first payment of Ongoing Preference Dividends will be made on the Dividend Payment Date following the Dividend Commencement Date. If any Dividend Payment Date falls upon a day which is not a Business Day, the provisions of Condition 10.3 shall determine the date of payment of dividends due upon such Dividend Payment Date. The Ongoing Preference Dividend in respect of any Dividend Period shall accrue to and be paid on the relevant Dividend Payment Date.

7.3.3 **Determination of Floating Dividend Rate and calculation of Ongoing Preference Dividend**

7.3.3.1 The Calculation Agent will, on each Rate Determination Date, determine the Dividend Rate applicable to a Class of Floating Rate Preference Shares for the Dividend Period commencing on that Dividend Rate Determination Date and calculate the Ongoing Preference Dividend payable in respect of each Floating Rate Preference Share in that Class for that Dividend Period.

7.3.3.2 Unless stated otherwise in the Applicable Pricing Supplement, the Ongoing Preference Dividend shall be calculated in respect of each Dividend Period at the Dividend Rate on an amount equal to the aggregate of the Issue Price of each Floating Rate Preference Share together with all Preference Dividends which have accrued and been compounded in accordance with Condition 7.3.3.3, but which have not been paid, on the basis of the actual number of days in such Dividend Period and a 365 day year, whether or not the year is a leap year, rounded to the nearest cent, half a cent being rounded upwards.

7.3.3.3 The Ongoing Preference Dividend will accrue on a daily basis and be compounded in arrears on each Dividend Compounding Date to the extent not paid on that date.

7.3.4 **Basis of determining the Dividend Rate**

7.3.4.1 The Dividend Rate will be determined:

7.3.4.1.1 on the basis of Screen Rate Determination; or

7.3.4.1.2 on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

7.3.4.2 *Screen Rate Determination*

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

7.3.4.2.1.1 the offered quotation (if there is only one quotation on the Relevant Screen Page);
or

7.3.4.2.1.2 the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE's approved methodology,

for the Reference Rate(s) which appear(s) on the Relevant Screen Page as at 11h00 on the Rate Determination Date in question, as determined and published by the JSE, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

- 7.3.4.2.2 If the Relevant Screen Page is not available or if, in the case of Condition 7.3.4.2.1.1, no such offered quotation appears or, in the case of Condition 7.3.4.2.1.2, fewer than three such offered quotations appear, in each case at the time specified in Condition 7.3.4.2.1, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Dividend Rate for such Dividend 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.
- 7.3.4.2.3 If the Dividend Rate cannot be determined by applying the provisions of Condition 7.3.4.2.2, the Dividend Rate for the relevant Dividend 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 12h00 on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Issue Price of the Preference Shares, for a period equal to that which would have been used for the Reference Rate, to Reference 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 Dividend Rate for the relevant Dividend 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 Issue Price of the Preference Shares, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 on the relevant Rate Determination Date, by the Reference Banks (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Dividend Rate cannot be determined in accordance with the foregoing provisions of this Condition 7.3.4.2, the Dividend Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Dividend Period from that which applied to the last preceding Dividend Period, the Margin relating to the relevant Dividend Period, in place of the Margin relating to that preceding Dividend Period).
- 7.3.4.2.4 If the Reference Rate from time to time in respect of Floating Rate Preference Shares is specified in the Applicable Pricing Supplement as being other than the JIBAR rate, the Dividend Rate in respect of such Preference Shares will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.

7.4 Dividends on Mixed Rate Preference Shares

- 7.4.1 Each Mixed Rate Preference Share will have associated with it the right of the holder of such Mixed Rate Preference Share to receive a cumulative preferential cash dividend for such Dividend Period(s), as is specified for this purpose in the Applicable Pricing Supplement, commencing on (and including) the Dividend Commencement Date to (but excluding) the Actual Redemption Date in an amount calculated at the Dividend Rate applicable to the relevant form of Preference Share (be it a Fixed Rate Preference Share or Floating Rate Preference Share) specified in the Applicable Pricing Supplement.
- 7.4.2 Unless otherwise specified in the Applicable Pricing Supplement, a Class of Mixed Rate Preference Shares shall:

- 7.4.2.1 for the Dividend Period(s) during which such Class applies the Dividend Rate applicable to Fixed Rate Preference Shares, be construed for all purposes as a Class of Fixed Rate Preference Shares; and
- 7.4.2.2 for the Dividend Period(s) during which such Class applies the Dividend Rate applicable to Floating Rate Preference Shares, be construed for all purposes as a Class of Floating Rate Preference Shares.

7.5 **Publication by the Calculation Agent of Dividend Rates and Preference Dividends payable**

- 7.5.1 The Calculation Agent will cause the Dividend Rate for each Class of Preference Shares (other than Fixed Rate Preference Shares) determined upon each Rate Determination Date to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), as soon as practicable after such determination but in any event, in respect of any Class of Unlisted Preference Shares, by no later than five Business Days after such determination, and in respect of any Class of Listed Preference Share, on the date required by the Applicable Procedures.
- 7.5.2 The Calculation Agent will, in relation to each Class of Unlisted Preference Shares, at least two Business Days before each Dividend Payment Date, and in respect of any Class of Listed Preference Share, on the date required by the Applicable Procedures, cause the aggregate Preference Dividends payable on such Dividend Payment Date to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s).
- 7.5.3 The Calculation Agent will, in relation to each Class of Preference Shares, calculate any required increase or decrease in the Dividend Rate pursuant to the provisions of Condition 8 and cause such increase to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s).

7.6 **Calculations final and limitation of liability**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent pursuant to the exercise or non-exercise by it of its powers, duties and discretions under the Preference Share Terms and Conditions, will, in the absence of wilful deceit, bad faith or manifest error, be binding on the Issuer and all Preference Shareholders, and the Calculation Agent will not have any liability to the Issuer or the Preference Shareholders in connection therewith.

7.7 **Accumulated Preference Dividends**

To the extent that all or any part of a Preference Dividend has accrued or has become payable in accordance with the Preference Share Terms and Conditions, the Issuer shall be liable to pay, and the Preference Shareholders shall be entitled to be paid, by no later than the Redemption Date all Preference Dividends that have accrued or become payable in relation to the Preference Shares in accordance with the Preference Share Terms and Conditions and which have not been paid on the applicable Dividend Payment Dates.

7.8 **Payment of Preference Dividends**

- 7.8.1 Each Preference Dividend that is due and payable shall be paid on its Dividend Payment Date in accordance with the provisions of Condition 10 and, in respect of any Class of Listed Preference Share, in accordance with the Applicable Procedures.
- 7.8.2 The Issuer and the Board shall each comply with the requirements of section 46 of the Companies Act in respect of the declaration and payment of each Preference Dividend.

7.9 **Default Rate**

Upon the happening of a Redemption Event, the Dividend Rate will increase, from (and including) the date of the happening of such Redemption Event, to the Default Rate (unless the Redemption Event is non-payment, as specified in Condition 12.1.1, in which event the Default Rate will apply from the due date for payment of the relevant unpaid amount). In the event that any Preference Share is not redeemed on the required Redemption Date in respect of that Preference Share, the relevant Preference Share will continue to attract Ongoing Preference Dividends at the Default Rate from (and including) such Redemption Date to (but excluding) the Actual Redemption Date upon which that Preference Share is in fact redeemed.

8 **Adjustment of Dividend Rate**

8.1 **Adjustment Events**

8.1.1 If an adjustment event ("**Adjustment Event**") as described in Condition 8.1.2 occurs that has the effect that the Preference Shareholders would achieve a lower Return in respect of the Outstanding Preference Shares held by them than they would have achieved had that Adjustment Event not occurred, then the Dividend Rate shall be increased, with effect from the commencement of the immediately following Dividend Period, by such margin as will result in the Preference Shareholders achieving the same Return as that which they would have achieved had the Adjustment Event not occurred. The Calculation Agent will calculate any increase in the Dividend Rate pursuant to the provisions of this Condition 8.1, which will be notified to the Preference Shareholders in terms of Condition 7.5.3.

8.1.2 An Adjustment Event shall occur if there is any change in Applicable Law (excluding any change in the Corporate Tax Rate) or in the interpretation or general application of any Applicable Law (whether in force before or after the Issue Date of the relevant Preference Shares), or the introduction of any new Applicable Law, which results in any of the following:

8.1.2.1 a reduction in the after-Tax Preference Dividend receipt by the Preference Shareholders in respect of the Preference Shares;

8.1.2.2 any Tax being imposed on, or in respect of, the payment of dividends or any Tax being imposed in respect of any amount received in respect of the Preference Shares (other than Dividends Tax) whether such Tax is imposed on dividends, return of capital, as a withholding Tax, or otherwise; and/or

8.1.2.3 the Preference Shareholders no longer being exempt from Dividends Tax in respect of the Preference Shares or, after the Preference Shareholders are no longer exempt from Dividends Tax as aforesaid, the applicable rate at which Dividends Tax is levied being increased.

8.1.3 An Adjustment Event shall furthermore occur if any Tax, other than Dividends Tax, is or becomes payable on or in respect of the Preference Shares held by a Preference Shareholder, any Preference Dividend, any Redemption Amount or any other amount received in respect of such Preference Shares.

8.2 **Reciprocity**

If, at any time after the Issue Date of any Preference Shares, the Dividend Rate in respect of those Preference Shares is increased in accordance with the provisions of Condition 8.1 and, following such increase, any event occurs which has the effect that the Adjustment Event giving rise to the lower Return that caused the increase in the Dividend Rate being wholly or partially reduced or eliminated, then the Dividend Rate will be decreased by such margin as will result in the Preference Shareholders achieving the same Return as that which they would have achieved had the Adjustment Event not occurred, provided that, notwithstanding the foregoing,

the Dividend Rate shall not be decreased below the Dividend Rate applicable as at the Issue Date of the relevant Preference Shares. The Calculation Agent will calculate any decrease in the Dividend Rate pursuant to the provisions of this Condition 8.2, which will be notified to the Preference Shareholders in terms of Condition 7.5.3.

8.3 **Resident company and no double counting**

When calculating any increase or decrease, as the case may be, in the Dividend Rate pursuant to the provisions of this Condition 8 –

- 8.3.1 each Preference Shareholder shall be deemed to be a company domiciled and tax-resident in South Africa (other than small business corporations, employment companies, gold mining companies, long-term insurance companies, tax holiday companies and companies to which the provisions of the Income Tax Act applicable to a portfolio of a collective investment scheme in securities apply); and
- 8.3.2 such calculation shall be done on the basis of no double counting.

9 **Redemption and Purchase**

9.1 **Final Redemption of the Preference Shares**

Unless previously redeemed or purchased and cancelled as specified below, each Preference Share in a Class of Preference Shares shall be redeemed by the Issuer on the Final Redemption Date at its Final Redemption Amount, subject to Condition 10, together, if applicable, with any Accrued Preference Dividends which have not yet been paid, on the Final Redemption Date and, in respect of any Class of Listed Preference Share, in accordance with the Applicable Procedures.

9.2 **Early Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to early redeem the Preference Shares in a Class of Preference Shares, the Issuer shall be entitled, having given not less than 15 Business Days' notice to the Preference Shareholders, in accordance with Condition 14 (which notice shall be revocable), or, in relation to any Class of Listed Preference Shares, in accordance with the Applicable Procedures, to redeem all or some of the Outstanding Preference Shares in that Class of Preference Shares, on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Optional Redemption Date(s).

9.3 **Redemption following receipt of an Adjustment Notice**

If an Adjustment Event occurs in respect of any particular Class of Preference Shares, then the Issuer shall be entitled, having given not less than 15 Business Days' notice to the Preference Shareholders of that Class in accordance with Condition 14 (which notice shall be revocable), and, in relation to any Class of Listed Preference Shares, in accordance with the Applicable Procedures, to redeem all, and not some only, of the Outstanding Preference Shares in that Class, on the next Dividend Payment Date and at the Early Redemption Amount set out in Condition 9.6 (or the amount as specified in the Applicable Pricing Supplement), together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the date of redemption.

9.4 **Redemption following the happening of a Regulatory Event**

If a Regulatory Event occurs in relation to all, or any particular Class, of the Preference Shares, then the Issuer shall be entitled, having given not less than 15 Business Days' notice to the

Preference Shareholders, or the Preference Shareholders of that Class, as the case may be, in accordance with Condition 14 (which notice shall be revocable), and, in relation to any Class of Listed Preference Shares, in accordance with the Applicable Procedures, to redeem all, and not some only, of the Outstanding Preference Shares, or the Outstanding Preference Shares of the relevant Class, as the case may be, on the next Dividend Payment Date and at the Early Redemption Amount set out in Condition 9.6 (or the amount as specified in the Applicable Pricing Supplement), together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the date of redemption.

9.5 **Early Redemption following a Redemption Event**

Upon the occurrence of a Redemption Event and receipt by the Issuer of (i) an Ordinary Resolution of Preference Shareholders; or (ii) a written notice delivered by a specific Preference Shareholder(s); requiring that the Preference Shares held by all of the Preference Shareholders, in the case of an Ordinary Resolution, or of the relevant Preference Shareholder(s) in the case of notice from a specific Preference Shareholder(s), be forthwith redeemed in accordance with Condition 12, such Preference Shares shall become forthwith redeemable at the Early Redemption Amount set out in Condition 9.6 (or the amount as specified in the Applicable Pricing Supplement), together with Preference Dividends (if any) calculated up to the date of payment, in accordance with Condition 12 and, in relation to any Listed Preference Shares, the Applicable Procedures.

9.6 **Early Redemption Amounts**

9.6.1 For the purpose of Conditions 9.3, 9.4, 9.5 and 12 (and otherwise as stated herein), the Preference Shares will be redeemed at the Early Redemption Amount calculated as follows:

9.6.1.1 in the case of Preference Shares with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

9.6.1.2 in the case of Preference Shares with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the Applicable Pricing Supplement), at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Issue Price.

9.6.2 Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

9.7 **Purchases**

9.7.1 The Issuer may at any time, subject to Applicable Laws, purchase Preference Shares at any price in the open market or otherwise. In the event of the Issuer purchasing Preference Shares, such Preference Shares shall be held, resold or at the option of the Issuer cancelled.

9.7.2 The Issuer is not obliged to undertake any market making in respect of the Preference Shares save to the extent required by the applicable Financial Exchange or the listings requirements of such Financial Exchange.

9.8 **Cancellation**

All Preference Shares which are redeemed or are purchased by the Issuer will forthwith be cancelled. In the event that only some of the Preference Shares represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Preference Shareholder in respect of the balance of the Preference Shares remaining after such cancellation. Upon receipt of the Redemption Amount, the Preference Shareholder shall have no further rights against the Issuer in respect of the Preference Shares so redeemed or arising out of any subscription agreement entered into between the Issuer and that Preference Shareholder in respect of such

Preference Shares. The Issuer shall notify the Central Securities Depository, if applicable, and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), of any cancellation or redemption of the Preference Shares.

9.9 Cessation of Preference Dividends

To the extent applicable, each Preference Share will cease to bear Preference Dividends from the Applicable Redemption Date unless, upon due presentation thereof, payment of the Redemption Amount, or any portion thereof, due and payable on the Redemption Date or payment of Preference Dividends, or any portion thereof, due and payable on a Dividend Payment Date, as the case may be, is improperly withheld or refused or such payment may not, in terms of the Companies Act, be made. In circumstances where such non-payment does not constitute a Redemption Event contemplated in Condition 12, Preference Dividends will continue to accrue on the outstanding amount due and payable in respect of such Preference Share, at the Dividend Rate, from (and including) the Applicable Redemption Date or the relevant Dividend Payment Date, as the case may be, to (but excluding) the date on which such amounts are paid.

9.10 Procedure for Redemptions

9.10.1 Subject to the provisions of Applicable Law and, in relation to any Listed Preference Shares, the Applicable Procedures:

9.10.1.1 the Board shall, prior to the applicable Redemption Date, apply the Solvency and Liquidity Test and if the Board is reasonably satisfied that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying all Accrued Preference Dividends and the aggregate Redemption Amount in respect of the Preference Shares being redeemed, the Board shall pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and has reasonably concluded that the Issuer will satisfy the Solvency and Liquidity Test immediately after paying all Accrued Preference Dividends and the aggregate Redemption Amount in respect of the Preference Shares being redeemed;

9.10.1.2 the Issuer shall, on the applicable Redemption Date, if applicable, pay, in respect of each Preference Share being redeemed, all Accrued Preference Dividends; and

9.10.1.3 the Issuer shall, on the applicable Redemption Date, redeem the relevant Preference Shares for, and by paying, the aggregate Redemption Amount in respect of all of the Preference Shares being redeemed.

9.10.2 The Preference Shares of each Class held by each Preference Shareholder shall be redeemed in the proportion that the Preference Shares of that Class held by that Preference Shareholder bears to the total number of Outstanding Preference Shares in that Class.

9.10.3 The Issuer shall be liable for any STT and/or any other similar duty which may be or become payable by the Issuer and/or a Preference Shareholder in respect of the redemption of any Preference Shares for any reason. To the extent that any Preference Shareholder becomes liable to pay such STT or any other similar duty, the Issuer shall pay to the relevant Preference Shareholder on demand an amount equal to such STT and/or other similar duty paid by that Preference Shareholder and the Issuer hereby indemnifies and holds that Preference Shareholder harmless accordingly.

10 Payments

10.1 Method of payment

10.1.1 Payments of Preference Dividends and Redemption Amounts in respect of Preference Shares shall be made to the person reflected as the registered holder of the Preference Shares in the Register on the Record Date. To be recorded in the Register on the Record

Date, the trade must take place by 17h00 on the Last Day to Trade. The Preference Shares will trade "ex-entitlement" on the first Business Day after the Last Day to Trade.

- 10.1.2 The Issuer shall pay the Preference Dividends and Redemption Amounts payable in respect of each Preference Share, in immediately available and freely transferable funds, in Rand by electronic funds transfer, to the bank account of the Preference Shareholder as set forth in the Register at 17h00 on the Record Date preceding the relevant Dividend Payment Date or Redemption Date, as the case may be, or, in the case of joint Preference Shareholders, the account of that one of them who is first named in the Register in respect of that Preference Share. If two or more persons are entered into the Register as joint Preference Shareholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Preference Share shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Preference Share or interest therein.
- 10.1.3 Only Preference Shareholders, or, in the case of joint Preference Shareholders, the one of them who is first named in the Register in respect of that Preference Share, reflected in the Register at 17h00 on the relevant Record Date will be entitled to payments of Preference Dividends and/or Redemption Amounts in respect of Preference Shares.
- 10.1.4 Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.

10.2 **Surrender of Certificates**

- 10.2.1 On or before the Record Date in respect of any Redemption Date, the holder of a Certificate, in respect of a Preference Share to be redeemed shall deliver to the Transfer Agent the Certificates in respect of the Preference Shares to be redeemed. This will enable the Transfer Agent to issue a new Certificate for the balance of the Preference Shares held or, in the case of final Redemption, to cancel the relevant Certificate.
- 10.2.2 Should the holder of a Certificate refuse or fail to surrender the Certificate for replacement or cancellation on or before a Redemption Date, the amount payable to it in respect of such redemption, including the Redemption Amount and any Accrued Preference Dividends, shall be retained by the Issuer for such Preference Shareholder, at the latter's risk, until the Preference Shareholder surrenders the necessary Certificate, and Preference Dividends shall cease to accrue to such Preference Shareholder from the Redemption Date in respect of the amount redeemed. No interest will be payable on the amount withheld.
- 10.2.3 Should a Preference Shareholder be unable to surrender a Certificate to the Issuer in accordance with the foregoing, the Preference Shareholder may in lieu thereof provide the Issuer with an indemnity in a form reasonably acceptable to the Issuer, in which event the Issuer shall pay to the Preference Shareholder all amounts which it is obliged to in respect of the relevant redemption, including Accrued Preference Dividends.
- 10.2.4 Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Preference Share Terms and Conditions will be so presented and/or surrendered at the Specified Office of the Transfer Agent.

10.3 **Payment Day**

Notwithstanding anything to the contrary contained in the Preference Share Terms and Conditions, but, in respect of any Class of Listed Preference Share, subject to the Applicable Procedures, if the only date or the last date for the exercise of any right or performance of any obligation (including the payment of any amount payable in respect of any Preference Share) is not a Business Day, then such date shall be, in respect of:

- 10.3.1 the Final Redemption Date, the following Business Day; and
- 10.3.2 any other date, the following Business Day, unless such following Business Day would fall in the next calendar month, in which case such date shall be the immediately preceding Business Day.
- 10.3.3 **Calculation and notice of Redemption Amounts**

The Calculation Agent will calculate the aggregate Redemption Amounts due and payable by the Issuer in respect of the Preference Shares prior to the relevant date(s) that payment of such Redemption Amounts is due and payable as specified in the Applicable Pricing Supplement. The Calculation Agent will, in relation to any Class of Unlisted Preference Shares, at least two Business Days before each such date, and in relation to any Class of Listed Preference Shares, on the date required by the Applicable Procedures, and in accordance with the principles and timelines applicable to Corporate Actions, cause such Redemption Amounts to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer, the Central Securities Depository, if applicable, and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s).

11 Calculation Agent, Paying Agent and Transfer Agent

- 11.1 There will at all times be a Calculation Agent, Paying Agent and a Transfer Agent with a Specified Office. The Transfer Agent, Paying Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Preference Shareholder.
- 11.2 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent, Paying Agent and/or the Transfer Agent and/or to appoint additional or other agents. The Issuer shall notify Preference Shareholders (in the manner set out in Condition 14), the Central Securities Depository (if applicable) and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), in the event of a change in the identity of the Calculation Agent, Paying Agent and/or Transfer Agent.

12 Redemption Events

12.1 Redemption Events relating to the Preference Shares

A Redemption Event in relation to a Class of Preference Shares shall arise if any of the following events occurs and is continuing:

- 12.1.1 *Non-payment*: the Issuer fails to pay:
 - 12.1.1.1 any Preference Dividend in respect of any Preference Share in that Class in full on the relevant Dividend Payment Date;
 - 12.1.1.2 the Redemption Amount in respect of any Preference Share in that Class in full on the relevant Redemption Date;
 - 12.1.1.3 any other amount in respect of any Preference Share in that Class on the due date for payment thereof,

and such failure remains unremedied for three Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.2 *Breach of other obligations*: the Issuer fails to perform any of its other obligations under or in respect of the Preference Shares in that Class, and such failure, if capable of remedy, remains unremedied for 15 Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;

- 12.1.3 *Consents, licences and Authorisations*: the Issuer fails to maintain any Authorisation now or in future necessary for the establishment of the Programme or the issue of Preference Shares under the Programme or any such Authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Preference Shares or the Programme, and such failure or cessation continues for more than 10 Business Days after the Issuer becomes aware of such event and the position remains unremedied for a further 10 Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.4 *Insolvency*: an Insolvency Event occurs in respect of the Issuer and the position remains unremedied for one Business Day after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.5 *Attachment of assets*: any attachment in execution of a judgment in respect of a claim for more than ZAR100 million (or its equivalent in any other currency, calculated at the spot rate for the sale of ZAR against the purchase of the relevant currency quoted by the Calculation Agent on the date of such Redemption Event) is levied against any undertaking or asset of the Issuer and such attachment or execution is not set aside or lifted with 15 Business Days after it came to the attention of the Issuer and the position remains unremedied for 10 Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.6 *Change in law*: any change in Applicable Laws which makes it unlawful or illegal for a Preference Shareholder to continue to hold the Preference Shares and the position is not remedied within 30 days of receipt of written notice of the unlawfulness or illegality from the Preference Shareholder;
- 12.1.7 *Distributions*: the Issuer fails to comply with the requirements of section 46 of the Companies Act in respect of the payment of any Preference Dividend or Redemption Amount and such failure is not remedied within one Business Day of receipt of written notice from any Preference Shareholder calling upon the Issuer to remedy such failure;
- 12.1.8 *Illegality or Unenforceability*: the Preference Share Terms and Conditions become illegal, unenforceable, invalid or not binding, or it becomes unlawful for the Issuer to perform any of its obligations in terms of the Preference Shares or the Preference Share Documents or for any Preference Shareholder to fund or maintain its participation in any Preference Share, and the position is not rectified to the satisfaction of that Preference Shareholder within one Business Day of receipt by the Issuer of written notice from the Preference Shareholder in question requiring the position to be rectified;
- 12.1.9 *Audit Qualification*: the audited annual financial statements of the Issuer are qualified by the applicable auditors for any reason whatsoever and the position is not rectified to the satisfaction of a Preference Shareholder within five Business Days of receipt by the Issuer of written notice from that Preference Shareholder requiring the position to be rectified; or
- 12.1.10 *Additional Redemption Events*: any other Redemption Event specified in the Applicable Pricing Supplement.

12.2 **Steps following a Redemption Event relating to the Preference Shares**

Upon the happening of a Redemption Event, (i) the holders of Preference Shares of a relevant Class may by Ordinary Resolution declare all of the Preference Shares in that Class; or (ii) any holder of Preference Shares in that Class may, by notice to the Issuer declare the Preference Shares held by that Preference Shareholder; to be immediately due and payable, and require the relevant Preference Shares to be redeemed at the Early Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Redemption Date.

12.3 **Notice of a Redemption Event**

If a Redemption Event occurs, the Issuer will forthwith upon becoming aware of such Redemption Event, give notice thereof in writing to the Transfer Agent, the Calculation Agent, the Debt Sponsor, if any, and the Preference Shareholders holding the relevant Preference Shares (via a SENS announcement in the case of Preference Shares listed on the JSE) and, in respect of any Listed Preference Shares, to the relevant Financial Exchange(s), and to the Central Securities Depository.

13 **Register**

13.1 The Register shall:

- 13.1.1 be kept at the Specified Offices of the Transfer Agent;
- 13.1.2 reflect the number of Preference Shares at any given time and the date upon which each of the Preference Shareholders was registered as such;
- 13.1.3 contain the name, address, and bank account details of the Preference Shareholders;
- 13.1.4 set out the Issue Price of the Preference Shares issued to such Preference Shareholders and shall show the date of such issue;
- 13.1.5 show the serial number of Certificates issued in respect of any Preference Shares;
- 13.1.6 be open for inspection during the normal business hours of the Issuer to any Preference Shareholder or any person authorised in writing by any Preference Shareholder.

13.2 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 Preference Share may be subject.

13.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Preference Shareholders of which it is notified in accordance with the Preference Share Terms and Conditions.

13.4 Except as provided for in the Preference Share Terms and Conditions or as required by Applicable Law, the Issuer will only recognise a Preference Shareholder as the owner of the Preference Shares registered in that Preference Shareholder's name as per the Register.

14 **Notices**

14.1 Subject to Conditions 14.2 and 18, all notices (including all demands or requests under the Preference Share Terms and Conditions) to the Preference Shareholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the day of first publication or delivery by hand or on the 10th Business Day after the day on which it is mailed, as the case may be.

14.2 For so long as the Preference Shares are held in their entirety by the Central Securities Depository, notice as contemplated in Condition 14.1 may be substituted with the delivery of the relevant notice to the Central Securities Depository, the Participants and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), for communication by them to the holders of Beneficial Interests in the Preference Shares, in accordance with the Applicable Procedures and Corporate Actions.

- 14.3 Where any provision of the Preference Share Terms and Conditions requires notice to be given to the Preference Shareholders of any matter other than a meeting of Preference Shareholders, such notice will be given *mutatis mutandis* as set out in Condition 14.1 and Condition 14.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 14.4 All notices (including all communications, demands and/or requests under the Preference Share Terms and Conditions) to be given by or on behalf of any Preference Shareholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the 2nd Business Day after being delivered by hand to the Specified Office of the Issuer or the Transfer Agent, as the case may be, or on the 10th Business Day after the day on which it is mailed by registered post to the Specified Office of the Issuer or the Transfer Agent, as the case may be.
- 14.5 Whilst any of the Preference Shares are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's Participant in accordance with the Applicable Procedures and Corporate Actions.
- 14.6 In relation to any Class of Listed Preference Shares, copies of any notices to Preference Shareholders delivered as set out above, including of meetings and any amendments to the Preference Share Terms and Conditions, shall be published on SENS.
- 14.7 For purpose of clarity and notwithstanding anything to the contrary contained in these General Preference Share Terms, all notices to Preference Shareholders holding any Class of Listed Preference Shares, will comply with the Applicable Procedures, the Companies Act and Corporate Actions.
- 15 Amendment of these General Preference Share Terms and the Specific Preference Share Terms**
- 15.1 Any amendment to these General Preference Share Terms may be made only with the prior authorisation of a Special Resolution of the Preference Shareholders of each Class of Preference Shares, at a separate meeting of each such Class of Preference Shares, or by way of separate written resolutions of the Preference Shareholders of each Class of Preference Shares in accordance with section 60 of the Companies Act, and, in respect of any Class of Listed Preference Shares, in accordance with the Applicable Procedures.
- 15.2 Any amendment to the Specific Preference Share Terms of a particular Class of Preference Shares may be made only with the prior authorisation of a Special Resolution of the Preference Shareholders of that Class of Preference Shares, or by way of a written resolution of the Preference Shareholders of that Class of Preference Shares in accordance with section 60 of the Companies Act, and, in respect of any Class of Listed Preference Shares, in accordance with the Applicable Procedures.
- 15.3 No proposed amendment will be made to the Preference Share Terms and Conditions of any Class of Listed Preference Shares, unless the Issuer has first obtained formal approval of such proposed amendment from the relevant Financial Exchange(s) in compliance with the Applicable Procedures.
- 16 No voting rights on Preference Shares held by any Subsidiary**
- No Subsidiary will have any voting rights in respect of Preference Shares which are beneficially held by or on behalf of such Subsidiary.

17 Prescription

Any claim for payment of Redemption Amounts and/or Preference Dividends in respect of the Preference Shares will prescribe three years after the Relevant Date.

18 Notices of Meetings and Voting Rights

18.1 The Preference Shareholders shall not be entitled to receive notice of, to be present at, or to have any voting rights, at any meeting of the Ordinary Shareholders, unless any one or more of the following circumstances is prevailing at the time of such meeting:

18.1.1 any Preference Dividend or part thereof in respect of that Class of Preference Shares remains unpaid for a period of more than five Business Days from its applicable Dividend Payment Date;

18.1.2 any Redemption Amount or part thereof in respect of that Class of Preference Shares remains unpaid for a period of more than five Business Days from its applicable Redemption Date; and/or

18.1.3 a resolution of the Issuer is proposed for its winding-up or reduction of capital of the Issuer.

18.2 At every shareholders meeting of the Issuer at which both the Preference Shareholders and the holders of Ordinary Shares are entitled to be present and to exercise voting rights, each Preference Shareholder shall in respect of each Preference Share held by it be entitled to exercise one vote for every Preference Share held, subject to all Preference Shares and Existing Preference Shares in aggregate carrying a maximum of 24.99% of the voting rights exercisable by all the shareholders at such meeting. Should the voting rights that would be exercisable by the holders of the Preference Shares and the Existing Preference Shares in the absence of the above limitation exceed 24.99% of the voting rights exercisable by all the shareholders at such meeting, then the number of votes exercisable by the holders of the Preference Shares and the Existing Preference Shares will be reduced *pro rata*.

18.3 At every meeting of the Preference Shareholders, whether of all Preference Shareholders or of a separate Class of Preference Shareholders, each Preference Shareholder shall in respect of each Preference Share held by it be entitled to exercise one vote for every Preference Share held.

18.4 In respect of every meeting of the Preference Shareholders, whether of all Preference Shareholders or of a separate Class of Preference Shareholders, the provisions of the Companies Act and the Memorandum of Incorporation relating to shareholders meetings of the Issuer shall apply *mutatis mutandis*, including in respect of notice of meetings, conduct of meetings and meeting quorums and adjournment. In addition to the above, the Issuer will, in respect of every meeting of Preference Shareholders holding a Class of Listed Preference Shares, comply with the Applicable Procedures.

19 Representations and warranties

The Issuer makes the following representations and warranties to each Preference Shareholder –

19.1 the Issuer is a company with limited liability duly incorporated and validly existing under the laws of South Africa;

19.2 the Issuer has the power in terms of its Memorandum of Incorporation to issue the Preference Shares and it does not have any class of preference shares or other shares which rank in priority to the Preference Shares with respect to -

19.2.1 the payment of dividends by the Issuer; and/or

- 19.2.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise;
- 19.3 the Preference Shares will be validly allotted and issued and the directors of the Issuer have the necessary authority and have taken the necessary steps to determine that the allotment and issue of the Preference Shares should be made subject to the rights and privileges set out in the Preference Share Terms and Conditions;
- 19.4 the Issuer will satisfy the solvency and liquidity test as at the date of each distribution to be made by the Issuer in respect of the Preference Shares and shall otherwise comply with the provisions of the Companies Act in respect of those distributions;
- 19.5 the Preference Dividends to be paid by the Issuer will not reduce the "contributed tax capital" (as such term is defined in section 1 of the Income Tax Act) in relation to the Preference Shares;
- 19.6 the Preference Dividends paid by the Issuer shall be "dividends" as defined in terms of Section 1 of the Income Tax Act;
- 19.7 the issue of the Preference Shares does not and the payment of the Preference Dividends to be paid by the Issuer shall not conflict with any Applicable Law; and
- 19.8 the Preference Shares shall be redeemed out of the "contributed tax capital" (as defined in section 1 of the Income Tax Act) of the Issuer attributable to the relevant Class of Preference Shares.

20 **Governing law**

The Preference Shares and the Preference Share Terms and Conditions are governed by, and will be construed in accordance with, the laws of South Africa.

Use of Proceeds

The net proceeds from each issue of Preference Shares will be applied by the Issuer for its general corporate purposes or as otherwise may be described in the Applicable Pricing Supplement.

Settlement, Clearing and Transfers of Preference Shares

Preference Shares listed on the JSE and/or held in the Central Securities Depository

Each Tranche of Preference Shares which is listed on the JSE in certificated form or in uncertificated form will be held in the Central Securities Depository. A Tranche of unlisted Securities may also be held in the Central Securities Depository.

Preference Shares held in the Central Securities Depository

Clearing systems

Each Tranche of Preference Shares which is listed on the JSE and issued in uncertificated form, will be cleared through the Central Securities Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Preference Shares will be issued, cleared and transferred in accordance with the Applicable Procedures and the Preference Share Terms and Conditions. Each such Tranche of Preference Shares will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Preference Shares may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

A Tranche of unlisted Preference Shares may also be held in the Central Securities Depository. With respect to Preference Shares not listed on the JSE, the placement of such unlisted Preference Shares may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Preference Shares to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository.

Participants

The Central Securities Depository 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 Central Securities Depository as Settlement Agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, Citibank N.A.- South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank - Johannesburg Branch and Société Générale – Johannesburg Branch. 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 Preference Shares in uncertificated form or as custodians for such holders, may exercise their rights in respect of the Preference Shares held by them in the Central Securities Depository only through the Participants. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

Settlement and clearing

Participants will be responsible for the settlement of script and payment transfers through the CSD, the JSE and the South African Reserve Bank.

While a Tranche of Preference Shares is held in the Central Securities Depository, the Central Securities Depository's Nominee, a wholly owned subsidiary of the Central Securities Depository approved by the Financial Sector Conduct Authority in terms of the Financial Markets Act, and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the Financial Markets Act, will be named in the Register as the sole holder of the Preference Shares in that Tranche. All amounts to be paid and all rights to be exercised in respect of Preference Shares held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Securities.

In relation to each Person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate number of Preference Shares, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to aggregate number of Preference Shares, as the case may be, standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. The Central Securities Depository's Nominee (as the registered holder of the applicable Securities 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 number of Preference Shares, as applicable, for all purposes.

Payments of all amounts in respect of a Tranche of Preference Shares which is listed on the JSE in uncertificated form and/or held in the Central Securities Depository will be made to the Central Securities Depository's Nominee, as the registered holder of such Preference Shares, 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 Central Securities Depository or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Securities shall look solely to the Central Securities Depository 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 Central Securities Depository's Nominee, as the registered holder of such Preference Shares.

Payments of all amounts in respect of a Tranche of Central Securities Depository which is listed on the JSE and/or held in the Central Securities Depository will be recorded by the Central Securities Depository's Nominee, as the registered holder of such Preference Shares, distinguishing between interest and principal, and such record of payments by the Central Securities Depository's Nominee, as the registered holder of such Preference Shares, shall be *prima facie* proof of such payments.

Preference Shares issued in uncertificated form

The Issuer will, subject to Applicable Laws, issue Preference Shares that are to be listed on the JSE in uncertificated form. Unlisted Preference Shares may also be issued in uncertificated form.

Preference Shares issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Preference Shares held in the Central Securities Depository will apply to Preference Shares issued in uncertificated form.

Beneficial Interests

The Central Securities Depository will hold each Tranche of Preference Shares issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

Accordingly, and except where the contrary is provided in the Preference Share Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Preference Shares held in uncertificated form, will be paid to and may be exercised only by the Central Securities Depository for the holders of Beneficial Interests in such Preference Shares.

The Central Securities Depository maintains central securities accounts only for Participants.

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 Preference Shares 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 Preference Shares held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in of Preference Shares, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case

may be, as to the number of such Preference Shares standing to the account of such person shall be *prima facie* proof of such Beneficial Interest.

Payments of interest, dividends and principal in respect of Preference Shares held in uncertificated form, will be made in accordance with Condition 10 to the Central Securities Depository, and the Issuer will be discharged by proper payment to or to the order of the Central Securities Depository in respect of each amount so paid. The Central Securities Depository will in turn transfer such funds, via the Participants, to the holders of Beneficial Interests.

Each of the persons shown in the records of the Central Securities Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Preference Shares.

The Issuer will not 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 such Beneficial Interests.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Preference Shares held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Preference Share Terms and Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

Beneficial Interests may be exchanged for Preference represented by Certificates in accordance with the Preference Share Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Preference Shares.

Beneficial Interests may be exchanged for Preference Shares represented by Certificates in accordance with Condition 15.2 of Preference Share Terms and Conditions and the Issuer's Memorandum of Incorporation.

Certificates

The Preference Shares represented by Certificates will be registered in the name of the individual holders in the respective Register of holders.

Preference Shares represented by Certificates may be transferred only in accordance with the Preference Share Terms and Conditions.

Payments of interest, dividends and principal in respect of Condition 10 represented by Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Certificates in the Register on the Record Date, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

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 Preference Shares may be subject to. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

Preference Shares listed on any Financial Exchange(s) other than (or in addition to) the JSE

Each Tranche of Preference Shares which is listed on any Financial Exchange(s) other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures of

that Financial Exchange(s). The settlement, clearing and redemption procedures for trades of a Tranche of Preference Shares issued on an exchange other than (or in addition to) the JSE will be specified in the Applicable Pricing Supplement.

South African Taxation

The comments below are intended as a general guide to the current position under the laws of South Africa. The contents of this section headed "South African Taxation" do not constitute tax advice and persons should consult their professional advisers.

The information contained below is intended to be a general guide to the relevant tax laws of South Africa as at the Programme Date and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Preference Shares. Prospective purchasers of Securities should consult their own professional advisers in regard to the purchase of Preference Shares and the tax implications thereof. Accordingly, the Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this paragraph. The information contained below sets out guidelines on the current position regarding South African taxation for taxpayers who hold the Preference Shares as capital assets. Traders in these Preference Shares should consult their own advisers.

Residents

A natural person is a resident of South Africa for tax purposes if (i) he is ordinarily resident in South Africa, or (ii) he is not ordinarily resident in South Africa but is physically present in South Africa for certain periods specified in the Income Tax Act, 1962. A juristic person is a resident of South Africa for tax purposes if it is incorporated, established or formed in South Africa or if it has its place of effective management in South Africa.

South African tax residents are subject to SA Tax on their worldwide income.

Non-Residents

Non-residents are subject to SA Tax in respect of income derived from a source or deemed South African source. Dividends received or accrued to a non-resident constitutes an amount received by that person from a source within South Africa. The tax liability of a non-resident needs to be determined considering the relevant double taxation agreement.

The Issuer

The Issuer is a South African tax resident and is accordingly subject to SA Tax.

1 Securities Transfer Tax

The Securities Transfer Tax Act imposes STT on the transfer and on the redemption of the Preference Shares at a rate equal to, as at the Programme Date, 0.25%. In the case of listed Preference Shares, the STT will be calculated on the consideration payable or if no consideration was declared or the amount declared was less than the lowest price of the share, the amount will be calculated on the closing price of the security. Such STT in respect of (or applicable to) the transfer of Preference Shares will be for the account of the transferee.

In the case of a redemption of the Preference Shares, STT will be payable on the market value of the Preference Shares before such redemption. Such STT (and any future duties and/or taxes that may be introduced) in respect of (or applicable to) the redemption of Preference Shares will be for the account of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.

2 Withholding Tax

Part VIII of Chapter III of the Income Tax Act imposes a withholding tax on dividends (which is currently levied at a rate of 20%) declared by the issuer.

Section 64F of the Income Tax Act exempts various taxpayers from the withholding tax on dividends. These includes, inter alia, resident companies, the Government of South Africa, approved public benefit organisations, pension funds, pension preservation funds and any person to the extent that the dividend constitutes "income".

Non-residents are, however, subject to the dividends tax although it is possible that in specific instances a non-resident could obtain limited relief from the dividends tax in terms of a double taxation agreement.

Dividends tax must be deducted by the company declaring the dividend. However, if the instrument in respect of which the dividend is declared is listed on the JSE then (i) the company in question will pay the dividends, without withholding tax, to the participant (being a "regulated intermediary") and (ii) the participant will deduct the withholding tax prior to making payment of the applicable dividends to the holders of beneficial interests in the relevant shares. However, if the beneficial owner is a resident of a country which has concluded a double taxation agreement with South Africa which provides a reduction of the rate of dividends tax, that person must submit to the regulated intermediary a declaration and written undertaking as prescribed before the payment of the dividend confirming its entitlement to the relief.

Accordingly, a Participant is obliged to deduct the dividends tax from any dividends which it pays over to any particular shareholder, except if the shareholder (i) is exempt from the dividends tax, and (ii) has delivered a declaration and undertaking (in the prescribed form) to such effect to the Participant.

3 **Income Tax**

Dividends which are declared by South African resident companies are not subject to income tax (by virtue of an exemption contained in section 10(1)(k) of the Income Tax Act). However, the exemption is denied in certain cases, such as where dividends are re-characterised as "income" as a result of the shares constituting "hybrid equity instruments" or "third-party backed shares under section 8E or section 8EA of the Income Tax Act (section 8E and section 8EA are described further below).

In terms of section 8E, if a share qualifies as a "hybrid equity instrument", dividends which accrue in respect of that share are regarded as income in the hands of the recipient and are taxable as such.

Section 8E defines a "hybrid equity instrument" to include, inter alia, any share, other than an equity share, if (i) the issuer of that share is obliged to redeem it within three years of its date of issue, or (ii) its holder has the option to have the share redeemed within three years of its date of issue. Further, if the preference share is secured by a financial instrument in the form of an interest-bearing arrangement or subject to a negative pledge over a financial instrument in the form of an interest-bearing arrangement, the preference share will be deemed a "hybrid equity instrument".

Section 8EA applies to preference shares if they are subject to "enforcement rights" or "enforcement obligations", such as inter alia put and call options against third parties, which are exercisable in the event of any specified dividend or return of capital attributable to such shares not being received by or accrued to the holder. If preference shares fall within the provisions of section 8EA, the preference shares will constitute a "third-party backed share" and the dividends will be deemed to be income in the holder's hands, unless an exemption applies.

4 **Capital gains**

Any disposal of the Preference Shares by a Preference Shareholder who is resident in South Africa prior to their redemption may be subject to Capital Gains Tax (CGT), where applicable.

Capital gains are taxable at normal tax rates, but in the case of a natural person only 40% of the gain is taxable, and in the case of companies and trusts, 80% of the capital gain is taxable.

Preference Shareholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of Preference Shares unless the Preference Shares are attributable to the permanent establishment of such non-resident located in South Africa.

5 **Definitions**

The references to "dividend" above mean "dividend" respectively as understood in South African tax law. The statements above do not take account of any different definitions of "dividends" or "principal" which may prevail under any other law or which may be created by the Preference Share Terms and Conditions or related documentation.

South African Exchange Control

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

The information below is intended as a general guide to the current position under the Exchange Control Regulations as at the date of this Programme Memorandum. 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 Preference Shares. Prospective subscribers for or purchasers of any Preference Shares should consult their professional advisers in this regard.

Non-South African resident holders of Preference Shares and emigrants from the Common Monetary Area

Dealings in the Preference Shares and the performance by the Issuer of its obligations under the Preference Shares and the applicable Preference Share Terms and Conditions may be subject to the Exchange Control Regulations.

Emigrant Capital Accounts

Funds in an Emigrant's Capital Account may be used for the subscription for or purchase of Preference Shares. Any amounts payable by the Issuer in respect of the Preference Shares subscribed for or purchased with funds from an Emigrant's Capital Account 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 Certificates issued to holders of Preference Shareholders who are emigrants from the Common Monetary Area will be endorsed "non-resident". Such restrictively endorsed Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's remaining South African assets to which the SARB restrictions have been applied.

In the event that a Beneficial Interest in Preference Shares 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 Capital Account".

Any payments of principal due to a Preference Shareholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Preference Shareholder's Capital Account, as maintained by the 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.

Any payments due to a Preference Shareholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Preference Shareholder's "non-resident" Rand account, as maintained by an authorised foreign exchange dealer. The amount represents income which is freely transferable from the Common Monetary Area.

Non-residents of the Common Monetary Area

Any Certificates issued to Preference Shareholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Preference Shares is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Preference Shareholder by the relevant Participant will be designated as a "non-resident" account.

It will be incumbent on any such non-resident Preference Shareholder 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 Preference Shares are to be dealt with. Such funds may, in terms of the Exchange Control

Regulations, be remitted abroad only if the relevant Preference Shares are acquired with foreign currency introduced into South Africa or Rand from a non-resident Rand account held with an Authorised foreign exchange dealer in South Africa and provided that the relevant Certificate has been endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" account, as the case may be.

Exchange control – Issuer

As at the date of this Programme Memorandum, the Issuer does not require exchange control approval for this Programme.

Subscription and Sale

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

In terms of (and subject to) the Programme Agreement, Rand Merchant Bank have been appointed as Dealer on an on-going basis for the duration of the Programme. The Issuer may appoint one or more Dealers for a specific issue of one or more Tranches of Preference Shares or on an on-going basis. In terms of (and subject to) the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Preference Shares.

South Africa

Prior to the issue of any Tranche of Preference Shares under the Programme by the Issuer, each Dealer for that Tranche of Preference Shares will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Preference Shares in that Tranche of Preference Shares, and will itself not sell Preference Shares, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws in force from time to time. In particular, without limitation, this Programme Memorandum does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the Companies Act) and each Dealer will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Preference Shares in that Tranche of Preference Shares (whether for subscription or sale), for purposes of which Preference Shares will not be offered to any person other than (i) persons falling within the exemptions set out in section 96(1)(a) of the Companies Act; or (ii) persons who subscribe, as principal, for Preference Shares at a minimum aggregate Issue Price of R1,000,000, as envisaged in section 96(1)(b) of the Companies Act.

United States of America

The Preference Shares have not been and will not be registered under the United States Securities Act, 1933, as amended ("**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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prior to the issue of any Tranche of Preference Shares under the Programme by the Issuer, each Dealer for that Tranche of Preference Shares will be required to represent and agree that:

- (i) the Preference Shares 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered or sold or delivered any Preference Shares in that Tranche, and will not offer or sell or deliver any Preference Shares 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 Dealer or, in the case of an issue of such Preference Shares on a syndicated basis, the Arranger, of all Preference Shares of the Tranche of which such Preference Shares are a part, within the United States or to, or for the account or benefit of, U.S. persons;
- (iii) it will send to each dealer to which it sells any Preference Shares in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Preference Shares within the United States or to, or for the account or benefit of, U.S. person; and

- (iv) 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 with respect to the Preference Shares 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.

Until 40 days after the commencement of the offering of a Class of Preference Shares, an offer or sale of such Preference Shares within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

United Kingdom

Prior to the issue of any Tranche of Preference Shares under the Programme by the Issuer, each Dealer for that Tranche of Preference Shares will be required to represent and agree that:

- (i) it has not offered or sold, and prior to the expiry of a period six months from the Issue Date in respect of each Tranche of Preference Shares will not offer or sell, any Preference Shares in that Tranche to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995 of the United Kingdom;
- (ii) it has complied with and will comply with all applicable provisions of the Financial Services and Markets Act, 2000 ("**FSMA**") with respect to anything done by it in relation to the Preference Shares in that Tranche in, from or otherwise involving the United Kingdom; and
- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Preference Shares in that Tranche in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a "**Relevant Member State**"), each of the Issuer and Dealer(s) has represented and agreed that, with effect from (and including) the date on which the prospectus directive is implemented in that Relevant Member State ("**Relevant Implementation Date**"), it has not made, and will not make an offer of Preference Shares 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 Preference Shares 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 Preference Shares which prospectus has 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 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;
- d) any time to fewer than 100 natural or legal persons (other than qualified investors defined in the prospective directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

- e) 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, or pursuant to any applicable national law of any Relevant Member State.

Provided that no such offer of the Preference Shares referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to article 3 of the prospective directive.

For the purposes of this provision, the expression an "*offer of Preference Shares to the public*" in relation to any Preference Shares 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 Preference Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Preference Shares, 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 and includes any relevant implementing measure in each Relevant Member State.

General

Prior to the issue of any Tranche of Preference Shares under the Programme, each Dealer for that Tranche of Preference Shares will be required to represent and agree that it will (to the best of its knowledge and belief) comply with all Applicable Laws in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells Preference Shares in that Tranche or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Preference Shares in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Preference Shares will be required to represent and agree that it will comply with such other or additional restrictions in relation to that Tranche of Preference Shares as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

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

General Information

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

Authorisations

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme and the issue of Preference Shares under the Programme and for the Issuer, Transfer Agent, Settlement Agent, Calculation Agent and Paying Agent to undertake and perform their respective obligations in terms of the Preference Shares. No exchange control approval is required for the establishment of the Programme. If exchange control approval is required for the issue of any Tranche of Preference Shares, such exchange control approval will be obtained prior to the issue of such Tranche of Preference Shares.

Documents available

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

- a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time in accordance with the terms of the Programme Agreement and will also be made available on the Issuer's website at <https://www.firststrand.co.za/investors/debt-investor-centre/prospectuses-and-programme-memoranda/>;
- b) in respect of any issue of Preference Shares under the Programme, the published audited financial statements (incorporating the Issuer's audited annual financial statement, together with the reports and notes thereto) of the Issuer for its three financial years prior to the date of such issue and the audited financial statements (together with the reports and notes thereto) of the Issuer for all financial years post the date of such issue, as and when such audited financial statements become available, available at <https://www.firststrand.co.za/investors/annual-reporting/>;
- c) each Applicable Pricing Supplement relating to any Tranche of Preference Shares issued under the Programme and will also be made available on the Issuer's website at <https://www.firststrand.co.za/investors/debt-investor-centre/jse-listed-instruments/>;
- d) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by SENS to SENS subscribers, if required.

Listing

This Programme Memorandum was approved by the JSE and has been registered with the JSE. Preference Shares to be issued under the Programme may be listed on the JSE or any successor exchange and/or such other or further Financial Exchange(s) as may be agreed between the Issuer and the Dealer(s) and subject to any relevant ruling law. Unlisted Preference Shares may also be issued. Unlisted Preference Shares are not regulated by the JSE.

Clearing systems

The Preference Shares listed on the JSE have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

The settlement, clearing and redemption procedures for trades of Preference Shares issued on an exchange other than the JSE, irrespective of whether the Preference Shares are listed on the JSE as well, will be specified in the Applicable Pricing Supplements.

Participants

As at the date of this Programme Memorandum, the Central Securities Depository recognised Participants are the South African Reserve Bank, Citibank N.A. – South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank - Johannesburg Branch and Société Générale – Johannesburg Branch. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through South African Settlement Agents.

Auditors

PricewaterhouseCoopers Inc. and Deloitte & Touche are the current auditors of the Issuer.

Litigation

The Issuer has not 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 material effect on the financial position of the Issuer or its respective subsidiaries, where applicable, in the previous twelve months.

Material Change

As at the date of this Programme Memorandum, following due and careful enquiry, there has been no material change in the financial or trading position of the Issuer that has occurred since the date of publication of the Issuer's unaudited interim financial results for the six month period ended 31 December 2018. As at the date of this Programme Memorandum, there has been no involvement by, PricewaterhouseCoopers Inc. and Deloitte & Touche, the auditors of the Issuer, in making such statement.

SIGNED at ___ Sandton _____ this _17_ day of ___ September ___ 2019

For and on behalf of

FIRSTRAND BANK LIMITED

By:  _____

Name: Alan Patrick Pullinger
Capacity: *Director, duly authorised*

By:  _____

Name: Hetash Surendrakumar Kellan
Capacity: *Director, duly authorised*

ISSUER

FirstRand Bank Limited
 (Registration number 1929/001225/06)
 4 Merchant Place
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 Telephone: 011 282 1808

ARRANGER AND DEALER

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 South Africa
 Contact: Head of Leverage Finance
 Telephone: 011 282 8000

DEBT SPONSOR

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 South Africa
 Contact: Debt Sponsor Team
 Telephone: 011 282 8000

COMPANY SECRETARY

Registered Office:
 4 Merchant Place
 Corner of Fredman Drive and Rivonia Road
 Sandton, 2196
 South Africa
 Contact: Carnita Low
 Telephone: 011 282 1808

PAYING AGENT, CALCULATION AGENT, SETTLEMENT AGENT AND TRANSFER AGENT

Rand Merchant Bank, a division of FirstRand Bank Limited
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 South Africa
 Contact: Head: Deal Management Team
 Telephone: 011 282 8000

LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALER

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 Sandton, 2196
 Contact: Relationship Partner: FirstRand Bank Limited
 Telephone: 011 562 1000

AUDITORS TO THE ISSUER

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