



FIRSTRAND

FIRSTRAND BANK LIMITED

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

ZAR15,000,000,000
Structured Note and Preference Share Programme

Under this Structured Note and Preference Share Programme (the “**Programme**”), FirstRand Bank Limited (the “**Issuer**”) may, from time to time, issue notes (the “**Notes**”) or preference shares in any form (the “**Preference Shares**”), as the case may be, (Notes and Preference Shares, collectively as the “**Instruments**”) under the Programme denominated in such currencies as may be agreed, or as may be otherwise designated by the Issuer and the relevant Dealer(s) (as defined below) subject to the terms and conditions (the “**Terms and Conditions**”) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions which are applicable to any Instruments will be set forth in an applicable pricing supplement (the “**Applicable Pricing Supplement**”). Save as set out herein, the Instruments will not be subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all Instruments from time to time outstanding will not exceed ZAR15,000,000,000.

The Programme has been listed by the Bond Exchange of South Africa (“**BESA**”), a licensed financial exchange in terms of the Securities Services Act, 2004. Instruments may be listed on BESA, or any successor exchange or on such other or further exchange as may be determined by the Issuer and subject to any relevant ruling law. Unlisted Instruments may also be issued under this Programme. Details of the Instruments, including the aggregate nominal amount of the Instruments, interest or dividends (if any) payable in respect of Instruments and the issue price of the Instruments will be set forth in the Applicable Pricing Supplement. With respect to Instruments to be listed on BESA, the Applicable Pricing Supplement will be delivered to BESA and the CSD (as defined in the Terms and Conditions) on or before the date of issue of such Instruments and the Instruments may be traded by or through members of BESA from the date specified in the Applicable Pricing Supplement.

The Instruments may be issued on a continuing basis and be placed by one or more of the dealers specified under “*Summary of the Programme*” and any additional dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “**Dealer**” and together the “**Dealers**”).

The Programme has, as at the date of this Programme Memorandum, not been rated by any rating agency, however, the Issuer may at any time obtain a rating from a rating agency for the Programme or any issue of Instruments issued pursuant to the terms of this Programme. The Issuer may agree with any Dealer that the Instruments may be issued in a form not contemplated by the Terms and Conditions of the Instruments herein, in which event (in the case of Instruments listed on BESA) a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Instruments.

Particular attention is drawn to the section herein entitled “*Risk Factors in respect of Credit Linked Notes*”.

Arranger and Dealer
Rand Merchant Bank,
a division of FirstRand Bank Limited

Programme Memorandum dated 11 February 2008

GENERAL NOTICE

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

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

The Arranger, the Dealers, other professional advisers and BESA have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealers, other professional advisers or BESA as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealers, professional advisers and BESA 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.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section entitled “**Documents Incorporated by Reference**”). This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

No person has been authorised to give any information or to make any representation not contained in or not consistent 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.

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

Each investor contemplating the purchase of any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or BESA to any person to subscribe for or to purchase any Instruments.

Neither the delivery of this Programme Memorandum, any Applicable Pricing Supplement at any time implies that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Investors should review, among others, the most recent financial statements of the Issuer when deciding whether or not to purchase any Instruments.

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

The distribution of this Programme Memorandum, any Applicable Pricing Supplement and the offer or sale of Instruments may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum, any Applicable Pricing Supplement or any Instruments come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Instruments in the United States of America, the United Kingdom, the European Economic Area and South Africa. None of the Issuer, the Arranger, the Dealers or the other professional advisors represent that this Programme Memorandum and the Applicable Pricing Supplement may be lawfully distributed, or that any Instruments may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or the professional advisors which would permit a public offering of any Instruments or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Instruments may be offered or sold, directly or indirectly, and neither this Programme Memorandum, the 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 and regulations. The Dealers have represented that all the offers and sales by them will be made in compliance with this prohibition.

This Programme Memorandum and the Applicable Pricing Supplement are not for distribution in, and does not constitute an offer of securities for sale or subscription in, the United States of America or in any other jurisdiction in which such an offer for sale or subscription would be unlawful or would require qualification or registration. Securities may not be offered in the United States of America without registration or an exemption from registration under the securities laws of the United States of America or in any other jurisdiction, except in accordance with applicable law. The Instruments have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”). Instruments may not be offered, sold or delivered within the United States of America or to U.S. persons except in accordance with Regulation S under the Securities Act.

All references in this document to “*Rand*”, “*ZAR*”, “*South African Rand*”, “*R*” and “*cent*” refer to the currency of South Africa, to “*US Dollars*”, “*U.S.\$*” and “*\$*” to the currency of the United states of America, “*sterling*” and “*£*” are to pounds sterling and to “*Euro*” or “*€*” to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

To the extent the Issuer issues Credit Linked Notes, the Applicable Pricing Supplement will specify the nature of the responsibility taken by the Issuer for the information relating to any underlying equity security, index, debt security, credit, currency exchange rate, commodity or other item(s) (each a “**Reference Item**”) (if applicable) to which the relevant Credit Linked Notes relate and which is contained in such Applicable Pricing Supplement. However, unless otherwise expressly stated in the Applicable Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the Issuer, owner or sponsor, as the case may be, of such Reference Item or which is otherwise publicly available. The Issuer will, unless otherwise expressly stated in the Applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the Issuer will not accept any further or other responsibility (express or implied) in respect of such information.

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

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

The price/yield and amount of Instruments to be issued under this Programme will be determined by the Issuer, the Arranger and relevant Dealer at the time of issue in accordance with the prevailing market conditions.

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

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DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) in respect of any issue of Instruments under the Programme, the audited Annual Financial Statements, and the notes thereto, of the Issuer for its three financial years prior to the date of such issue; and
- (b) each Applicable Pricing Supplement relating to any Tranche of Instruments,

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will, in connection with the listing of the Instruments on BESA, or on such other exchange or further exchange or exchanges as may be selected by the Issuer, and for so long as any Instrument remains Outstanding and listed on such exchange, publish a new Programme Memorandum or a further supplement to the Programme Memorandum on the occasion of any subsequent issue of Instruments where there has been:

- (a) a material adverse change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme which would then make the Programme Memorandum materially inaccurate or misleading.

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

The Issuer will provide, free of charge, to each person to whom a copy of the Programme Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Issuer at its registered office as set out herein. The audited annual financial statements of the Issuer are also available on the Issuer’s holdings company’s website, www.firststrand.co.za.

The documents deemed to be incorporated herein by reference are available for inspection at the offices of the Issuer during office hours.

GENERAL DESCRIPTION OF THE PROGRAMME

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

Under this Programme, the Issuer may, from time to time, issue Instruments denominated in the currency specified in the Applicable Pricing Supplement. The applicable terms of any Instruments will be set out in the Terms and Conditions incorporated by reference into the Instruments, as modified and supplemented by the Applicable Pricing Supplement relating to the Instruments and any supplementary Programme Memorandum. A summary of the Programme and the Terms and Conditions appears below.

Preference Shares will be issued in accordance with the Companies Act and the memorandum and articles of association of the Issuer and the Terms and Conditions.

This Programme Memorandum and any supplement will only be valid for the issue of Instruments in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed ZAR15,000,000,000 or its equivalent in such other currencies in which the Instruments may be issued. For the purpose of calculating the South African Rand equivalent of the aggregate Nominal Amount of Instruments issued under the Programme from time to time, the South African Rand equivalent of Instruments denominated in another Specified Currency (as detailed in the Applicable Pricing Supplement in the Terms and Conditions) shall be determined as of the date of agreement to issue such Instruments (the “**Agreement Date**”) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the “**Conversion Rate**”) and in respect of:

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

In the event that the Issuer issues unlisted Instruments, or Instruments listed on any other exchange on which the Instruments may be listed, the Issuer shall, no later than the last day of the month of such issue, inform BESA in writing of the nominal amount and scheduled maturity date in respect of such Instruments.

From time to time the Issuer may wish to increase the aggregate nominal amount of the Instruments that may be issued under the Programme. Subject to the requirements of BESA and/or any such other exchange or exchanges on which the Instruments may be listed or in terms of any law, the Issuer may, without the consent of Instrumentholders, increase the aggregate nominal amount of the Instruments that may be issued under the Programme by delivering a notice thereof to Instrumentholders and the relevant exchange in accordance with Condition 21 of the Terms and Conditions. Upon such notice being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the aggregate nominal amount of the Instruments, shall be and shall be deemed to be references to the increased aggregate nominal amount.

The Issuer shall not require the consent of the holders of any Tranche or Series of Instruments for the issue of Instruments under the Programme.

An Applicable Rating Agency may assign a rating to any Tranche or Series of Instruments. Such rating is not a recommendation to subscribe for, buy, sell or hold Instruments and may be subject to revision, suspension or withdrawal at any time by the Applicable Rating Agency.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Instruments and the Applicable Pricing Supplement. Capitalised terms not separately defined herein shall bear the meaning given to them in the Terms and Conditions. The contents of this section shall not form part of the Terms and Conditions and may not be utilised in interpreting the Terms and Conditions.

Issuer	FirstRand Bank Limited (Registration Number 1929/001225/06);
Description of the Programme	FirstRand Bank Limited ZAR15,000,000,000 Structured Note and Preference Share Programme;
Size of the Programme	Up to ZAR15,000,000,000 (or its equivalent in other currencies calculated at the Agreement Date as described herein) outstanding at any time, or such other amount which the Issuer may approve, from time to time, and as indicated in the Applicable Pricing Supplement. The Issuer may increase the amount of the Programme in accordance with this Programme Memorandum;
Arranger	Rand Merchant Bank, a division of FirstRand Bank Limited;
Dealers	Rand Merchant Bank, a division of FirstRand Bank Limited and any other additional Dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;
Calculation Agent and Paying Agent	Rand Merchant Bank, a division of FirstRand Bank Limited, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent or as Paying Agent, as the case may be, in which event that other entity, shall act in such capacity in respect of that Tranche or Series of Instruments;
Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited, unless the Issuer elects to appoint, in relation to a particular Series of Instruments, another entity as Transfer Agent, in which event that other entity, shall act in such capacity in respect of that Series of Instruments;
Blocked Rand	Blocked Rand may be used for the purchase of Instruments, subject to South African Exchange Control Regulations;
Currencies	South African Rand (R or ZAR) or, subject to all applicable laws and, in the case of Instruments listed on BESA, the rules of BESA, in such other currency as specified in the Applicable Pricing Supplement;
Denomination of Instruments	Instruments will be issued with the minimum denomination in ZAR1,000,000, or in such denominations as may be indicated in the Applicable Pricing Supplement;
Form of Instruments	The Instruments will be issued in listed or unlisted registered form as more fully described in the section entitled " <i>Form of the Instruments</i> " of the Programme Memorandum. In respect of Registered Instruments which are listed on BESA, each Tranche of Instruments will initially be evidenced by a Global Certificate, which shall be deposited before its Settlement Date with the CSD and registered in the name of CSD's Nominee. Beneficial Interests in a Global Certificate may be replaced by the issue of individual uncertificated securities in accordance with section 37 of the Securities Services Act. The Instruments may, subject to the Terms and Conditions, be issued in any form including, without limitation, Credit Linked Notes, Exchangeable Notes as Fixed Rate Notes, Floating Rate Notes, Instalment Notes, Zero Coupon Notes, Indexed-linked Notes, Dual Currency Notes, Mixed Rate Notes, Partly-Paid Notes, Fixed Yield

	Preference Shares and/or Floating Yield Preference Shares, as provided for in the Programme Memorandum and the Applicable Pricing Supplement.
Governing Law	The Instruments will be governed by, and construed in accordance with the laws of South Africa;
Illegality and Force Majeure	The Applicable Pricing Supplement may provide that the Issuer has the right to terminate the Instruments in the case of illegality or <i>Force Majeure</i> ;
Issue and Transfer Taxes	<p>Notes:</p> <p>Under current South African law, no stamp duty, uncertificated securities tax or any similar tax is payable in respect of the issue or transfer of the Notes as the Notes qualify as instruments as contemplated in section 24J of the Income Tax Act (see the section entitled “<i>South African Taxation</i>”).</p> <p>Preference Shares:</p> <p>Under Current South African law:</p> <ul style="list-style-type: none"> (a) no stamp duty or uncertificated securities tax is payable upon the original issue of Preference Shares; (b) stamp duty or uncertificated securities tax, as the case may be, at the rate of 0,25% will be payable by the purchaser of Preference Shares upon the registration of transfer of such Preference Shares to such purchaser; and (c) stamp duty or uncertificated securities tax, as the case may be, is payable by the Issuer in respect of the redemption (including any redemption occurring as a consequence of the occurrence of any Redemption Event) of any Preference Shares at the rate of 0,25% (see the section entitled “<i>South African Taxation</i>”). <p>With effect from 1 July 2008, stamp duty and/or uncertificated securities tax, as the case may be, in relation to the transfer or redemption of securities will be replaced by securities transfer tax levied under the Securities Transfer Tax Act, 2007. Securities transfer tax will be payable:</p> <ul style="list-style-type: none"> (a) by the transferee in respect of the transfer of any Preference Shares at the rate of 0,25%; and (b) by the Issuer in respect of the redemption by the Issuer of any Preference Shares (including any redemption arising as a consequence of the occurrence of any Redemption Event) at the rate of 0,25%.
Instrumentholder(s)	The Noteholders of the registered Notes and Preference Shareholder of registered Preference Shares (each as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
Instruments	Collectively, the Notes and the Preference Shares;
Interest Period(s) or Interest Payment Date(s)	Such period(s) or date(s) as may be indicated in the Applicable Pricing Supplement;
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at their nominal amount or at a discount to, or premium over, their nominal amount as indicated in the Applicable Pricing Supplement. Preference Shares may not be issued at a discount to their par value (i.e. nominal amount);
Listing	The Programme has been listed on BESA. Instruments issued under the Programme may be listed on BESA (or on a successor exchange to BESA or such other or further exchange or exchanges as may be selected by the Issuer in relation to such issue). Unlisted Instruments may also be issued under the Programme. The Applicable Pricing Supplement in respect of a Tranche will

specify whether or not such Instruments will be listed and, if so, on which exchange;

Maturities

Such maturity as may be indicated in the Applicable Pricing Supplement, (subject to a maturity as may be required by BESA and/or any such exchange or exchanges on which the Notes may be listed or in terms of any law). The Instruments are not subject to any minimum or maximum maturity;

Notes

Notes may comprise:

Fixed Rate Notes Fixed Rate Notes will bear interest at a Fixed Interest Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.1 of the Terms and Conditions.

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

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

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

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

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

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

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

Instalment Notes in respect of which the Applicable Pricing Supplement will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Partly-Paid Notes	in respect of which the Issue Price will be payable in two or more instalments as set out in the Applicable Pricing Supplement.
Exchangeable Notes	which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement.
Credit Linked Notes	the amount of principal and interest payable in respect of Credit Linked Notes will be dependent on if a Credit Event in respect of the Reference Entity has occurred as set out in the Applicable Pricing Supplement.
Senior Notes	bearing the characteristics described under “ <i>Status of Senior Notes</i> ” below.
Subordinated Notes	bearing the characteristics described under “ <i>Status and Characteristics of Subordinated Notes</i> ” below.
Other Notes	Terms applicable to any other type of Notes that are approved by BESA, or its successor, or such other or further exchange or exchanges as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the Relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

Preference Shares

Preference Shares will bear the characteristics described under “*Status of Preference Shares*” below. Preference Shares will be issued with a Redemption Date, as specified in the Applicable Pricing Supplement and more fully described in Condition 3.5. Preference Shares may, subject to the Issuer’s articles of association, comprise any of the following:

Fixed Yield Preference Shares: Fixed Yield Preference Shares will bear dividends at a fixed dividend rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 0;

Floating Yield Preference Shares: Floating Yield Preference Shares will bear dividends at a floating dividend rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 9.2; and

Other Preference Shares: the description of, and terms and conditions applicable to, Preference Shares other than those specifically contemplated in the Programme Memorandum will be specified in the Applicable Pricing Supplement.

Each Tranche of Preference Shares will (unless previously redeemed or purchased and cancelled), subject to the Companies Act, be redeemed on the Redemption Date specified as such in the Applicable Pricing Supplement.

Rating

As at the date of this Programme Memorandum, the Instruments to be issued under this Programme are not rated by any rating agency. The Issuer may however at any time obtain a rating by a rating agency of any issue of Instruments issued pursuant to this Programme in which case such rating will be indicated in the Applicable Pricing Supplement. Tranches of Instruments issued under the Programme may be rated or unrated. Investors should understand that a rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organisation, and that each rating should be evaluated independently of any other;

Redemption

The Applicable Pricing Supplement relating to each Tranche of Notes or

Preference Shares, as the case may be, will indicate either:

- (a) that the Notes may be redeemed prior to the Maturity Date (other than in specified instalments), and the Preference Shares, if applicable, may, subject to the Companies Act, be redeemed prior to the Redemption Date, if applicable, for taxation reasons or following an Event of Default; or
- (b) that such Notes or Preference Shares, as the case may be, will also be redeemable at the option of the Issuer and/or the Noteholder or the Preference Shareholder, as the case may be, upon giving not less than 15 (fifteen) nor more than 30 (thirty) days' irrevocable notice (or such other notice period, if any, as is indicated in the Applicable Pricing Supplement) to the Noteholder or the Preference Shareholder, as the case may be, or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement.

The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments and on such dates as indicated in the Applicable Pricing Supplement;

Register

The Register maintained by the Transfer Agent in terms of the Terms and Conditions;

Risk Factors

There are certain risk factors that prospective purchaser(s) of the Credit Linked Notes should consider carefully prior to investing in any of the Credit Linked Notes (see the section herein entitled “Risk Factors in respect of Credit Linked Notes”);

Selling Restrictions

There are selling restrictions on the offer, sale and transfer of Instruments generally and specifically in relation to the United States, the United Kingdom, European Economic Area and South Africa and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Instruments which may be included in the Applicable Pricing Supplement;

Status and Characteristics relating to Subordinated Notes

The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those obligations that have been accorded a preference by law.

Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up, then and in any such event the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness (as defined in Condition 1 of the Terms and Conditions), to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

Status of Preference Shares

Unless otherwise specified in the Applicable Pricing Supplement, Preference Shares form part of the issued share capital of the Issuer and, subject to the memorandum and articles of association of the Issuer, rank, unless otherwise specified in the Applicable Pricing Supplement, (i) *pari passu* among themselves; (ii) in priority to the ordinary shares of the Issuer; (iii) in priority to any non-cumulative non-redeemable preference shares of the Issuer the

proceeds of the issue of which qualify as “*primary share capital*” (as defined in the Banks Act, 1990); and (iv) below all claims (including the claims of Noteholders) in respect of any indebtedness of the Issuer, as more fully set out in Condition 6.

Status of Senior Notes

Unless otherwise specified in the Applicable Pricing Supplement, Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than unsecured subordinated obligations, if any) of the Issuer from time to time Outstanding;

Taxation

Withholding Tax: As at the date of this Programme Memorandum all payments in respect of the Instruments will be made without withholding or deduction for or on account of taxes levied in South Africa. In the event that certain withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 13 of the Terms and Conditions, pay such additional amounts as shall be necessary in order that the net amounts received by the Instrumentholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Instruments in the absence of such withholding or deduction;

Tax on Dividends: If the Income Tax Act is amended to provide that taxes are payable on dividends declared in respect of Preference Shares (including taxes on dividends levied in the form of a withholding tax), the Issuer will, subject to the Issuer’s right to redeem the Preference Shares in terms of Condition 0, increase the dividend payable in respect of the Preference Shares by the amount of such taxes in order that the net amount of dividend receivable in respect of such Preference Shares after such taxation shall equal the dividend which would otherwise have been receivable in respect of such Preference Shares in the absence of such taxation, as contemplated in Condition 13.2.

Terms and Conditions

The terms and conditions of the Instruments set out below.

RISK FACTORS IN RESPECT OF CREDIT LINKED NOTES

Words used in this section shall have the same meanings as defined in the section entitled “Terms and Conditions of the Notes” below, unless otherwise defined in this section or such meaning is clearly inappropriate from the context, the contents of this section shall not form part of the Terms and Conditions and may not be utilised in interpreting the Terms and Conditions.

The Credit Linked Notes involve substantial risks and may expose purchasers of Credit Linked Notes to a full loss of principal. Unless otherwise specified in the Applicable Pricing Supplement, the Credit Linked Notes are not principal protected. Only prospective purchasers who can withstand the loss of their entire investment should buy the Credit Linked Notes. The Credit Linked Notes are suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in any series of the Credit Linked Notes.

Before making an investment decision, prospective purchasers of Credit Linked Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in the Applicable Pricing Supplement and this Programme Memorandum and, in particular, the considerations set forth below. The Applicable Pricing Supplement may contain specific representations to be given by purchasers of Credit Linked Notes as well as further disclaimers and risk warnings in addition to the general provisions set out below.

1. INCORPORATION OF CREDIT DERIVATIVES DEFINITIONS

The terms and conditions of the Credit Linked Notes may incorporate by reference the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to such Definitions (the “**Guarantee Supplement**”) and, where specified in the Applicable Pricing Supplement as being applicable, the “*Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity*”, published on 9 May 2003 (the “**Monoline Supplement**”), each published by the International Swaps and Derivatives Association Inc. (the “**Definitions**”), as amended in the Applicable Pricing Supplement. Accordingly, only those who are familiar with, and fully understand the definitions and provisions of, the Definitions should consider purchasing Credit Linked Notes issued hereunder.

2. RISK OF LOSS OF PRINCIPAL

Investors bear the risk of loss if any Credit Event (if applicable) occurs and the Conditions to Settlement, if any, are satisfied. The Final Redemption Amount (in respect of each Cash Settled Note) or the value of the Deliverable Obligations Portfolio Delivered (in respect of each Physically Settled Note) may be less than the Note Denomination of each such Note and, in certain circumstances, may be zero.

3. RISK OF LOSS OF INTEREST

Save as otherwise provided in the Applicable Pricing Supplement, no interest will accrue on the Credit Linked Notes (or, if so provided in the Applicable Pricing Supplement, portion of the Principal Amount of the Credit Linked Notes affected thereby) on or after the Interest Expiration Date.

4. REDEMPTION PRIOR TO MATURITY DATE

The Issuer may redeem Credit Linked Notes (or, if so specified in the Applicable Pricing Supplement, a portion of the Principal Amount of the Credit Linked Notes may be redeemed) earlier than the stated Maturity Date if a Credit Event (if applicable) occurs and the Conditions to Settlement specified in the Applicable Pricing Supplement are satisfied.

5. **REDEMPTION AFTER SCHEDULED MATURITY DATE**

Redemption may occur irrespective of whether the Credit Event (if applicable) is continuing on or after an Event Determination Date. The Cash Settlement Date, the Final Delivery Date or the Physical Settlement Date may be later than the Scheduled Maturity Date. In certain circumstances, delivery of Deliverable Obligations contained in the Deliverable Obligations Portfolio may be delayed to a date beyond the Physical Settlement Date.

6. **ISSUER DISCRETION**

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

7. **REDEMPTION FAILURE/ALTERNATIVE SETTLEMENT**

In relation to a Physically Settled Note, if a Redemption Failure Event occurs, the Note may be subject to alternative settlement and may, in certain circumstances, be redeemed without any payment or Delivery by the Issuer. If the minimum denomination of Deliverable Obligations is not a whole integral number of the amount of the Deliverable Obligations Portfolio, the Issuer may Deliver such whole integral amount of the Deliverable Obligations Portfolio and cash settle the fractional shortfall. If the Final Redemption Amount in respect of such Note cannot be paid when due as a result of a Redemption Failure Event, the Noteholder, after providing a release and indemnity to the satisfaction of the Issuer, may request such payment to be made to an account or person not affected by such Redemption Failure Event, provided that, if such Redemption Failure Event is continuing for 60 calendar days after the Maturity Date, the Issuer's obligations in respect of such payment will be discharged.

8. **IMPOSSIBILITY AND ILLEGALITY**

In relation to a Physically Settled Note, if as a result of the application of the provisions of Sections 9.3, 9.4, 9.5 or 9.6 of the Definitions it is impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver (by reason of an impossibility, impracticality or illegality, non-receipt of requisite consents of Consent Required Loans or Assignable Loans included in the Deliverable Obligations Portfolio, the inclusion in the Deliverable Obligations Portfolio of participations not effected by the Latest Permissible Physical Settlement Date or for any other reason specified in such Sections) relating to partial cash settlement may apply in respect of any undeliverable portion of the Deliverable Obligations Portfolio. If such partial cash settlement does not apply, then in respect of the portion of the Deliverable Obligations Portfolio for which it is not possible or legal to take Delivery on the Physical Settlement Date, such Delivery will take place as soon as practicable thereafter in accordance with the provisions of the Definitions and in any event on or before the Latest Permissible Physical Settlement Date. The Issuer's obligations will be deemed to be fully discharged with respect to such Note as at the date on which the Deliverable Obligations Portfolio has been fully Delivered (if any) or otherwise as at the date immediately following the Latest Permissible Physical Settlement Date.

9. **EXPOSURE TO REFERENCE ENTITIES, OBLIGATIONS, UNDERLYING OBLIGATIONS, UNDERLYING OBLIGORS, REFERENCE OBLIGATIONS AND DELIVERABLE OBLIGATIONS**

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

10. **SYNTHETIC EXPOSURE**

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

11. **VOLATILITY**

The market value of the Credit Linked Notes (whether indicative or firm) will vary over time and may be significantly less than par (or even zero) in certain circumstances. The market value of the Credit Linked Notes may be volatile even if settled through customary clearing systems or listed on an exchange.

12. **NO GUARANTEE OF PERFORMANCE**

The Credit Linked Notes may constitute direct, unsubordinated and unsecured obligations of the Issuer that are linked to the credit risk of the Reference Entities and/or Reference Obligations specified in the Applicable Pricing Supplement. Neither the Issuer nor any Arranger, Dealer or Sponsoring Member or Agent or any Affiliate of any of them (each such entity, a “**Programme Party**”) guarantees the performance of or otherwise stands behind the performance of any Reference Entity or Reference Obligation or is under any obligation to make good losses suffered as a result of Credit Events.

13. **INDEPENDENT REVIEW AND ADVICE**

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

Purchasers of Credit Linked Notes are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of investment in the Credit Linked Notes. Purchasers of Credit Linked Notes should ensure that they fully understand the risks associated with investments of this nature which are intended to be sold only to sophisticated investors. Purchasers of Credit Linked Notes are solely responsible for making their own independent appraisal of and investigation into the business, financial condition, prospects, creditworthiness, status and affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations.

Purchasers of Credit Linked Notes should be aware that none of the Programme Parties has any duty to conduct or accepts any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations. Purchasers of the Credit Linked Notes may not rely on the views or advice of the Issuer for any information in relation to any person other than the Issuer itself.

14. **CONFLICTS OF INTEREST**

The Programme Parties may deal in any obligation of a Reference Entity or its Affiliates, including any Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations, and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Reference Entity, its Affiliates, any other person or entity having obligations relating to a Reference Entity or its Affiliates and may act with respect to such business in the same manner as if any Credit Linked Notes issued hereunder did not exist, regardless of whether any such action might have an adverse effect

(including, without limitation, any action which might give rise to a Credit Event) on a Reference Entity and/or its Affiliates. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and some or all of the Programme Parties, on the other hand. None of the Programme Parties is required to resolve such conflicts of interest in favour of the Noteholders and may pursue such actions and take such steps as they deem necessary or appropriate to protect their interests without regard to the consequences for any Noteholder.

15. HEDGING

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

16. PROVISION OF INFORMATION

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

17. NO REPRESENTATIONS

None of the Programme Parties makes any representation, express or implied, as to any Reference Entity or any Reference Obligation or the credit quality thereof, or any information contained in any documents provided by any Reference Entity or filed by a Reference Entity with any exchange or with any governmental authority.

18. LIMITED LIQUIDITY

No secondary market exists for the Credit Linked Notes upon issue and there can be no assurance that a secondary market for the Credit Linked Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Credit Linked Notes. The Issuer and its Affiliates are not required to make a market in any Credit Linked Notes. Consequently, a prospective purchaser of the Credit Linked Notes must be prepared to hold its Credit Linked Notes for an indefinite period of time or until the redemption or maturity of the Credit Linked Notes.

19. RELIANCE ON THE CREDIT OF THE ISSUER

Noteholders are subject to the credit risk of the Issuer as well as the credit and other risks of the Reference Entities.

20. INSTRUMENTHOLDER OBLIGATIONS

If a Note is a Physically Settled Note, the Issuer's obligation to Deliver the Deliverable Obligations Portfolio is subject to various conditions, including, without limitation, the obligation of the Noteholder to deliver to the Issuer an Asset Transfer Notice within the prescribed time frame. If a Noteholder fails to do so in a timely manner, the obligations of the Issuer to that Noteholder may be discharged without any payment or Delivery. In any event, no payment or Delivery will be made in

respect of a Physically Settled Note unless the Issuer has received, in the case of a Global Certificate, the Verification or, in the case of an Individual Certificate, the relevant Certificate.

21. CURRENCY RISK

An investment in a Note denominated and payable in a foreign currency entails significant risks to an investor that would not arise if a similar investment were made in a Note denominated and payable in such Noteholder's home currency. These risks include, without limitation, the possibility of significant changes in the rates of exchange between the foreign currency and such Noteholder's home currency and generally depend on economic and political events over which the Issuer has no control.

22. PORTFOLIO REPLACEMENTS, SUCCESSION EVENTS AND SUBSTITUTE REFERENCE OBLIGATIONS

If specified in the Applicable Pricing Supplement, the Issuer may be entitled to effect replacements of the entities, obligations and amounts comprising a reference portfolio for a Series of Credit Linked Notes. The Issuer may effect such replacements pursuant to any guidelines specified in the Applicable Pricing Supplement without regard to their effect on the value, market price or liquidity of any Credit Linked Notes or of the interests of any person other than the Issuer. If the Applicable Pricing Supplement entitles the Issuer to effect such replacements, the Issuer shall have no obligation to effect a replacement of a Reference Obligation as a result of any change in the credit of such Reference Obligation or related Reference Entity and no such inference may be drawn from such Applicable Pricing Supplement. In addition, upon the occurrence of a Succession Event, one or more Successor Reference Entity(s) will (unless otherwise specified in the Applicable Pricing Supplement be deemed to be a Reference Entity in replacement of (or in addition to, as applicable) the Reference Entity originally specified in the Applicable Pricing Supplement. Further, upon a Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected. Accordingly, a Series of Credit Linked Notes may be linked to the credit of certain Reference Entities and its Obligations and Reference Obligations notwithstanding that such Reference Entities, Obligations and Reference Obligations were not specified in the Applicable Pricing Supplement upon issuance of such Series of Credit Linked Notes.

23. OPTIONAL REDEMPTION

The Issuer may redeem Credit Linked Notes prior to the Maturity Date if Optional Redemption is specified as applicable in the Applicable Pricing Supplement. Noteholders may be subject to reinvestment risk in such event. The amount paid or delivered upon any such Optional Redemption may be at a premium to or discount from par.

24. LEVERAGE

Certain Credit Linked Notes may be highly leveraged investments, including, without limitation, Credit Linked Notes linked to a notional amount of Reference Entities or Reference Obligations exceeding the principal amount of the Credit Linked Notes or Credit Linked Notes linked to the first-to-default or similar arrangement of a reference portfolio. The use of leverage is a speculative investment technique to enhance returns. However, leverage also will magnify the adverse impact of Credit Events.

FORM OF THE INSTRUMENTS

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

Instruments may be issued in registered or unlisted registered form, as specified in the Applicable Pricing Supplement.

The Instruments may be listed on BESA and/or a successor exchange to BESA or such other or further exchange or exchanges as the Issuer may select in relation to an issue. Unlisted Instruments may also be issued under this Programme. Each Tranche of Instruments listed on BESA will be issued in accordance with the Terms and Conditions set out below in this Programme Memorandum in the form of a single Global Certificate, without interest Coupons, which will be lodged and immobilised in the CSD, which forms part of the settlement system of BESA. This will entail that the Instruments, represented by the Global Certificate, will be deposited with the CSD and registered in the name of, and for the account of, the CSD’s Nominee.

In the event that the Instruments are issued in uncertificated form, no Certificates shall be issued in respect thereof.

All Instruments not represented by a Global Certificate, including Bearer Notes and Order Notes (each defined below) shall be issued in definitive form, in the form of a Individual Certificate. Instruments represented by Individual Certificates may only be transferred in accordance with the provisions of Condition 18.

Listed Registered Instruments

Beneficial Interests in listed Registered Instruments which are represented by a Global Certificate lodged in the CSD, in the name of and for the account of the CSD’s Nominee may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of the Participants in the CSD, who are also approved by BESA to act as Settlement Agents and therefore perform electronic settlement of both funds and scrip on behalf of market participants. A certificate or other document issued by a Participant as to the nominal amount of such Beneficial Interest in Instruments standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. A Global Certificate may be replaced by the issue of uncertificated securities in terms of Section 37 of the Securities Services Act.

Beneficial Interests in listed Registered Instruments may be exchanged, without charge by the Issuer, for Individual Certificates in accordance with the provisions of Condition 17 of the Terms and Conditions. The Instruments represented by the Global Certificate and Individual Certificates will be registered in the names of the Instrumentholders in the Register of Instrumentholders maintained by or on behalf of the Issuer. The Issuer shall regard the Register as the conclusive record of title to the Instruments. The CSD shall be recognised by the Issuer as the registered holder of the Instruments represented by the Global Certificate and the registered holders of Individual Certificates shall be recognised by the Issuer as the owners of the Instruments represented by such Individual Certificates.

In the event that the Instruments are uncertificated, the Issuer shall record in its Register the name of the nominee of the CSD as the registered holder of the uncertificated securities.

Bearer and Order Notes

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

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

PRO FORMA NOTE PRICING SUPPLEMENT

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



FIRSTRAND

FIRSTRAND BANK LIMITED

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

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

Under its ZAR15,000,000,000 Structured Note and Preference Share Programme

This document constitutes the Pricing Supplement relating to the issue of the Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated 11 February 2008 (the “**Programme Memorandum**”). This Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Pricing Supplement or indicated to be not applicable.

GENERAL DESCRIPTION OF THE NOTES

1.	Issuer	FirstRand Bank Limited
2.	Status of Notes	[Secured/Unsecured] [Senior/Subordinated] Notes
3.	(a) Series Number	[]
	(b) Tranche Number	[]
4.	Aggregate Principal Amount	[]
5.	Principal Amount per Note	[]
6.	Form of Notes	[Registered/Bearer/Order] Notes
7.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked/Dual Currency/Partly Paid/Instalment/Credit-Linked/Other] Notes
8.	Interest Commencement Date	[]
9.	Automatic/Optional Conversion: from one Interest/Redemption/Payment Basis to another	[]
10.	Issue Date	[]
11.	Issue Price	[]
12.	Specified Denomination	[]
13.	Specified Currency	[]
14.	Business Centre	[]
15.	Additional Business Centre	[]
16.	Applicable Business Day Convention	[]
17.	Maturity Date	[]

18. Final Redemption Amount []
19. Last Date to Register by 17h00 on [] and [] of each year
20. Books Closed Period(s) The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date
21. Default Rate []

FIXED RATE NOTES

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

FLOATING RATE NOTES

23. (a) Floating Interest Payment Date(s) []
- (b) Interest Period(s) []
- (c) Interest Rate []
- (d) Definition of Business Day (if different from that set out in Condition 1) []
- (e) Minimum Interest Rate [] percent per annum
- (f) Maximum Interest Rate [] percent per annum
- (g) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []
- (h) Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other – insert details]
- (i) Margin [(...) basis points to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
- (j) If ISDA Determination
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
- (e) ISDA Definitions to apply []
- (k) If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) []
- (b) Interest Rate Determination Date(s) []
- (c) Relevant Screen Page and Reference Code []

- (l) If Interest Rate to be calculated otherwise []
than by ISDA Determination or Screen
Determination, insert basis for determining
Interest Rate /Margin/Fallback provisions
- (m) If different from the Calculation Agent, the []
agent responsible for calculating amount of
principal and interest

MIXED RATE NOTES

- 24. Period(s) during which the interest rate for the []
Mixed Rate Notes will be (as applicable) that for:
- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []
- (c) Indexed Notes []
- (d) Other Notes []

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

ZERO COUPON NOTES

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

PARTLY-PAID NOTES

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

INSTALMENT NOTES

- 27. Instalment Dates []
- 28. Instalment Amounts (expressed as a percentage of []
the aggregate Nominal Amount of the Notes)

MIXED RATE NOTES

- 29. Interest Period(s) during which the interest rate
for the Mixed Rate Notes will be (as applicable)
that for:
- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []
- (c) Indexed Notes []

- (d) Dual Currency Notes []
- (e) Other Notes []
30. The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes []

INDEX-LINKED NOTES

31. (a) Type of Index-Linked Notes [Indexed Interest Notes/Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Rate/Interest Amount is to be determined []
- (c) Manner in which the Interest Rate/Interest Amount is to be determined []
- (d) Interest Period(s) []
- (e) Interest Payment Date(s) []
- (f) If different from the Calculation Agent, the agent responsible for calculating amount of principal and interest []
- (g) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []
- (h) Definition of Business Day (if different from that set out in Condition 1) []
- (i) Minimum Interest Rate [] percent per annum
- (j) Maximum Interest Rate [] percent per annum
- (k) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []

DUAL CURRENCY NOTES

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

EXCHANGEABLE NOTES

33. Mandatory Exchange applicable? [Yes/No]
34. Noteholders' Exchange Right applicable? [Yes/No]
35. Exchange Securities []
36. Manner of determining Exchange Price []
37. Exchange Period []

38. Other

[]

CREDIT LINKED NOTES

Interpretation

Capitalised terms used herein and not otherwise defined herein or in the Terms and Conditions shall have the meaning set out in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to such Definitions, published by the International Swaps and Derivatives Association, Inc. (the “**Definitions**”) (as, if applicable, supplemented or amended in this Pricing Supplement), save that any references to the “*Related Confirmation*” shall be deemed to refer instead to the applicable “*Pricing Supplement*”, references to the Credit Derivative Transaction shall be deemed to refer instead to the Notes, references to the Buyer shall be deemed to refer instead to the Issuer, and references to the Seller shall be deemed to refer instead to the Noteholder(s). The Definitions are hereby incorporated by reference herein, and shall apply *mutatis mutandis* to the Notes.

39. Reference Period

The period commencing at or after 12:01 a.m., Greenwich Mean Time (GMT) on (and including) the calendar day following the Trade Date and ending at or prior to 11:59 p.m., GMT on (and including, subject as provided below) the Scheduled Termination Date

40. Credit Event Redemption Amount

[]

41. Redemption Date

[*Maturity Date*]

42. Scheduled Termination Date

[*Maturity Date unless otherwise specified*]

43. Reference Entity(ies)

[] and any Successor

Section 2.31 (*Merger of Reference Entity and Seller*) of the Definitions shall not apply to the Notes

44. Reference Obligation(s)

[]

[The obligation(s) identified as follows:

Primary Obligor: []

Grantor: []

Maturity: []

Coupon: []

OUSIP/ISIN: []]

45. All Guarantees

[Applicable/Not Applicable]

46. Obligation(s)

Obligation Category: [Payment]
(*Select one*) [Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]

- [Bond or Loan]
- Obligation [Not Subordinated]
- Characteristics: [Specified Currency:
- (*Select which apply*) Standard Specified Currencies]
- [Not Sovereign Lender]
- [Non Domestic Law]
- [Listed]
- [Not Domestic Issuance]
- Additional Obligations: []
- Excluded Obligations: [None]
47. Grace Period [The number of days equal to the grace period with respect to payments in accordance with the terms of, and under, the relevant Obligation, and, if no grace period is applicable, zero]
48. Maturity Date Extension [Applicable]
49. Credit Events The following Credit Events shall apply (*select all that apply [delete non-applicable events]*):
- [Bankruptcy]
- [Failure to Pay]
- [Grace Period Extension]
- [Applicable/Not Applicable]
- [*If Applicable*
- [Grace Period: []]
- [Obligation Acceleration]
- [Obligation Default]
- [Repudiation/Moratorium]
- [Restructuring:
- [Restructuring Maturity Limitation and Fully transferable Obligation: Applicable]
- [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]
- [Multiple Holder Obligation: [Applicable]]
- [Other]
50. Payment Requirement [Applicable/Not Applicable]
- [Specify]
51. Default Requirement [Applicable/Not Applicable]
- [Specify]
52. Notice Delivery Period []
53. Conditions to Settlement (if any) *Where Cash Settlement is specified:*
- Delivery by the Issuer of a Credit Event Notice

[and a Notice of Publicly Available Information]

Where Physical Settlement is specified:

Delivery by the Issuer of a Credit Event Notice, a Notice of Physical Settlement [and a Notice of Publicly Available Information]

[Notice of Publicly Available Information:

Specified Number of Public Sources: [2 (two)]]

54. Settlement: (if Physical Settlement applies, include the following)

[Cash/Physical] Settlement (*please specify*)

(a) Deliverable Obligations

Exclude Accrued Interest

(b) Deliverable Obligations

Deliverable Obligation [Payment]
Category: [Borrowed Money]
(*Select one*) [Reference Obligation Only]
[Bond]
[Loan]
[Bond or Loan]

Deliverable Obligation [Not Subordinated]
Characteristics: [Specified Currency:
(*Select which apply*) Standard Specified Currencies]
[Not Sovereign Lender]
[Not Domestic Currency]
[Not Domestic Law]
[Listed]
[Not Contingent]
[Not Domestic Issuance]
[Assignable Loan]
[Consent Required Loan]
[Transferable]
[Maximum]
Maturity [30 years]
[Accelerated or Matured]
[Not Bearer]
[*Other*]

Additional Deliverable Obligations: []

Excluded Deliverable Obligations: [None]

(c) Physical Settlement Period

The longest of the number of Business Days for settlement in accordance with the then current market practice of any Deliverable Obligation being Delivered, as determined by the Calculation Agent, subject to a minimum of [30/90/120/*other*] Business Days following the satisfaction of all Conditions to Settlement

(d) Physical Settlement Date

The date within the Physical Settlement Period

upon which all the Deliverable Obligations specified in the Notice of Physical Settlement are Delivered; provided that if on the last day of the Physical Settlement Period the Deliverable Obligations specified in the Notice of Physical Settlement cannot be Delivered due to any reason, the Physical Settlement Date shall be the last day of the Physical Settlement Date shall be the last day of the Physical Settlement Period

The Issuer may extend the Physical Settlement Date to such date that the Calculation Agent in its sole discretion designates (the “**Extended Physical Settlement Date**”). The Extended Physical Settlement Date shall not, however, be later than [120] Business Days after the Physical Settlement Date

- | | | |
|-----|---|---|
| (e) | Latest Permissible Physical Settlement Date: (if Cash Settlement is applicable, insert the following) | [specify number] days after the final day of the Physical Settlement Period |
| (a) | Redemption Amount | [] |
| (b) | Redemption Date | [] |
| (c) | Valuation Date | [Single Valuation Date: 5 (five) Business Days]
[Number of Valuation Dates/Multiple Valuation Dates] |
| (d) | Valuation Time | [] |
| (e) | Quotation Method | [Bid] |
| (f) | Quotation Amount | [] |
| (g) | Dealers: | [] |
| (h) | Settlement Currency | [] |
| (i) | Cash Settlement Date | [3 (three) Business Days following the Valuation Date] |
| (j) | Cash Settlement Amount | [] |
| (k) | Quotation | [Include Accrued Interest] |
| (l) | Valuation Method | [Highest] |
| (m) | Other terms | [] |
| 55. | Other provisions | [] |
| 56. | [Other Risk Warnings] | [] |

OTHER NOTES

- | | | |
|-----|---|-----------|
| 57. | If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Exchangeable Notes, Credit Linked Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes | [] |
|-----|---|-----------|

**PROVISIONS REGARDING REDEMPTION/
MATURITY**

58. Prior consent of Registrar of Banks required for any redemption prior to the Maturity Date [Yes/No]
59. Issuer's Optional Redemption: 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) Minimum Period of Notice (if different to Condition 12.3) []
 - (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
 - (e) Other terms applicable on Redemption []
60. Redemption at the option of the Noteholders: 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) Minimum period of notice (if different to Condition 12.4) []
 - (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
 - (e) Other terms applicable on Redemption []
 - (f) Attach *pro forma* put notice(s)
61. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default []
- (a) Amount payable; or []
 - (b) Method of calculation of amount payable []
62. Coupon Redemption Calculation [Provide Formulae if applicable]

GENERAL

63. Qualification of Notes as Secondary Capital under the Banks Act [Yes/No]
64. Qualification of Notes as Tertiary Capital under the Banks Act [Yes/No]
65. Additional selling restrictions []
66. (a) International Securities Numbering (ISIN) []
- (b) Stock Code []

67. Method of Distribution []
68. Stabilising manager []
69. Provisions relating to Stabilisation []
70. Exchange []
71. If syndicated, names of managers []
72. If non-syndicated, name of Dealer []
73. Receipts attached? If yes, number of Receipts attached [Yes/No]
[]
74. Coupons attached? If yes, number of Coupons attached [Yes/No]
[]
75. Talons attached? If yes, number of Talons attached [Yes/No]
[]
76. Applicable Rating Agency/ies []
77. Credit Rating assigned to Notes, the Issuer as at the Issue Date (if any) []
78. Stripping of Receipts and/or Coupons prohibited as provided in Condition 18.4 [Yes/No]
[]
79. Governing law (if the laws of South Africa are not applicable) []
80. Other Banking Jurisdiction []
81. Use of proceeds []
82. Other provisions []

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

For and on behalf of
FIRSTRAND BANK LIMITED

For and on behalf of
FIRSTRAND BANK LIMITED

Name:
Capacity:
Who warrants his authority hereto

Name:
Capacity:
Who warrants his authority hereto

PRO FORMA PREFERENCE SHARE PRICING SUPPLEMENT

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



FIRSTRAND

FIRSTRAND BANK LIMITED

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

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

Under its ZAR15,000,000,000 Structured Note and Preference Share Programme

This document constitutes the Pricing Supplement relating to the issue of the Preference Shares described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated 11 February 2008 (the “**Programme Memorandum**”). This Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement, to the extent applicable, shall prevail. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Preference Share described herein, they may be deleted in this Pricing Supplement or indicated to be not applicable.

GENERAL DESCRIPTION OF THE PREFERENCE SHARES

1.	Issuer	FirstRand Bank Limited
2.	Status of Preference Shares	[cumulative/non-cumulative]
3.	Ranking of Preference Shares	[]
4.	(a) Tranche Number	[]
	(b) Series Number	[]
5.	Aggregate Subscription Amount	[]
6.	Par value of the Preference Shares	[]
7.	Share premium attributable to the Preference Shares	[]
8.	Issue Date	[]
9.	Issue Price	In relation to each Preference Share, [], being the aggregate of the par value of that Preference Share and the share premium attributable to that Preference Share
10.	Dividend Basis	[Fixed Yield/Floating Yield/Other]
11.	Automatic/Optional Conversion from one Dividend/Payment Basis to another:	[]
12.	Redemption Date	[]
13.	Specified Denomination	[]
14.	Specified Currency	[]
15.	Business Centre	[]
16.	Additional Business Centre	[]
17.	Principal Amount per Preference Share	[]

18. Applicable Business Day Convention []
19. Final Redemption Amount []
20. Last Date to Register by 17h00 on [] and [] of each year
21. Books Closed Period(s) The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date

FIXED YIELD PREFERENCE SHARES

22. Dividend Yield(s) []
23. Dividend Payment Date(s) [Dates/Periods]
24. Initial Broken Amount []
25. Final Broken Amount []
26. Any other terms relating to the particular method of calculating dividends: []

FLOATING YIELD PREFERENCE SHARES

27. (a) Dividend Payment Date(s) [Dates/Periods]
- (b) Dividend Periods) []
- (c) Dividend Yield [] percent
- (d) Minimum Dividend Yield [] percent
- (e) Maximum Dividend Yield [] percent
- (f) Other terms relating to the method of calculating dividends (e.g. Day Count Fraction if different from that set out in Condition 1 / rounding up provision if different from that set out in Condition 10): []
28. Manner in which the Dividend Yield is to be determined: []
[ISDA Determination/
Screen Rate Determination/
other (insert details)]
29. Margin [(+/-)... percent to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
30. If ISDA Determination :
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
31. If Screen Rate Determination:
- (a) Reference Rate (including relevant period by reference to which the Dividend Yield is to be calculated): [e.g. ZAR-JIBAR-SAFEX Rate/EURIBOR rate]
- (b) Dividend Determination Date(s) []
- (c) Relevant Screen Page and Reference Code []
32. If Dividend Yield to be calculated otherwise than

by reference to (d) or (e) above, insert basis for determining Dividend Yield/Margin/fall back provisions: []

OTHER PREFERENCE SHARES

33. Relevant description and any additional Terms and Conditions relating to such Redeemable Preference Shares []

PROVISIONS REGARDING REDEMPTION/MATURITY

34. Prior consent of Registrar of Banks required for any redemption prior to the Maturity Date [Yes/No]

35. Issuer's Optional Redemption: 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) Minimum Period of Notice (if different to Condition 12.3) []

(d) If redeemable in part:

Minimum Redemption Amount(s) []

Higher Redemption Amount(s) []

(e) Other terms applicable on Redemption []

36. Redemption at the option of the Preference Shareholders: 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) Minimum period of notice (if different to Condition 12.4) []

(d) If redeemable in part:

Minimum Redemption Amount(s) []

Higher Redemption Amount(s) []

(e) Other terms applicable on Redemption []

(f) Attach *pro forma* put notice(s)

37. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default []

(a) Amount payable; or []

(b) Method of calculation of amount payable []

38. Coupon Redemption Calculation [Provide Formulae if applicable]

GENERAL

39. Qualification of Preference Shares as Secondary Capital under the Banks Act [Yes/No]

- | | | | |
|-----|--|----------|-----|
| 40. | Qualification of Preference Shares as Tertiary Capital under the Banks Act | [Yes/No] | |
| 41. | Additional selling restrictions | [] | |
| 42. | (a) International Securities Numbering (ISIN) | [] | |
| | (b) Stock Code | [] | |
| 43. | Method of Distribution | [] | |
| 44. | Stabilising manager | [] | |
| 45. | Provisions relating to Stabilisation | [] | |
| 46. | Exchange | [] | |
| 47. | If syndicated, names of managers | [] | |
| 48. | If non-syndicated, name of Dealer | [] | [] |
| 49. | Applicable Rating Agency/ies | [] | |
| 50. | Governing law (if the laws of South Africa are not applicable) | [] | |
| 51. | Other Banking Jurisdiction | [] | |
| 52. | Use of proceeds | [] | |
| 53. | Credit Rating | [] | |
| 54. | Other provisions | [] | |

Application [is hereby]/[will not be] made to list this issue of Preference Shares on [date].

For and on behalf of
FIRSTRAND BANK LIMITED

For and on behalf of
FIRSTRAND BANK LIMITED

Name:
Capacity:
Who warrants his authority hereto

Name:
Capacity:
Who warrants his authority hereto

TERMS AND CONDITIONS OF THE INSTRUMENTS

The following are the Terms and Conditions of the Instruments to be issued by the Issuer. Instruments will be issued in individual Tranches which, together with other Tranches, may form a Series of Instruments. Before the Issuer issues any Tranche of Instruments, the Issuer shall complete and sign the applicable Pricing Supplement, based on the pro forma Pricing Supplement included in the Programme Memorandum, setting out details of such Instruments. The Applicable Pricing Supplement in relation to any Tranche of Instruments may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Instruments. The Applicable Pricing Supplement will be attached to each Certificate.

1. INTERPRETATION

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

“Applicable Procedures”	the rules and operating procedures for the time being of the CSD and BESA and/or any Exchange, as the case may be;
“Applicable Rating Agency”	in respect of the relevant Tranche or Series of Instruments, as the case may be, any internationally recognised rating agency, as indicated in the Applicable Pricing Supplement, which has been appointed by the Issuer and which has assigned a rating to the Notes issued by the Issuer in respect of the relevant Tranche or Series, as the case may be;
“Banks Act”	the Banks Act, 1990, as amended;
“Bearer Note”	a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 18.2 and the term “ <i>Bearer Note</i> ” shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Bearer Note;
“Bearer Note”	a note issued in Bearer form and transferable in accordance with Condition 18.2;
“Bearer”	the bearer of a Certificate evidencing a Bearer Note or of a Receipt or Coupon attached to such Certificate on issue;
“Beneficial Interest”	the undivided share of a co-owner of the Instruments represented by a Global Certificate as provided in section 41 of the Securities Services Act;
“BESA”	the Bond Exchange of South Africa, a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to BESA;
“Books Closed Period”	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Date to Register, during which transfer of the Instruments will not be registered, or such shorter period as the Issuer may decide in order to determine those Instrumentholders entitled to receive interest;
“Business Day”	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994 as

	amended) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement, save that if the Specified Currency is not ZAR, “ <i>Business Day</i> ” shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday;
“ Calculation Agent ”	the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Instruments, another entity as Calculation Agent, in which event that other entity shall act as a Calculation Agent in respect of that Tranche or Series of Instruments;
“ Certificate ”	a Global Certificate or Individual Certificate;
“ Class of Instrumentholders ”	the holders of a Series of Instruments or, where appropriate, the holders of different Series of Instruments;
“ Companies Act ”	the Companies Act, 1973, as amended;
“ Conditions to Settlement ”	in respect of a Credit Linked Note, the delivery by the Determination Agent to the Issuer of a Credit Event Notice and the further conditions, if any, set out in the Applicable Pricing Supplement;
“ Coupon ”	an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached to the Certificate evidencing such interest bearing Note and any reference to a Coupon shall, unless the context otherwise requires, be deemed to include a reference to a Talon;
“ Credit Linked Notes ”	the amount of principal and/or interest (if any) payable in respect of Credit Linked Notes will be dependent on if a Credit Event in respect of the Reference Entity has occurred (as indicated in the Applicable Pricing Supplement);
“ Credit Event Redemption Amount ”	the amount calculated in the manner and in accordance with the formula specified in the Applicable Pricing Supplement;
“ CSD ”	STRATE Limited (Registration Number 1998/022242/06), or its nominee, operating in terms of the Securities Services Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer;
“ CSD’s Nominee ”	Central Depository Nominees (Proprietary) Limited (Registration Number 1990/006665/07), a Wholly Owned Subsidiary of the CSD;
“ Deliverable Amount ”	in respect of each nominal amount of Notes equal to the lowest denomination, Deliverable Obligations as selected by the Determination Agent in their sole discretion;
“ Determination Agent ”	the Auditors appointed by the Issuer from time to time, or

	such other person as may be appointed by the Issuer. All determinations made by the Determination Agent pursuant to these Conditions will be notified to the Paying Agent in accordance with Condition 13)
“Dividend Amount”	the amount of dividend payable on the Issue Price of each Preference Share, on the relevant Dividend Payment Date in respect of the relevant Dividend Period, determined by the Calculation Agent in accordance with Condition 9;
“Dividend Determination Date”	in respect of each Dividend Period for Floating Yield Preference Shares, the day falling on the first day of such Dividend Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Dividend Yield in respect of such Dividend Period shall be determined by the Calculation Agent in accordance with Condition 9.2;
“Dividend Payment Date”	in respect of Preference Shares, the Dividend Payment Date as specified as such in the Applicable Pricing Supplement or, if no Dividend Payment Date is specified in the Applicable Pricing Supplement, the last day of each Dividend Period;
“Dividend Period”	each successive period as specified in the Applicable Pricing Supplement in respect of which dividends are determined on Preference Shares commencing on and including a Dividend Payment Date and ending on but excluding the following Dividend Payment Date; provided that the first Dividend Period shall commence on and include the Issue Date and the last Dividend Period shall end on but exclude the Redemption Date;
“Dividend Yield”	subject to Condition 9, the dividend rate or dividend rates applicable to Preference Shares as specified in the Applicable Pricing Supplement;
“Dealers”	Rand Merchant Bank, a division of FirstRand Bank Limited and any other additional Dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer;
“Early Redemption Amount”	the amount, determined in accordance with Condition 12.5, at which the Instruments will be redeemed by the Issuer pursuant to the provisions of Condition 0 and/or Condition 15;
“Endorsement in Blank”	an Endorsement which specifies no named Payee;
“Endorsement”	an “ <i>indorsement</i> ”, <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 1964;
“Equity”	the aggregate of the consolidated ordinary share capital, retained income, share premium, non-distributable reserves, revaluation reserves, fair value reserves, shareholders loans (where same are subordinated in favour of all creditors), perpetual preference shares, perpetual preference share premium, minority Interests, less the aggregate of ordinary dividends, preference dividends, and distributions pursuant to the Companies Act;

“Event of Default”	(a) in respect of a Tranche of Senior Notes, an event of default referred to in Condition 15.2; (b) in respect of a Tranche of Subordinated Notes, an event of default referred to in Condition 15.3;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961 issued pursuant to the Currency and Exchanges Act, 1933, as amended;
“Exchange Period”	in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
“Exchange Price”	the value indicated in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
“Exchange Securities”	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
“Exchangeable Notes”	the Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
“Extraordinary Resolution”	a resolution passed at a meeting of the Instrumentholders (duly convened) by a majority consisting of not less than 75% of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 75% of the votes cast on such poll;
“Failure to Pay”	following the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure;
“Final Redemption Amount”	the amount of principal payable in respect of each Instrument upon final redemption thereof as specified in the Applicable Pricing Supplement payable in respect of each Instrument upon the Maturity Date;
“Fixed Interest Rate”	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
“Fixed Rate Notes”	Notes which will bear interest at the Fixed Interest Rate, as indicated in the Applicable Pricing Supplement;
“Fixed Yield Preference Shares”	Preference Shares which bear dividends at a fixed dividend rate, as specified in the Applicable Pricing Supplement and set out in Condition 0;
“Floating Rate Notes”	Notes which will bear interest as indicated in the Applicable Pricing Supplement and more fully described

	in Condition 8.2;
“Floating Rate”	has the meaning given to the expression in the ISDA Definitions, as indicated in the Applicable Pricing Supplement;
“Floating Yield Preference Shares”	Preference Shares which bear dividends at floating dividend rate, as specified in the Applicable Pricing Supplement and set out in Condition 9.2;
“FRB Group”	the Issuer and each Subsidiary of the Issuer from time to time whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
“Global Certificate”	the single certificate, without Coupons, registered in the name of the CSD’s Nominee and representing those Instruments issued under the Terms and Conditions which are lodged and immobilised in the CSD other than those Instruments represented by the Individual Certificates. A Global Certificate may be replaced by the issue of uncertificated securities in terms of section 37 of the Securities Services Act;
“Grace Period”	<p>(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred;</p> <p>(b) if grace period Extension is specified as applying in the Applicable Pricing Supplement, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, but its terms, expire on or prior to the Scheduled Termination Date, the grace period shall be deemed to be the lesser of such grace period and the period specified as such in the Applicable Pricing Supplement or, if no period is specified in the Applicable Pricing Supplement, 30 calendar days; and</p> <p>(c) if, at the later of the Issue Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Business Days is applicable under the terms of such Obligation, a grace period of three Business Days shall be deemed to apply to such Obligation; provided that, unless grace period Extension is specified as applicable in the Applicable Pricing Supplement, such deemed grace period shall expire no later than the Scheduled Termination Date;</p>
“Grace Period Extension Date”	<p>if:</p> <p>(a) Grace Period Extension is specified as applying in the Applicable Pricing Supplement; and</p> <p>(b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date,</p> <p>the day that is the number of days in the Grace Period after</p>

	the date of such Potential Failure to Pay;
“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Instruments, as specified in the Applicable Pricing Supplement;
“Income Tax Act”	the Income Tax Act, 1962 as amended;
“Indebtedness”	in respect of the FRB Group, any indebtedness in respect of monies borrowed and (without double counting) guarantees (other than those given in the ordinary course of business) given, whether present or future, actual or contingent;
“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;
“Indexed Note”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;
“Individual Certificate”	<p>(a) a single certificate (in definitive registered form without interest or dividend coupons issued), exchanged for a Beneficial Interest in the Instruments represented by the Global Certificate in accordance with Condition 17 and any further Certificate issued in consequence of a transfer thereof;</p> <p>(b) in respect of Bearer Notes: a Note in the definitive bearer form represented by a single Certificate together with Coupons and/or Receipts, if applicable;</p> <p>(c) in respect of Order Notes: a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;</p>
“Instalment Amount”	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
“Instalment Notes”	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
“Instrumentholder(s)”	collectively, the Noteholders of the registered Notes and Preference Shareholders of registered Preference Shares (as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
“Instruments”	collectively, the Notes and/or the Preference Shares;
“Interest Amount”	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Conditions 8.1, 8.2F and 8.4 respectively;
“Interest Commencement Date”	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the

	Applicable Pricing Supplement;
“Interest Payment Date”	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding Interest Payment Date (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
“Interest Period”	the period(s) in respect of which interest accrues on Notes other than Zero Coupon Notes and falls due for payment on the applicable Interest Payment Date;
“Interest Rate”	the rate or rates of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes;
“ISDA”	International Swaps and Derivatives Association, Inc.;
“ISDA Definitions”	the 2000 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time), as specified in the Applicable Pricing Supplement;
“Issuer”	FirstRand Bank Limited (Registration Number 1929/001225/06);
“Last Day to Register”	with respect to a particular Series of Instruments (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Instruments in the Register for that particular Series of Instruments and whereafter the Register is closed for further transfers or entries until the Payment Day;
“Last Payment Date”	in respect of a Tranche of Instruments for purposes of Condition 12.11, the earlier of (i) the date on which the outstanding amount due and payable to the Instrumentholders of Instruments in that Tranche has been paid to such Instrumentholders, and (ii) the date on which such outstanding amount has been paid to the CSD’s Nominee and notice to that effect has been given by the Issuer to such Instrumentholders in accordance with Condition 21
“Mandatory Exchange”	if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
“Material Group Company”	<ul style="list-style-type: none"> (a) the Issuer; and (b) any company of which the Issuer is a member and which: <ul style="list-style-type: none"> (i) represents more than 15% (fifteen percent) of the assets of the Issuer; and (ii) is a Wholly Owned Subsidiary of the Issuer;
“Material Indebtedness”	any Indebtedness amounting in aggregate to not less than ZAR200,000,000 (or its equivalent in other currencies at

	the time of the Event of Default);
“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.3;
“NACA”	nominal annual compounded annually;
“NACM”	nominal annual compounded monthly;
“NACQ”	nominal annual compounded quarterly;
“NACS”	nominal annual compounded semi-annually;
“Noteholders”	the holders of registered Notes (as recorded in the Register) and/or the Bearers of Bearer Notes and/or Payee of the Order Notes;
“Noteholders’ Exchange Right”	if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
“Notes”	the notes issued or to be issued by the Issuer under the Programme and represented by a Certificate, together with Receipts and/or Coupons (if any);
“Order Note”	a Note payable to the Payee thereon, transferable by way of Endorsement and delivery in accordance with Condition 18.3 and the term “ <i>Order Note</i> ” shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Order Note;
“Outstanding”	in relation to the Instruments, all the Instruments issued other than: <ul style="list-style-type: none"> (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates; (c) those which have been purchased and cancelled as provided in Condition 12; (d) those which have become void under Condition 14; (e) Instruments represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 17; (f) (for the purpose only of determining how many Instruments are Outstanding and without prejudice to their status for any other purpose) those Instruments represented by Certificates alleged to have been lost,

stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 17,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Instrumentholders; and
 - (ii) the determination of how many and which Instruments are for the time being Outstanding for the purposes of Conditions 22 and 23,
- (i) all Instruments (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding; and

(ii) Receipts and Coupons,

shall be deemed not to be Outstanding;

“Participant”

a person accepted by the CSD as a participant in terms of the Securities Services Act;

“Partly Paid Notes”

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

“Payee”

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

“Paying Agent”

the Issuer, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Instruments, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Instruments;

“Payment Day”

any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Instruments;

“Permitted Encumbrance”

- (a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or
- (b) any Encumbrance with respect to the receivables of the relevant entity which is created pursuant to any securitisation or like arrangement in accordance with normal market practice; or
- (c) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary;
- (d) any Encumbrance created over any asset owned, acquired, developed or constructed by the relevant entity, being an Encumbrance created for the sole purpose of financing or refinancing that asset owned, acquired, developed or constructed, provided that the Indebtedness so secured shall not

exceed the *bona fide* market value of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise); or

- (e) any Encumbrance over deposit accounts securing the loan to the relevant entity of funds equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or
- (f) any Encumbrance created in the ordinary course of the relevant entity's business over stock-in-trade, inventory, accounts receivable or deposit accounts; or
- (g) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased); or
- (h) any Encumbrance securing in aggregate not more than ZAR200,000,000 at any time;

“Potential Failure to Pay”

the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure;

“Preference Shareholders”

the holders of Preference Shares evidenced by a Certificate (as recorded in the Register);

“Preference Shares”

the preference shares issued or to be issued by the Issuer under the Programme and represented by a certificate as indicated in the Applicable Pricing Supplement pursuant to the Programme Memorandum and the Issuer's memorandum and articles of association;

“Pricing Supplement”

either:

- (a) the note pricing supplement relating to each Tranche of Notes; or
- (b) the preference share pricing supplement relating to each Tranche of Preference Shares;

“Principal Amount”

the nominal amount of each Instrument specified on the Certificate evidencing such Instrument;

“Programme”

the ZAR15,000,000,000 FirstRand Bank Limited Structured Note and Preference Share Programme under which the Issuer may from time to time issue Instruments;

“Receipt”	a receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note which is a Bearer Note or Order Note, attached upon issue to the Certificate evidencing such Instalment Note;
“Redemption Date”	in respect of a Tranche of Instruments, the date upon which the Instruments are redeemed by the Issuer, whether by way of redemption on maturity in terms of Condition 12.1 or redemption for tax reasons in terms of Condition 0, as the case may be;
“Redemption Event”	in respect of a Tranche of Preference Shares, a redemption event referred to in Condition 16;
“Register”	the register maintained by the Transfer Agent in terms of Condition 19;
“Registered Instruments”	collectively, the Notes and the Preference Shares issued in registered form, listed on BESA and transferable in accordance with Condition 18.1;
“Relevant Date”	in respect of any payment relating to the Instruments, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which: (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
“Representative”	a person duly authorised to act on behalf of a Instrumentholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (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 Instrumentholder;
“Securities Services Act”	the Securities Services Act, 2004;
“Senior Noteholders”	the Noteholders of Senior Notes;
“Senior Notes”	Notes issued with the status set out in Condition 5;
“Series”	a Tranche of Instruments together with any further Tranche or Tranches of Instruments which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates and/or Issue Prices;
“Settlement Agent”	a Participant, approved by BESA or any other Exchange to perform electronic settlement of both funds and scrip on behalf of market participants;
“South Africa”	the Republic of South Africa;
“Subordinated Indebtedness”	any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer in the event of the dissolution,

	winding-up or placing into liquidation of the Issuer.
“Subordinated Notes”	Notes issued with the status and characteristics set out in Condition 5.2;
“Talon”	a talon entitling the holder to receive further Coupons in relation to an interest bearing Bearer Note or Order Note, if indicated in the Applicable Pricing Supplement, attached to the Certificate evidencing such interest bearing Note;
“Terms and Conditions”	the terms and conditions incorporated in this section entitled <i>“Terms and Conditions of the Instruments”</i> and in accordance with which the Instruments will be issued;
“Tranche”	in relation to any particular Series, all Instruments which are identical in all respects (including as to listing);
“Transfer Agent”	the Issuer, unless the Issuer elects to appoint, in relation to a particular Series of Instruments, another entity as Agent, in which event that other entity shall act as an Agent in respect of that Series of Instruments;
“Transfer Form”	the written form for the transfer of Instruments represented by a Certificate, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
“Wholly Owned Subsidiary”	a wholly owned subsidiary as defined in Section 1(5) of the Companies Act;
“ZAR”	the lawful currency of South Africa, being South African Rand, or any successor currency;
“ZAR-JIBAR-SAFEX”	the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEX Page as at 12h00, Johannesburg time on the relevant date, or any successor rate as determined by the Calculation Agent; and
“Zero Coupon Notes”	Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

All references in the Terms and Conditions to any legislation (including, without limiting the generality of the foregoing, any statute, regulation, rule or Applicable Procedure) shall be deemed to include any successor or replacement legislation to such legislation. Unless otherwise specified, references to any Condition are to that Condition of the Terms and Condition.

2. ISSUE

- 2.1 Subject to the prior consent of the Registrar of Banks (to the extent required), Instruments may be issued by the Issuer in Tranches pursuant to the Programme. A Tranche of Instruments may, together with a further Tranche or Tranches, form a Series of Instruments issued under the Programme.
- 2.2 The Instrumentholders are by virtue of their subscription for or purchase of the Instruments, deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.
- 2.3 The Applicable Pricing Supplement for each Tranche of Instruments is (to the extent relevant) incorporated herein for the purposes of those Instruments and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Instruments.

Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplements.

2.4 Copies of the Applicable Pricing Supplement are available for inspection at the specified offices of the Transfer Agent.

3. **FORM AND DENOMINATION**

3.1 **General**

Instruments will be issued in such denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement.

All payments in relation to the Instruments will be made in the Specified Currency.

Instrumentholders of Instruments which are not listed on BESA will have no recourse against the Bond Exchange Guaranteed Fund established under Part D, section 8 of the Market Association Rules of the Bond Traders Association.

3.2 **Notes**

Each Note will be a Senior Note or a Subordinated Note, as indicated in the Applicable Pricing Supplement. Any Note may be a Partly Paid Note, Instalment Note or an Exchangeable Note.

Each Note, whether a Senior Note or a Subordinated Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note, a Credit Linked Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.

Listed and/or unlisted Notes may be issued under the Programme.

3.3 **Registered Notes**

Each Tranche of registered Notes will be issued in the form of a Global Certificate, which will be deposited with and registered in the name of, and for the account of the CSD' Nominee. An owner of a Beneficial Interest in the Notes represented by the Global Certificate shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 17.

3.4 **Bearer Notes and Order Notes**

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

3.5 **Preference Shares**

Each Tranche of Preference Shares will, subject to Condition 25:

- (a) be redeemable and be issued with a Redemption Date, as indicated in the Applicable Pricing Supplement; and
- (b) be issued in accordance with the Companies Act and the memorandum and articles of association of the Issuer;
- (c) be issued at such par value and with such share premium as is specified in the Applicable Pricing Supplement;
- (d) be cumulative or non-cumulative Preference Shares as specified in the Applicable Pricing Supplement; and
- (e) have the status set out in Condition 6.

Subject to the preceding paragraph, each Preference Share may be a Fixed Yield Preference Share or a Floating Yield Preference Share, or such combination of any of the foregoing, or such other type of Preference Share, as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

4. TITLE

4.1 General

The Global Certificate in respect of each Tranche of Instruments will be registered in the name, and for the account, of CSD's Nominee. While all of the Instruments in a Tranche of Instruments are held in CSD under the Global Certificate, CSD's Nominee will be named in the Register as the sole Instrumentholder of such Tranche of Instruments. Each Global Certificate shall be provided by the Issuer without charge.

Title to Instruments represented by Certificates will pass upon registration of transfer in accordance with Condition 18. The Issuer, the Paying Agent, the Representative, the Transfer Agent and any Participant may deem and treat the holder, named in the Register, of any Instruments represented by a Global Certificate as the absolute owner thereof for all purposes, but without prejudice to the provisions set out below. None of the Issuer, the Paying Agent, the Transfer Agent, the Representative or any Participant shall 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 Instrument may be subject.

While any Tranche of Instruments is held in CSD under the Global Certificate, each person shown in the records of CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in any number of Instruments in that Tranche (in which regard any certificate or other document issued by CSD or the relevant Participant, as the case may be, as to such number of Instruments and the Principal Amount thereof standing to the account of such person shall be *prima facie* proof of such Beneficial Interest) shall, subject to the Terms and Conditions, be treated by the Issuer, the Transfer Agent, the Representative, the Paying Agent and the relevant Participant as the holder of such number of Instruments in such Principal Amount for all purposes, other than with respect to the payment of amounts payable in respect of the Instruments, for which latter purpose the registered holder of the relevant Instruments named in the Register shall be treated by the Issuer, the Transfer Agent, the Representative, the Paying Agent and the relevant Participant as the holder of such Instruments in accordance with, and subject to, the Terms and Conditions.

Beneficial Interests, which are held by Participants, may be held directly through CSD, and CSD will hold such Beneficial Interests on behalf of such Participants through such Participants' securities accounts. Beneficial Interests, which are not held by Participants, may be held by clients of Participants indirectly through such Participants. Participants are in turn required to maintain securities accounts for their 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 Instruments held by them in CSD only through their Participants. Euroclear and Clearstream, Luxembourg may hold Instruments through their Participant.

Title to Beneficial Interests held by Participants will pass on transfer thereof by electronic book entry in the Participants' central securities accounts with CSD, in accordance with Condition 19.1 and the Applicable Procedures. Title to Beneficial Interests held by clients of Participants will pass on transfer thereof by electronic book entry in the securities accounts of the clients maintained by the Participants, in accordance with Condition 20.1 and the Applicable Procedures.

4.2 Registered Instruments

Subject as set out below, title to registered Notes will pass upon registration of transfer in the Register in accordance with Condition 18.1. The Issuer and the Transfer Agent may deem and treat the registered holder of any Registered Instrument as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Registered Instrument may be subject.

4.3 **Bearer Note**

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

4.4 **Order Notes**

Title to Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will initially pass by Endorsement and delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 18.3. Any Certificate evidencing an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as not subject to further Endorsement.

The Issuer and the Transfer Agent may deem and treat the person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority.

Provided the Issuer pays any amount due upon presentation and surrender of a Certificate evidencing an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

5. **STATUS AND CHARACTERISTICS OF SENIOR NOTES AND SUBORDINATED NOTES**

5.1 **Senior Notes**

Unless otherwise specified in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and, save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing.

5.2 **Subordinated Notes**

5.2.1 Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been accorded by law preferential rights.

5.2.2 Subject to applicable law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up the claims of the persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness, to the extent that in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all the persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

6. STATUS AND CHARACTERISTICS OF PREFERENCE SHARES

Preference Shares form part of the issued share capital of the Issuer and, subject to the memorandum and articles of the Issuer, rank, unless otherwise specified in the Applicable Pricing Supplement, (i) *pari passu* among themselves, (ii) in priority to the ordinary shares of the Issuer, (iii) in priority to any non-cumulative non-redeemable Preference Shares of the Issuer the proceeds of the issue of which qualify as “*primary share capital*” (as defined in the Banks Act) and (iv) below all claims (including the claims of Noteholders) in respect of any secured or unsecured indebtedness of the Issuer.

Subject to applicable law, in the event of the dissolution, winding-up, liquidation or judicial management of the Issuer, the claims of the Preference Shareholders shall be subordinated to, and rank in priority of payment below, all claims in respect of any indebtedness of the Issuer (including Subordinated Indebtedness and the claims of Noteholders). In any such event, and provided as aforesaid, no amount shall be payable to any Preference Shareholders entitled to be paid amounts due in respect of the Preference Shares until all indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or judicial management (including Subordinated Indebtedness and the claims of Noteholders) has been paid or discharged in full.

7. NEGATIVE PLEDGE

7.1 This Condition 7 shall apply only to Senior Notes. So long as any of the Senior Notes remain Outstanding, the Issuer undertakes that it shall not, and shall procure that no Material Group Company, create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Indebtedness (save for those that have been accorded a preference by law) without at the same time securing all Senior Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Extraordinary Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Senior Noteholders.

7.2 The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

8. INTEREST

8.1 Interest on Fixed Rate Notes

Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a six-monthly basis, on the Interest Payment Dates.

Each Fixed Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the rate(s) per annum equal to the Fixed Interest Rate(s). Such interest shall fall due for payment in arrear on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 12 or the Maturity Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

Unless otherwise specified, the interest in respect of any six-monthly period shall be calculated by dividing the Fixed Interest Rate by two and multiplying the product by the Principal Amount (or, if it is a Partly Paid Note, the amount paid up), provided that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

Save as provided in the preceding paragraphs, if interest is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the

case of semi-annual interest payments), as the case may be, such interest shall be calculated on the basis of the actual number of days in such period divided by 365.

8.2 **Interest on Floating Rate Notes**

A. *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, on the amount paid up) from (and including) the Interest Commencement Date to (but excluding the Maturity Date) at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the date of early redemption in accordance with Condition 12 or the Maturity Date, as the case may be, if either such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date.

B. *Interest Rate*

The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as indicated in the Applicable Pricing Supplement.

C. *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 8.2C:

“ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by such Transfer Agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that Transfer Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

“Floating Rate”, **“Floating Rate Option”**, **“Designated Maturity”** and **“Reset Date”** have the meanings given to those expressions in the ISDA Definitions.

When this Condition 8.2C applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 8.2F in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 8.2C.

D. *Screen Rate Determination*

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

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 12h00 (Johannesburg time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (a) above in this Condition 8.2D, no such offered quotation appears or, in the case of (b) above in this Condition 8.2D, fewer than three such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 8.2D, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 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 (Johannesburg time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, 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 Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (Johannesburg time) on the relevant Interest Determination Date, by four leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

“**Reference Banks**” means for the purposes of this Condition 8.2D four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

E. *Minimum and/or Maximum Interest Rate*

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

F. *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means in respect of the calculation of the Interest Amount for any Interest Period:

- (a) if “**1/1**” is specified, 1;
- (b) if “**Actual/365**”, “**Act/365**”, “**Actual/Actual**” or “**Act/Act**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- (c) if “**Actual/365 (Fixed)**”, “**Act/365 (Fixed)**”, “**A/365 (Fixed)**” or “**A/365F**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- (d) if “**Actual/360**”, “**Act/360**” or “**A/360**” is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
- (f) if “**30E/360**” or “**Eurobond Basis**” is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (g) such other calculation method as is specified in the Applicable Pricing Supplement;

G. *Notification of Interest Rate and Interest Amount*

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, any Exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are immobilised (if applicable), as soon as possible after their determination but not later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Transfer Agent, the Paying Agent, the

Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, each Exchange on which the relevant Floating Rate Notes are for the time being listed (if applicable) and any central securities depository in which Certificates in respect of the Notes are immobilised (if applicable).

H. *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8.2 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Transfer Agent, the Calculation Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Calculation Agent and in the event that Noteholders holding not less than 25% in Aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within 5 (five) Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 8.2G, such determination shall not be regarded as final and upon such notification, the Issuer shall request the chief executive officer for the time being of BESA to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly as an expert and not as an arbitrator and their determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer in the event that the determination of such third party differs from that of the Issuer as Calculation Agent and shall be borne by the Noteholders disputing such determination by the Issuer in the event that the determination of such third party confirms that of the Issuer as Calculation Agent.

8.3 **Mixed Rate Notes**

The interest rate payable from time to time on Mixed Rate Notes shall be the interest rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

8.4 **Indexed Notes**

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

8.5 **Partly Paid Notes**

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

8.6 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEX page as at 12h00 (Johannesburg time) on the presentation date, or any successor rate) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and

- (b) the date on which the full amount of the moneys payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 21.

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 8.2D to ascertain a rate.

8.7 **Business Day Convention**

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

- (a) the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 8.2E, be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

9. **DIVIDENDS**

Each Tranche of Preference Shares will confer on the Preference Shareholders of that Tranche of Preference Shares a right to receive out of the profits of the Issuer a preference dividend (which shall be cumulative or non-cumulative as specified in the Applicable Pricing Supplement), determined and payable in accordance with this Condition 9.

9.1 **Dividend on Fixed Yield Preference Shares**

Each Fixed Yield Preference Share will bear dividends on its Issue Price from (and including) the Issue Date to (but excluding) the Redemption Date at the rate per annum equal to the Dividend Yield. Subject to Condition 9.3, such dividend shall fall due for payment in arrear on each Dividend Payment Date and on the Redemption Date (if the Redemption Date does not fall on a Dividend Payment Date).

Unless otherwise specified in the Applicable Pricing Supplement, the dividend payable on each Fixed Yield Preference Share in respect of any six-monthly Dividend Period shall be calculated by dividing the Dividend Yield by two and multiplying the product by the Issue Price, provided that:

- (a) if an Initial Broken Amount is specified in the Applicable Pricing Supplement, the first Dividend Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, the final Dividend Amount shall equal the Final Broken Amount.

Save as provided in the preceding paragraphs, if any dividend is required to be calculated for a period other than one year (in the case of annual dividend payments) or other than six months (in

the case of semi-annual dividend payments), as the case may be, such dividend shall be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five) in respect of Fixed Yield Preference Shares denominated in ZAR and 360 (three hundred and sixty) in respect of Fixed Yield Preference Shares denominated in a Foreign Currency.

9.2 **Dividend on Floating Yield Preference Shares**

9.2.1 **Dividend Payment Dates**

Each Floating Yield Preference Share will bear dividend on its Issue Price from (and including) the Issue Date to (but excluding) the Redemption Date at the rate per annum equal to the Dividend Yield. Subject to Condition 9.3, such dividend shall fall due for payment in arrear on each Dividend Payment Date and on the Redemption Date (if the Redemption Date does not fall on a Dividend Payment Date).

9.2.2 **Dividend Yield**

The Dividend Yield payable from time to time in respect of the Floating Yield Preference Shares will be determined:

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as specified in the Applicable Pricing Supplement.

9.2.3 **ISDA Determination**

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Dividend Yield is to be determined, the Dividend Yield for each Dividend Period will be the relevant ISDA Rate plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 9.2.3, “*ISDA Rate*”, “*Floating Rate*”, “*Floating Rate Option*”, “*Designated Maturity*” and “*Reset Date*” shall have the meanings ascribed thereto in Condition 8.2C; provided that references to the Interest Period shall be construed as references to the Dividend Period.

When this Condition 9.2.3 is applicable, the Calculation Agent will, in respect of each Dividend Period, be deemed to have discharged its obligations under Condition 9.2.6 in respect of the determination of the Dividend Yield if it has determined the Dividend Yield in respect of such Dividend Period in the manner provided in this Condition 9.2.3.

9.2.4 **Screen Rate Determination**

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

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic means (rounded if necessary to the fifth decimal place, with 0,00005 being rounded upwards) of the offered quotations,

for the Reference Rate(s) which appear(s) on the Relevant Screen Page at or about 12h00 (South African time) in respect of Floating Yield Preference Shares denominated in ZAR, and 12h00 (GMT) in respect of Floating Yield Preference Shares denominated in a Foreign Currency, on the Dividend Determination Date, plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

Subject to the preceding paragraph, the provisions of Condition 8.2D shall apply *mutatis mutandis* to all calculations of the Dividend Yield in terms of this Condition 9.2.4.

9.2.5 **Minimum Dividend Yield and/or Maximum Dividend Yield**

If the Applicable Pricing Supplement specifies a Minimum Dividend Yield for any Dividend Period, the Dividend Yield for such Dividend Period shall not be less than such Minimum Dividend Yield. If the Applicable Pricing Supplement specifies a Maximum Dividend Yield for any Dividend Period, the Dividend Yield for such Dividend Period shall not be greater than such Maximum Dividend Yield.

9.2.6 **Determination of Dividend Yield and calculation of Dividend Amount**

The Calculation Agent will, on each Dividend Determination Date, determine the Dividend Yield and calculate the Dividend Amount payable in respect of Floating Yield Preference Shares for each Dividend Period. Unless stated otherwise in the Applicable Pricing Supplement, each Dividend Amount shall be calculated by multiplying the Dividend Yield by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest cent, half a cent being rounded upwards.

9.3 **Business Day Convention**

Notwithstanding anything to the contrary contained in the Terms and Conditions and subject to Condition 8.7 above, if any Dividend Payment Date is not a Business Day, then:

- (a) if a Business Day Convention is not specified in the Applicable Pricing Supplement, such Dividend Payment Date shall be the next Business Day;
- (b) if a Business Day Convention is specified in the Applicable Pricing Supplement, such Dividend Payment Date shall be adjusted according to such Business Day Convention.

10. **PAYMENTS**

10.1 **General**

Only Instrumentholders of Registered Instruments reflected in the Register at 17h00 (Johannesburg time) on the relevant Last Day to Register shall be entitled to payments of interest or dividends, as the case may be.

10.2 **Bearer Notes**

Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate.

Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate evidencing such Bearer Notes.

Upon surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any other Banking Jurisdiction specified in the Applicable Pricing Supplement).

10.3 **Order Notes**

Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon or (in respect of interest bearing Order Notes issued without Coupons) only against presentation by the Payee or its Representative of the relevant Certificate.

Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder(s) only following presentation and surrender by the Payee or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Order Notes will be made to

the Payee only following presentation and surrender by the Payee or its Representative of the Certificate evidencing such Order Notes.

Upon surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any other Banking Jurisdiction specified in the Applicable Pricing Supplement).

10.4 **Method of Payment**

Payments of interest, dividends or principal, as the case may be, in respect of the Instruments will be made in the Specified Currency by electronic funds transfer.

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to:

- (a) the address of the Instrumentholder of Registered Instruments as set forth in the Register or, in the case of joint Instrumentholders of Registered Instruments, the address set forth in the Register of that one of them who is first named in the Register in respect of that Instrument.
- (b) the address nominated by the Bearer or the Payee in respect of Bearer Notes or Order Notes, as the case may be, upon surrender in accordance with Condition 10.5.

Each such cheque shall be made payable to the relevant Instrumentholder or, in the case of joint Instrumentholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Instrumentholders for the purposes of all cheques posted in terms of this Condition 10.4.

In the case of joint Instrumentholders of Registered Instruments payment by electronic funds transfer will be made to the account of the Instrumentholder first named in the Register. Payment by electronic transfer to the Instrumentholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Registered Instruments.

Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13.

10.5 **Surrender of Certificates**

No payment in respect of the final redemption of a Registered Instruments shall be made until 10 (ten) days after the date on which the Certificate in respect of the Registered Instruments to be redeemed has been surrendered to the Paying Agent.

Payments of interest in respect of Bearer Notes or Order Notes shall be made in accordance with Condition 10.4 only following surrender of the relevant Coupon to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Bearer Notes or Order Notes shall be made by the Issuer in accordance with Condition 10.4 only following surrender of the relevant Receipt to the Paying Agent.

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

- (a) the Relevant Date; and
- (b) the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the office of the Paying Agent specified in the Applicable Pricing Supplement.

10.6 **Payment Day**

If the date for payment of any amount in respect of any Instrument is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place for payment and shall not be entitled to further interest or other payment in respect of such delay.

10.7 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 12;
- (b) the Final Redemption Amount of the Instruments or the Early Redemption Amount of the Instruments, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Instruments;
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 12.5); and
- (f) any premium and any other amounts which may be payable under or in respect of the Instruments, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Instruments shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12.

11. **EXCHANGE OF TALONS**

On or after the Interest Payment Date on which the final Coupon (comprising the Coupon attached to the relevant Certificate relating to the latest Interest Payment Date in respect of that Series of Coupons) matures, but not later than the date for prescription (in accordance with Condition 14) of the Talons which may be exchanged for the respective Coupons, the Talon (if any) attached to the relevant Certificate upon issue, may be surrendered at the specified office of the Transfer Agent in exchange for further Coupons, including (if such further Coupons do not include Coupons to, and including, the final date for the payment of interest due in respect of the Instruments to which they pertain) a further Talon, subject to the provisions of Condition 14. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon issued relative to such Talon matures.

12. **REDEMPTION AND PURCHASE**

12.1 **At maturity**

- (a) Each Instrument (other than a Credit Linked Note) will, subject to the Terms and Conditions, be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount, on the Maturity Date, together (if applicable) with interest accrued to the Maturity Date.

Each Preference Share will, subject to the Terms and Conditions and the Companies Act, be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount, on the Redemption Date, together with dividends accrued to the Redemption Date.

(b) **Credit Linked Notes**

(i) *Generally*

Subject to the provisions of and in accordance with Condition 12.1(b)(ii) and (iii) and unless previously redeemed or purchased and cancelled, each Credit Linked Note will mature and will be redeemed on the Scheduled Termination Date, and the Issuer will on the Scheduled Termination Date at the option of the Issuer (aa) pay or cause to be paid, for value on the Scheduled Termination Date, the Credit Event Redemption Amount in respect of such Note or (bb) deliver the Deliverable Amount in respect of such Note on the Physical Settlement Date, in each case subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the Applicable Pricing Supplement. Payment of any applicable Taxes and expenses in connection with the redemption of such Credit Linked Notes (“**Redemption Expenses**”) shall be made by the relevant Noteholder, and the Issuer shall not have any liability in respect thereof.

Credit Linked Notes do not give the Noteholder any right to acquire any of the Reference Obligations or Deliverable Obligations, and the Issuer is not obliged to purchase, hold or deliver any of such Reference Obligations or Deliverable Obligations. However, if so specified in the Applicable Pricing Supplement, the Issuer may, on the redemption of such a Note, elect to deliver the Deliverable Amount on the relevant Physical Settlement Date and the Noteholder shall be obliged to accept such Deliverable Amount and pay any applicable Taxes and Redemption Expenses in accordance with Condition 13 below. By delivering in writing to the CSD (with a copy to the Paying Agent) a duly completed irrevocable redemption notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Deliverable Amount, the Issuer and Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 16 of the Credit Event Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

(ii) *Cash Settlement*

If Cash Settlement is specified in the Applicable Pricing Supplement and the Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction the “**Credit Event Determination Date**”), the Issuer may, at its option, give notice (such notice a “**Settlement Notice**”) to the Noteholders in accordance with Condition 13 and redeem all but not some only of the relevant Credit Linked Notes, each Note being redeemed by the Issuer at the Credit Event on the Redemption Date.

If the Conditions to Settlement are satisfied and the relevant Credit Linked Notes become redeemable in accordance with this Condition 12.1(b)(ii), upon payment of the Credit Event Redemption Amount in respect of such Notes the Issuer shall have discharged its obligations in respect of such Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of such a Note. Any shortfall shall be borne by the Noteholders, and no liability shall attach to the Issuer.

(iii) *Physical Settlement*

If Physical Delivery is specified in the Applicable Pricing Supplement to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction the “**Credit Event Determination Date**”), the Issuer may, at its option, give notice (such notice a “**Notice of Physical Settlement**”) to the Noteholders in accordance with Condition 13 and redeem all but not some only of the Notes, each Note being redeemed by delivery of the Deliverable Obligations comprising the Deliverable

Amount. If the Issuer elects not to give a Notice of Physical Settlement, Condition 12.1(d)(ii) shall apply.

In the Notice of Physical Settlement the Issuer shall specify the Deliverable Obligations comprising the Deliverable Amount that it reasonably expects to deliver. For the avoidance of doubt, the Determination Agent shall be entitled to select any of the Deliverable Obligations to constitute the Deliverable Amount, irrespective of their market value.

If Conditions to Settlement are satisfied and the Credit Linked Notes become redeemable in accordance with this Condition 12.1(d)(iii), upon delivery of the Deliverable Amount and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of such Notes and shall have no other liability of obligation whatsoever in respect thereof. The value of such Deliverable Amount and/or the Cash Settlement Amount may be less than the principal amount of such Note. Any shortfall shall be borne by the Noteholders, and no liability shall attach to the Issuer.

(iv) *Repudiation/Moratorium Extension*

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Termination Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Termination Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will in the sole determination of the Determination Agent fall after the Scheduled Termination Date, then the Determination Agent shall notify the Noteholders in accordance with Condition 13 that a Potential Repudiation/Moratorium has occurred, and:

(A) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

(I) each Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and

(II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Termination Date to (but excluding) the Scheduled Termination Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(B) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 12.1 (b)(ii) or (iii) as applicable shall apply to such Credit Linked Notes.

(v) *Grace Period Extension*

If “*Grace Period Extension*” is specified as applying in the applicable Final Terms, the provisions of this Condition 12.1(b)(v) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Termination Date but a Potential Failure to Pay has occurred with respect to one or more Obligations in respect of which a Grace Period is applicable on or prior to the Scheduled Termination Date (and such Grace Period(s) is/are continuing as of the Scheduled Termination Date), then:

- (A) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (I) each Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the Grace Period Extension Date; and
 - (II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Termination Date to (but excluding) the Scheduled Termination Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (B) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 12.1(b)(ii) or (iii) as applicable shall apply to such Notes.

(vi) *Termination Date Extension*

If on (1) the Scheduled Termination Date or (2) the Repudiation/Moratorium Evaluation Date, or (3) if “Grace Period Extension” is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Determination Agent, a Credit Event may have occurred, the Determination Agent may notify the Noteholders in accordance with Condition 16 that the Scheduled Termination Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, has been postponed to a date (such date the “*Postponed Termination Date*”) specified in such notice falling not more than 15 calendar days after the Scheduled Termination Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, and:

- (A) where Conditions to Settlement are not satisfied on or prior to the Postponed Termination Date:
 - (I) subject as provided below each Credit Linked Note will be redeemed by the Issuer by payment of the Credit Event Redemption Amount on the Postponed Termination Date; and
 - (II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Termination Date to (but excluding) the Scheduled Termination Date but shall only be obliged to make such payment of interest on the Postponed Termination Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where Conditions to Settlement are satisfied on or prior to the Postponed Termination Date, the provisions of Condition 12.1(b)(ii) or (iii) as applicable shall apply to such Notes.

12.2 **Redemption for tax reasons**

Instruments may be redeemed, on a Series-by-Series basis, at the option of the Issuer (subject to the consent of the Registrar of Banks, to the extent required and in the case of Preference Shares, to the Companies Act) in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Notes or Mixed Rate Notes having an interest rate then determined on a floating or indexed basis), on giving not less than 30 (thirty) nor more than 60

(sixty) days' notice to the Instrumentholders in accordance with Condition 21 (which notice shall be irrevocable), if the Issuer is of the reasonable opinion that:

- (a) on the occasion of the next payment due under the Instruments, the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 12 as a result of any change in or amendment to, the laws or regulations of the country of domicile (or residence for tax reasons) of the Issuer or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Instruments then due. On the date of publication of any notice of redemption pursuant to this Condition 0, the Issuer shall deliver to the Transfer Agent and the Paying Agent at their registered offices, for inspection by any holder of Instruments so redeemed, a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes and/or Preference Shares, as the case may be, redeemed for tax reasons pursuant to this Condition 0 will be redeemed at their Early Redemption Amount referred to in Condition 12.5, together (if appropriate) with interest and/or dividends, as the case may be, accrued to (but excluding) the date of redemption.

12.3 **Redemption at the option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled (subject to the consent of the Registrar of Banks, to the extent required and in the case of Preference Shares, the Companies Act), having given:

- (a) not less than 15 (fifteen) and not more than 30 (thirty) days' notice to the Instrumentholders in accordance with Condition 21; and
- (b) not less than 7 (seven) days before giving the notice referred to in (a) above, notice to the Transfer Agent,

(both of which notices shall be irrevocable) to redeem all or some of the Instruments then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.

In the case of a partial redemption of Instruments, the Instruments to be redeemed ("**Redeemable Instruments**") will be selected:

- (a) in the case of Redeemable Instruments represented by Individual Certificates individually by lot;
- (b) in the case of Redeemable Instruments represented by a Global Certificate in accordance with the Applicable Procedures,

and in each such case not more than 30 (thirty) days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

A list of the serial numbers of the Certificates (and in the case of Redeemable Instruments which are Bearer Notes or Order Notes, the Receipts and/or Coupons) will be published in accordance with Condition 21 not less than 15 (fifteen) days prior to the date fixed for redemption. The proportion which the aggregate nominal amount of Redeemable Instruments represented by Individual Certificates bears on the Selection Date to the aggregate nominal amount of all Redeemable Instruments shall be the same as the proportion which the aggregate nominal amount (if necessary, rounded downwards to the nearest integral multiple of the nominal amount) of Instruments represented by Individual Certificates bears on the Selection Date to the aggregate nominal amount of the Instruments Outstanding. The aggregate nominal amount of Redeemable Instruments represented by the Global Certificate shall be equal to the balance of the Redeemable Instruments.

No exchange of Beneficial Interests in Instruments represented by the Global Certificate for Individual Certificates will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 12.3 and notice to that effect shall be given by the Issuer to the Instrumentholders in the notice to Instrumentholders contemplated in paragraph (a) above.

Holders of Redeemable Instruments shall surrender the Certificates, together with Receipts and Coupons (if any) representing the Instruments in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Instruments represented by such Certificates, Receipts and Coupons (as applicable) are redeemed, the Transfer Agent shall deliver new Certificates, Receipts and Coupons (as applicable) to such Instrumentholders in respect of the balance of the Instruments.

12.4 **Redemption at the option of Noteholders of Senior Notes**

If Noteholders of the Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Senior Notes, such Noteholders may redeem the Notes represented by an Individual Certificate, by delivering to the Issuer and the Transfer Agent in accordance with Condition 21, a duly executed notice (“**Put Notice**”), at least 15 (fifteen) days but not more than 30 (thirty) days, prior to the applicable Optional Redemption Date. The redemption amount specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption of the Senior Notes represented by a Global Certificate shall take place in accordance with the Applicable Procedures.

Where a Noteholder redeems the Senior Notes represented by an Individual Certificate, such Noteholder shall deliver the Individual Certificate together with Receipts and/or Coupons (if any), to the Transfer Agent for cancellation by attaching it to a Put Notice. A holder of an Individual Certificate shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.

The Issuer shall proceed to redeem such Senior Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. Put Notices shall be available from the registered office of the Issuer.

Any Put Notice given by a holder of any Senior Note pursuant to this Condition 12.4 shall be irrevocable except where after giving the notice but prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Transfer Agent to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 15.

12.5 **Early Redemption Amounts**

For the purpose of Condition 0 and Condition 15 (and otherwise as stated herein), the Instruments will be redeemed at the Early Redemption Amount calculated as follows:

- (a) in the case of Instruments with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or
- (b) in the case of Instruments (other than Zero Coupon Notes) 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 Pricing Supplement, at their Principal Amount; or
- (c) in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is provided in the Applicable Pricing Supplement.

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.

12.6 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 12.5.

12.7 **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 12 and the Applicable Pricing Supplement.

12.8 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement.

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

12.9 **Purchases**

The Issuer or any of its Subsidiaries may, at any time, purchase Notes (including all unmatured Coupons and Receipts) at any price in the open market or otherwise and subject to the Companies Act, the Issuer may, at any time, purchase Preference Shares. In the event of the Issuer purchasing Instruments, such Notes may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, cancelled. In the case of any of the Subsidiaries of the Issuer making such purchase, such Instruments may be held, resold or dealt with in terms of the Terms and Conditions.

12.10 **Cancellation**

All Instruments which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached to Notes or surrendered therewith at the time of redemption). All unmatured Receipts and Coupons attached to Notes or surrendered therewith at the time of redemption will be dealt with, and amounts will be paid (if any) in accordance with the Coupon Redemption Calculation as specified in the Applicable Pricing Supplement. All Receipts and

Coupons attached to Notes, in relation to which payments are made (if any) in accordance with the Coupon Redemption Calculation will be cancelled immediately and no further payments will be made in relation to them. All Instruments so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Instruments represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Instrumentholder in respect of the balance of the Instruments. If any Note is purchased and cancelled without all unmatured Coupons appertaining thereto, the Issuer shall make payment in respect of any such missing Coupon in accordance with Condition 7 notwithstanding that the Note has been cancelled.

12.11 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 12 or upon its becoming due and repayable as provided in Condition 15, is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in the paragraph under Condition 12.5, as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholders in accordance with Condition 21.

12.12 **Preference Shares**

Each Preference Share will cease to bear dividends from the 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 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 15.1.1, dividends will continue to accrue on the outstanding amount due and payable in respect of such Preference Share, at the Dividend Yield, from and including the Redemption Date or the relevant Dividend Payment Date, as the case may be, to but excluding the Late Payment Date.

13. **TAXATION**

13.1 **Withholding Taxes**

All payments of the Relevant Amount (as defined below) will be made without withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by, or on behalf of, South Africa or any province in South Africa, or any political sub-division of South Africa or any province in South Africa, or any authority in South Africa or any province in South Africa having power to tax (“**Taxes**”), unless such withholding is required by South African law.

The payment of any Taxes by the Issuer as an agent or representative taxpayer for an Instrumentholder shall not constitute a withholding for the purposes of this Condition 13.1.

If any such withholding is required by South African law in respect of Taxes imposed or levied on the Relevant Amount, the Issuer will subject to the Issuer’s rights to redeem the Instruments in terms of Condition 0, pay such additional amounts as are necessary in order that the net amounts received by the Instrumentholders after such withholding shall equal the Relevant Amount which would otherwise have been receivable in respect of the Instruments in the absence of such withholding; provided that no such additional amounts shall be payable:

- (a) to or on behalf of a non-resident Instrumentholder who is subject to such Taxes by reason of his having some connection with, or doing business in, South Africa other than the mere holding of such Instrument; or
- (b) where payment of the Relevant Amount is conditional on presentment or surrender of the relevant Certificate, and the relevant Certificate is presented or surrendered more than 30 (thirty) days after the Relevant Date (as defined below) except to the extent that the

Instrumentholder would have been entitled to such additional amounts on presenting or surrendering the relevant Certificate on such thirtieth day; or

- (c) to or on behalf of an Instrumentholder who is eligible to avoid such withholding, whether by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority or otherwise; or
- (d) in respect of any withholding required to be made by any Paying Agent from any payment of the Relevant Amount if such payment can be made without withholding by any other Paying Agent; or
- (e) if such withholding is in respect of Taxes imposed or levied on payments of the Relevant Amount only by virtue of the inclusion of such payments in the Taxable Income (as defined below) or Taxable Gain (as defined below) of an Instrumentholder; or
- (f) in the case of the Preference Shares, there is any change in the imposition or rate of STC (as defined below) and/or the recognition of any tax credit or offset arising from the receipt of a dividend; or
- (g) if such withholding arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- (h) any combination of paragraphs (a) to (g) inclusive.

For the purposes of this Condition 13.1 and Condition 13.2 below:

“**dividends**” means “*dividends*” as defined in section 1 of the Income Tax Act;

“**Relevant Amount**” means (i) principal and interest or dividend, as the case may be, payable to the Instrumentholders in respect of the Instruments, or (ii) following an Event of Default in respect of a Tranche of Instruments, the amount payable to the relevant Instrumentholders;

“**Relevant Date**” means, in respect of any payment of the Relevant Amount, the date on which such payment first becomes due to the relevant Instrumentholders; provided that if such payment is required to be made to CSD’s Nominee under the Terms and Conditions, “*Relevant Date*” means the first date on which such payment has been received by CSD’s Nominee;

“**STC**” means “*secondary tax on companies*” as defined in the Income Tax Act or any similar levy contemplated in any amendment to the Income Tax Act after the date of the Programme Memorandum;

“**Taxable Income**” means any “*taxable income*” as defined in section 1 of the Income Tax Act;

“**Taxable Gain**” means any “*taxable capital gain*” as defined in paragraph 1 of Schedule 8 to the Income Tax Act.

13.2 **Tax on Dividends**

If the Income Tax Act is amended to provide that taxes are payable on dividends accrued in respect of Preference Shares, the Issuer will, subject to the Issuer’s rights to redeem the Preference Shares in terms of Condition 0, increase the dividend payable in respect of the Preference Shares by the amount of such taxes in order that the net amount of dividend receivable in respect of such Preference Shares after such taxation shall equal the dividend which would otherwise have been receivable in respect of such Preference Shares in the absence of such taxation.

13.3 **Benefit of Gross-up**

If, in consequence of the payment by the Issuer of any additional amount to an Instrumentholder pursuant to Condition 13.1 and/or Condition 13.2, that Instrumentholder becomes entitled to any tax credit or deduction or tax benefit, that Instrumentholder shall recognise such tax credit, deduction or tax benefit for purposes of enabling the Issuer, to procure the recognition and benefit of such tax credit, deduction or tax benefit in the calculation of the relevant gross-up.

14. PRESCRIPTION

14.1 Notes

The Notes, Receipts and Coupons will become void unless presented for payment of principal and interest within a period of three years after the Relevant Date therefor save that any Certificate, Receipt or Coupon constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the South African Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of six years from the Relevant Date.

14.2 Preference Shares

Subject to the law applicable to Preference shares, all claims by the Preference Shareholders under these Terms and Conditions will prescribe and become void three years after the Redemption Date; provided that if the full amount of the moneys payable under the Preference Shares has not been received by CSD’s Nominee on or prior to the Redemption Date, all claims by the Preference Shareholders under these Terms and Conditions will prescribe and become void three years after the date on which such moneys have been received by CSD’s Nominee and notice to that effect has been given by the Issuer to the Preference Shareholders in accordance with Condition 21.

15. EVENTS OF DEFAULT: NOTES

15.1 General

Subject to Condition 15.2 and 15.3, an Event of Default in relation to a Tranche of Notes shall arise if any one or more of the following events or circumstances shall have occurred and be continuing in respect of that Tranche:

- 15.1.1 the Issuer fails to pay any amount due under the Notes on its due date for payment thereof and any such failure continues for a period of 7 (seven) Business Days, after receiving written notice from any of the Noteholders demanding such payment;
- 15.1.2 the Issuer fails to perform or observe any of its other material obligations or undertakings under or in respect of any of the Notes and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of a notice from the Noteholders (in accordance with Condition 21) in respect of such failure specifying the failure and requesting the Issuer to remedy same (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- 15.1.3 the Issuer fails to remedy a breach of Condition 6 within 21 (twenty one) Business Days of receiving written notice from the Noteholders demanding such remedy; or
- 15.1.4 the Issuer or any Material Group Company defaults in the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by, the Issuer or any Material Group Company when and as the same shall become due and payable and such is not remedied within any originally applicable grace period or where notice has been given to the Issuer or any Material Group Company, as the case may be, of the default and if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or if any such obligations of, or assumed or guaranteed by, the Issuer or any Material Group Company shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder; or
- 15.1.5 any action, condition or thing, including the obtaining of any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer being unable to perform any of its respective payments or other obligations in terms of the Notes and the Issuer fails to remedy such circumstances (if

capable of remedy) within 10 (ten) calendar days of receiving written notice from the Noteholders demanding such remedy; or

- 15.1.6 an order by any competent court or authority for the liquidation, winding-up, dissolution or judicial management of the Issuer or any Material Group Company is made whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the Issuer or any Material Group Company is placed under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up, dissolution or judicial management shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution or judicial management is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the FRB Group with any third party; or (ii) the liquidation, winding-up, dissolution or judicial management is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or judicial management; or
- 15.1.7 the Issuer or any Material Group Company initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer or any Material Group Company to consider a proposal for an arrangement of compromise with its creditors generally (or any significant class of its creditors), save for any such initiation, consent, attempt or convening of a meeting which relates to a Material Group Company and is for the purposes of an internal reconstruction or reorganisation within the FRB Group; or
- 15.1.8 if a person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or any Material Group Company, or an execution or attachment or other process is validly levied, enforced upon, sued out or put in force against any of them following a final judgement against the Issuer or any Material Group Company by a court of competent jurisdiction and such is not discharged within 30 (thirty) days.

For the purposes of Condition 15.1.4, any Indebtedness which is in a currency other than South African Rand may be translated into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank selected on the date of such Event of Default.

15.2 **Senior Notes**

If any one or more of the Events of Default listed in Condition 15.1 shall have occurred and be continuing, then any Senior Noteholder may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Note held by the Senior Noteholder to be forthwith due and payable whereupon the same shall forthwith become due and payable at the Early Redemption Amount (as described in Condition 12.5), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of South Africa or to comply with any order of a court of competent jurisdiction.

15.3 **Subordinated Notes**

If a default is made by the Issuer in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for 7 (seven) Business Days, or if an Event of Default as contemplated in Condition 15.1.6 occurs, any holder of a Subordinated Note may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of the institution of liquidation or winding up proceedings, to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the event of the winding-up or liquidation, whether finally or provisionally, of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy, then any holder of Subordinated Notes issued by the Issuer may by written notice to the registered office of the Issuer, require that the Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes may only receive payment once all the other creditors of the Issuer have been paid in full.

15.4 **Notification of Event of Default**

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders and BESA in writing.

16. **REDEMPTION EVENTS: PREFERENCE SHARES**

16.1 **General**

Subject to Condition 16.2, a Redemption Event in relation to a Tranche of Preference Shares shall arise if any one or more of the following events or circumstances shall have occurred and be continuing in respect of that Tranche:

- 16.1.1 the Issuer fails to pay any amount due under the Notes on its due date for payment thereof and any such failure continues for a period of 7 (seven) Business Days, after receiving written notice from any of the Noteholders demanding such payment; or
- 16.1.2 the Issuer fails to perform or observe any of its other material obligations or undertakings under or in respect of any of the Notes and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer of a notice from the Noteholders (in accordance with Condition 21) in respect of such failure specifying the failure and requesting the Issuer to remedy same (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- 16.1.3 any action, condition or thing, including the obtaining of any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer being unable to perform any of its respective payments or other obligations in terms of the Notes and the Issuer fails to remedy such circumstances (if capable of remedy) within 10 (ten) calendar days of receiving written notice from the Noteholders demanding such remedy; or
- 16.1.4 an order by any competent court or authority for the liquidation, winding-up, dissolution or judicial management of the Issuer or any Material Group Company is made whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the Issuer or any Material Group Company is placed under voluntary liquidation or curatorship, provided that no liquidation, curatorship, winding-up, dissolution or judicial management shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution or judicial management is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the FRB Group with any third party; or (ii) the liquidation, winding-up, dissolution or judicial management is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement, the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or judicial management.

16.2 **Preference Shares**

An Event of Default in relation to a Tranche of Preference Shares shall arise if any one or more of the events or circumstances contemplated in Condition 16.1 shall have occurred and be continuing in respect of that Tranche of Preference Shares. Any Preference Shareholder may, by written

notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, require the Issuer to redeem all of the unredeemed Preference Shares held by that Preference Shareholder, at the Early Redemption Amount, together with accrued preference dividends (if any) to the date of redemption or as specified in the Applicable Pricing Supplement.

16.3 **Notification of Redemption Event**

If the Issuer becomes aware of the occurrence of any Redemption Event, the Issuer shall forthwith notify all Noteholders and BESA in writing.

17. **DELIVERY, EXCHANGE AND REPLACEMENT OF CERTIFICATES, RECEIPTS AND COUPONS**

17.1 Upon the issue of Bearer Notes, Order Notes, unlisted registered Notes or upon notice from a Participant pursuant to Condition 17.3 requesting the exchange or partial exchange of a Beneficial Interest in Instruments represented by a Global Certificate(s) for an Individual Certificate(s), the Transfer Agent shall deliver the relevant Individual Certificate(s).

17.2 Instruments of each Tranche listed on BESA will be issued in the form of the Global Certificate and will be lodged and immobilised in the CSD.

17.3 Any person holding a Beneficial Interest in the Instruments represented by the Global Certificate may, in terms of the Applicable Procedures and through its nominated Participant, direct a written request to the Transfer Agent for an Individual Certificate representing the number of Notes to be delivered by the Issuer in exchange for such Beneficial Interest. The aggregate of the Principal Amounts of the Instruments represented by such Individual Certificate shall be equivalent to the amount of such Beneficial Interest. The Transfer Agent shall deliver such Individual Certificate upon such written request no later than 10 (ten) days after receiving the written request of the holder of such Beneficial Interest in accordance with the Applicable Procedures, provided that, joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding and delivery to one of those joint holders shall be delivery to all of them.

17.4 Upon the receipt of a written request for delivery of an Individual Certificate in terms of Condition 17.3, the Global Certificate shall, in terms of the Applicable Procedures, be presented to the Transfer Agent for splitting and a new Global Certificate for the balance of the Instruments (if any) still held by the CSD' Nominee shall be delivered to the CSD. The original Global Certificate shall be cancelled and retained by the Transfer Agent.

17.5 Certificates, and any Receipts and/or Coupons in relation to Bearer Notes or Order Notes, shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Instruments may be levied by other persons, such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates, Receipts and/or Coupons otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Instrumentholder.

17.6 Any person becoming entitled to Instruments in consequence of the death, sequestration or liquidation of the holder of such Instruments may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 17 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Instruments or, subject to the requirements of the Applicable Procedures and of this Condition 17, may transfer such Instruments. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Instruments to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Instruments.

17.7 If any Certificate, Receipt or Coupon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the registered office of the Issuer or the office of the Transfer Agent specified in the Applicable Pricing Supplement, on payment by the claimant of such costs and expenses as may

be incurred in connection therewith and the provision of such indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates, Receipts or Coupons must be surrendered before replacements will be issued.

18. TRANSFER OF INSTRUMENTS

18.1 Registered Instruments

Beneficial Interests in Registered Instruments evidenced by a Global Certificate may be transferred in terms of the Applicable Procedures in the CSD. In order for any transfer of Registered Instruments to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Instrument:

- (a) must be embodied in a Transfer Form;
- (b) must be signed by the relevant Instrumentholder and the transferee, or any authorised representatives of that registered Instrumentholder and/or transferee;
- (c) shall only be in the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
- (d) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Certificate in question for cancellation or, if only part of the Instruments represented by a Certificate is transferred, a new Certificate for the balance will be delivered to the transferor and the cancelled Certificate will be retained by the Transfer Agent.

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

Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Issuer may reasonably require as to the identity and title of the transferor and the transferee.

The Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Instruments transferred.

No transfer will be registered while the Register is closed.

In the event of a partial redemption of Instruments under Conditions 12.3 or 12.4 the Issuer and the Transfer Agent shall not be required:

- (a) to register the transfer of any Instruments during the period beginning on the tenth day before the date of the partial redemption and ending on date of the partial redemption (both inclusive); or
- (b) to register the transfer of any Instrument, or part of a Note, called for partial redemption.

18.2 Bearer Notes

Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate evidencing such Bearer Note or the relevant Receipt or Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate evidencing an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as evidencing a Bearer Note.

18.3 Order Notes

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

18.4 **Prohibition on stripping**

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

19. **REGISTER**

19.1 The Register shall be kept at the registered office of the Transfer Agent or unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Instruments, another entity as Transfer Agent in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Instruments, then at the office of that Transfer Agent specified in the Applicable Pricing Supplement. The Register shall reflect the number of Instruments issued and Outstanding and whether they are Registered Instruments, Bearer Notes or Order Notes. The Register shall contain the name, address, and bank account details of the Noteholders of Notes. The Register shall set out the Principal Amount of the Instruments issued to such Instrumentholder and shall show the date of such issue. The Register shall show the serial number of Certificates issued in respect of Instruments. The Register shall be open for inspection during the normal business hours of the Issuer to any Instrumentholder or any person authorised in writing by any Instrumentholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed from the Last Day to Register until each payment date of principal and interest or dividends in respect of the Instruments, as the case may be.

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

20. **TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT**

20.1 The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Calculation Agent and the Paying Agent and/or appoint additional or other agents and/or approve any change in the specified office through which any agent, provided that there will at all times be an Agent, Calculation Agent and a Paying Agent with an office in such place as may be required by the Applicable Procedures. The Transfer Agent, Paying Agent and 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 Instrumentholders.

20.2 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent or Paying Agent, all references in these Terms and Conditions to:

- (a) any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
- (b) requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent, Calculation Agent or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

21. **NOTICES**

21.1 Unless otherwise provided herein or in the Applicable Pricing Supplement, notices to Instrumentholders in respect of Instruments shall be sent by registered mail or delivered by hand to their addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed and on the day of delivery if delivered. In the event of there being any Individual Certificates (whether evidencing Instruments or Bearer Notes or Order Notes) in issue, notices to such Instrumentholders shall be published: (i) in an English language daily newspaper of general circulation in South Africa;

and/or (ii) and for so long as the Notes are listed on BESA or such other Exchange upon which the Notes are listed, a daily newspaper of general circulation in the city in which BESA or such other Exchange is situated, and any such notices shall be deemed to have been given on the date of first publication.

21.2 For as long as any of the Instruments are represented by a Global Certificate, all notices in respect of such Instruments shall be by way of the delivery of the relevant notice to the CSD and BESA or such other exchange on which the Instruments are listed for communication by them to holders of Beneficial Interests in Instruments represented by the Global Certificate.

21.3 A notice to be given by any Instrumentholder to the Issuer, shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate, at the office of the Transfer Agent specified in the Applicable Pricing Supplement. For so long as any of the Instruments are represented by a Global Certificate, notice may be given by any holder of a Beneficial Interest in the Instruments represented by a Global Certificate to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the 2nd (second) Business Day after being hand delivered, or, if sent by registered mail, 7 (seven) days after posting.

22. MEETINGS OF INSTRUMENTHOLDERS

22.1 The Issuer or a Instrumentholder may, at any time and upon at least 14 (fourteen) days' prior notice, convene a meeting of any Class of Instrumentholders to consider any matter affecting their interests. Such meetings may be convened by the Issuer or Instrumentholders holding not less than twenty-five percent, in principal amount, of the Instruments in such Class for the time being Outstanding. Such notice shall specify the place of the meeting, which shall be in South Africa, and the date and time thereof.

22.2 The quorum at any meeting of Instrumentholders at which an Extraordinary Resolution is not to be passed shall be one or more Instrumentholders, present or by proxy, holding or representing not less than one-quarter in principal amount of the Instruments of such Class for the time being Outstanding. The quorum at any meeting of Instrumentholders for passing an Extraordinary Resolution is one or more Instrumentholders, present or by proxy, holding or representing not less than a clear majority in principal amount of the Instrumentholders of such Class for the time being Outstanding, or at any adjourned meeting one or more Instrumentholders, present or by proxy, holding or representing whatever the principal amount of the Instruments so held or represented, except that at any meeting or adjourned meeting the business of which includes Special Matters (as defined below) the necessary quorum for passing an Extraordinary Resolution will be one or more persons, present or by proxy, holding or representing not less than two-thirds in principal amount of the Instruments of such Class for the time being, or at any adjourned such meeting not less than one third, in principal amount of the Instruments of such Class for the time being Outstanding. An Extraordinary Resolution passed at any meeting of the Instrumentholders shall be binding on all the Instrumentholders, whether or not they are present at the meeting.

22.3 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of Instrumentholders of such Class, but shall not be entitled to vote in respect of Instruments held by the Issuer. The Issuer shall have no entitlement to vote as a Instrumentholder in respect of any Instruments held by it.

The chairperson of the meeting shall be appointed by the Issuer. The chairperson shall be entitled to determine the entitlement of any person to be present at and vote at any meeting of such Class of Instrumentholders, including the validity of any proxy and the chairperson's decision, in the absence of fraud or manifest error, shall be final and binding on all parties directly affected thereby. Subject to the remaining provisions of this Condition 22, the procedures to be followed at the meeting shall be determined by the chairperson. In the event of an equality of votes, the chairperson shall have a casting vote.

22.4 Each Instrumentholder that is present in person or by proxy at a meeting of such Class of

Instrumentholders shall have one vote for each Specified Denomination held by such Instrumentholder. The Instrumentholder in respect of the Instruments represented by the Global Certificate shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Instruments in accordance with the Applicable Procedures.

- 22.5 The instrument appointing a proxy shall be in writing and signed by the appointer or its authorised agent or if the appointer is a company or any other body corporate (including a benefit, pension, provident or any other similar fund) by its authorised officer or agent. All necessary authorities shall be attached to the proxy in original form or in the form of a duly certified copy. Such instrument shall entitle a proxy to speak at a meeting. A person appointed to act as a proxy need not be an Instrumentholder.
- 22.6 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney, shall be deposited with the Issuer not less than twenty-four hours before the time appointed for the meeting or adjourned meeting (or in the event of a poll, before the time appointed for the taking of the poll), failing which the instrument of proxy shall not be treated as valid.
- 22.7 For the purposes of this Condition 22, “**Special Matters**” means any:
- (a) modification of a Maturity Date, Interest Payment Date;
 - (b) reduction or cancellation of the amount of principal or the interest rate payable in respect of the Notes; or
 - (c) modification of the majority or quorum required for the passing of an Extraordinary Resolution, or a modification of the definition of “*Special Matters*”.

23. MODIFICATION

- 23.1 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer. The Issuer may effect, without the consent of the relevant Class of Instrumentholders any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Instruments are issued. Any such modification shall be binding on the relevant Class of Instrumentholders and any such modification shall be notified to the relevant Class of Instrumentholders in accordance with Condition 21 as soon as practicable thereafter. For the avoidance of doubt, the exercise by the Issuer of its rights under Condition 20 shall not constitute a modification of these Terms and Conditions.
- 23.2 Save as provided in Condition 23.1, no modification of these Terms and Conditions may be effected unless:
- (a) in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Instrumentholders holding not less than 66.6%, in nominal amount, of the Instruments in that Class for the time being Outstanding; or
 - (b) sanctioned by an Extraordinary Resolution.

24. FURTHER ISSUES

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

25. PREFERENCE SHARES AND THE COMPANIES ACT

Notwithstanding anything to the contrary contained in these Terms and Conditions or the Programme Memorandum, (i) the Issuer, (ii) each Tranche of Preference Shares, and (iii) each of the Preference Shareholders, shall be subject to all of the applicable provisions of the Companies Act including, without limiting the generality of the foregoing, section 98 of the Companies Act (the “**Applicable Provisions**”).

For the purpose of the Preference Shares and in relation to (i) the Issuer, (ii) each Tranche of Preference Shares, and (iii) each of the Preference Shareholders:

- (a) the Applicable Provisions are deemed to be incorporated by reference into these Terms and Conditions; and
- (b) to the extent that there is any conflict or inconsistency between the Applicable Provisions and any of these Terms and Conditions, the Applicable Provisions shall prevail; and
- (c) to the extent that, in consequence of such conflict, the Applicable Provisions replace, amend, or supplement any of these Terms and Conditions, any reference to “*Terms and Conditions*” in the Programme Memorandum and/or the Applicable Pricing Supplement shall be deemed to include these Terms and Conditions as so replaced, amended or supplemented.

26. **GOVERNING LAW**

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Instruments are governed by, and shall be construed in accordance with, the laws of South Africa.


USE OF PROCEEDS


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

SIGNED at Sandton this 11th day of February 2008.

For and on behalf of
FIRSTRAND BANK LIMITED

For and on behalf of
FIRSTRAND BANK LIMITED


Name: Sizwe Erid Nxasana
Capacity: Director
Who warrants his authority hereto


Name: Sobay Petrus Burger
Capacity: Director
Who warrants his authority hereto

DESCRIPTION OF FIRSTRAND BANK LIMITED

1. OVERVIEW

FirstRand Bank Limited (the “**Bank**”), one of the four leading banks in South Africa (measured by total assets), provides a comprehensive range of retail, commercial, corporate and investment banking services in South Africa. As at 30 June 2007 the Bank was the third largest commercial bank in South Africa measured by total assets (according to statistics published by the SARB (DI900:SARB)). As at 30 June 2007 the Bank had total assets of R459.1 billion. The Bank’s profit attributable to ordinary shareholders amounted to R5.4 billion for the year ended 30 June 2007.

The Bank operates through divisions which are separately branded and provide distinct banking products and financial services. The Bank’s primary divisions are First National Bank (“**FNB**”), Rand Merchant Bank (“**RMB**”) and WesBank. FNB provides retail and corporate banking services, including savings and deposit accounts, credit cards, overdraft facilities, cheque accounts, mortgage finance and loans. FNB currently operates 680 branches and over 4,000 ATMs across South Africa. RMB is the investment banking division of the Bank. It offers specialist services, and takes principal positions, in the fields of corporate finance, structured finance, project finance, private equity and trading markets. WesBank provides instalment credit finance to the retail and corporate market, in particular, finance for motor vehicles, aircraft and industrial plants.

The Bank is indirectly wholly owned by FirstRand Limited (“**FirstRand**”), a company which is listed in the top 10 companies of the JSE Limited (“**JSE**”) and the Namibian Stock Exchange by market capitalisation, with a current market capitalisation of R125 billion (US\$ 18 billion) as at 30 June 2007. The FirstRand group of companies, which comprises FirstRand and its subsidiaries (the “**Group**”), is an integrated financial services group with over 36,000 employees. The Group provides a comprehensive range of financial products and services to the Southern African marketplace and niche products in certain international markets. The Group is structured into three divisions – Banking & Short Term Insurance, Long Term Insurance & Asset Management and Health & Insurance. The Bank is the principal banking operation within the Group’s division.

The Bank holds a full banking licence granted by the Registrar of Banks and is authorised as a financial services provider in South Africa by the Registrar of Financial Services Providers. The Bank is also an authorised dealer in foreign exchange in terms of the Exchange Control Regulations of the SARB. It is a Central Securities Depository Participant in STRATE Limited and is also a full member of The Bond Exchange of South Africa and a member of the JSE.

2. CORPORATE STRUCTURE

Share capital and ownership

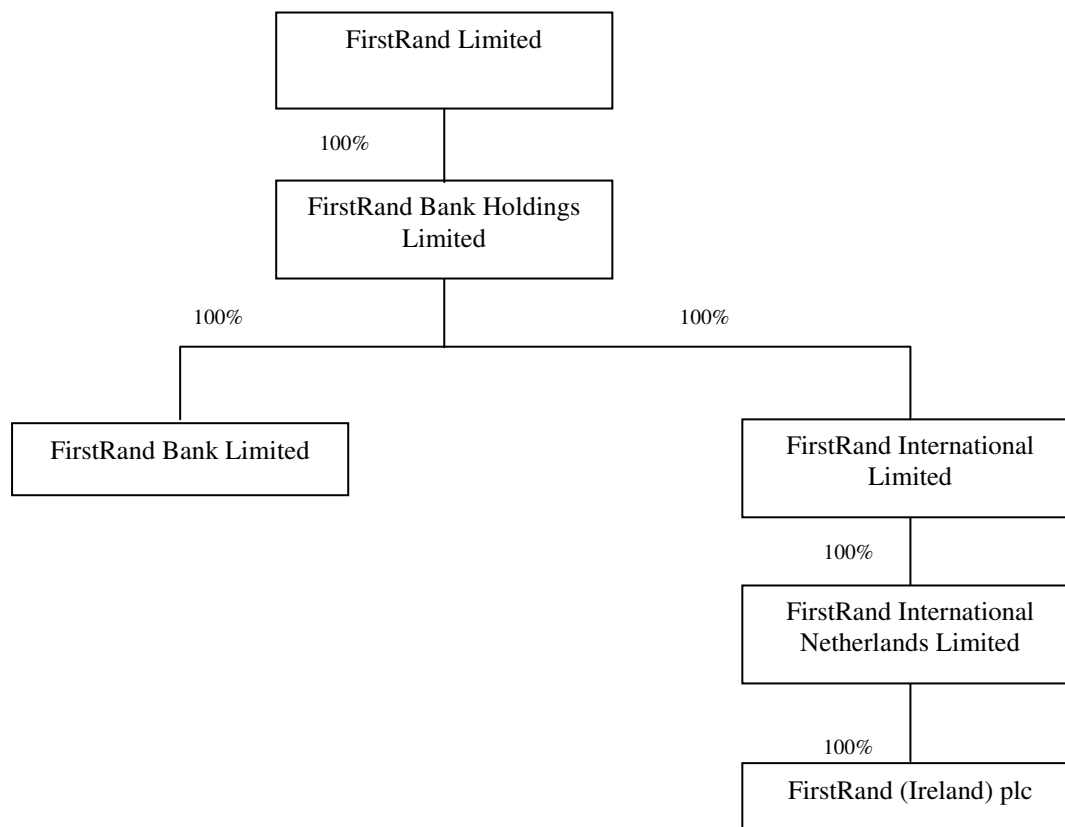
The Bank is wholly owned by FirstRand Bank Holdings Limited which, in turn, is wholly owned by FirstRand. The major shareholders of FirstRand are RMB Holding Limited (which holds 30.0 per cent of its share capital) FirstRand Empowerment Share Trusts (which holds 9.5 per cent of its share capital), the Public Investment Corporation (which directly holds 9.0 per cent of its share capital), Rembrandt Group (which directly holds 8.5 per cent of its share capital), FirstRand Share Trust (which directly holds 4.8 per cent of its share capital), and Old Mutual Asset Management (which holds 3.2 per cent of its share capital).

Banking operations within FirstRand Bank Holdings Limited and its subsidiaries (the “**Banking Group**”) include the activities carried out by the Bank in South Africa as well as other banking operations carried on by the Banking Group primarily outside South Africa.

FNB, RMB and WesBank carry out business activities both within and outside South Africa. Only those activities carried out by FNB, RMB and WesBank within South Africa form part of the operations of, and are aggregated within the financial results of, the Bank. Banking activities carried out by FNB Namibia, FNB Botswana, FNB Swaziland and RMB’s offshore operations are aggregated within the financial results of FirstRand Bank Holdings Limited. Unless stated otherwise, references to the operations and financial performances of FNB, RMB and WesBank in this Programme Memorandum refer to those operations and financial performance which are consolidated within the

financial statements of the Bank.

FirstRand's corporate structure (although not its subsidiaries, which are set out in "*Subsidiaries and Affiliates*") is shown in the diagram below:



BUSINESS OF FIRSTRAND BANK LIMITED

OVERVIEW

The Bank provides a comprehensive range of retail, commercial, corporate and investment banking products and services in South Africa through its principal divisions, FNB, WesBank and RMB. Each division is clearly differentiated, having its own strategy, management function and premises.

FNB

Overview

FNB is the commercial banking division of the Bank. It provides retail and corporate banking services in South Africa from 680 branches and over 4,000 ATMs. Its retail banking products and services include savings and deposit accounts, credit cards, overdraft facilities, cheque accounts, mortgage finance and consumer loans. Its corporate banking activities are primarily focused on standard transactional banking products, structured finance and investment products.

The Banking Group conducts business under the FNB brand both within South Africa and in certain other jurisdictions (Namibia, Botswana, Lesotho and Swaziland). Only the business and operations of FNB which are carried out within South Africa are aggregated within the Bank's financial statements.

WesBank

WesBank provides instalment credit finance for moveable assets, including motor vehicles, machinery, aircraft and industrial plants for private individuals, professionals and the corporate market. Its main products are vehicle finance, corporate finance, car allowance packages, personal loans, fleet services and credit cards.

RMB

RMB is the investment banking division of the Bank. It is a full-service investment bank which delivers services ranging from corporate advisory, debt and equity capital raising, principal investments and structured finance products, management buy-outs and privatisation to public-private partnerships, mergers and acquisitions, and the trading of vanilla and complex financial instruments in local and global markets.

In the PricewaterhouseCoopers South African Banking Survey for 2005, 2006 and 2007 (a peer group survey conducted amongst 23 local and foreign banks) RMB was rated, from a product perspective, as top in listings, mergers and acquisitions, structured and project finance, private equity (2005 and 2006 only) and BEE transactions.

RMB operates both in South Africa and internationally. In South Africa, RMB operates from offices in Johannesburg, Cape Town, Durban and Port Elizabeth. Internationally, RMB operates through the Group from offices in the United Kingdom, Ireland, the United Arab Emirates, China, Australia and Brazil. Only the business and operations of RMB which are carried out within South Africa are aggregated within the Bank's financial statements.

MANAGEMENT

The Board of Directors of the Bank (the "**Board**") is responsible for reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, monitoring corporate performance and overseeing major capital expenditures, acquisitions and disposals.

The Board consists of fourteen members elected by the general shareholders' meeting. The current members of the Board and their position within the Board, as well as their position within the board of directors of other members of the Group are set out below:

Name	Position
Gerrit Thomas Ferreira	Chairman of the Board, Chairman of FirstRand and RMB Holdings Limited and Director of Momentum Group Limited, Director of FirstRand Bank Holdings Limited
Sizwe Nxasana	Chief Executive Officer of the Bank and director of FirstRand Bank

Name	Position
	Holdings Limited
Vivian Wade Bartlett	Director of FirstRand, and FirstRand Bank Holdings Limited
Johan Petrus Burger	Financial Director of the Bank and Chief Financial Officer of FirstRand, Director of FirstRand Bank Holdings Limited ¹
Laurie Lanser Dippenaar	Chairman of Momentum Group Limited and Discovery Holdings Limited, Director of FirstRand and of RMB Holdings Limited, Director of FirstRand Bank Holdings Limited. FirstRand STI Holdings Limited and RMB Asset Management Limited
Dennis Martin Falck	Director of FirstRand and RMB Holdings Limited, Director of FirstRand Bank Holdings Limited
Patrick Maguire Goss	Director of FirstRand and RMB Holdings Limited, Director of FirstRand Bank Holdings Limited
Paul Kenneth Harris	Chief Executive Officer of FirstRand, Director of RMB Holdings Limited and Momentum Group Limited, Director of FirstRand Bank Holdings Limited
William Rodger Jardine	Director of FirstRand Bank Holdings Limited
Ethel Matenge-Sebesho	Director of FirstRand Bank Holdings Limited
Ronald Keith Store	Director of FirstRand Bank Holdings Limited
Benedict James Van der Ross	Director of FirstRand and Momentum Group Limited, Director of FirstRand Bank Holdings Limited and RMB Asset Management Limited
Robert Albert Williams	Director of FirstRand, Director of FirstRand Bank Holdings Limited
Zyda Rylands	Director of FirstRand Bank Holdings Limited

¹ Director of Momentum Group Limited and Discovery Holdings Limited.

The business address of the members of the Board is the Bank's registered office.

Additionally, the Bank has a company secretary, who is suitably qualified and was appointed by the Board in 1998. He is, *inter alia*, responsible for the duties stipulated in section 268G of the Companies Act.

Bank's Committees

The Bank also has the following committees:

Audit Committee

The Audit Committee is responsible for considering the annual financial statements for approval by the Board, and monitoring the quality of the internal controls and processes of the Bank and the implementation of corrective actions. The committee meets quarterly.

Risk Committee

The Risk Committee is responsible for approving the risk management policy, standards and processes, monitoring the Bank's risk assessments and the effectiveness of risk management and high priority corrective actions. The committee meets quarterly.

Remuneration Committee

The primary objective of the Remuneration Committee is to develop the reward strategy for the Bank. It is responsible for:

- evaluating the performance of executive directors;
- recommending remuneration packages for executive directors and senior management, including, but not limited to, basic salary, benefits in kind, performance based incentives, pension and other benefits;

- recommending policy relating to the Group's bonus and share incentive schemes;
- recommending the basis for non-executive directors' fees; and
- reviewing annual salary increases.

Large Exposures Credit Committee

The Large Exposures Credit Committee of the Bank is responsible for approving credit exposures in excess of 10% of the Bank's capital. The committee meets quarterly.

Director's Affairs and Governance Committee

The objective of this committee is to assist the Board in discharging its responsibilities relative to corporate governance structures, matters relating to performance and remuneration of directors, the appointment of new directors, the effectiveness of the board and succession planning at executive level. The committee meets quarterly.

CAPITAL ADEQUACY

The Bank is subject to regulatory capital requirements. The capital adequacy of the Bank is measured in terms of the Banks Act.

The Bank's capital management policy is contained in the FirstRand Capital Management Framework which is approved by the Board. The Bank seeks to maintain total capital and Tier 1 capital in excess of the minimum requirements of the SARB. The Capital Management Framework requires the Bank to be capitalised at the higher of economic or regulatory capital (inclusive of a buffer to allow for expansion and volatility). Economic capital is defined as the capital which the Bank must hold, commensurate with its risk profile under severe stress conditions, to give comfort to third party stakeholders (shareholders, counterparties and depositors, rating agencies and regulators) that it will be able to discharge its obligations to third parties in accordance with an indicated degree of certainty even under stress conditions, and will continue to be able to operate as a going concern. The "bottom-up" statistical economic capital calculation is done at a 99.9% confidence interval.

Basel II

Basel II will be operational in South Africa from 1 January 2008, with a parallel run during 2007. Under the Basel II regime, the Bank's regulatory capital requirements will be determined based on the risk sensitive measurement approaches of Basel II.

The Bank has progressed well with the implementation of the requirements of Basel II. It has performed a number of impact assessments on capital levels and operational processes. As indicated in the June 2005 annual report, the intention is to implement the advanced internal ratings based approach for credit risk for the material portfolios in the Bank. For operational risk, the standardised or alternative standardised approach will be implemented for the Bank, with the intention to migrate to the advanced measurement approach during 2009.

LEGAL PROCEEDINGS

The Bank has been, and continues to be, the subject of legal proceedings and adjudications from time to time.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have during the 12 months prior to the date of this Programme Memorandum, or have had in the recent past, a significant effect on the financial position or profitability of the Bank.

There are a number of legal or potential claims against the Bank, the outcome of which cannot at present be foreseen. These claims are not regarded by management as material either on an individual or collective basis.

PROPERTY

As at 30 June 2007, the Bank held the freehold title to land and buildings to the value of R995 million and leasehold title to properties with a net book value the value of R403 million compared to R879 million and R348 million respectively as at 30 June 2006. (Note that properties are carried at cost less amortisation.)

SETTLEMENT, CLEARING AND TRANSFERS

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

GLOBAL CERTIFICATES

Instruments listed on the BESA or such other or further exchange or exchanges will initially be issued in the form of a single Global Certificate which will be lodged and immobilised in the CSD, which forms part of the settlement system of BESA. The CSD’s Nominee will be the sole Instrumentholder in respect of the Global Certificate.

The CSD holds Instruments subject to the Securities Services Act and the Rules of the CSD. The Rules of the CSD as at the date of this Programme Memorandum are as published by the Registrar of Securities Services in Government Gazette No. 27758 of 8 July 2005.

While the Instruments are held in the CSD under the Global Certificate, the CSD will be reflected as the Instrumentholder in the Register maintained by the Transfer Agent. Accordingly, in terms of the Terms and Conditions of the Instruments, all amounts to be paid and all rights to be exercised in respect of the Instruments held in the CSD, will be paid to and may be exercised only by the CSD, for the holders of Beneficial Interests in the Instruments held by the CSD under the Global Certificate

The CSD maintains accounts only for the Participants. The Participants are also approved Settlement Agents of BESA. As at the date of this Programme Memorandum, the Settlement Agents are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of the Beneficial Interests in the Notes or as custodians for such holders, may exercise their rights in respect of the Instruments held by them in the CSD only through the Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (“**Clearstream**”) may hold Instruments through their Participant.

Transfers of Beneficial Interests in Instruments in the CSD to and from clients of Participants, who are also Settlement Agents, occur by electronic book entry in the securities accounts of the clients with the Participants. Transfers among Participants of Instruments held in the CSD occur through electronic book entry in the Participant’s central security accounts with the CSD.

Transfers between Participants in the CSD will be effected in the ordinary way in accordance with the Applicable Procedures.

A Beneficial Interest will be exchangeable for an Individual Certificate if (i) a written request for Instruments in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 10 days prior to the requested date of such exchange, (ii) the Applicable Procedures for obtaining such a Certificate from the Transfer Agent are followed, and (iii) an equivalent number of Instruments are transferred in accordance with the provisions of Condition 18 from the CSD or its nominee to the holder of such Beneficial Interest.

INDIVIDUAL CERTIFICATES

All Instruments not represented by a Global Certificate, including Bearer Notes and Order Notes, shall be issued in definitive form, in the form of Individual Certificates. Notes issued in the form of Bearer Notes or order form of Order Notes, and which are interest bearing, have Coupons and, if indicated in the Applicable Pricing Supplement, talons attached on issue. Notes repayable in instalments have Receipts for the payment of the instalments of principal (other than the final instalment) attached on issue.

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

such Order Note, are transferable by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

Payments of interest, dividends and principal in respect of Individual Certificates will be made to Instrumentholders in accordance with Condition 9 of the Terms and Conditions.

SOUTH AFRICAN TAXATION

The information contained below is intended to be a general guide to the relevant tax laws of South Africa as at the date of this Programme Memorandum 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 Notes. Prospective purchasers of Instruments should consult their own professional advisers in regard to the purchase of Instruments 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 Instruments as capital assets. Traders in these Instruments should consult their own advisers.

Words used in this section shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

Stamp Duty and Uncertificated Securities Tax

In terms of the Stamp Duties Act, 1968 (the “**Stamp Duties Act**”), no stamp duty is payable on the original issue of debentures or on their transfer, provided that they constitute instruments as contemplated in section 24J of the Income Tax Act.

In terms of the Uncertificated Securities Tax Act, 1998 (the “**UST Act**”), no uncertificated securities tax is payable on the issue or transfer of securities qualifying as instruments as contemplated in section 24J of the Income Tax Act.

Accordingly, as at the date of this Programme Memorandum, (i) no stamp duty (as contemplated in the Stamp Duties Act, 1968) is payable on the issue, cancellation, redemption or on the transfer of the Notes, and (ii) no uncertificated securities tax (as contemplated in the UST Act) is payable on the issue or on the transfer of the Notes.

Preference Shares

Under Current South African law:

- (a) no stamp duty or uncertificated securities tax is payable upon the original issue of Preference Shares;
- (b) stamp duty or uncertificated securities tax, as the case may be, at the rate of 0,25% will be payable by the purchaser of Preference Shares upon the registration of transfer of such Preference Shares to such purchaser; and
- (c) stamp duty or uncertificated securities tax, as the case may be, is payable by the Issuer in respect of the redemption (including any redemption occurring as a consequence of the occurrence of any Redemption Event) of any Preference Shares at the rate of 0,25% (see the section entitled “*South African Taxation*”).

With effect from 1 July 2008, stamp duty and/or uncertificated securities tax, as the case may be, in relation to the transfer or redemption of securities will be replaced by securities transfer tax levied under the Securities Transfer Tax Act, 2007. Securities transfer tax will be payable:

- (a) by the transferee in respect of the transfer of any Preference Shares at the rate of 0,25%; and
- (b) by the Issuer in respect of the redemption by the Issuer of any Preference Shares (including any redemption arising as a consequence of the occurrence of any Redemption Event) at the rate of 0,25%.

General

In general, interest received on the Notes will be subject to income tax in South Africa (the “**Republic**”). Certain entities may be exempt from the tax. Purchasers are advised to consult their own professional advisers as to whether the interest will be exempt or not. The amount of interest to be included in income, the position of non-residents and the capital gains tax consequences are examined below.

Interest for Purposes of Section 24J of the Income Tax Act

In terms of section 24J of the Income Tax Act, any discount or premium to the nominal value at which a Note is issued or acquired is treated as part of the interest income on the Note by the Revenue authorities. The Instrumentholder will be deemed to have accrued such interest income on a day-to-day basis until the Instrumentholder disposes of the Note or until maturity. This day-to-day basis is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. In practice the premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act.

Instrumentholders who are not Residents of the Common Monetary Area

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

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during that year of assessment; or
- (b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

Capital Gains Tax

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

Capital Gains Tax in terms of the Eighth Schedule to the Act does not apply to assets such as Instruments disposed of by a person who is not a resident unless the Instrument disposed of is attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Dividends

In terms of the Income Tax Act, dividends earned in respect of Preference Shares are generally exempt from income tax. If the Redemption Date of Preference Shares falls less than three years and one day after the Issue Date or if the Preference Shareholder has a “*right of disposal*”(as defined in section 8E of the Income Tax Act) in respect of the Preference Shares, the “*dividends*” declared on Preference Shares are deemed to be “*interest*” under section 8E of the Income Tax Act.

Where dividends accrue in respect of Preference Shares held by Non-Residents there is no withholding tax on such dividends and they are not subject to Taxes in the hands of the Preference Shareholder under current South African law. As at the date of this Programme Memorandum, the South African Revenue Service announced that a withholding tax on dividends will be introduced in the near future and replace STC.

The Issuer is liable for STC in respect of dividends declared by it.

SOUTH AFRICAN EXCHANGE CONTROL

The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchase of, or subscriber for, Notes. Prospective subscribers for Notes that are non-South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the purchaser of, or subscription, for Notes.

Words used in this section shall have the same meanings as defined in the section entitled “Terms and Conditions of the Instruments” above, unless they are defined in this section or this is clearly inappropriate from the context.

Blocked Rand

Blocked Rands may be used for the purchase of, or subscription for, Instruments. Any amounts payable by the Issuer in respect of the Instruments purchased, or subscribed for, with Blocked Rands may not, in terms of the Exchange Control Regulations be remitted out of South Africa or paid into any non-South African bank account. The Minister of Finance stated on 26 February 2003 that emigrants’ blocked assets are to be unwound and such emigrants will be entitled, on application to the exchange control department of the South African Reserve Bank, subject to an exiting schedule and an exit charge of 10% (ten percent) of the amount, to exit such blocked assets from South Africa.

Emigrants from the Common Monetary Area

In the event that a Beneficial Interest in Instruments is held by an emigrant from the Common Monetary Area through the CSD and its relevant Settlement Agents, the securities account of such emigrant will be designated as an “*emigrant*” account. Any Individual Certificates issued to Instrumentholders in respect of Instruments in materialised form will be restrictively endorsed “*non-resident*”. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

Any payments of interest or principal due to an emigrant Instrumentholder in respect of Instruments will be deposited into such emigrant’s Blocked Rand account with the authorised foreign exchange dealer controlling such blocked assets. These amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

In terms of the Exchange Control Regulations, non-residents of the Common Monetary Area may not invest in the Instruments unless specific approval is sought and obtained from the relevant authorities.

Any Individual Certificates issued to Instrumentholders who are not resident in the Common Monetary Area will be endorsed “*non-resident*”. In the event that a Beneficial Interest in Instruments is held by a non-resident of the Common Monetary Area through the CSD and its relevant Settlement Agents, the securities account of such Instrumentholder will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident to instruct the non-resident’s nominated authorised foreign exchange dealer as to how any funds due to such non-resident in respect of Instruments are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Instruments are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificates or securities account, as the case may be, is designated “*non-resident*”.

For the purposes of these paragraphs:

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

“**Blocked Rands**” means funds which may not be remitted out of South Africa or paid into a non-South African resident’s bank account.

SUBSCRIPTION AND SALE

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

Republic of South Africa

The Dealers have represented and agreed, and each additional Dealer will be required to represent and agree, that the offer of Instruments for sale pursuant to the Programme shall comply with the provisions of the Companies Act and the Banks Act and regulations issued thereunder.

United States of America

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

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

Each Dealer has represented and agreed, and each additional Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Instruments (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) days after completion of the distribution, as determined and certified by the Relevant Dealer or, in the case of an issue of such Instruments on a syndicated basis, the relevant lead manager, of all Instruments of the Tranche of which such Instruments are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed and each additional Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any of such Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Instruments within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Within 40 (forty) days after the commencement of the offering of any Series of Instruments, an offer or sale of such Instruments within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the Relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the Applicable Pricing Supplement.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the “**FSMA**”) by the Issuer);

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FMSA) received by it in connection with the issue or sale of any Instruments in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Instruments 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 Instruments to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so are authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000; and (iii) an annual net turnover of more than €50,000,000 as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Instruments to the public*” in relation to any Instruments 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 Instruments to be offered so as to enable an investor to decide to purchase or subscribe for the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC as amended, superseded or re-instated and includes any relevant implementing measure in each Relevant Member State.

General

The Dealers have agreed and each additional Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes or procures the subscription of Instruments, offers or sells Instruments or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Instruments under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any other Dealer shall have any responsibility therefor.

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

With regard to each Tranche, the Relevant Dealer will be required to comply with such other or additional restrictions as the Issuer and the Relevant Dealer shall agree and as shall be set out in the Applicable Pricing Supplement.

GENERAL INFORMATION

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

Authorisation

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

Listing

The Programme has been approved by BESA. Instruments to be issued under the Programme will be listed on BESA or its successor or such other or further exchanges as may be agreed between the Issuer and the Relevant Dealer(s). Unlisted Instruments may be issued under the Programme.

Documents Available

So long as Instruments are capable of being issued under the Programme, copies of the following documents will, when published, be available from the registered office of the Issuer as set out at the end of this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) in respect of any issue of Instruments under the Programme, the consolidated audited financial statements of the Issuer for its three financial years prior to the date of such issue;
- (c) the Applicable Pricing Supplement relating to any Tranche of Instruments issued under the Programme.

Clearing Systems

The Instruments have been accepted for clearance through the CSD, which forms part of the BESA clearing system that is managed by STRATE Limited and may be accepted for clearance through any additional clearing system as may be agreed between BESA and the Issuer.

Settlement Agents

As at the date of this Programme Memorandum, the BESA-recognised Settlement Agents are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (“**Clearstream**”) may settle offshore transfers in the Notes through their appointed Settlement Agents.

Settlement, Transfer and Clearing

Instruments will be issued, cleared and transferred in accordance with the procedures and rules set out by BESA and the CSD. Notes will be settled through BESA-recognised Settlement Agents who will comply with the electronic settlement procedures. The CSD, or its nominee, will be the registered holder of a Global Certificate and will maintain securities accounts for the Participants who, in turn, will maintain securities accounts for investors in the Instruments.

The BESA Settlement Agents will be responsible for the settlement of scrip and payment transfers through the CSD and the South African Reserve Bank. Individual Certificates will only be issued to Instrumentholders in terms of the procedures set out in Condition 17. Transfer of Instruments shall be undertaken in accordance with the rules of the CSD as well as the Terms and Conditions, save for the transfer of Individual Certificates which shall take place in accordance with the procedures set out in Condition 18. The CSD, its nominee, and any individual Instrumentholder of Individual Certificate(s) shall be the registered holders of Instruments.

The Settlement Agents and the Transfer Agent shall not be required to recognise any notice of any trust nor recognise the right of any other person other than the beneficial holder of Notes.

No transfer of Instruments will be made in the Register unless the prescribed transfer form and the Individual Certificate (if any) has been properly lodged with the Transfer Agent.

Material Change

Save as disclosed in this Programme Memorandum, there has been no material adverse change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements.

Litigation

Save as disclosed herein, 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 significant effect on the financial position of the Issuer or its respective consolidated subsidiaries.

Auditors

PricewaterhouseCoopers Inc. and Deloitte & Touche, Registered Accountants and Auditors, Chartered Accounts (SA) have acted as the auditors of the financial statements of the Issuer for the financial years ended 30 June 2004, 2005 and 2006 and, in respect of those years, issued an unqualified audit report.

ISSUER

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Contact: Mr G Vos

PAYING AGENT AND CALCULATION AGENT

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Contact: Mr G Vos

TRANSFER AGENT

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ARRANGER, DEALER AND SPONSORING MEMBER

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