



Companies and Intellectual
Property Commission

→ member of the sfi group

Date: 18/11/2019

Our Reference: 111893092

Box: **213835**

Sequence: **9**

CARNITA LOW
P O BOX 650149
BENMORE
SANDTON
2010

RE: Amendment to Company Information

Company Number: 1929/001225/06

Company Name: FIRSTRAND BANK LTD

We have received a COR15.2 (Amendment of Memorandum of Incorporation) from you dated 11/10/2019.

The Amendment of Memorandum of Incorporation (2) was accepted and placed on file.

The Increase/Decrease of Authorised Capital (1) was accepted and placed on file.

Yours truly

Commissioner: CIPC

THN THN

Please Note:

The attached certificate can be validated on the CIPC web site at www.cipc.co.za.

The contents of the attached certificate was electronically transmitted to the South African Revenue Services.



The Companies and Intellectual Property Commission
of South Africa

P.O. BOX 429, PRETORIA, 0001, Republic of South Africa. Docex 256, PRETORIA.

Call Centre Tel 086 100 2472, Website www.cipc.co.za



THE COMPANIES ACT, NO. 71 OF 2008
(AS AMENDED)

MEMORANDUM OF INCORPORATION

OF

FIRSTRAND BANK LIMITED

A PUBLIC COMPANY

REGISTRATION NUMBER: 1929/001225/06
REGISTRATION DATE: 11 January 1929

Revised Memorandum of Incorporation
Approved and adopted by Special Resolution
in terms of Section 60 on ...11 October 2019



Duly signed by a director
AP Pullinger

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SCHEDULES

- SCHEDULE "1" : ADDITIONAL CLASSES OF SHARES
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- SCHEDULE "4" : "R" PREFERENCE SHARES
- SCHEDULE "5" : "D" PREFERENCE SHARES
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- SCHEDULE "7" : APPLICABLE PRICING SUPPLEMENT

1 INTERPRETATION

1.1 In this Memorandum of Incorporation, unless the context clearly indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –

1.1.1 "**Banks Act**" means the Banks Act, No. 94 of 1990, as amended, consolidated or re-enacted from time to time, and includes all schedules to, and regulations published in terms of, such Act;

1.1.2 "**Board**" means the board of Directors from time to time of the Company;

1.1.3 "**Commission**" means the Companies and Intellectual Property Commission established in terms of the Companies Act;

1.1.4 "**Companies Act**" means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, and includes all schedules to, and regulations published in terms of, such Act;

1.1.5 "**Company**" means FirstRand Bank Limited, registration number 1929/001225/06, a limited liability public company duly incorporated in the Republic;

1.1.6 "**Director**" means a member of the Board as contemplated in section 66 of the Companies Act, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;

1.1.7 "**Electronic Communication**" has the meaning set out in the Electronic Communications and Transactions Act, No. 25 of 2002;

1.1.8 "**Financial Markets Act**" means the Financial Markets Act, No 19 of 2012, including any amendment, consolidation or re-enactment thereof;

1.1.9 "**IFRS**" means the International Financial Reporting Standards, as adopted from time to time by the International Accounting Standards Board (IASB), or its successor body, and approved for use in the Republic from time to time by the Financial Reporting Standards Council (FRSC) established in terms of the Companies Act;

1.1.10 "**JSE**" means the exchange, licensed under the Financial Markets Act, operated by JSE Limited, registration number 2005/022939/06, a public company duly incorporated in the Republic;

- 1.1.11 "**JSE Listings Requirements**" means the Listings Requirements of the JSE applicable from time to time;
- 1.1.12 "**Office**" means the registered office of the Company;
- 1.1.13 "**Registrar of Banks**" means the Registrar of Banks designated as such in terms of the Banks Act;
- 1.1.14 "**Regulations**" means the regulations published in terms of the Companies Act from time to time;
- 1.1.15 "**Republic**" means the Republic of South Africa;
- 1.1.16 "**Securities**" means any shares, debentures or other instruments, irrespective of their form or title, issued or authorised to be issued by the Company;
- 1.1.17 "**Securities Register**" means the register of issued Securities of the Company required to be established in terms of the Companies Act;
- 1.1.18 "**Share**" means the ordinary shares referred to in clause 5.1.1, but shall exclude the further classes of shares in the Company referred to in clause 5.1.2 unless specifically otherwise provided;
- 1.1.19 "**Shareholder**" means the holder of a Share and who is entered as such in the Securities Register;
- 1.1.20 "**Solvency and Liquidity Test**" has the meaning attributed thereto in the Companies Act; and
- 1.1.21 "**Transfer Office**" means the Office and any office maintained for the purpose of receiving for registration transfer of Shares or other Securities.
- 1.2 In this Memorandum of Incorporation, unless the context clearly indicates otherwise –
- 1.2.1 words and expressions defined in the Companies Act and which are not defined herein shall have the meanings given to them in the Companies Act;
- 1.2.2 a reference to the Companies Act shall include reference to the Regulations;
- 1.2.3 a reference to a section by number refers to the corresponding section of the Companies Act notwithstanding the renumbering of such section after the date on which this Memorandum of Incorporation is adopted by the Company;

- 1.2.4 a reference to a clause by number refers to a corresponding provision of this Memorandum of Incorporation;
- 1.2.5 in any instance where there is a conflict between a provision (be it expressed, implied or tacit) of this Memorandum of Incorporation and –
- 1.2.5.1 an alterable or elective provision of the Companies Act, the provision of this Memorandum of Incorporation shall prevail to the extent of the conflict; and
- 1.2.5.2 an unalterable or non-elective provision of the Companies Act, the unalterable or non-elective provision of the Companies Act shall prevail to the extent of the conflict, provided that the Memorandum of Incorporation does not impose on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement, than would otherwise apply to the Company in terms of such provision;
- 1.2.6 clause headings are for convenience only and are not to be used in its interpretation;
- 1.2.7 an expression which denotes -
- 1.2.7.1 any gender includes the other genders;
- 1.2.7.2 a natural person includes a juristic person and *vice versa*; and
- 1.2.7.3 the singular includes the plural and *vice versa*;
- 1.2.8 if the due date for performance of any obligation in terms of this Memorandum of Incorporation is a day which is not a business day then (unless otherwise stipulated), the due date for performance of the relevant obligation shall be the immediately succeeding business day;
- 1.2.9 any words or expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout the whole of this Memorandum of Incorporation; and
- 1.2.10 any reference to a notice shall be construed as a reference to a written notice, and shall include a notice which is transmitted electronically in a manner and form permitted in terms of the Companies Act.
- 1.3 Any reference in this Memorandum of Incorporation to –

- 1.3.1 "**days**" shall be construed as calendar days unless qualified by the word "business", in which instance a "business day" will be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic from time to time;
- 1.3.2 "**month**" shall be construed as months of the Gregorian calendar, unless the context requires otherwise;
- 1.3.3 "**law**" means any law of general application, as amended and re-enacted from time to time, and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law, order or any other enactment of legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law; and
- 1.3.4 "**writing**" means legible writing and in English and includes printing, typewriting, lithography or any other mechanical process, as well as any electronic communication in a manner and a form permitted in terms of the Companies Act.
- 1.4 The words "**include**" and "**including**" mean "include without limitation" and "including without limitation". The use of the words "**include**" and "**including**" followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.5 Unless otherwise provided, defined terms appearing in this Memorandum of Incorporation in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 1.6 Where a particular number of business days is provided for between the happening of one event and another, the number of days must be calculated by excluding the day on which the first event occurs and including the day on which or by which the second event is to occur.
- 1.7 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.8 Any reference herein to "**this Memorandum of Incorporation**" shall be construed as a reference to this Memorandum of Incorporation as amended from time to time.

2 BANKS ACT AND RESTRICTIONS

- 2.1 The Company is a bank as defined in terms of the Banks Act, and accordingly -
- 2.1.1 this Memorandum of Incorporation and all of its contents and the Companies Act shall apply subject to, and be interpreted in conjunction with, any applicable provision of the Banks Act, or any regulations, notices or instructions issued in terms of the Banks Act which have the power of law, or any lawful directive, circular or guidance note issued by the Registrar of Banks which is binding on the Company in law and to which the Company is subject (each an "**Applicable Provision**" for purposes of this clause 2.1); and
- 2.1.2 to the extent that any provision or part of any provision in this Memorandum of Incorporation or the Companies Act irreconcilably conflicts with any peremptory Applicable Provision, such Applicable Provision shall prevail.
- 2.2 The restrictive conditions set out in clause 2.3 applies to the Company (and the requirements, if any, additional to those prescribed in the Companies Act, for their alteration) and is imposed on the Company or with reference to the Company in terms of the Banks Act for so long as and to the extent that the Banks Act is applicable to the Company.
- 2.3 The restrictive conditions which apply to the Company (and the requirements, if any, additional to those prescribed in the Companies Act, for their alteration), are those conditions imposed on the Company or with reference to the Company in terms of the Banks Act, and then only for so long as and to the extent that the Banks Act is applicable to the Company. Such restrictive conditions include the following –
- 2.3.1 the Company may not acquire or establish either within or outside the Republic, any subsidiaries, joint ventures, branch offices, divisions, trusts or other financial or business undertakings, other interests and representative offices of banks or controlling companies other than subject to the provisions of the Banks Act;
- 2.3.2 the Company shall not acquire or hold shares in long-term or short-term insurance companies as defined in the Long-Term Insurance Act No. 52 of 1998 and the Short-Term Insurance Act No. 53 of 1998, respectively, other than in accordance with the limitations and provisions of the Banks Act;
- 2.3.3 the Company may not do anything which would contravene any provision of the

Banks Act which applies to the Company and the Company shall comply at all times with any restrictions imposed on it in terms of the permitted investments, advances and business practices applicable to the Company in terms of the Banks Act; and

- 2.3.4 the Company may not do anything, conduct any branch or conduct any kind of business contrary to the limitations and provisions of the Banks Act.

3 JURISTIC PERSONALITY

- 3.1 The Company is a pre-existing company as defined in the Companies Act and, as such, continues to exist as a public company as if it had been incorporated and registered in terms of the Companies Act, as contemplated in item 2 of the Fifth Schedule to the Companies Act, and this Memorandum of Incorporation replaces and supersedes the Memorandum of Incorporation of the Company applicable immediately prior to the filing hereof.

- 3.2 The Company is incorporated in accordance with and, subject to the provisions of clause 2, governed by –

- 3.2.1 the unalterable provisions of the Companies Act, provided that the Memorandum of Incorporation does not impose on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement than such provision; and

- 3.2.2 the alterable provisions of the Companies Act, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and

- 3.2.3 the other provisions of this Memorandum of Incorporation.

4 POWERS OF THE COMPANY

- 4.1 The Company has all of the legal powers and capacity contemplated in the Companies Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever, save to the extent to which any such power or capacity is inconsistent with the Banks Act or the provisions of clause 2.2.

- 4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Companies Act, save to the extent contemplated in clause 2 or the Banks Act.

- 4.3 Without derogating from the provisions of clauses 4.1 and 4.2, the main business, which the Company is to carry on, is the business of bankers, financiers, investors and business and management advisors of all kinds and description.
- 4.4 Subject to any limitations imposed by the Banks Act, the management and control of any business of the Company shall be vested in the Directors who in addition to the powers and authorities expressly conferred upon them by this Memorandum of Incorporation, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and are not hereby or by law expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to such management and control not being inconsistent with this Memorandum of Incorporation nor with any resolution passed by the Company in general meeting; but so that no such resolution shall invalidate any prior act by the Directors which would have been valid if such resolution had not been passed. The general powers given by this clause 4.4 shall not be limited or restricted by any special authority or power given to the Directors by any other clause of this Memorandum of Incorporation.
- 4.5 Without limiting or restricting the powers conferred on the Board in terms of the Companies Act but subject to the provisions of clause 2, the Board may establish any divisional, departmental, regional or local boards, managing committees or agencies for managing any of the affairs of the Company, either in the Republic or elsewhere, and may appoint any persons (whether being Directors or not) to be members of such boards or committee and may appoint any such persons as aforesaid to be regional directors, local directors, managers or agents, and may fix the remuneration of any persons so appointed, and may delegate to any such board, managing committee, regional director, local director, manager or agent, any of the powers, authorities and discretions vested in the Board with power to sub-delegate, and may authorise the members of any such board or managing committees, of any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit, and the Board may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.
- 4.6 The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested, shall be carried on by or through one or more subsidiaries of the Company and they may

on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on, or for financing, assisting or subsidising any such subsidiary or guaranteeing its contracts, obligations or liabilities.

5 ISSUE OF SHARES AND VARIATION OF RIGHTS

5.1 The Company is authorised to issue –

5.1.1 2,000,000 (two million) ordinary shares with a par value of R2.00 (two rand) each, of the same class, each of which ranks *pari passu* in respect of all rights and the holder shall be entitled in respect of each ordinary share, subject to any preferential rights, limitations and other terms associated with those classes of Shares referred to in clause 5.1.2, to –

5.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll at every general or annual general meeting of Shareholders;

5.1.1.2 participate proportionally in any distribution made by the Company; and

5.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

5.1.2 such number of each of such further classes of shares in the Company, if any, as are set out in Schedule 1 hereto. The shares in each such further class shall rank *pari passu* in respect of all rights and be subject to the preferences, rights, limitations and other terms associated with each such class set out in the applicable Schedule to this Memorandum of Incorporation.

5.2 The Board shall not have the power to –

5.2.1 convert one class of Shares into one or more other classes;

5.2.2 increase or decrease the number of authorised Shares of any class of Shares;

5.2.3 convert its Shares from shares having par value to shares having no par value;

5.2.4 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

5.2.5 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

- 5.2.6 reclassify any classified Shares that have been authorised but not issued;
- 5.2.7 classify any unclassified Shares that have been authorised but not issued;
- 5.2.8 determine the preferences, rights, limitations or other terms of any Shares;
and/or
- 5.2.9 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by amending the Memorandum of Incorporation by way of a special resolution of the Shareholders (as contemplated in clause 36) and subject to the provisions of clause 5.5.

- 5.3 Without derogating from the provisions of clause 5.2, the Board shall not have the power, without the written approval of the Registrar of Banks and in accordance with any conditions imposed by the Registrar of Banks in writing, to –
 - 5.3.1 issue any preference Shares, hybrid debt instruments or debt instruments;
 - 5.3.2 convert any of its Shares into preference Shares, hybrid debt instruments or debt instruments; or
 - 5.3.3 convert any of its preference Shares of a particular class into preference Shares of any other class,

that will qualify as primary capital, secondary capital or tertiary capital, as the case may be.

- 5.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 17.2.
- 5.5 The authorisation and classification of Shares, the numbers of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting.
- 5.6 No Shares may be authorised in respect of which the preferences, rights,

limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Companies Act.

- 5.7 Unless otherwise required by applicable law, the Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 5.8 Subject to what may be authorised by the Companies Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 5.10, and subject to clause 5.9, the Board may only issue unissued Shares if such Shares have first been offered to existing Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.
- 5.9 Notwithstanding the provisions of clauses 5.8 and 5.10 -
- 5.9.1 an issue of Shares or Securities convertible into Shares, or a grant of options contemplated in section 42 of the Companies Act, or a grant of any other rights exercisable for Securities to a –
- 5.9.1.1 Director, future Director, prescribed officer, or future prescribed officer of the Company;
- 5.9.1.2 person related or inter-related to the Company or to a Director or prescribed officer of the Company; or
- 5.9.1.3 nominee of a person contemplated in clause 5.9.1.1 or 5.9.1.2,
- must be approved by a special resolution of the Shareholders as contemplated in section 41(1) of the Companies Act, read together with section 41(2) of the Companies Act; and
- 5.9.2 any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3) of the Companies Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders

immediately before that transaction or series of integrated transactions.

- 5.10 Notwithstanding the provisions of clause 5.8, the Shareholders may authorise the Directors to issue unissued Securities at any time and/or grant options to subscribe for unissued Securities as the Directors in their discretion think fit, provided that such transactions have to the extent required been approved by the JSE.
- 5.11 Except to the extent that any right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

6 SECURITIES REGISTER

The Company must establish or cause to be established a Securities Register in the form prescribed by the Companies Act and maintain the Securities Register in accordance with the prescribed standards.

7 TRANSFER OF SECURITIES

- 7.1 Subject to the applicable provisions of the Companies Act pertaining to the transfer of Shares and to the provisions of this Memorandum of Incorporation, any Shareholder may transfer all or any of its Shares but every transfer must be in writing in the usual common form or in such other form as the Directors may approve and must be left at the Transfer Office where the register of transfers relating to the share comprised therein is for the time being kept or at such other place as the Directors may prescribe accompanied (unless the Directors either generally or in any particular case otherwise resolve) by the certificate of the Shares to be transferred and such other evidence (if any) as the Directors or other person in charge of such register may require to prove the title or capacity of the intending transferor or transferee or the rights of the intending transferor to transfer the Shares.
- 7.2 The Board may decline to register any transfer of Shares where –
- 7.2.1 the instrument of transfer has not been lodged at the transfer office; or
- 7.2.2 the provisions of any law affecting the transfer of Shares have not been complied with.

- 7.3 All authorities to sign transfer deeds or other instruments of transfer granted by holders of Securities for the purpose of transferring Securities which may be lodged, produced or exhibited with or to the Company at its Office or Transfer Office shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at such of the Company's offices at which the authority was first lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.

8 **CAPITALISATION SHARES**

The Company in general meeting may upon the recommendation of the Directors at any time and from time to time resolve that it is desirable to capitalise all or any part of the amount for the time being standing to the credit of any of the Company's reserves or of any share premium account or capital redemption reserve fund or to the credit of the income statement or otherwise available for distribution and not required for the payment of the fixed dividends on any preference Shares of the Company, and accordingly that such amount be set free for distribution among the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions on the footing that the same be not paid in cash but either be applied in paying up unissued Shares to be issued to such Shareholders as fully paid capitalisation shares having a par value or be transferred to the Company's stated capital and be applied in distributing to such Shareholders shares of no par value.

9 **NO LIEN**

Securities shall not be subject to any lien in favour of the Company.

10 **TRANSMISSION OF SECURITIES**

Securities registered in the name of a deceased or insolvent holder shall not be forfeited by reason of the executor failing to register the applicable Securities in his own name or in the name of the applicable heirs or legatees, even after being called upon to do so by the Directors.

11 DEBT INSTRUMENTS

Subject to the provisions of the Banks Act, the Board may authorise the Company to issue secured or unsecured debt instruments, but no special privileges associated with any debt instruments may be granted, and the authority of the Board in such regard is limited by this Memorandum of Incorporation.

12 FINANCIAL ASSISTANCE

Provided that any applicable provisions of the Banks Act and Companies Act are complied with, the Board may authorise the Company to provide financial assistance, including financial assistance of the nature contemplated in sections 44 and 45 of the Companies Act.

13 ACQUISITION BY THE COMPANY OF ITS OWN SHARES

Subject to the provisions of the JSE Listings Requirements and the Companies Act (including those requirements pertaining to the application of the Solvency and Liquidity Test) –

- 13.1 the Board may determine that the Company acquire a number of its own Shares;
and
- 13.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company.

14 RECORD DATE FOR EXERCISE OF SHAREHOLDER RIGHTS

The record date for the purpose of determining which Shareholders are entitled to exercise any applicable rights shall be determined in accordance with the provisions of section 59 of the Companies Act.

15 BENEFICIAL INTERESTS IN SECURITIES

- 15.1 Subject to the provisions of the Banks Act, the Company's issued Securities may be held by, and registered in the name of one person for the beneficial interest of another person, as set out in the Companies Act.
- 15.2 The Directors shall cause to be established and maintain a register of disclosures made to the Company of the identity of beneficial holders, as required in terms of the Companies Act.

16 SHAREHOLDERS' MEETINGS

- 16.1 The Board, or any prescribed officer or company secretary of the Company authorised by the Board, is entitled to call a Shareholders' meeting at any time.
- 16.2 Subject to the provisions of section 60 of the Companies Act dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders' meeting –
- 16.2.1 at any time that the Board is required by the Companies Act, this Memorandum of Incorporation or the JSE to refer a matter to Shareholders for decision; or
- 16.2.2 whenever required in terms of the Companies Act to fill a vacancy on the Board.
- 16.3 The Company shall deliver notices of meetings to each Shareholder entitled to vote at such meeting who has elected to receive such documents.
- 16.4 Each general meeting of the Company shall provide for the sanctioning or declaration of distributions.
- 16.5 All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 (fifteen) business days' notice and in accordance with the provisions of clause 35.
- 16.6 The quorum for a Shareholders' meeting (including in respect of an adjourned or postponed meeting) to begin or for a matter to be considered, shall be at least 2 (two) Shareholders entitled to attend and vote and present in person or by proxy, of whom one shall be the representative of the Company's holding company or, if the only Shareholder of the Company is its holding company, the representative of its holding company. In addition –
- 16.6.1 a Shareholders' meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- 16.6.2 a matter to be decided at a Shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

- 16.7 The chairperson, if any, of the Board shall preside as chairperson at every Shareholders' meeting.
- 16.8 If there is no such chairperson, or if at any meeting he or she is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose one of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for commencement of the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.

17 VOTES OF SHAREHOLDERS

- 17.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company –
- 17.1.1 every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;
- 17.1.2 on a poll any person who is present at the meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Securities held by that Shareholder; and
- 17.1.3 the holders of Securities other than Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 17.2.
- 17.2 If any resolution is proposed as contemplated in clause 5.5, the holders of such Shares ("**Affected Shareholders**") shall be entitled to vote at the meeting of Shareholders as contemplated in clause 17.1, provided that the votes of the Shares of that class held by the Affected Shareholders ("**Affected Shares**") shall not carry any special rights or privileges and the Affected Shareholder shall be entitled to 1 (one) vote for every Affected Share held, provided that the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24.99% (twenty four point nine nine percent) of the total votes (including the votes of the Shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any Affected Shares held by an Affected Shareholder rounded down to the nearest whole number).

- 17.3 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.

18 PROXIES AND REPRESENTATIVES

- 18.1 Any Shareholder may at any time appoint any natural person (or two or more natural persons concurrently), including a natural person who is not a Shareholder, as a proxy to –
- 18.1.1 participate in, and speak and vote at, a Shareholders' meeting on behalf of that Shareholder; or
- 18.1.2 give or withhold written consent on behalf of that Shareholder to a decision contemplated in section 60 of the Companies Act,
- provided that a Shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different Securities held by the Shareholder.
- 18.2 All of the provisions of the Companies Act relating to the appointment and revocation of proxies and the rights of proxies generally shall apply.
- 18.3 Every instrument of proxy shall, as far as circumstances permit, be substantially in the form as the Directors may approve from time to time.

19 SHAREHOLDERS' RESOLUTIONS

- 19.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution, as provided in the Companies Act.
- 19.2 For a special resolution to be approved it must be supported by the holders of 75% (seventy five percent) or more of the voting rights exercised by Shareholders on the resolution, as provided in the Companies Act.
- 19.3 No matters, except those matters set out in section 65(11) of the Companies Act and any other matter required by the JSE Listings Requirements, the Companies Act or this Memorandum of Incorporation to be resolved by means of a special resolution, require a special resolution adopted at a Shareholders' meeting of the Company.
- 19.4 In the event that any Shareholder abstains from voting in respect of any resolution,

such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof.

- 19.5 Anything done in pursuance of any ordinary resolution or special resolution shall be done in a manner provided and subject to any conditions imposed by the Companies Act and the Banks Act, so far as they shall be applicable, and so far as they shall not be applicable, in accordance with the terms of the applicable resolution authorising the same.

20 **SHAREHOLDERS ACTING OTHER THAN AT A MEETING**

In accordance with the provisions of section 60 of the Companies Act, a resolution that could be voted on at a Shareholders' meeting may instead be –

- 20.1 submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and
- 20.2 voted on in writing by such Shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.

21 **SOLE SHAREHOLDER'S AUTHORITY TO ACT**

Notwithstanding anything to the contrary contained elsewhere in this Memorandum of Incorporation, for so long as the Company has only 1 (one) "Shareholder" (which, for the purposes of this clause 21, shall have the extended meaning attributed thereto in clause 57(1) of the Companies Act) –

- 21.1 that Shareholder may exercise any or all of the voting rights pertaining to the Company on any matter, at any time, without notice or compliance with any other internal formalities; and
- 21.2 those provisions of this Memorandum of Incorporation and the Companies Act pertaining to record dates for exercise of shareholder rights, shareholders' meetings, votes of shareholders, shareholders' resolutions, shareholders acting other than at a meeting and notices, shall not apply to the governance of the Company,

subject to any preferential rights, limitations and other terms associated with those classes of shares in the Company referred to in clause 5.1.2.

22 COMPOSITION OF THE BOARD OF DIRECTORS

- 22.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Companies Act, the Board must comprise at least 6 (six) Directors but not more than 24 (twenty four) Directors.
- 22.2 Subject to the provisions of the Banks Act, all Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 of the Companies Act shall be valid.
- 22.3 Subject to the provisions of clauses 25.1 and 22.9, the Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in the Companies Act.
- 22.4 Subject to the provisions of the Banks Act, apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, a person need not satisfy any other eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.
- 22.5 Subject to the provisions of clause 24.1, the non-executive Directors (other than the chairperson) shall rotate in accordance with the following provisions of this clause 22.5 –
- 22.5.1 at each annual general meeting of the Company, 1/3 (one third) of the non-executive Directors (other than the chairperson) for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3 (one third), shall retire from office;
- 22.5.2 the non-executive Directors to retire in every year in terms of clause 22.5.1 shall be those who have been longest in office since their last election, but as between persons who were elected as non-executive Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot, provided that notwithstanding anything to the contrary contained in this Memorandum of Incorporation, if at the date of any annual general meeting any non-executive Director (other than the chairperson) shall have held office for a period of 3 (three) years since his last election or appointment, he shall retire at such meeting either as one of the non-executive Directors to retire in pursuance of the foregoing or additionally thereto;
- 22.5.3 a retiring non-executive Director (as contemplated in this clause 22.5) shall be

eligible for re-election but no person, other than a Director retiring at the meeting, shall be eligible for election to the office of a Director at any general meeting unless –

- 22.5.3.1 recommended by the Directors; or
- 22.5.3.2 any Shareholder (duly qualified to be present and vote at the meeting in question) delivers a written notice to the Office not more than 13 (thirteen) days, but not less than 6 (six) days, (excluding the day on which the notice is given and the day on which the meeting is to be held) before the day appointed for the relevant meeting, stating such Shareholder's intention to propose the relevant person for election as a Director, which notice shall include a written and signed notice by the such person being proposed stating his willingness to be elected as a Director;
- 22.5.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 20; and
- 22.5.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the applicable provisions of the Companies Act pertaining to adjourned or postponed meetings will apply *mutatis mutandis*, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 22.6 The Board shall, through its nomination committee, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Subject to the provisions of clause 21, sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Office from any part in the Republic.
- 22.7 Notwithstanding any contrary provision contained in this Memorandum of Incorporation -
 - 22.7.1 an executive Director shall vacate his office at the close of the annual general

meeting of the Company after such Director reaches the retirement age applicable to that Director in terms of his/her service contract with the Company or in terms of the Company's pensions fund or provident fund rules (as applicable), provided that the Board shall have a discretion to extend that age on one or more occasions for a period of up to 5 (five) years from the applicable Director's initial retirement age; and

22.7.2 a non-executive Director shall vacate his office at the close of the annual general meeting of the Company relating to the financial year in which the Director reaches the age of 70 (seventy) years, provided that the Board shall have a discretion to extend that age on one or more occasions for an additional one year period in each instance.

22.8 Without derogating from the provisions for retirement by rotation or otherwise contained in this Memorandum of Incorporation, the office of a Director shall be vacated if he –

22.8.1 is removed by an ordinary resolution adopted at a Shareholders meeting by the persons entitled to exercise voting rights in an election of that Director, and otherwise in accordance with any applicable provisions of the Companies Act; or

22.8.2 is removed by a resolution of the Directors passed at a duly constituted meeting of the Directors convened either in the ordinary course or on not less than 48 (forty eight) hours notice specifically for this purpose; or

22.8.3 resigns his office by notice in writing to the Company; or

22.8.4 is absent from meetings of the Directors for 6 (six) consecutive months without leave of the Directors otherwise than on the business of the Company and is not represented at any such meetings during such 6 (six) consecutive months by an alternate Director, and the Directors resolve that his office be, by reason of such absence, vacated.

22.9 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 25.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of

Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

- 22.10 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 22.9, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Companies Act or of summoning general meetings of the Company, but not for any other purpose.
- 22.11 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, the appointment of Directors shall be subject to the provisions of the Banks Act.
- 22.12 Life directorships and directorships for an indefinite period are not permissible.

23 **ALTERNATE DIRECTORS**

Subject to the provisions of the Banks Act, each Director may appoint either another Director or any person approved for that purpose by a resolution of the Directors to act as alternate Director in his place and during his absence and may at his discretion remove such alternate Director. A person so appointed shall, except as regards power to appoint an alternate, and remuneration, be subject in all respects to the terms and conditions existing with reference to the other Directors, and each alternate Director, whilst so acting, shall be entitled to receive notices of all meetings of the Directors or of any committee of the Directors of which his appointer is a member, and to attend and vote at any such meeting at which his appointer is a member, and to attend and vote at any such meeting at which his appointer is not personally present and he shall generally be entitled to exercise and discharge all the functions, powers and duties of his appointer in such appointer's absence as if he were a Director. Any Director acting as alternate shall (in addition to his own vote) have a vote for each Director for whom he acts as alternate. An alternate Director shall *ipso facto* cease to be an alternate Director if his appointer ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this clause which was in force immediately before his retirement shall remain in force as though he had not retired. Any appointment or removal of an alternate Director shall be effected by notice in writing delivered at the Office and signed by the appointer or remover, as the

case may be. The remuneration of an alternate Director shall be payable only out of the remuneration payable to the Director appointing him and he shall have no claim against the Company for his remuneration.

24 EXECUTIVE DIRECTORS

- 24.1 Subject to the provisions of the Banks Act, the Directors may from time to time appoint 1 (one) or more of their body to the office of Chief Executive Officer, Financial Director or Executive Director (with or without specific designation) of the Company or to another executive office ("**Executive Director**") with the Company for such term and at such remuneration as they may think fit (subject only to the requirements of the Companies Act, including those pertaining to qualifications of directors), and may revoke such appointment subject to the terms of any agreement entered into in any particular case and having regard to applicable law (including the provisions of the Companies Act pertaining to the removal of directors), provided that the period of office of an Executive Director appointed in terms of an agreement shall be for a maximum period of 5 (five) years at any one time. An Executive Director so appointed shall not be subject to retirement in the same manner as the other Directors.
- 24.2 Subject to the provisions of any contract between himself and the Company, an Executive Director shall be subject to the same provisions as to disqualification and removal as the other Directors of the Company.
- 24.3 The Directors may from time to time entrust to and confer upon an Executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

25 POWERS OF THE BOARD OF DIRECTORS

- 25.1 The Board has the power to –
- 25.1.1 fill any vacancy on the Board on a temporary basis, as set out in the Companies Act, provided that such appointment must be confirmed by the Shareholders, in accordance with clause 22.2, at the next annual general meeting of the

Company, as required in terms of the Companies Act; and

- 25.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in the Companies Act,

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 25 and to the extent provided for in the applicable limitations and provisions of the Banks Act.

- 25.2 Directors may at any time and from time to time appoint any person or persons to be the attorney/s and agent/s of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 25.3 A Director may, to the extent determined by a disinterested quorum of Directors, hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 25.4 A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 25.5 All acts done by the Board or by a committee of the Board or by any person acting as a Director or a member of a committee of the Board, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting aforesaid, or that they or any of them were

disqualified from or had vacated office, shall be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

- 25.6 The proposal to the Shareholders of those ratification resolutions contemplated in sections 20(2) and 20(6) of the Companies Act, is prohibited, to the extent provided in the JSE Listings Requirements.

26 DIRECTORS' MEETINGS

- 26.1 The Directors may elect a chairperson and a deputy chairperson from amongst their numbers and determine the period for which each is to hold office. The chairperson, or in his absence the deputy chairperson, shall be entitled to preside over all meetings of Directors. If no chairperson or deputy chairperson is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the Directors present shall choose 1 (one) of their number to be chairperson of such meeting.
- 26.2 The Directors shall elect a lead independent Director from amongst their number in the event that the chairperson of the Board is not independent.
- 26.3 In addition to the provisions of the Companies Act, any Director shall at any time be entitled to call a meeting of the Directors. Subject to the provisions of the Companies Act, no meeting of the Board may be convened without notice to all of the Directors.
- 26.4 The Board has the power to consider any matter and/or adopt any resolution other than at a meeting and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided. Such resolution inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of Directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Director who signed it (unless a statement to the contrary is made in that resolution).
- 26.5 The Board has the power to conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in the Companies Act, provided that, the Electronic Communication facility employed ordinarily enables all persons participating in the

meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting.

- 26.6 The quorum requirement for a Directors' meeting (including an adjourned meeting) to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as set out in the Companies Act, provided that –
- 26.6.1 a majority of the Directors, who are present within the Republic at the time of a Directors' meeting, must be present at such meeting before a vote may be called; and
- 26.6.2 each Director has 1 (one) vote on a matter before the Board, subject to the provisions of the Banks Act.
- 26.7 In the case of a tied vote the chairperson may cast a deciding vote in addition to any deliberative vote, provided that should the quorum be 2 (two) and should only 2 (two) Directors be present at the meeting, the chairperson shall not have a casting vote.

27 DIRECTORS' COMPENSATION

- 27.1 Any Director who -
- 27.1.1 serves on any executive or other committee; or
- 27.1.2 devotes special attention to the business of the Company; or
- 27.1.3 goes or resides outside the Republic for the purpose of the Company; or
- 27.1.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,
- may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.
- 27.2 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with -
- 27.2.1 the business of the Company; and
- 27.2.2 attending meetings of the Directors or of committees of the Directors.

28 BORROWING POWERS

28.1 Subject to the provisions of this Memorandum of Incorporation and the JSE Listings Requirements, the Directors may from time to time -

28.1.1 borrow for the purposes of the Company such sums as they think fit; and

28.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

28.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

28.2.1 the Company; and

28.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised by the Company's holding company.

28.3 The foregoing provisions of this clause 28 shall not apply to –

28.3.1 moneys borrowed or raised by or deposited with or any undertaking, guarantee or suretyship given in the course of its business by the Company or any subsidiary of the Company while registered as a banking institution under any law of the Republic or bank under any law of the Republic or of any country outside of the Republic; and

28.3.2 the borrowing of any moneys intended to be applied and which are actually applied within 90 (ninety) days to the repayment (with or without any premium) of any moneys then already borrowed and outstanding, notwithstanding the fact that that new borrowing may result, as at the date hereof, in the abovementioned limit being exceeded.

29 COMMITTEES OF THE BOARD

The Board may appoint committees of Directors and delegate to any such committee any of the authority of the Board and/or include in any such committee persons who are not Directors, and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

30 ANNUAL FINANCIAL STATEMENTS

30.1 The annual financial statements of the Company must be prepared and audited in accordance with the provisions of the Companies Act and any other applicable laws.

30.2 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Companies Act and shall –

30.2.1 satisfy, as to form and content, the financial reporting standards of IFRS; and

30.2.2 subject to and in accordance with IFRS –

30.2.2.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;

30.2.2.2 show the Company's assets, liabilities and equity, as well as its income and expenses;

30.2.2.3 set out the date on which the statements were produced and the accounting period to which they apply; and

30.2.2.4 bear on the first page thereof a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them.

30.3 All annual financial statements when audited and laid before an annual general meeting shall be deemed conclusively correct, and shall not be re-opened.

31 AUDITORS

31.1 The Company shall appoint auditors each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.

- 31.2 Auditors shall be appointed and their duties regulated in accordance with the provisions of the JSE Listings Requirements, the Companies Act, the Banks Act and any other applicable law.
- 31.3 All acts done by any person acting as auditor, shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment.

32 **COMPANY SECRETARY**

The Company must, as required by the Companies Act, appoint a company secretary and such company secretary may be a juristic person or partnership as contemplated in the Companies Act.

33 **DISTRIBUTIONS**

- 33.1 Subject to the provisions of the Companies Act, the Company may make a proposed distribution if such distribution –
- 33.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
- 33.1.2 is authorised by resolution of the Board.
- 33.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.
- 33.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.
- 33.4 The Company in general meeting or the Directors may from time to time declare dividends, provided that the Company in general meeting must not be able to declare a larger dividend than that declared by the Directors. The Directors may also pay the fixed dividend payable on any preference share of the Company half-yearly or otherwise on fixed dates whenever such position in the opinion of the Directors justifies that course.
- 33.5 All unclaimed monies that are due to any Shareholders shall be held by the Company in trust for an indefinite period until lawfully claimed by such Shareholders, subject to the laws of prescription.
- 33.6 Any distribution, interest or other sum payable in cash to a Shareholder may be paid by electronic transfer for credit to an account nominated in writing by the

Shareholder, or by cheque or warrant sent by post and addressed to -

- 33.6.1 the Shareholder at his registered address; or
 - 33.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or
 - 33.6.3 such person and at such address as the holder or joint holders may in writing direct.
- 33.7 Every such cheque or warrant shall, unless the holder or joint holders otherwise direct -
- 33.7.1 be made payable to the order of the person to whom it is addressed; and
 - 33.7.2 be sent at the risk of the holder or joint holders.
- 33.8 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid or for the loss or misdirection of any electronic transfer. Payment of any such cheque or warrant, or the making of such electronic transfer, to whomsoever effected, shall be a good discharge to the Company.
- 33.9 Subject to the provisions of the Banks Act but without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part -
- 33.9.1 by the distribution of specific assets; or
 - 33.9.2 by the issue of Shares, debentures or securities of the Company or of any other company; or
 - 33.9.3 in cash; or
 - 33.9.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.
- 33.10 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 33.11 The Directors may -
- 33.11.1 determine that cash payments shall be made to any Shareholder on the basis

of the value so fixed in order to secure equality of distribution; and

- 33.11.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 33.12 The Directors may before recommending any distribution whether preferential or otherwise, set aside out of the profits of the Company, whether realised or unrealised and whether of a revenue or capital nature, such sum as they think proper as reserves which shall, at the discretion of the Directors be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also without placing the same to reserve, carry forward any profits which they may think prudent not to declare as a distribution.
- 33.13 If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may pay the fixed dividends on any class of Shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends of such amounts and on such dates and in respect of such periods as it thinks fit.
- 33.14 No dividend shall be payable except out of the profits of the Company.

34 AUTHENTICATION OF DOCUMENTS

Any Director or the company secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be the person appointed by the Directors aforesaid.

35 NOTICES

- 35.1 All notices of annual/general meetings shall be given by the Company to each Shareholder entitled thereto, and shall be given in writing in any manner authorised by the Regulations, and particularly Table CR 3 annexed to the Regulations.

- 35.2 Any Shareholder whose address in the Securities Register is an address not within the Republic, shall be entitled to have notices served upon him at such address.
- 35.3 The Company shall upon despatching any notice in terms of the provisions of this clause have due regard to its obligation to simultaneously forward a copy of any notice, report, return or statements to the Registrar of Banks, as required in terms of section 65 of the Banks Act.

36 **AMENDMENT OF MEMORANDUM OF INCORPORATION**

Subject to the provisions of clause 5.5, this Memorandum of Incorporation may only be altered or amended by way of a special resolution of the Shareholders in accordance with section 16(1)(c) of the Companies Act, except if such amendment is in compliance with a Court order as contemplated in section 16(1)(a) of the Companies Act.

37 **COMPANY RULES**

The Board is prohibited from making, amending or appealing any rules as contemplated in section 15(3) of the Companies Act and the Board's capacity to make such rules is excluded.

ADOPTION

This Memorandum of Incorporation was adopted by special resolution of the Shareholders on...11 October 2019.....

ADDITIONAL CLASSES OF SHARES

In addition to the Shares contemplated in clause 5.1.1 of the Memorandum of Incorporation to which this schedule is Schedule 1, the Company is authorised to issue no more than the following further Shares –

- 1 5,000,000,000 (five billion) redeemable preference shares with a par value of R0.0001 (one hundredth of a cent) each in the share capital of the Company, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 2 ("**Redeemable Preference Shares**");
- 2 100,000,000 (one hundred million) non-cumulative redeemable preference shares with a par value of R0.01 (one cent) each in the share capital of the Company, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 3 ("**Non-Cumulative Redeemable Preference Shares**"); and
- 3 50,000 (fifty thousand) redeemable class "R" preference shares with a par value of R0.0001 (one hundredth of a cent) each in the share capital of the Company, subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 4 ("**R Preference Shares**").
- 4 10,000 (ten thousand) redeemable class "D" preference shares with a par value of R0.0001 (one hundredth of a cent), subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 5 ("**D Preference Shares**").
- 5 *219, 100 (two hundred and nineteen thousand one hundred)* cumulative, redeemable, non-participating preference shares with a par value of R0.0001 (one hundredth of a cent), subject to the preferences, rights, limitations and other terms associated with such class set out in Schedule 6.
- 6 *280, 900 (two hundred and eighty thousand nine hundred)* class A cumulative, redeemable, non-participating preference shares, subject to the preferences,

rights, limitations and other terms associated with such class set out in Schedule 6 read with schedule 7.

**PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ASSOCIATED
WITH THE REDEEMABLE PREFERENCE SHARES**

The Redeemable Preference Shares shall –

- 1 have the right, on a winding-up of the Company, the repayment, out of the surplus assets of the Company, of the capital and any premium paid up thereon together with the payment of all accrued dividends (whether earned, declared or not) calculated down to the date of repayment of capital, in priority to the ordinary Shares any other class of Shares not ranking in priority to or *pari passu* with unclassified Shares but shall have no further right to participate in the profits or assets of the Company;
- 2 be issued in such number and at such times as the Directors, in their sole discretion, may determine; and
- 3 subject to the provisions of clause 1 of Schedule 1, in respect of each issue of such shares, be designated as a separate class of preference share having such special rights and privileges, whether as to dividend entitlement, redemption, conversion, voting rights or others as the Directors may, in their sole discretion, prior to or upon each such issue, determine.

**PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ASSOCIATED
WITH THE NON-CUMULATIVE REDEEMABLE PREFERENCE SHARES**

The following rights, privileges and conditions shall apply to the Non-Cumulative Redeemable Preference Shares –

- 1 The Non-Cumulative Redeemable Preference Shares shall confer the right, on a winding-up of the Company, to the repayment, out of the surplus assets of the Company, of the capital and any premium paid up thereon, together with payment of all arrear dividends calculated to the date of repayment of capital, in priority to the ordinary Shares and any other class of shares of the Company not ranking in priority to or *pari passu* with the Non-Cumulative Redeemable Preference Shares but shall no further right to participate in the profits or assets of the Company.
- 2 The Non-Cumulative Redeemable Preference Shares shall be issued in such number and at such times as the Directors in their sole discretion may determine.
- 3 In respect of each issue of Non-Cumulative Redeemable Preference Shares, the Non-Cumulative Redeemable Preference Shares shall be designated as a separate class of preference share having the rights and privileges as set out in this schedule 3.
- 4 The Non-Cumulative Redeemable Preference Shares have a par value R0.01 (one cent) each and shall be allotted and issued, credited as fully paid at a premium to be determined by the Directors at the time of issue, against receipt of the subscription price for each Non-Cumulative Redeemable Preference Shares.
- 5 The Non-Cumulative Redeemable Preference Shares shall confer on the holder thereof the right to receive out of the profits of the Company a non-cumulative preference cash dividend ("**Preference Dividend**") which shall accrue on a daily basis but shall not be compounded and which shall be determined in the manner set out in clauses 6 and 7 of this schedule 3 but subject to the provisions of clauses 8 and 10 of this schedule 3, and which will rank in priority to any dividends which after the date of issue of the Non-Cumulative Redeemable

Preference Shares ("**Issue Date**") may be declared in respect of any ordinary Shares but *pari passu* in respect of any dividends declared on any other preference shares in the Company.

- 6 Save for the first and the last Preference Dividend, the Preference Dividends shall, if declared, be due and payable 6 (six) monthly in arrear, on 15 March and 15 September of each year or such other dates in each year, being 6 (six) months apart, as may be determined by the Directors in their sole discretion, in respect of each allotment of the Non-Cumulative Redeemable Preference Shares, provided that if any such date is not a business day then the immediately preceding date which is a business day ("**Dividend Dates**") to preference shareholders registered on the business day immediately preceding each Dividend Date. The first Preference Dividend, if declared, shall be in respect of the initial period from the Issue Date to the immediately following Dividend Date (both days inclusive), and thereafter in respect of each period preceding a Dividend Date (including the first day and the last day of such period). The last Preference Dividend, if declared, shall be in respect of the period from the immediately preceding Dividend Date, to the date on which the Non-Cumulative Redeemable Preference Shares are redeemed. The Preference Dividends shall, if declared, be declared and paid on each Dividend Date.
- 7 The Preference Dividend for each of the preference shares shall, subject to clause 10, be calculated in arrear in accordance with the following formula –

$$A = \frac{B \times C \times D \times E}{365}$$

Where –

- A = the Preference Dividend per preference share;
- B = the rate to be determined by the Directors at the time of issue;
- C = the average prevailing interest rate (per cent, per annum, compounded monthly) from time to time published by FirstRand Bank Limited as being its minimum overdraft rate (as certified by any manager of FirstRand Bank Limited

whose appointment and designation need not be proved) ("**Prime Rate**") expressed as a percentage over the number of days of the relevant period for which the dividend is payable;

D = number of days of the relevant period for which the dividend is payable;

E = the Issue Price of each of the Non-Cumulative Redeemable Preference Shares;

- 8 If any Preference Dividend is not declared by the Company in respect of the period to which such Preference Dividend relates, the Preference Dividend will not accumulate and will accordingly never become payable by the Company whether in preference to payments to any other class of shares in the Company or otherwise. Notwithstanding the foregoing, the Company shall, if it fails to declare a Preference Dividend in respect of any applicable period, be obliged to retain in reserve an amount equivalent to the aggregate amount of profits generated by the Company during such period.
- 9 If any declared Preference Dividend is not paid on due Dividend Date ("**Unpaid Dividend**") interest shall accrue on the Unpaid Dividend at the Prime Rate calculated from the due date for payment thereof, which interest shall be payable by the Company to the preference shareholder when the Unpaid Dividend is paid.
- 10 If there is an amendment or amendments to the Income Tax Act, No 58 of 1962 ("**Income Tax Act**") that results in the Preference Dividends being taxable in the hands of the holders of the Non-Cumulative Redeemable Preference Shares and which results in payment of the Preference Dividends becoming a deductible expense for the Company, provided such amendment is uniformly applicable to all corporate tax payment and not only because of the particular circumstance of the Company or any holder of the Non-Cumulative Redeemable Preference Shares, the percentage of the Prime Rate will be increased by the Company. Such increase will be limited to the extent that the Company incurs less cost in servicing the Non-Cumulative Redeemable Preference Shares, which cost savings it would not have obtained but for such

amendment to the Income Tax Act. If such amendments to the Income Tax Act do not result in the Company incurring lesser costs in servicing the Non-Cumulative Redeemable Preference Shares, then, notwithstanding that such amendment may result in a decrease in the after-tax returns of any holder of the Non-Cumulative Redeemable Preference Shares on its holding of Non-Cumulative Redeemable Preference Shares, no change shall be made to the percentage of the Prime Rate. The Company shall be entitled to require its auditors to verify whether it is obliged to increase the percentage of the Prime Rate in accordance with this clause 10. The auditors, in deciding whether such increase is required in terms of this clause 10, shall act as experts and not as arbitrators and their decision shall, in the absence of manifest error, be final and binding on the Company and all holders of the Non-Cumulative Redeemable Preference Shares. The costs of such auditors shall be borne and paid by the Company.

- 11 Save as set out in clause 1 of this Schedule 3, the Non-Cumulative Redeemable Preference Shares shall not be entitled to any participation in the profits or assets of the Company, or, on a winding-up or liquidation of the Company, in any of the surplus assets of the Company.
- 12 The Company shall be obliged to give the holder notice, in terms of the Companies Act, of any meetings of holders of Non-Cumulative Redeemable Preference Shares (" **Holders** "). At every meeting of the Holders, the provisions of the Memorandum of Incorporation relating to general meetings of holders of ordinary Shares shall apply *mutatis mutandis*, except that a quorum at any such class meeting of Holders shall be any person or persons holding or representing by proxy at least one-quarter of the issued Non-Cumulative Redeemable Preference Shares, provided that if at any adjournment of such meeting a quorum is not present, the provisions of the Memorandum of Incorporation relating to adjourned general meetings shall, *mutatis mutandis*, apply.

Notwithstanding any provisions to the contrary contained herein, the terms of the non-cumulative redeemable preference shares may not be modified, altered varied, added to or abrogated without the prior written consent of both the company and the 75% (seventy five percent) of the holders or the sanction of a resolution of the holders passed at a separate general meeting of holders, at

which the holders, holding in aggregate not less than one-quarter of the total votes of all the holders entitled to vote at that meeting are present in person or by proxy, and the resolution has been passed by not less than three-quarters of the total votes to which the holders present in person or by proxy, are entitled.

- 13 Payment in respect of Preference Dividends on the Dividend Dates shall be made by electronic transfer for credit to an account nominated in writing by such Holder.
- 14 The Company shall not be entitled at any time after the date of issue of the Non-Cumulative Redeemable Preference Shares to create and/or issue any further shares (whether of the same class of as the preference shares or not) ranking in priority to the Non-Cumulative Redeemable Preference Shares without the consent in writing of 75% (seventy five percent) of the Holders or the sanction of a resolution of the Holders, passed at a separate general meeting of Holders, at which the Holders, holding in aggregate not less than one-quarter of the total votes of all of the Holders entitled to vote at that meeting are present in person or by proxy, and the resolution has been passed by not less than three-quarters of the total votes to which the Holders present in person or by proxy are entitled; provided that the Company shall be entitled to create and/or issue further preference shares (whether of the same class as the Non-Cumulative Redeemable Preference Shares or not); ranking *pari passu* with the Non-Cumulative Redeemable Preference Shares, provided further that preference shares of a different class shall not rank ahead of the Non-Cumulative Redeemable Preference Shares merely due to the rights attaching to those preference shares differing from the rights attaching to the Non-Cumulative Redeemable Preference Shares (including without limiting the generality of the foregoing rights differing as to the coupon rate applicable to the dividend, the date of payment of dividends, any adjustment in accordance with clause 10 of this schedule 3, the redemption of the preference shares, the redemption amount payable on redemption, the conversion of the preference shares and whether the preference shares are cumulative or non-cumulative).
- 15 The Holders shall not be entitled to vote, either in person or by proxy, at any meeting of the Company, by virtue or in respect of the Non-Cumulative

Redeemable Preference Shares, unless any one or more of the following circumstances prevail at the date of the meeting –

- 15.1 the Preference Dividend or any part thereof remains in arrear and unpaid after 7 (seven) days from the due date thereof;
 - 15.2 a resolution of the Company is proposed which affects the rights attached to the Non-Cumulative Redeemable Preference Shares or the interest of the Holders including, but not limited to, a resolution for the winding-up of the Company or reduction of capital or share premium account; or
 - 15.3 the Company proposes or purports to dispose of the whole or substantially the whole of the undertaking of the Company or the whole of the greater part of the assets of the Company.
- 16 At every general meeting or adjourned general meeting of the Company at which holders of the ordinary Shares and the Holders are present and entitled to vote, upon a poll, a Holder shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value plus the premium of the Non-Cumulative Redeemable Preference Shares held by it bears to the aggregate amount of the nominal value and premium paid on all Shares issued by the Company at the relevant time. In addition, all of those provisions of the Companies Act applicable to such general or adjourned general meeting shall apply to Holders *mutatis mutandis*.
- 17 The Non-Cumulative Redeemable Preference Shares shall be redeemed on such basis as may be determined by the Board at the time of and in respect of each allotment of the Non-Cumulative Redeemable Preference Shares, and if the Board made no such determination, on the date on which the Company notifies the Holder that it wishes to voluntarily redeem the Preference Shares.
- 18 The Non-Cumulative Redeemable Preference Shares shall be redeemed at an amount equal to their subscription price.

SCHEDULE "4"

PREFERENCES, RIGHTS, LIMITATIONS AND OTHER TERMS ASSOCIATED WITH THE "R" PREFERENCE SHARES

The following rights, privileges and conditions shall apply to the "R" Preference Shares –

- 1 The "R" Preference Shares shall be allotted and issued at a subscription price of R100,000 (one hundred thousand rand) per "R" Preference Share.
- 2 The "R" Preference Shares shall confer the right to receive out of the profits of the Company available for distribution as determined by the Company from time to time or out of capital, such dividend as may be determined by the Directors at the time of and in respect of each allotment of the "R" Preference Shares, such dividend to be calculated, authorised, declared and paid in such manner and on such dates as may be determined by the Directors at the time of and in respect of each allotment of the "R" Preference Shares.
- 3 In the event of a winding-up of the Company, the holders of the "R" Preference Shares shall be entitled to receive in full out of the assets of the Company, *pari passu* with any other preference shares in the Company, and in priority to the ordinary Shares, such amount as may be determined by the Directors at the time of and in respect of which allotment of the "R" Preference Shares.
- 4 The "R" Preference Shares may confer further rights to participate in the profits or assets of the Company, as determined by the Directors at the time of and in respect of each allotment of "R" Preference Shares.
- 5 Subject to the provisions of the Companies Act, the "R" Preference Shares shall be liable to be redeemed on such basis as may be determined by the Directors at the time of and in respect of each allotment of the "R" Preference Shares.
- 6 The Company shall, subject to the provisions of the Companies Act, be entitled to redeem the premium payable on redemption of the "R" Preference Shares out of its share premium account or any other permitted source.
- 7 Unless otherwise determined by the Directors at the time of each allotment of the "R" Preference Shares, an "R" Preference Share shall not entitle the holder thereof to receive notice of and attend at any general meeting of the Company where that "R" Preference Share is not entitled to vote. No "R" Preference Share shall have the right to vote except –

- 7.1 during any period determined in accordance with clause 7.2 of this schedule, during which any dividend or any part of any dividend on such "R" Preference Share or any redemption payment thereon remains in arrear and unpaid; or
- 7.2 in regard to any resolution proposed which directly affects any of the rights attached to the "R" Preference Shares or the interest of the holders thereof, including a resolution for the winding-up of the Company or for the reduction of its capital,

whereupon all of those provisions of the Companies Act applicable to such general or adjourned general meeting shall apply to holders of "R" Preference Shares *mutatis mutandis*.

- 8 The period referred to in clause 7.1 shall be a period commencing on the expiry 6 (six) months after the due date of the dividend of redemption payment in question (if the payment is still in arrear) and ending on the date on which the arrear payment has been made.

TERMS AND CONDITIONS OF CLASS "D" PREFERENCE SHARES

1. DEFINITIONS

1.1. In the event that the day for payment of any amount due or scheduled or required to be paid in terms of these Preference Share Terms should fall on a day which is not a Business Day, the relevant day for payment shall be the immediately succeeding Business Day unless such day falls in the next calendar month, in which event the date for payment shall be the immediately preceding Business Day.

1.2. In these Preference Share Terms, unless inconsistent with the context, the following words and expressions shall bear the following meanings:

1.2.1. "**Additional Dividend**" means, in respect of any Preference Share, a Preference Dividend calculated:

1.2.1.1. in respect of any Unpaid Dividend on such Preference Share in accordance with the following formula:

$$A = B \times C \times D$$

where:

A = the Additional Dividend;

B = the Unpaid Dividends, as applicable, in respect of such Preference Share;

C = JIBAR plus 90 basis points;

D = the number of days in the Arrears Period divided by 365 (three hundred and sixty five); and

1.2.1.2. in respect of any unpaid Redemption Amount (or part thereof), in accordance with Clause 5.1.2;

1.2.2. "**Adjusted Capital Amount**" means the amount by which the Required Capital increases or decreases in a Financial Period as a result of an increase or decrease in the Risk Weighted Assets;

- 1.2.3. "**Adjustment Event**" means the occurrence of any one or more of the following events:
- 1.2.3.1. a Change in Law; and
 - 1.2.3.2. the introduction of, or any change in (or any change in the interpretation, administration or application of), IFRS;
- 1.2.4. "**Amended Card Agreement**" means the written agreement entered into between Discovery, FRB and Vitality on 8 February 2016, which agreement amends and replaces the Discovery card scheme agreement entered into between Vitality and FRB on 22 October 2004;
- 1.2.5. "**Applicable Laws and Rules**" means, in respect of any person, subject matter, action or document, each and every applicable statute, law, regulation, ordinance, rule, judgment, common law, order, administrative determination and decree, whether in effect as at the Initial Subscription Date or thereafter;
- 1.2.6. "**Arrears Period**" means, in respect of any Unpaid Dividends, the period from the date on which such Unpaid Dividends should have been authorised and/or paid in accordance with these Preference Share Terms up to and including the day on which they are actually paid in full;
- 1.2.7. "**Banks Act**" means the Banks Act 94 of 1990 together with any regulations promulgated thereunder;
- 1.2.8. "**Basel III Framework**" means the Basel III Framework announced by the Basel Committee on Banking Supervision in December 2010, and any directives issued by that committee in connection therewith (including any resulting changes to the Basel II Framework, being the framework for measuring the capital adequacy of banks in the form set out in the paper entitled "*International Convergence of Capital Measurement and Capital Standards, a Revised Framework*" issued by the Basel Committee on Banking Supervision in June 2004)
- 1.2.9. "**Book**" means on all Credit Card Accounts:
- 1.2.9.1. all rights to and interest in all amounts owing by Card Holders to FRB; and

- 1.2.9.2. all obligations in relation to amounts owing by FRB to Card Holders as represented by positive balances on all Credit Card Accounts;
- 1.2.10. "**Business Day**" means each day (other than a Saturday, Sunday or proclaimed public holiday officially recognised as such in South Africa) on which banks are open for business in South Africa;
- 1.2.11. "**Card Holders**" shall have the meaning ascribed thereto in the Amended Card Agreement;
- 1.2.12. "**Card Scheme**" shall have the meaning ascribed thereto in the Amended Card Agreement;
- 1.2.13. "**Card Scheme PBT**" shall have the meaning ascribed thereto in the Amended Card Agreement;
- 1.2.14. "**Card Scheme Interest After Tax**" means an amount equal to "**A**" in the following formula:
- $$A = B \times [1 - C]$$
- Where:**
- A = Card Scheme Interest After Tax
- B = Net Card Scheme PBT
- C = Corporate Tax Rate
- 1.2.15. "**Card Transfer Business**" shall have the meaning ascribed thereto in the Sale Agreement;
- 1.2.16. "**Change in Law**" means -
- 1.2.16.1. the introduction of, or any change in (or any change in the interpretation, administration or application of), any law or regulation;
- 1.2.16.2. compliance with any other law or regulation made after the Signature Date;

1.2.16.3. compliance with any aspect of the Basel III Framework (including any national regulation which implements the Basel III Framework) made after the Signature Date,

including, without limitation, any such law or regulation concerning capital adequacy requirements, prudential limits, liquid asset holding requirements, special deposit requirements, reserve assets requirements and Taxes;

1.2.17. "**Closing Date**" shall have the meaning ascribed thereto in the Sale Agreement;

1.2.18. "**Corporate Tax Rate**" means the maximum nominal rate of income tax (expressed as a decimal) levied on each Rand of taxable income of companies (as defined in the ITA) at the applicable date, which rate expressed as a decimal is 0.28 (zero point two eight) as at the Signature Date;

1.2.19. "**Credit Card Accounts**" shall have the meaning ascribed thereto in the Amended Card Agreement;

1.2.20. "**Discovery**" means Discovery Limited (Registration No. 1999/007789/06), a listed public company registered and incorporated in accordance with the company laws of South Africa;

1.2.21. "**Discovery PrefCo**" means Discovery Pref Holding Company Limited (Registration No. 2015/231560/06), a public unlisted company registered and incorporated in accordance with the company laws of South Africa;

1.2.22. "**Dividend Calculation Date**" means in respect of any Preference Share:

1.2.22.1. the First Dividend Calculation Date and thereafter each Quarter Date occurring after the Initial Subscription Date but before the last Preference Share is redeemed (or, if any such date is not a Business Day, the Business Day immediately succeeding such date, unless such day falls in the next calendar month, in which event such date shall be the immediately preceding Business Day);

1.2.22.2. the Business Day immediately prior to the Redemption Date of such Preference Shares;

- 1.2.23. "**Dividend Date**" means, in respect of any Preference Share, 30 (thirty) days following each Dividend Calculation Date, save in respect of the Dividend Date immediately following the First Dividend Calculation Date, which Dividend Date will be 30 (thirty) day following the First Dividend Calculation Date;
- 1.2.24. "**Dividend Period**" means each 3 (three) month period ending on each Dividend Calculation Date, provided that:
- 1.2.24.1. the first Dividend Period shall be for the period that is equal to the Preliminary Period; and
- 1.2.24.2. the last Dividend Period in respect of each Preference Share shall be the period from and including the first day following the Dividend Calculation Date immediately preceding the Redemption Date until (and excluding) the Redemption Date in respect of such Preference Share;
- 1.2.25. "**Dividends Tax**" means any Tax imposed on dividends declared or paid by a company, whether such tax is payable directly by the beneficial owner of such shares or by FRB declaring or paying the dividend, or recovered by means of a withholding effected by FRB declaring or paying the dividend or effected by any other person (including any intermediary);
- 1.2.26. "**Dividends Tax Rate**" means the rate at which Dividends Tax is levied pursuant to the ITA from time to time;
- 1.2.27. "**Financial Period**" means each month in each Financial Year;
- 1.2.28. "**Financial Year**" means the financial year of FRB ending on 30 June of each year;
- 1.2.29. "**First Dividend Calculation Date**" means the 1st (first) Business Day following the Initial Subscription Date;
- 1.2.30. "**FNB**" means First National Bank, a division of FRB;
- 1.2.31. "**FRB**" means FirstRand Bank Limited (Registration No. 1929/001225/06), a public company registered and incorporated in accordance with the company laws of South Africa;
- 1.2.32. "**FRIHL**" means FirstRand Investment Holdings Proprietary Limited (Registration No. 2001/023466/07), a private company registered and

incorporated in accordance with the company laws of South Africa and a wholly-owned subsidiary of FirstRand Limited;

- 1.2.33. "**HoldCo**" means Newshelf 1345 Proprietary Limited, registration number 2015/364906/07, a private company registered and incorporated in accordance with the company laws of South Africa and which will convert into a public (unlisted) company and will change its name to Discovery Purple Holdings Limited, as more fully contemplated in clause 6.1 of the MRA;
- 1.2.34. "**IFRS**" means international accounting standards within the meaning of IAS Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union, to the extent applicable to the relevant financial statements;
- 1.2.35. "**Initial Subscription Date**" means the date on which Discovery PrefCo subscribes for the Initial Class D Preference Shares in terms of the Preference Share Subscription Agreement;
- 1.2.36. "**ITA** " means the Income Tax Act No. 58 of 1962;
- 1.2.37. "**Initial Class D Preference Shares**" means the cumulative redeemable preference shares of a separate class with a par value of R0,0001 each in the issued share capital of FRB having the rights and privileges attaching thereto as set forth in these Preference Share Terms;
- 1.2.38. "**Insolvency Event**" means, in relation to a Party, the occurrence of any of the following events:
- 1.2.38.1. it is, or takes any steps to be, or any steps or proceedings are undertaken or instituted against it by any third party (but excluding any such steps or proceedings which are frivolous or have no prospect of success) with the object of it being wound-up, liquidated, deregistered or placed under curatorship, administration or supervision for business rescue proceedings (in each case whether provisional or final and whether compulsorily or voluntarily);
- 1.2.38.2. it is "financially distressed" as defined in the Companies Act or may become "financially distressed" within a period of 6 (six) months;

- 1.2.38.3. any steps or proceedings are taken or instituted against it in terms of section 82 of the Companies Act;
- 1.2.38.4. it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent or stops, suspends or threatens to stop or suspend payment of all or a material part of its debts or proposes or seeks to make or makes a general assignment or any arrangement or composition or compromise with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of its indebtedness;
- 1.2.38.5. it begins negotiations or takes any proceeding or other step with a view to the general readjustment, rescheduling or deferral of its indebtedness for any part thereof (which it would otherwise be unable to pay when due);
- 1.2.38.6. it commits any act or omission which, if such act or omission were committed by an individual, would be an act of insolvency within the meaning of the Insolvency Act No. 24 of 1936, as amended, or any equivalent legislation in any jurisdiction to which such person is subject;
- 1.2.38.7. it ceases to carry on business; or
- 1.2.38.8. any compromise is proposed in terms of the Companies Act (other than an offer of compromise which has been approved by the Preference Shareholder in advance); or
- 1.2.38.9. it having any judgment or similar award ("**judgment**") awarded against it for an amount of R10,000,000 (ten million Rand) or more and:
 - 1.2.38.9.1. failing to satisfy such judgment within 20 (twenty) days after becoming aware thereof;
 - 1.2.38.9.2. such judgment is appealable or reviewable, failing to appeal or commence review proceedings, as the case may be, against such judgment within the time limits prescribed by law or failing diligently to prosecute such appeal thereafter or ultimately failing in such appeal or

review and then failing to satisfy the judgment within 20 (twenty) days; and/or

1.2.38.9.3. if such judgment is a default judgment, failing to apply for the rescission thereof within the time limits prescribed by law (or in any event within 20 (twenty) Days of becoming aware thereof) or failing diligently to prosecute such application thereafter or ultimately failing in such application and then failing to satisfy the judgment within 20 (twenty) Days;

1.2.39. "**Issue Date**" means, in respect of each Preference Share, the date on which such Preference Share is allotted and issued by FRB to the Preference Shareholder under the Preference Share Subscription Agreement;

1.2.40. "**Issue Price**" means, in respect of each Preference Share, the price at which that Preference Share will be issued to Discovery PrefCo in accordance with the terms of the Preference Share Subscription Agreement;

1.2.41. "**MRA**" means the master relationship agreement entered into between Discovery, FRB, FRIHL and Vitality on 8 February 2016 in terms of which, *inter alia*, Discovery, FRB, FRIHL and Vitality regulate (i) the implementation of the Proposed Transaction Steps; and (ii) other matters ancillary thereto, all on the further terms and conditions contained therein;

1.2.42. "**Material Adverse Condition**" means the occurrence of any event, circumstance or change that can reasonably be expected to have a material adverse effect on the implementation of this Agreement or the Proposed Transaction and which arises from:

1.2.42.1. material changes in interest rates, exchange rates, commodity prices and other general economic conditions;

1.2.42.2. material changes in conditions generally affecting the banking industry in South Africa; and/or

1.2.42.3. material changes in the Applicable Laws and Rules;

- 1.2.43. "**Model**" means FRB's internal rating-based model used to determine its risk weighted assets for purposes of calculating regulatory capital, as approved by the South African Reserve Bank in terms of the bank regulations issued in terms of the Banks Act, as such model may be amended by FRB pursuant to the provisions of Clause 8;
- 1.2.44. "**MRA CP Fulfilment Date**" means the date on which the last of the conditions precedent set out in **Annexure A** of the MRA were fulfilled or waived (as the case may be);
- 1.2.45. "**Net Card Scheme PBT**" means an amount equal to the Card Scheme PBT less the payment in terms of clause 10.4.2.2 of the Amended Card Agreement;
- 1.2.46. "**NewDisc**" means FirstDisc Proprietary Limited (Registration No. 2015/408745/07), a private company registered and incorporated in accordance with the company laws of South Africa and which will be converted into a public (unlisted) company, and will change its name to NewDisc Limited, prior to the Closing Date;
- 1.2.47. "**Ordinary Shareholder**" means the holder of the Ordinary Shares from time to time;
- 1.2.48. "**Ordinary Shares**" means the ordinary shares in the issued share capital of FRB;
- 1.2.49. "**Outstanding Amount**", in respect of the Preference Shares on any date, means the aggregate of the Issue Price plus any Unpaid Dividends;
- 1.2.50. "**Parties**" means both FRB and the Preference Shareholder, and includes and individual reference to any of them as the context may require;
- 1.2.51. "**Penalty Dividend Rate**" means the JIBAR plus 90 basis points compounded monthly;
- 1.2.52. "**Pre-Discovery Adjusted Capital Portion**" means, prior to the happening of a Subsequent Subscription Event, an amount equal to 74.99% (seventy four point nine nine percent) of the Adjusted Capital Amount;
- 1.2.53. "**Post-Discovery Adjusted Capital Portion**" means, after the happening of a Subsequent Subscription Event, an amount equal to 100% (one hundred percent of the Adjusted Capital Amount);

- 1.2.54. **"Preference Dividend"** means, in respect of the Preference Shares, a cumulative preferential cash dividend determined in accordance with Clause 3 or otherwise declared in accordance with these Preference Share Terms;
- 1.2.55. **"Preference Share Subscription Agreement"** means the written preference share subscription agreement entered into between FRB, Discovery PrefCo and Discovery to which these Preference Share Terms are attached, as such agreement may be amended, novated, supplemented, restated or replaced from time to time;
- 1.2.56. **"Preference Share Terms"** means the terms and conditions as contained in these terms and conditions as contained in these Preference Share Terms, as amended, supplemented and/or replaced from time to time;
- 1.2.57. **"Preference Shareholder"** means a holder of any of the Preference Shares from time to time;
- 1.2.58. **"Preference Shares"** means, collectively, the Initial Class D Preference Shares and the Subsequent Class D Preference Shares;
- 1.2.59. **"Preliminary Period"** means the period from 1 July 2015 up until the Quarter Date that occurs immediately prior to the Initial Subscription Date (both dates inclusive);
- 1.2.60. **"Prime Rate"** means the prime overdraft rate published as being charged from time to time by FNB to its corporate customers in the ordinary course, calculated on the basis of a 365 (three hundred and sixty five) day year and compounded monthly in arrears, as determined by any general manager of the aforesaid bank or his delegee, whose authority it shall not be necessary to prove;
- 1.2.61. **"Proposed Transaction"** shall have the meaning ascribed thereto in the MRA;
- 1.2.62. **"Proposed Transaction Steps"** means the transactions contemplated in clauses 3 to 9 of the MRA;
- 1.2.63. **"Quarter Date"** means the last date of March, June, September and December of each year;
- 1.2.64. **"Rand"** or **"R"** means the lawful currency of South Africa;

1.2.65. **"Redemption Amount"** means, in relation to each Preference Share:

1.2.65.1. at any time prior to the occurrence of a Subsequent Subscription Event, the aggregate of the following amounts as at the applicable Redemption Date:

1.2.65.1.1. the Issue Price of such Preference Share; plus

1.2.65.1.2. any Unpaid Dividends in respect of such Preference Share, if any; plus

1.2.65.1.3. any Additional Dividend in respect of such Preference Share, if any; or

1.2.65.2. at any time following the occurrence of a Subsequent Subscription Event and provided that the Card Scheme has either been transferred to NewDisc or any third party, an amount equal to R1 (one Rand); or

1.2.65.3. at any time following the occurrence of a Subsequent Subscription Event and provided that the Card Scheme has been finally wound-down, an amount equal to R1 (one Rand);

1.2.66. **"Redemption Date"** means, in relation to each Preference Share:

1.2.66.1. prior to the occurrence of a Subsequent Subscription Event, the earlier of:

1.2.66.1.1. the date on which FRB notifies the Preference Shareholder that it wishes to voluntarily redeem the Preference Shares (which notice shall be revocable), provided that FRB shall not be entitled to issue such notice prior to the MRA CP Fulfilment Date; and

1.2.66.1.2. the date which is the later of:

1.2.66.1.2.1. the MRA CP Fulfilment Date; and

1.2.66.1.2.2. the date falling three years and one day following the relevant Issue Date;

- 1.2.66.2. following the occurrence of a Subsequent Subscription Event and provided that the Card Scheme has either been transferred to NewDisc or any third party or the Card Scheme has been finally wound-down, the date on which FRB notifies the Preference Shareholder that it wishes to voluntarily redeem the Preference Shares (which notice shall be revocable); or
- 1.2.66.3. upon the occurrence of a Redemption Event, the date on which FRB redeems the Preference Shares in accordance with the provisions of Clause 5.2; or
- 1.2.66.4. the date on which the Preference Shares are actually redeemed and the Redemption Amount thereof paid in full to the Preference Shareholder;
- 1.2.67. "**Redemption Event**" has the meaning specified in Clause 5.3;
- 1.2.68. "**Required Capital**" means the regulatory capital held by FRB in respect of the Card Transfer Business in accordance with the bank regulations issued in terms of the Banks Act (as adjusted by FRB in terms of its internal capital management frameworks in accordance with such bank regulations), being, as at the Signature Date, 11.25% (eleven point two five percent) of the Risk Weighted Assets as adjusted by FRB pursuant to the provisions of Clause 8;
- 1.2.69. "**Risk Weighted Assets**" means an amount agreed to between the Parties, being an amount equal to 71% (seventy one percent) of the gross value of the Book (excluding any off-balance sheet expenses), which amount shall be calculated on a monthly basis by FRB and may be adjusted by FRB from time to time to take into account any adjustments made to the Model pursuant to the provisions of Clause 8;
- 1.2.70. "**Sale Agreement**" means the written agreement to be entered into between Discovery, FRB and NewDisc which will set out the terms of the sale of the Card Transfer Business by FRB to NewDisc;
- 1.2.71. "**Signature Date**" means the date of signature of the Preference Share Subscription Agreement by the Party signing it last in time;
- 1.2.72. "**South Africa**" means the Republic of South Africa;
- 1.2.73. "**Subscriber**" means Discovery PrefCo;

- 1.2.74. **"Subsequent Class D Preference Shares"** means the cumulative redeemable preference shares of a separate class with a par value of R0,0001 in the issued share capital of FRB having the rights and privileges attaching thereto as set forth in these Preference Share Terms;
- 1.2.75. **"Subsequent Subscription Event"** means the occurrence of any one of the following events, matters or circumstances:
- 1.2.75.1. between the signature date of the MRA and the Closing Date:
- 1.2.75.1.1. Discovery, Vitality, the Subscriber, HoldCo or NewDisc breaches any Transaction Agreement and fails to remedy such breach in accordance with the provisions of the relevant Transaction Agreement and FRIHL or FRB (as the case may be) elects to terminate such Transaction Agreement; or
- 1.2.75.1.2. any Insolvency Event occurs in relation to Discovery and/or Vitality and FRB elects to terminate the Amended Card Agreement; or
- 1.2.75.2. between the signature date of the MRA and the Closing Date:
- 1.2.75.2.1. FRB or FRIHL breaches any Transaction Agreement and fails to remedy such breach in accordance with the provisions of the relevant Transaction Agreement and Discovery, Vitality, Discovery PrefCo, HoldCo or NewDisc (as the case may be) elects to terminate such Transaction Agreement; or
- 1.2.75.2.2. any Insolvency Event occurs in relation to FRB and Discovery or Vitality (as the case may be) elects to terminate the Amended Card Agreement; or
- 1.2.75.3. Discovery notifies FRB in writing before 1 July 2017 that the board of Discovery has taken a decision not to launch NewDisc as a bank; or

- 1.2.75.4. the parties to the MRA mutually agree in writing at any time prior to the date on which the last of the conditions precedent set out in **Annexure A** of the MRA are fulfilled or waived (as the case may be) that a Material Adverse Condition has occurred; or
- 1.2.75.5. the parties to the MRA mutually agree in writing at any time prior to the date on which the last of the conditions precedent set out in **Annexure A** of the MRA are fulfilled or waived (as the case may be) that regulatory conditions are not conducive to NewDisc being issued with, or continuing with the application for, a certificate of registration as a bank in terms of section 17(4) of the Banks Act;
- 1.2.75.6. any of the conditions precedent:
- 1.2.75.6.1. set out in paragraphs 1, 2, 3, 7, 8, 9, 10, 12, 13, 14 or 17 of **Annexure A** of the MRA are not fulfilled or waived, as the case may be; or
- 1.2.75.6.2. set out in paragraphs 4, 5, 6, 11, 15 or 16 in **Annexure A** of the MRA are not fulfilled or waived, as the case may be, but only to the extent that such non-fulfilment or waiver is not as a result of an act or omission of Discovery, Vitality, the Subscriber, HoldCo or NewDisc)
- by 1 July 2019; or
- 1.2.75.7. the conditions precedent set out in paragraphs 4, 5, 6, 11, 15 or 16 of **Annexure A** of the MRA are not fulfilled or waived as a result of an act or omission of Discovery, Vitality, the Subscriber, HoldCo or NewDisc, as the case may be, by 1 July 2019;
- 1.2.76. "**Tax**" means all forms of taxation, whether direct or indirect and whether levied in South Africa or otherwise, by reference to income, profits, gains, net wealth, asset values, turnover, added value, dividends or other reference, and any statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, rates and levies (including, but not limited to, normal tax, secondary tax on companies, dividends tax, Regional Service Council levies, VAT, capital

gains tax, donations tax, stamp duties, securities transfer tax, transfer duties, employees' tax and employment related levies, Unemployment Insurance Fund contributions) whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) in respect of any person and all penalties, charges, costs and interest relating thereto;

- 1.2.77. "**Transaction Agreements**" shall have the meaning ascribed thereto in the MRA;
- 1.2.78. "**Unpaid Dividends**" means, in respect of any Preference Share, all Preference Dividends which should have been authorised and paid in respect of such Preference Share in accordance with these Preference Share Terms but which have not been authorised and/or paid on the applicable Dividend Date;
- 1.2.79. "**VAT**" means value-added tax, as levied in terms of the VAT Act;
- 1.2.80. "**VAT Act**" means the Value-Added Tax Act No. 89 of 1991, as amended from time to time; and
- 1.2.81. "**Vitality**" means Discovery Vitality Proprietary Limited (Registration No. 1999/007736/07), a private company registered and incorporated in accordance with the company laws of South Africa and a wholly-owned subsidiary of Discovery.

2. GENERAL

- 2.1. Each Preference Share has all the rights and privileges and is subject to the conditions, limitations and obligations set out in these Preference Share Terms.
- 2.2. The risk in and benefit of a Preference Share shall pass to the Subscriber on the allotment and issue of that Preference Share to it.

3. PREFERENCE DIVIDENDS

- 3.1. Subject to Clause 3.5.1, the Preference Shares shall confer on the Preference Shareholder the right to receive a Preference Dividend on each Dividend Date for the Dividend Period preceding each applicable Dividend Date, such right to rank –
- 3.1.1. in priority to any dividends declared in respect of all other perpetual preference shares issued to any third party in the issued share capital of FRB but *pari passu* with any dividends declared in respect of all other

preference shares issued to any third party in the issued share capital of FRB; and

- 3.1.2. in priority to any dividends declared to the Ordinary Shareholders.
- 3.2. On each Dividend Calculation Date, FRB shall calculate the Card Scheme PBT for the relevant Dividend Period and shall notify the Preference Shareholder of such Card Scheme PBT for the relevant Dividend Period prior to the Dividend Date immediately following such Dividend Calculation Date.
- 3.3. To the extent that on the relevant Dividend Calculation Date, the Card Scheme PBT for the relevant Dividend Period, as notified by FRB to the Preference Shareholder in accordance with Clause 3.2, is a positive number, the dividend payable to the Preference Shareholder on the Dividend Date immediately following the relevant Dividend Calculation Date for the Dividend Period preceding the applicable Dividend Date shall be determined as follows:
 - 3.3.1. in respect of the Dividend Date immediately following the First Dividend Calculation Date:
 - 3.3.1.1. 68.7375% (sixty eight point seven three seven five percent) of an amount equal to the aggregate of the Card Scheme Interest After Tax for the Preliminary Period remaining after payment of any taxes; less
 - 3.3.1.2. the aggregate Pre-Discovery Adjusted Capital Portion for the Preliminary Period;
 - 3.3.2. at any time prior to the occurrence of a Subsequent Subscription Event, in respect of any Dividend Date (other than the Dividend Date contemplated in Clause 3.3.1):
 - 3.3.2.1. 68.7375% (sixty eight point seven three seven five percent) of an amount equal to the aggregate Card Scheme Interest After Tax for the relevant Dividend Period (or any portion thereof prior to the occurrence of a Subsequent Subscription Event) remaining after payment of any taxes; less
 - 3.3.2.2. the aggregate Pre-Discovery Adjusted Capital Portion for the Dividend Period (or any portion thereof prior to the occurrence of a Subsequent Subscription Event); plus

- 3.3.2.3. any Unpaid Dividends in respect of any prior Dividend Period; plus
- 3.3.2.4. if applicable, any Additional Dividend payable in accordance with these Preference Share Terms;
- 3.3.3. at any time following the occurrence of a Subsequent Subscription Event, in respect of any Dividend Date:
 - 3.3.3.1. 100% (one hundred percent) of an amount equal to the Card Scheme Interest After Tax for the relevant Dividend Period (or any portion thereof following the occurrence of a Subsequent Subscription Event); less
 - 3.3.3.2. the aggregate Post-Discovery Adjusted Capital Portion for the Dividend Period (or any portion thereof following the occurrence of a Subsequent Subscription Event); plus
 - 3.3.3.3. any Unpaid Dividends in respect of any prior Dividend Period; plus
 - 3.3.3.4. if applicable, any Additional Dividend payable in accordance with these Preference Share Terms.
- 3.4. To the extent that on the relevant Dividend Calculation Date the Card Scheme PBT, as notified by FRB to the Preference Shareholder in accordance with Clause 3.2, is a negative number, the dividend payable to the Preference Shareholder on the Dividend Date immediately following the relevant Dividend Calculation Date for the Dividend Period preceding the applicable Dividend Date shall be zero.
- 3.5. Subject to the provisions of Clause 3.6, each Preference Dividend shall in respect of each Preference Share:
 - 3.5.1. subject to the Companies Act be paid on the applicable Dividend Date or other date on which it is expressed to be payable under these Preference Share Terms; and
 - 3.5.2. be paid in cash, in immediately available funds.
- 3.6. On the 1st (first) Business Day immediately prior to any redemption of the Preference Shares pursuant to Clause 5, FRB shall declare and pay a Preference Dividend of an amount equal to the aggregate of the Pre-Discovery Adjusted Capital Portion and/or

the Post-Discovery Adjusted Capital Portion (if applicable) in accordance with the provisions of Clauses 3.5, *mutatis mutandis*.

- 3.7. Any Additional Dividends shall accrue in respect of all Unpaid Dividends and be due and payable by FRB, on a daily basis. Any Unpaid Dividends shall be immediately due and payable.

4. **ACCUMULATIONS**

If any Preference Dividend is not paid on the Dividend Date on which it is scheduled or required to be paid then, notwithstanding anything to the contrary in these Preference Share Terms (including, without limitation, Clause 3.4), the amount of the Unpaid Dividend shall be accumulated.

5. **REDEMPTION**

5.1. **General Provisions Relating to Redemption**

5.1.1. Whenever a Preference Share is redeemed in terms of this Clause 5, FRB shall redeem such Preference Share by paying the Redemption Amount in respect of such Preference Share to the Preference Shareholder first out of the contributed tax capital of FRB against the surrender by the Preference Shareholder to FRB of the share certificate/s in respect of such Preference Share (or, if such certificate has been lost or destroyed, such proof of loss or destruction and such indemnity as FRB would be entitled to require in terms of Clause 8). Upon redemption of Preference Share, FRB shall be liable for the payment of any securities transfer tax under the Securities Transfer Act, 25 of 2007.

5.1.2. If any Redemption Amount (or portion thereof) is not paid in full on the Redemption Date of those Preference Shares, the unpaid Redemption Amount (or portion thereof) shall accrue Additional Dividends at the Penalty Dividend Rate from (and including) the Redemption Date up to (but excluding) the date of actual payment of such Redemption Amount (or portion thereof), which Additional Dividends shall be declared and paid:

5.1.2.1. on written demand of the Preference Shareholder; or

5.1.2.2. if no demand had been made, on the last Business Day of each calendar month from (and including) the calendar month in

which the Redemption Date falls until the payment of such Redemption Amount (or portion thereof) in full.

- 5.1.3. In the event of a winding up of FRB, the Preference Shareholder shall be paid out of the assets of FRB *parri passu* to holders of all other preference shares in issued share capital of FRB and in priority to the holders of all other classes of shares in the capital of FRB, the full Redemption Amount calculated as if the Preference Shares held by it were all being redeemed on the day immediately preceding the date of winding-up.
- 5.1.4. Save as set out in Clause 3 and this Clause 5, the Preference Shareholder shall not be entitled to any participation in the profits or assets of FRB in respect of the Preference Shares.
- 5.1.5. For so long as any of the Preference Shares have not been redeemed by FRB, the full amount of the stated capital (or "*contributed tax capital*" (as such term is defined in section 1 of the ITA)) of FRB arising as a result of the subscription for the Preference Shares shall be retained by FRB and may only be used by FRB to redeem Preference Shares.

5.2. **Mandatory Redemption**

- 5.2.1. The Preference Shares shall be redeemed by FRB at the relevant Redemption Amount on the Redemption Date.
- 5.2.2. If a Redemption Event occurs, the Preference Shares shall be redeemed by FRB at the Redemption Amount in respect of such Preference Shares on the later of (i) the date falling three years and one date following the relevant Issue Date or (ii) the date on which the relevant Redemption Event occurs.

5.3. **Redemption Events**

Each of the following events shall be a "**Redemption Event**", whether or not caused by any fact, event or circumstance outside of the control of FRB:

- 5.3.1. any Insolvency Event occurs and such Insolvency Event is not remedied within 20 (twenty) Business Days of receipt by FRB of written notice from the Preference Shareholder requiring such event to be remedied;
- 5.3.2. any event contemplated in Clause 7 occurs.

6. **CHANGES IN LAW**

If, at any time, prior to the Redemption Date, a change of Applicable Laws and Rules or practices occurs which results in -

- 6.1. the Preference Shareholder's return being reduced because of a Tax deduction that can be claimed by FRB (which could not be previously claimed), the benefit arising as a result of the change of Applicable Laws and Rules shall be passed on the Preference Shareholder. It is recorded and agreed that the benefit that is to be passed on to the Preference Shareholder shall not be more than the lesser of (i) the actual benefit (being the Tax Deduction) obtained by FRB and (ii) the amount that the Preference Shareholder would have received had the Preference Shareholder's return not been reduced as a result of the relevant Tax deduction, which amount shall be paid to the Preference Shareholder as soon as reasonably practicable after FRB has actually received payment of the amount claimed under the Tax deduction in question; or
- 6.2. the Preference Shareholder suffering any loss, liability or cost which the Preference Shareholder determines will be or has been (directly or indirectly) suffered for or on account of any Tax incurred by the Preference Shareholder (including, without limitation, any change in Applicable Laws and Rules which results in the payment of any Preference Dividend not being treated as a dividend in accordance with the provisions of the ITA), then Discovery PrefCo and FRB shall, provided that no Redemption Event has occurred, negotiate in good faith for a period of 60 (sixty) days or such further period as they may agree in writing to restructure or amend the Preference Share Subscription Agreement or these Preference Share Terms so as to preserve the intended original economic effects of the Preference Shares.

7. **ILLEGALITY EVENT**

Subject to the applicable provisions of the Companies Act, the Preference Shares shall be immediately redeemed at the Redemption Amount if as a result of a change in Applicable Laws and Rules after the Issue Date it has become unlawful or illegal for the Preference Shareholder to hold the Preference Shares or to claim and recover all or part of a Preference Dividend or Redemption Amount.

8. **ADJUSTMENTS**

- 8.1. If at any time after the Signature Date an Adjustment Event occurs that has an effect (whether directly or indirectly) on the minimum capital requirements in respect of the Card Transfer Business and as such FRB's capital requirements need to be adjusted,

FRB shall, notwithstanding anything to the contrary contained herein, be entitled, upon written notice to the Preference Shareholder, to:

- 8.1.1. adjust the percentage of the Required Capital; and/or
 - 8.1.2. adjust and/or update the Model, provided that any such adjustment and/or update to the Model is approved by the South African Reserve Bank.
- 8.2. The written notice provided to the Preference Shareholder pursuant to the provisions of Clause 8.1, shall include the details of the Adjustment Event as well as the reasons and calculations applied by FRB in making any adjustment as contemplated in Clauses 8.1.1 and 8.1.2.
- 8.3. At any time prior to the declaration and payment of the Preference Dividend referred to in clause 3.6, Discovery or Discovery PrefCo shall be entitled to request that the auditors of FRB certify the amount of any Pre-Discovery Adjusted Capital Portion or Post-Discovery Adjusted Capital Portion that has been deducted pursuant to clause 3.3. The costs of the auditors in relation to any such certification shall be borne by Discovery.

9. **LOST CERTIFICATE**

If any certificate issued in respect of a Preference Share is defaced, lost or destroyed, it shall be replaced by FRB upon receipt by FRB of either the defaced certificate or an affidavit by a director of the Preference Shareholder to the effect that such certificate has been lost or destroyed together with a written undertaking indemnifying FRB against any loss, liability, damage, cost or expense which FRB may suffer as a result of issuing such replacement certificate.

10. **NO DOUBLE COUNTING AND TAX LIABILITY**

- 10.1. All payments which become due and payable pursuant to the provisions of the Preference Share Subscription Agreement and the Preference Share Terms shall be paid without double counting.
- 10.2. It is recorded and agreed that the Preference Shareholder shall not be liable for, and FRB shall be obliged to make the Preference Shareholder whole, for any Tax liability (including penalties and interest) that may arise under and in terms of these Preference Share Terms to the extent that such Tax liability (including penalties and interest) arises as a result of the gross negligent or wilful misconduct of FRB.

11. **NO PREJUDICE**

Should the Preference Shareholder have the benefit of an assessed loss or a credit in respect of any Tax, other than in respect of the Preference Shares, such circumstances shall not operate to deprive the Preference Shareholder of the benefit of any claim or right it would otherwise have against FRB under these Preference Share Terms.

GENERAL PREFERENCE SHARE TERMS AND CONDITIONS IN RESPECT OF THE PREFERENCE SHARE PROGRAMME

1 DEFINITIONS AND INTERPRETATION

- 1.1 In the Preference Share Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement in a manner not inconsistent with these General Preference Share Terms, the following expressions shall have the following meanings:
- 1.1.1 "**Accrued Preference Dividends**" at any time, any and all Preference Dividends which have accrued (whether declared or not), but which have not been paid at that time;
- 1.1.2 "**Actual Redemption Date**" in relation to a Preference Share, the date upon which that Preference Share is redeemed in full by the Issuer;
- 1.1.3 "**Adjustment Event**" has the meaning ascribed thereto in Condition 8.1 or any other event specified as such in the Applicable Pricing Supplement;
- 1.1.4 "**Applicable Business Day Convention**" the Business Day convention described in Condition 10.3;
- 1.1.5 "**Applicable Law**" in relation to a person, all and any statutes and subordinate legislation, regulations and ordinances, by-laws, judgements and decisions of any competent authority, present or future common law, codes of practice, circulars, guidance notices, judgements and decisions of any competent authority, and other similar provisions, from time to time;
- 1.1.6 "**Applicable Pricing Supplement**" in relation to a Tranche of Preference Shares, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Preference Shares, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Preference Shares, based upon the *pro forma* pricing supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*";
- 1.1.7 "**Applicable Procedures**" the rules, listings requirements (including the JSE Listings Requirements and the JSE Debt Listings Requirements) and operating

procedures for the time being of the Central Securities Depository, Settlement Agents, JSE and/or any other applicable Financial Exchange, as the case may be;

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

"Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act;

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

- 1.1.26 "**Dealer(s)**" Rand Merchant Bank and/or such other person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis;
- 1.1.27 "**Debt Sponsor**" Rand Merchant Bank and/or such other person(s) appointed by the Issuer in terms of the Programme Agreement, which appointment may be for a specific issue or on an on-going basis;
- 1.1.28 "**Default Rate**" in relation to a Class of Preference Shares, the rate specified as such in the Applicable Pricing Supplement relating to that Class;
- 1.1.29 "**Dividend Commencement Date**" in relation to a Tranche of Preference Shares, the first date from which Preference Dividends on such Tranche will accrue, being the Issue Date of that Tranche or such other date as specified in the Applicable Pricing Supplement;
- 1.1.30 "**Dividend Compounding Date(s)**" in relation to a Class of Preference Shares, the last day of each Dividend Period, unless otherwise specified in the Applicable Pricing Supplement;
- 1.1.31 "**Dividend Payment Date(s)**" in relation to a Class of Preference Shares, the date(s) specified as such in the Applicable Pricing Supplement;
- 1.1.32 "**Dividend Period**" in relation to a Class of Preference Shares, each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the following Dividend Payment Date, provided that the first Dividend Period will commence on (and include) the Dividend Commencement Date and end on (but exclude) the following Dividend Payment Date (each Dividend Payment Date as adjusted in accordance with the Applicable Business Day Convention);
- 1.1.33 "**Dividend Rate**" in relation to a Class of Preference Shares, the dividend rate(s) specified in the Applicable Pricing Supplement;
- 1.1.34 "**Dividend Rate Determination Date**" in respect of a Class of Preference Shares, the date(s) specified in the Applicable Pricing Supplement;
- 1.1.35 "**Dividends Tax**" the withholding tax on dividends imposed under Part VIII of Chapter II of the Income Tax Act;

- 1.1.36 "**Event**" an action taken by the Issuer or any other person which affects the Preference Shareholders in terms of entitlements or notifications;
- 1.1.37 "**Existing Preference Shares**" any class of preference shares authorised in terms of the Issuer's Memorandum of Incorporation in addition to the Preference Shares;
- 1.1.38 "**Final Redemption Amount**" in relation to a Class of Preference Shares, the amount payable in respect of each Preference Share in the Class upon final redemption thereof, as specified in the Applicable Pricing Supplement;
- 1.1.39 "**Final Redemption Date**" in relation to a Class of Preference Shares, the final date upon which the Preference Shares are to be redeemed, as specified in the Applicable Pricing Supplement;
- 1.1.40 "**Financial Exchange**" the JSE and/or such other or further financial exchange(s) as may be selected by the Issuer and the relevant Dealer, subject to Applicable Law;
- 1.1.41 "**Financial Indebtedness**" any present or future indebtedness (whether being principal, interest or other amounts) for or in respect of:
- 1.1.41.1 moneys borrowed and debit balances at any bank or financial institution;
 - 1.1.41.2 liabilities under or in respect of any acceptance or acceptance credit;
 - 1.1.41.3 any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;
 - 1.1.41.4 any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) or otherwise classified as borrowings under IFRS;
 - 1.1.41.5 the amount of any liability in respect of leases or hire purchases contract which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

- 1.1.41.6 the amount of trade payables or due to trade creditors in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days;
- 1.1.41.7 any amount raised by acceptance under any acceptance credit or bill discounting facility;
- 1.1.41.8 receivables sold or discounted (other than to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under IFRS);
- 1.1.41.9 any derivative transaction entered into in connection with protection against fluctuations in any rate or price;
- 1.1.41.10 guarantees given, whether present or future, actual or contingent;
- 1.1.41.11 any counter-indemnity obligation (other than those given in the ordinary course of business) in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- 1.1.41.12 amounts raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and lease back agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS;
- 1.1.42 "**Financial Markets Act**" the Financial Markets Act, 2012;
- 1.1.43 "**Fixed Rate Preference Shares**" Preference Shares which will bear dividends at a fixed Dividend Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 7.2;
- 1.1.44 "**Floating Rate Preference Shares**" Preference Shares which will bear dividends at a floating Dividend Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 7.3;
- 1.1.45 "**General Preference Share Terms**" the preferences, rights, limitations and other terms attaching to each Preference Share, as set out herein;

- 1.1.46 "**IFRS**" the international financial reporting standards issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the Financial Reporting Interpretations Committee of the IASB (as amended or reissued from time to time);
- 1.1.47 "**Income Tax Act**" the Income Tax Act, 1962;
- 1.1.48 "**Insolvency Event**" the occurrence of any of the following events:
- 1.1.48.1 an order is made (i) for the liquidation (whether provisional or final) of the Issuer; (ii) placing the Issuer under curatorship (in terms of the Banks Act) or business rescue; or (iii) for the appointment of a liquidator (whether provisional or final), curator or business rescue practitioner in respect of the Issuer; in each case, and where applicable, other than for purposes of a solvent reconstruction or amalgamation in which the Issuer remains the debtor under the Preference Shares; or
- 1.1.48.2 the Issuer's activities are suspended by the Registrar of Banks under the Banks Act;
- 1.1.49 "**Issue Date**" in relation to each Preference Share, the date on which the Issuer issues that Preference Share to the subscriber thereof, as specified in the Applicable Pricing Supplement;
- 1.1.50 "**Issue Price**" in relation to each Preference Share, the subscription price payable as consideration for the issue of that Preference Share, as specified in the Applicable Pricing Supplement;
- 1.1.51 "**Issuer**" FirstRand Bank Limited, registration number 1929/001225/06, a limited liability public company duly incorporated in South Africa, registered as a bank in terms of the Banks Act;
- 1.1.52 "**JIBAR**" the Johannesburg Interbank Agreed Rate, being the mid-market rate for deposits in Rand for a designated period;
- 1.1.53 "**JSE**" JSE Limited, registration number 2005/022939/06, a limited liability public company duly incorporated in South Africa, licensed as an exchange in terms of

the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;

- 1.1.54 "**JSE Debt Listings Requirements**" the debt listings requirements of the JSE pursuant to the provisions of the Financial Markets Act for the listing of debt securities on the JSE, as amended from time to time;
- 1.1.55 "**JSE Listings Requirements**" the listings requirements of the JSE pursuant to the provisions of the Financial Markets Act, as amended from time to time;
- 1.1.56 "**Last Day to Trade**" in respect of:
 - 1.1.56.1 Unlisted Preference Shares, the date specified as such in the Applicable Pricing Supplement as the the last date on which the Transfer Agent will accept Transfer Forms and record the transfer of Preference Shares in the Register for that particular Class of Preference Shares in respect of any relevant Event; and
 - 1.1.56.2 in the case of Listed Preference Shares, the "*Last Day to Trade*" as set out in the Applicable Procedures;
- 1.1.57 "**Listed Preference Shares**" Preference Shares listed on the JSE or any other Financial Exchange(s);
- 1.1.58 "**Margin**" in relation to a Class of Floating Rate Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.1.59 "**Memorandum of Incorporation**" the Memorandum of Incorporation of the Issuer, including its annexures and/or schedules;
- 1.1.60 "**Minimum Aggregate Issue Price**" means the minimum aggregate Issue Price in respect of any Tranche of Preference Shares for which any single person, acting as principal, may subscribe;
- 1.1.61 "**Mixed Rate Preference Shares**" Preference Shares which will attract dividends over respective periods at differing Dividend Rates applicable to any combination of Fixed Rate Preference Shares, Floating Rate Preference Shares or other Preference Shares, as more fully described in Condition 7.4 and in the Applicable Pricing Supplement;

- 1.1.62 "**Ongoing Preference Dividends**" the cumulative cash preference dividends which are payable in respect of a Preference Share in accordance with the Preference Share Terms and Conditions and the Applicable Pricing Supplement;
- 1.1.63 "**Optional Redemption Amount**" has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.1.64 "**Optional Redemption Date**" has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.1.65 "**Ordinary Resolution**" a resolution (i) supported at a properly constituted meeting of the Preference Shareholders or Preference Shareholders of the relevant Class of Preference Shares, as the case may be, by more than 50% of the voting rights exercised on the resolution; or (ii) supported in writing by Preference Shareholders or Preference Shareholders of the relevant Class of Preference Shares, as the case may be, entitled to exercise more than 50% of the voting rights exercisable on the resolution in accordance with section 60 of the Companies Act;
- 1.1.66 "**Ordinary Shares**" ordinary shares in the Issuer;
- 1.1.67 "**Outstanding Preference Share**" at any time, any Preference Share which has been issued, but which has not been redeemed;
- 1.1.68 "**Participants**" a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;
- 1.1.69 "**Paying Agent**" the Issuer or such other person(s) appointed by the Issuer from time to time, as specified in the Applicable Pricing Supplement;
- 1.1.70 "**Preference Dividend**" each dividend accrued and/or paid in relation to any Preference Share, including the Ongoing Preference Dividends and any other dividends specified in the Preference Share Terms and Conditions;
- 1.1.71 "**Preference Shareholders**" the holders of the Preference Shares (as recorded in the Register);

- 1.1.72 "**Preference Share**" a cumulative, redeemable, non-participating preference share in the Issuer, having the preferences, rights, limitations and other terms set out in the Preference Share Terms and Conditions;
- 1.1.73 "**Preference Share Terms and Conditions**" these General Preference Share Terms, as supplemented by the Specific Preference Share Terms;
- 1.1.74 "**Prime Rate**" the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 day year (irrespective of whether or not the year is a leap year)) from time to time published by First National Bank (a division of FirstRand Bank Limited) as being its prime overdraft rate as certified by any authorised official of the Issuer, whose appointment, designation or authority need not be proved;
- 1.1.75 "**Programme**" the FirstRand Bank Limited ZAR5,000,000,000 Preference Share Programme;
- 1.1.76 "**Programme Agreement**" the agreement concluded between the Issuer, the Arranger, the Debt Sponsor, if any, and the Dealer(s) relating to the procuring of subscriptions for the Preference Shares;
- 1.1.77 "**Programme Amount**" the maximum aggregate Issue Price of all of the Preference Shares in issue under the Programme at any one point in time, being ZAR5,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to and in accordance with all Applicable Laws, the Programme Agreement, the requirements of the JSE and/or any such other Financial Exchange(s) on which the Preference Shares may be listed;
- 1.1.78 "**Programme Date**" the date of the Programme Memorandum;
- 1.1.79 "**Programme Memorandum**" the programme memorandum dated [●] 2019, issued by the Issuer providing information about the Issuer and the Preference Shares, and incorporating the Preference Share Terms and Conditions, as amended, varied, restated, novated or supplemented from time to time;
- 1.1.80 "**Rand**" South African Rand, the lawful currency of South Africa;
- 1.1.81 "**Rand Merchant Bank**" Rand Merchant Bank, a division of the Issuer;

- 1.1.82 **"Rating Agency"** any of Standard & Poor's, Moody's Investor Service Limited and/or such other rating agency, if any, appointed by the Issuer to assign a Credit Rating to a Class of Preference Shares, the Programme or the Issuer, as specified in the Applicable Pricing Supplement;
- 1.1.83 **"Record Date"** the date on which the holdings of Preference Shares, upon which the Event entitlement is based, are ascertained, which in the case of:
- 1.1.83.1 Unlisted Preference Shares, is the Friday immediately prior to each Dividend Payment Date or Redemption Date, as the case may be, or if such Friday is not a Business Day, the last Business Day of the week preceding the Dividend Payment Date or Redemption Date, as the case may be; and
- 1.1.83.2 Listed Preference Shares, will be determined in accordance with the Applicable Procedures;
- 1.1.84 **"Redemption Amount"** in respect of each Preference Share, the amount per Preference Share payable on redemption of that Preference Share, in an amount equal to:
- 1.1.84.1 in the case of redemption on the Final Redemption Date, its Final Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Final Redemption Date;
- 1.1.84.2 in the case of redemption on the Optional Redemption Date, its Optional Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Optional Redemption Date; and
- 1.1.84.3 in the case of redemption in terms of Conditions 9.3, 9.4, 9.5 or 12, its Final Redemption Amount, together, if applicable, with any Accrued Preference Dividends which have not yet been paid calculated up to the Redemption Date;
- 1.1.85 **"Redemption Date"** each date on which any Preference Share is to be redeemed, in terms of the Preference Share Terms and Conditions, including:
- 1.1.85.1 the Final Redemption Date;
- 1.1.85.2 any Optional Redemption Date;

- 1.1.85.3 the date on which the Issuer will redeem that Preference Share in accordance with Conditions 9.3, 9.4, 9.5 or 12; and
- 1.1.85.4 the date of payment of a return of capital, in the event of the liquidation, dissolution or winding-up of the Issuer;
- 1.1.86 "**Redemption Event**" in relation to any Preference Shares, any of the events specified as such in Condition 12;
- 1.1.87 "**Reduction Notice**" has the meaning ascribed thereto in Condition 8.2;
- 1.1.88 "**Reference Banks**" four leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer (where the Issuer does not act as the Calculation Agent);
- 1.1.89 "**Reference Rate**" in relation to a Class of Floating Rate Preference Shares, such rate as is specified in the Applicable Pricing Supplement;
- 1.1.90 "**Register**" the register of shareholders maintained by the Transfer Agent;
- 1.1.91 "**Registrar of Banks**" the Registrar of Banks designated under section 4 of the Banks Act;
- 1.1.92 "**Regulatory Event**" on or after the Issue Date of any Preference Shares, any:
- 1.1.92.1 change in Applicable Law (including any changes to the Banks Act, the Companies Act or the South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933) or in the interpretation or general application of any Applicable Law (including in or of the aforesaid specific legislation), whether in force before or after the Issue Date of the relevant Preference Shares), or the introduction of any new Applicable Law;
- 1.1.92.2 change in banking practice as it affects or is applied generally by any financial institution in South Africa;
- 1.1.92.3 requirement or request by any statutory or monetary authority, to pay any amounts, or maintain special deposits or reserve assets, in addition to those currently paid or reserved by the Issuer;

- 1.1.92.4 compliance by the Issuer with any reserve, capital adequacy, cash ratio, special deposit or liquidity requirement (or any other similar requirement) in terms of any Applicable Law, or as otherwise required by a regulator, in respect of the relevant Preference Shares in addition to those required of the Issuer as at the Issued Date of such Preference Shares; or
- 1.1.92.5 change in the Applicable Procedures, which the Issuer, in each case, determines has, or is likely to have:
- 1.1.92.5.1 the effect that it will be contrary to Applicable Law for the relevant Preference Shares to remain in issue;
- 1.1.92.5.2 an adverse financial implication to the Issuer in respect of the relevant Preference Shares; or
- 1.1.92.5.3 the effect that the Issuer will be subject to materially less favourable regulatory treatment in respect of the relevant Preference Shares;
- 1.1.93 "**Relevant Date**" the date on which a payment first becomes due and payable in accordance with the Preference Share Terms and Conditions, except that in relation to monies payable to the Central Securities Depository in accordance with the Preference Share Terms and Conditions, the claim in respect of any payment under the Preference Shares will prescribe three years after the date on which (i) the full amount of such monies has been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests, and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
- 1.1.94 "**Relevant Screen Page**" the page, section or other part of a particular information service (including Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
- 1.1.95 "**Relevant Time**" the time specified as the Relevant Time in the Applicable Pricing Supplement;

- 1.1.96 "**Representative**" a person duly authorised to act on behalf of a Preference Shareholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (all acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Preference Shareholder;
- 1.1.97 "**Return**" the overall net after-Tax return to be achieved by any Preference Shareholder in respect of the Preference Shares held by that Preference Shareholder from time to time;
- 1.1.98 "**Solvency and Liquidity Test**" the "solvency and liquidity test" contemplated in section 4(1) of the Companies Act;
- 1.1.99 "**SENS**" the Stock Exchange News Service of the JSE;
- 1.1.100 "**Settlement Agents**" those Participants who are approved by the Central Securities Depository from time to time, in terms of the Applicable Procedures, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
- 1.1.101 "**South Africa**" the Republic of South Africa as constituted from time to time;
- 1.1.102 "**Specific Preference Share Terms**" the preferences, rights, limitations and other terms attaching to each Preference Share, to be determined by the Board at the time of allotment and issue thereof, in accordance with section 36(3) of the Companies Act and set out in the Applicable Pricing Supplement, to supplement these General Preference Share Terms;
- 1.1.103 "**Specified Office**" in relation to each of the Issuer, the Calculation Agent, the Transfer Agent or any other applicable person, the address of the office specified in respect of such person in the Applicable Pricing Supplement, or such other address as is notified by such person (or, where applicable, a successor to such person) to the Preference Shareholders in accordance with the Preference Share Terms and Conditions;
- 1.1.104 "**Special Resolution**" a resolution passed:

- 1.1.104.1 at a meeting (duly convened) of the Preference Shareholders or of the Preference Shareholders of a specific Class of Preference Shares, as the case may be, by Preference Shareholders holding (i) at least 75% of the voting rights exercised on the resolution; and (ii) not less than 66.67% of the value of the Outstanding Preference Shares or the specific Class of Preference Shares, as the case may be, present in person or by proxy voting at such meeting upon a show of hands or a poll; or
- 1.1.104.2 other than at a meeting of the by Preference Shareholders or of the Preference Shareholders of the relevant Class of Preference Shares, as the case may be, with the written consent of Preference Shareholders holding (i) at least 75% of the voting rights exercisable on the resolution in accordance with section 60 of the Companies Act; and (ii) not less than 66.67% of the value of the Outstanding Preference Shares or the specific Class of Preference Shares, as the case may be;
- 1.1.105 "**Subsidiary**" a "subsidiary" contemplated in section 4(1) of the Companies Act, including any person who would, but for not being a "company" as contemplated in the Companies Act, qualify as a "subsidiary" in the Companies Act;
- 1.1.106 "**STT**" securities transfer tax levied under the Securities Transfer Tax Act, 2007;
- 1.1.107 "**Taxes**" all present and future taxes, duties, imposts, levies, charges, fees withholdings or deductions of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "**Tax**" and "**Taxation**" will be construed accordingly;
- 1.1.108 "**Trading Day**" in respect of any Listed Preference Share, any day on which the relevant Financial Exchange(s) is scheduled to be open for trading for its regular trading session;
- 1.1.109 "**Tranche**" all Preference Shares which are identical in all respects (including as to listing) and are issued in a single issue;

- 1.1.110 "**Transfer Agent**" Rand Merchant Bank, or such other person with whom the Issuer enters into an agreement in terms of which such person agrees to provide registry services to the Issuer;
 - 1.1.111 "**Transfer Form**" in relation to the transfer of a Preference Share as contemplated in the Preference Share Terms and Conditions, a form of transfer in the usual form or in such other form approved by the Transfer Agent;
 - 1.1.112 "**Unlisted Preference Shares**" Preference Shares that are not listed on the JSE or on any other Financial Exchange(s); and
 - 1.1.113 "**ZAR**" South African Rand, the lawful currency of South Africa.
- 1.2 In the Preference Share Terms and Conditions:
- 1.2.1 clause headings are for convenience only and are not to be used in the interpretation of the Preference Share Terms and Conditions;
 - 1.2.2 an expression which denotes:
 - 1.2.2.1 any gender includes the other genders;
 - 1.2.2.2 a natural person includes a juristic person and *vice versa*; and
 - 1.2.2.3 the singular includes the plural and *vice versa*;
 - 1.2.3 a reference to a person includes a reference to that person's successors in title and assigns allowed at law;
 - 1.2.4 a reference to a consecutive series of two or more Conditions is deemed to be inclusive of both the first and last mentioned Conditions.
- 1.3 Any reference in the Preference Share Terms and Conditions to:
- 1.3.1 "**days**" is a reference to calendar days, unless expressly stated otherwise;
 - 1.3.2 "**person**" includes any natural person, company, close corporation, trust, partnership, joint venture, association, unincorporated association, governmental body, or other entity whether or not having separate legal personality, and includes that person's permitted successor, transferee, assignee, cessionary and/or delegate;

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

2 **ISSUE**

- 2.1 The Issuer may issue Preference Shares from time to time, subject to these General Preference Share Terms, which will be supplemented, in respect of each Class of Preference Shares to be issued by the Issuer, by the Specific Preference Share Terms.

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

3 FORM

- 3.1 Preference Shares will be issued in registered form for such Minimum Aggregate Issue Price per subscriber, acting as principal, as is determined by the Issuer and specified in the Applicable Pricing Supplement.
- 3.2 Each Preference Share will be issued in a specified Class, as set out in the Applicable Pricing Supplement.
- 3.3 A Tranche of Preference Shares may be listed on the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Law. Unlisted Preference Shares may also be issued under the Programme. Unlisted Preference Shares are not regulated by the JSE or any other or further Financial Exchange(s). The Applicable Pricing Supplement will specify:

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

4 BENEFICIAL INTERESTS IN PREFERENCE SHARES HELD IN THE CENTRAL SECURITIES DEPOSITORY

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

be paid and all rights to be exercised in respect of Preference Shares held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Preference Shares. A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Preference Shares represented by a Certificate.

5 TITLE

5.1 General

5.1.1 Title to the Preference Shares will pass upon registration of transfer in the Register. The Issuer and the Transfer Agent shall recognise a Preference Shareholder as the sole holder of the Preference Shares registered in that Preference Shareholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Preference Share may be subject.

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

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

5.2 Preference Shares issued in certificated form

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

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

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

5.3 Preference Shares issued in uncertificated form

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

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

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

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

5.4.1 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Preference Shares held by them in the Central Securities Depository only through their Participants.

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

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

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

6 STATUS OF PREFERENCE SHARES

6.1 Ranking

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

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

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

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

6.3 **Non-participating Preference Shares**

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

7 **DIVIDENDS**

7.1 **Right to Preference Dividends**

7.1.1 Subject to Condition 7.1.2, each Preference Share will confer on the holder thereof a right to receive, in priority to any payments of dividends to the holders of any lower ranking shares in the Issuer, a cumulative preferential cash dividend, determined and payable in accordance with this Condition 7 and the Applicable Pricing Supplement.

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

7.2 **Dividends on Fixed Rate Preference Shares**

7.2.1 **Fixed Dividend Rate**

Each Fixed Rate Preference Share will have associated with it the right of the holder of such Fixed Rate Preference Share to receive a cumulative preferential cash dividend during each Dividend Period commencing on (and including) the Dividend

Commencement Date to (but excluding) the Actual Redemption Date in an amount calculated at the Dividend Rate specified in the Applicable Pricing Supplement.

7.2.2 **Dividend Payment Dates**

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

7.2.3 **Calculation of Ongoing Preference Dividend**

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

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

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

7.3 **Dividends on Floating Rate Preference Shares**

7.3.1 **Floating Dividend Rate**

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

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

7.3.2 **Dividend Payment Dates**

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

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

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

7.3.3.2 Unless stated otherwise in the Applicable Pricing Supplement, the Ongoing Preference Dividend shall be calculated in respect of each Dividend Period at the Dividend Rate on an amount equal to the aggregate of the Issue Price of each Floating Rate Preference Share together with all Preference Dividends which have accrued and been compounded in accordance with

Condition 7.3.3.3, but which have not been paid, on the basis of the actual number of days in such Dividend Period and a 365 day year, whether or not the year is a leap year, rounded to the nearest cent, half a cent being rounded upwards.

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

7.3.4 **Basis of determining the Dividend Rate**

7.3.4.1 The Dividend Rate will be determined:

7.3.4.1.1 on the basis of Screen Rate Determination; or

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

all as indicated in the Applicable Pricing Supplement.

7.3.4.2 *Screen Rate Determination*

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

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

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

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

- 7.3.4.2.2 If the Relevant Screen Page is not available or if, in the case of Condition 7.3.4.2.1.1, no such offered quotation appears or, in the case of Condition 7.3.4.2.1.2, fewer than three such offered quotations appear, in each case at the time specified in Condition 7.3.4.2.1, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 on the Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Dividend Rate for such Dividend Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.
- 7.3.4.2.3 If the Dividend Rate cannot be determined by applying the provisions of Condition 7.3.4.2.2, the Dividend Rate for the relevant Dividend Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,00005 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 on the relevant Rate Determination Date, in respect of deposits in an amount approximately equal to the Issue Price of the Preference Shares, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Dividend Rate for the relevant Dividend Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Issue Price of the Preference Shares, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 on the relevant Rate Determination Date, by the Reference Banks (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Dividend Rate cannot be determined in accordance with the foregoing provisions of this Condition

7.3.4.2, the Dividend Rate shall be determined as at the last preceding Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Dividend Period from that which applied to the last preceding Dividend Period, the Margin relating to the relevant Dividend Period, in place of the Margin relating to that preceding Dividend Period).

7.3.4.2.4 If the Reference Rate from time to time in respect of Floating Rate Preference Shares is specified in the Applicable Pricing Supplement as being other than the JIBAR rate, the Dividend Rate in respect of such Preference Shares will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.

7.4 **Dividends on Mixed Rate Preference Shares**

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

7.4.2 Unless otherwise specified in the Applicable Pricing Supplement, a Class of Mixed Rate Preference Shares shall:

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

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

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

7.5.1 The Calculation Agent will cause the Dividend Rate for each Class of Preference Shares (other than Fixed Rate Preference Shares) determined upon each Rate Determination Date to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), as soon as practicable after such determination but in any event, in respect of any Class of Unlisted Preference Shares, by no later than five Business Days after such determination, and in respect of any Class of Listed Preference Share, on the date required by the Applicable Procedures.

7.5.2 The Calculation Agent will, in relation to each Class of Unlisted Preference Shares, at least two Business Days before each Dividend Payment Date, and in respect of any Class of Listed Preference Share, on the date required by the Applicable Procedures, cause the aggregate Preference Dividends payable on such Dividend Payment Date to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s).

7.5.3 The Calculation Agent will, in relation to each Class of Preference Shares, calculate any required increase or decrease in the Dividend Rate pursuant to the provisions of Condition 8 and cause such increase to be notified to the Preference Shareholders (in the manner set out in Condition 14), the Issuer and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s).

7.6 Calculations final and limitation of liability

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

7.7 **Accumulated Preference Dividends**

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

7.8 **Payment of Preference Dividends**

7.8.1 Each Preference Dividend that is due and payable shall be paid on its Dividend Payment Date in accordance with the provisions of Condition 10 and, in respect of any Class of Listed Preference Share, in accordance with the Applicable Procedures.

7.8.2 The Issuer and the Board shall each comply with the requirements of section 46 of the Companies Act in respect of the declaration and payment of each Preference Dividend.

7.9 **Default Rate**

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

8 ADJUSTMENT OF DIVIDEND RATE

8.1 Adjustment Events

- 8.1.1 If an adjustment event ("**Adjustment Event**") as described in Condition 8.1.2 occurs that has the effect that the Preference Shareholders would achieve a lower Return in respect of the Outstanding Preference Shares held by them than they would have achieved had that Adjustment Event not occurred, then the Dividend Rate shall be increased, with effect from the commencement of the immediately following Dividend Period, by such margin as will result in the Preference Shareholders achieving the same Return as that which they would have achieved had the Adjustment Event not occurred. The Calculation Agent will calculate any increase in the Dividend Rate pursuant to the provisions of this Condition 8.1, which will be notified to the Preference Shareholders in terms of Condition 7.5.3.
- 8.1.2 An Adjustment Event shall occur if there is any change in Applicable Law (excluding any change in the Corporate Tax Rate) or in the interpretation or general application of any Applicable Law (whether in force before or after the Issue Date of the relevant Preference Shares), or the introduction of any new Applicable Law, which results in any of the following:
- 8.1.2.1 a reduction in the after-Tax Preference Dividend receipt by the Preference Shareholders in respect of the Preference Shares;
 - 8.1.2.2 any Tax being imposed on, or in respect of, the payment of dividends or any Tax being imposed in respect of any amount received in respect of the Preference Shares (other than Dividends Tax) whether such Tax is imposed on dividends, return of capital, as a withholding Tax, or otherwise; and/or
 - 8.1.2.3 the Preference Shareholders no longer being exempt from Dividends Tax in respect of the Preference Shares or, after the Preference Shareholders are no longer exempt from Dividends Tax as aforesaid, the applicable rate at which Dividends Tax is levied being increased.
- 8.1.3 An Adjustment Event shall furthermore occur if any Tax, other than Dividends Tax, is or becomes payable on or in respect of the Preference Shares held by a

Preference Shareholder, any Preference Dividend, any Redemption Amount or any other amount received in respect of such Preference Shares.

8.2 **Reciprocity**

If, at any time after the Issue Date of any Preference Shares, the Dividend Rate in respect of those Preference Shares is increased in accordance with the provisions of Condition 8.1 and, following such increase, any event occurs which has the effect that the Adjustment Event giving rise to the lower Return that caused the increase in the Dividend Rate being wholly or partially reduced or eliminated, then the Dividend Rate will be decreased by such margin as will result in the Preference Shareholders achieving the same Return as that which they would have achieved had the Adjustment Event not occurred, provided that, notwithstanding the foregoing, the Dividend Rate shall not be decreased below the Dividend Rate applicable as at the Issue Date of the relevant Preference Shares. The Calculation Agent will calculate any decrease in the Dividend Rate pursuant to the provisions of this Condition 8.2, which will be notified to the Preference Shareholders in terms of Condition 7.5.3.

8.3 **Resident company and no double counting**

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

8.3.1 each Preference Shareholder shall be deemed to be a company domiciled and tax-resident in South Africa (other than small business corporations, employment companies, gold mining companies, long-term insurance companies, tax holiday companies and companies to which the provisions of the Income Tax Act applicable to a portfolio of a collective investment scheme in securities apply); and

8.3.2 such calculation shall be done on the basis of no double counting.

9 **REDEMPTION AND PURCHASE**

9.1 **Final Redemption of the Preference Shares**

Unless previously redeemed or purchased and cancelled as specified below, each Preference Share in a Class of Preference Shares shall be redeemed by the Issuer on the Final Redemption Date at its Final Redemption Amount, subject to

Condition 10, together, if applicable, with any Accrued Preference Dividends which have not yet been paid, on the Final Redemption Date and, in respect of any Class of Listed Preference Share, in accordance with the Applicable Procedures.

9.2 Early Redemption at the option of the Issuer

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

9.3 Redemption following receipt of an Adjustment Notice

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

9.4 Redemption following the happening of a Regulatory Event

If a Regulatory Event occurs in relation to all, or any particular Class, of the Preference Shares, then the Issuer shall be entitled, having given not less than 15 Business Days' notice to the Preference Shareholders, or the Preference Shareholders of that Class, as the case may be, in accordance with Condition 14 (which notice shall be revocable),

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

9.5 **Early Redemption following a Redemption Event**

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

9.6 **Early Redemption Amounts**

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

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

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

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

9.7 **Purchases**

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

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

9.8 **Cancellation**

All Preference Shares which are redeemed or are purchased by the Issuer will forthwith be cancelled. In the event that only some of the Preference Shares represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Preference Shareholder in respect of the balance of the Preference Shares remaining after such cancellation. Upon receipt of the Redemption Amount, the Preference Shareholder shall have no further rights against the Issuer in respect of the Preference Shares so redeemed or arising out of any subscription agreement entered into between the Issuer and that Preference Shareholder in respect of such Preference Shares. The Issuer shall notify the Central Securities Depository, if applicable, and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), of any cancellation or redemption of the Preference Shares.

9.9 **Cessation of Preference Dividends**

To the extent applicable, each Preference Share will cease to bear Preference Dividends from the Applicable Redemption Date unless, upon due presentation thereof, payment of the Redemption Amount, or any portion thereof, due and payable on the Redemption Date or payment of Preference Dividends, or any portion thereof, due and payable on a Dividend Payment Date, as the case may be, is improperly

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

9.10 **Procedure for Redemptions**

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

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

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

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

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

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

10 PAYMENTS

10.1 Method of payment

- 10.1.1 Payments of Preference Dividends and Redemption Amounts in respect of Preference Shares shall be made to the person reflected as the registered holder of the Preference Shares in the Register on the Record Date. To be recorded in the Register on the Record Date, the trade must take place by 17h00 on the Last Day to Trade. The Preference Shares will trade "ex-entitlement" on the first Business Day after the Last Day to Trade.
- 10.1.2 The Issuer shall pay the Preference Dividends and Redemption Amounts payable in respect of each Preference Share, in immediately available and freely transferable funds, in Rand by electronic funds transfer, to the bank account of the Preference Shareholder as set forth in the Register at 17h00 on the Record Date preceding the relevant Dividend Payment Date or Redemption Date, as the case may be, or, in the case of joint Preference Shareholders, the account of that one of them who is first named in the Register in respect of that Preference Share. If two or more persons are entered into the Register as joint Preference Shareholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Preference Share shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Preference Share or interest therein.

- 10.1.3 Only Preference Shareholders, or, in the case of joint Preference Shareholders, the one of them who is first named in the Register in respect of that Preference Share, reflected in the Register at 17h00 on the relevant Record Date will be entitled to payments of Preference Dividends and/or Redemption Amounts in respect of Preference Shares.
- 10.1.4 Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.

10.2 **Surrender of Certificates**

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

10.3 **Payment Day**

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

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

10.3.3 **Calculation and notice of Redemption Amounts**

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

11 **CALCULATION AGENT, PAYING AGENT AND TRANSFER AGENT**

- 11.1 There will at all times be a Calculation Agent, Paying Agent and a Transfer Agent with a Specified Office. The Transfer Agent, Paying Agent and the Calculation Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Preference Shareholder.
- 11.2 The Issuer is entitled to vary or terminate the appointment of the Calculation Agent, Paying Agent and/or the Transfer Agent and/or to appoint additional or other agents.

The Issuer shall notify Preference Shareholders (in the manner set out in Condition 14), the Central Securities Depository (if applicable) and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), in the event of a change in the identity of the Calculation Agent, Paying Agent and/or Transfer Agent.

12 REDEMPTION EVENTS

12.1 Redemption Events relating to the Preference Shares

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

12.1.1 *Non-payment:* the Issuer fails to pay:

12.1.1.1 any Preference Dividend in respect of any Preference Share in that Class in full on the relevant Dividend Payment Date;

12.1.1.2 the Redemption Amount in respect of any Preference Share in that Class in full on the relevant Redemption Date;

12.1.1.3 any other amount in respect of any Preference Share in that Class on the due date for payment thereof,

and such failure remains unremedied for three Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;

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

12.1.3 *Consents, licences and Authorisations:* the Issuer fails to maintain any Authorisation now or in future necessary for the establishment of the Programme or the issue of Preference Shares under the Programme or any such Authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Preference Shares or the Programme, and such failure or cessation continues for more than 10 Business Days after the Issuer

becomes aware of such event and the position remains unremedied for a further 10 Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;

- 12.1.4 *Insolvency*: an Insolvency Event occurs in respect of the Issuer and the position remains unremedied for one Business Day after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.5 *Attachment of assets*: any attachment in execution of a judgment in respect of a claim for more than ZAR100 million (or its equivalent in any other currency, calculated at the spot rate for the sale of ZAR against the purchase of the relevant currency quoted by the Calculation Agent on the date of such Redemption Event) is levied against any undertaking or asset of the Issuer and such attachment or execution is not set aside or lifted with 15 Business Days after it came to the attention of the Issuer and the position remains unremedied for 10 Business Days after written notice thereof has been delivered by or on behalf of any Preference Shareholder to the Issuer;
- 12.1.6 *Change in law*: any change in Applicable Laws which makes it unlawful or illegal for a Preference Shareholder to continue to hold the Preference Shares and the position is not remedied within 30 days of receipt of written notice of the unlawfulness or illegality from the Preference Shareholder;
- 12.1.7 *Distributions*: the Issuer fails to comply with the requirements of section 46 of the Companies Act in respect of the payment of any Preference Dividend or Redemption Amount and such failure is not remedied within one Business Day of receipt of written notice from any Preference Shareholder calling upon the Issuer to remedy such failure;
- 12.1.8 *Illegality or Unenforceability*: the Preference Share Terms and Conditions become illegal, unenforceable, invalid or not binding, or it becomes unlawful for the Issuer to perform any of its obligations in terms of the Preference Shares or the Preference Share Documents or for any Preference Shareholder to fund or maintain its participation in any Preference Share, and the position is not rectified to the satisfaction of that Preference Shareholder within one Business Day of receipt by

the Issuer of written notice from the Preference Shareholder in question requiring the position to be rectified;

- 12.1.9 *Audit Qualification*: the audited annual financial statements of the Issuer are qualified by the applicable auditors for any reason whatsoever and the position is not rectified to the satisfaction of a Preference Shareholder within five Business Days of receipt by the Issuer of written notice from that Preference Shareholder requiring the position to be rectified; or
- 12.1.10 *Additional Redemption Events*: any other Redemption Event specified in the Applicable Pricing Supplement.

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

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

12.3 **Notice of a Redemption Event**

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

13 **REGISTER**

13.1 The Register shall:

- 13.1.1 be kept at the Specified Offices of the Transfer Agent;
- 13.1.2 reflect the number of Preference Shares at any given time and the date upon which each of the Preference Shareholders was registered as such;

- 13.1.3 contain the name, address, and bank account details of the Preference Shareholders;
 - 13.1.4 set out the Issue Price of the Preference Shares issued to such Preference Shareholders and shall show the date of such issue;
 - 13.1.5 show the serial number of Certificates issued in respect of any Preference Shares;
 - 13.1.6 be open for inspection during the normal business hours of the Issuer to any Preference Shareholder or any person authorised in writing by any Preference Shareholder.
- 13.2 The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Preference Share may be subject.
- 13.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Preference Shareholders of which it is notified in accordance with the Preference Share Terms and Conditions.
- 13.4 Except as provided for in the Preference Share Terms and Conditions or as required by Applicable Law, the Issuer will only recognise a Preference Shareholder as the owner of the Preference Shares registered in that Preference Shareholder's name as per the Register.

14 NOTICES

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

delivery of the relevant notice to the Central Securities Depository, the Participants and, in relation to any Class of Listed Preference Shares, the relevant Financial Exchange(s), for communication by them to the holders of Beneficial Interests in the Preference Shares, in accordance with the Applicable Procedures and Corporate Actions.

- 14.3 Where any provision of the Preference Share Terms and Conditions requires notice to be given to the Preference Shareholders of any matter other than a meeting of Preference Shareholders, such notice will be given *mutatis mutandis* as set out in Condition 14.1 and Condition 14.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 14.4 All notices (including all communications, demands and/or requests under the Preference Share Terms and Conditions) to be given by or on behalf of any Preference Shareholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the 2nd Business Day after being delivered by hand to the Specified Office of the Issuer or the Transfer Agent, as the case may be, or on the 10th Business Day after the day on which it is mailed by registered post to the Specified Office of the Issuer or the Transfer Agent, as the case may be.
- 14.5 Whilst any of the Preference Shares are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's Participant in accordance with the Applicable Procedures and Corporate Actions.
- 14.6 In relation to any Class of Listed Preference Shares, copies of any notices to Preference Shareholders delivered as set out above, including of meetings and any amendments to the Preference Share Terms and Conditions, shall be published on SENS.

- 14.7 For purpose of clarity and notwithstanding anything to the contrary contained in these General Preference Share Terms, all notices to Preference Shareholders holding any Class of Listed Preference Shares, will comply with the Applicable Procedures, the Companies Act and Corporate Actions.

15 AMENDMENT OF THESE GENERAL PREFERENCE SHARE TERMS AND THE SPECIFIC PREFERENCE SHARE TERMS

- 15.1 Any amendment to these General Preference Share Terms may be made only with the prior authorisation of a Special Resolution of the Preference Shareholders of each Class of Preference Shares, at a separate meeting of each such Class of Preference Shares, or by way of separate written resolutions of the Preference Shareholders of each Class of Preference Shares in accordance with section 60 of the Companies Act, and, in respect of any Class of Listed Preference Shares, in accordance with the Applicable Procedures.
- 15.2 Any amendment to the Specific Preference Share Terms of a particular Class of Preference Shares may be made only with the prior authorisation of a Special Resolution of the Preference Shareholders of that Class of Preference Shares, or by way of a written resolution of the Preference Shareholders of that Class of Preference Shares in accordance with section 60 of the Companies Act, and, in respect of any Class of Listed Preference Shares, in accordance with the Applicable Procedures.
- 15.3 No proposed amendment will be made to the Preference Share Terms and Conditions of any Class of Listed Preference Shares, unless the Issuer has first obtained formal approval of such proposed amendment from the relevant Financial Exchange(s) in compliance with the Applicable Procedures.

16 NO VOTING RIGHTS ON PREFERENCE SHARES HELD BY ANY SUBSIDIARY

No Subsidiary will have any voting rights in respect of Preference Shares which are beneficially held by or on behalf of such Subsidiary.

17 PRESCRIPTION

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

18 NOTICES OF MEETINGS AND VOTING RIGHTS

- 18.1 The Preference Shareholders shall not be entitled to receive notice of, to be present at, or to have any voting rights, at any meeting of the Ordinary Shareholders, unless any one or more of the following circumstances is prevailing at the time of such meeting:
- 18.1.1 any Preference Dividend or part thereof in respect of that Class of Preference Shares remains unpaid for a period of more than five Business Days from its applicable Dividend Payment Date;
 - 18.1.2 any Redemption Amount or part thereof in respect of that Class of Preference Shares remains unpaid for a period of more than five Business Days from its applicable Redemption Date; and/or
 - 18.1.3 a resolution of the Issuer is proposed for its winding-up or reduction of capital of the Issuer.
- 18.2 At every shareholders meeting of the Issuer at which both the Preference Shareholders and the holders of Ordinary Shares are entitled to be present and to exercise voting rights, each Preference Shareholder shall in respect of each Preference Share held by it be entitled to exercise one vote for every Preference Share held, subject to all Preference Shares and Existing Preference Shares in aggregate carrying a maximum of 24.99% of the voting rights exercisable by all the shareholders at such meeting. Should the voting rights that would be exercisable by the holders of the Preference Shares and the Existing Preference Shares in the absence of the above limitation exceed 24.99% of the voting rights exercisable by all the shareholders at such meeting, then the number of votes exercisable by the holders of the Preference Shares and the Existing Preference Shares will be reduced *pro rata*.
- 18.3 At every meeting of the Preference Shareholders, whether of all Preference Shareholders or of a separate Class of Preference Shareholders, each Preference Shareholder shall in respect of each Preference Share held by it be entitled to exercise one vote for every Preference Share held.
- 18.4 In respect of every meeting of the Preference Shareholders, whether of all Preference Shareholders or of a separate Class of Preference Shareholders, the provisions of the

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

19 REPRESENTATIONS AND WARRANTIES

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

- 19.1 the Issuer is a company with limited liability duly incorporated and validly existing under the laws of South Africa;
- 19.2 the Issuer has the power in terms of its Memorandum of Incorporation to issue the Preference Shares and it does not have any class of preference shares or other shares which rank in priority to the Preference Shares with respect to -
 - 19.2.1 the payment of dividends by the Issuer; and/or
 - 19.2.2 the distribution of the assets of the Issuer in the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, or any other distribution of the assets of the Issuer whether for the purpose of winding up its affairs or otherwise;
- 19.3 the Preference Shares will be validly allotted and issued and the directors of the Issuer have the necessary authority and have taken the necessary steps to determine that the allotment and issue of the Preference Shares should be made subject to the rights and privileges set out in the Preference Share Terms and Conditions;
- 19.4 the Issuer will satisfy the solvency and liquidity test as at the date of each distribution to be made by the Issuer in respect of the Preference Shares and shall otherwise comply with the provisions of the Companies Act in respect of those distributions;
- 19.5 the Preference Dividends to be paid by the Issuer will not reduce the "contributed tax capital" (as such term is defined in section 1 of the Income Tax Act) in relation to the Preference Shares;

- 19.6 the Preference Dividends paid by the Issuer shall be "dividends" as defined in terms of Section 1 of the Income Tax Act;
- 19.7 the issue of the Preference Shares does not and the payment of the Preference Dividends to be paid by the Issuer shall not conflict with any Applicable Law; and
- 19.8 the Preference Shares shall be redeemed out of the "contributed tax capital" (as defined in section 1 of the Income Tax Act) of the Issuer attributable to the relevant Class of Preference Shares.

20 **GOVERNING LAW**

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

APPLICABLE PRICING SUPPLEMENT



FirstRand Bank

FIRSTRAND BANK LIMITED

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

Issue of ZAR2,809,000,000 Class A Cumulative, Redeemable, Non-Participating Preference Shares

Under its ZAR5,000,000,000 Preference Share Programme

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

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

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

To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of the Applicable Pricing Supplement shall prevail unless such conflict or inconsistency is also inconsistent with the terms attaching to each Preference Share as set out in the Issuer's Memorandum of Incorporation, in which case the terms set out in the Memorandum of Incorporation will prevail.

DESCRIPTION OF THE PREFERENCE SHARES

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

5	Tranche number	1
6	Aggregate Issue Price of this Tranche	ZAR2,809,000,000
7	Number of Preference Shares	280,900
8	Dividend/Payment Basis	Floating Rate
9	Issue Date	28 October 2019
10	Minimum Aggregate Issue Price per subscriber, acting as principal	ZAR1,000,000, unless the person subscribing for the Preference Shares is a person falling within the exemptions set out in section 96(1)(a) of the Companies Act
11	Issue Price	ZAR10,000 per Preference Share
12	Dividend Commencement Date	Issue Date
13	Final Redemption Date	31 October 2022, being at least 3 years and 1 day after Issue Date or, if such day is not a Business Day, the Business Day determined in accordance with the Applicable Business Day Convention, subject to the Applicable Procedures. The Final Redemption Date may be extended by agreement in writing between the Issuer and the Preference Shareholders, provided that the Final Redemption Date in respect of any Preference Shares held by a Preference Shareholder who does not so agree, will remain as set out above
14	Final Redemption Amount	Issue Price
15	Applicable Business Day Convention	Business Day convention described in Condition 10.3
16	Default Rate	200 basis points above the Dividend Rate
17	Set out the relevant description of any additional/other Preference Share Terms and Conditions relating to the Preference Shares (including additional covenants, if any)	<p>The reference in the first line of Condition 8.1.1 to "<i>Condition 8.1.2</i>" is replaced with a reference to "<i>Conditions 8.1.2 and/or 8.1.3</i>".</p> <p>The words at the beginning of Condition 8.3 "<i>When calculating any increase or decrease, as the case may be, in the Dividend Rate pursuant to the provisions</i>" are replaced by the words "<i>For purposes</i>".</p>
FLOATING RATE PREFERENCE SHARES		
18	Dividend Rates(s)	65% of the prevailing Prime Rate from time to time, calculated on a simple daily non-compounding basis, provided that in the event

	that there is a change to the Prime Rate between the date of notification to Preference Shareholders of the Preference Dividends payable on any relevant Dividend Payment Date and that Dividend Payment Date, the prevailing Prime Rate at the date of notification will be applied from such date until (but excluding) the Dividend Payment Date, from which date the change to the Prime Rate will take effect
19 Dividend Payment Date(s)	The last Monday of January and July of each calendar year until the Redemption Date, provided that the first Dividend Payment Date will be the last Monday of January 2020, and provided further that if any such day is not a Business Day, the Business Day on which the Preference Dividends will be paid will be adjusted in accordance with the Applicable Business Day Convention, subject to the Applicable Procedures
20 Dividend Compounding Date(s)	Non-compounding, unless any Preference Dividend is not paid on any relevant Dividend Payment Date, in which event the unpaid Preference Dividend will be compounded on such Dividend Payment Date and on each subsequent Dividend Payment Date until paid
21 Dividend Period(s)	Each period commencing on (and including) a Dividend Payment Date and ending on (but excluding) the following Dividend Payment Date, provided that the first Dividend Period will commence on (and include) the Dividend Commencement Date and end on (but exclude) the following Dividend Payment Date, and the last Dividend Period will commence on (and include) the Dividend Payment Date immediately preceding the Redemption Date and will end on (but exclude) the Redemption Date (each Dividend Payment Date as adjusted in accordance with the Applicable Business Day Convention, subject to the Applicable Procedures)
22 Manner in which the Dividend Rate is to be determined	Publicly quoted
23 Dividend Rate Determination Date(s)	The Issue Date, the first Business Day of each Dividend Period and each date upon which there is any change to the Prime Rate (subject to item 18 above)
24 Margin/Spread for the Dividend Rate	N/A
25 Minimum Dividend Rate	N/A

26	Maximum Dividend Rate	N/A
27	If ISDA Determination	N/A
	(a) Floating Rate (including relevant period)	N/A
	(b) Floating Rate Option	N/A
	(c) Reset Date(s)	N/A
	(d) ISDA definitions to apply	N/A
28	If Screen Determination	N/A
	(a) Reference Rate (including relevant period by reference to which the Dividend Rate is to be calculated)	N/A
	(b) Dividend Rate Determination Date(s)	N/A
	(c) Relevant Screen page and Reference Code	N/A
	(d) Relevant Time	N/A
29	If Dividend Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Dividend Rate/Margin/Fall back provisions	N/A
30	Any other terms relating to the particular method of calculating Preference Dividends	N/A

PROVISIONS REGARDING REDEMPTION / MATURITY

31	Redemption at the option of the Issuer: if yes:	No, early redemption only in terms of Conditions 9.3, 9.4 and 9.5
	(a) Optional Redemption Date(s)	N/A
	(a) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
	(b) Redeemable in part	N/A
	(c) Other terms applicable on Redemption	N/A

32 Early Redemption Amount and method, if any, of calculation of such amount Final Redemption Amount, as per Condition 9.6

GENERAL

33	International Securities Identification Number (ISIN)	ZAE000279469
34	Stock Code	FRBP01
35	Financial Exchange	Main Board of the JSE
36	Dealer(s)	Rand Merchant Bank (a division of FirstRand Bank Limited)
37	Arranger	Rand Merchant Bank (a division of FirstRand Bank Limited)
38	Transfer Secretaries	Computershare Investor Services Proprietary Limited
39	Method of distribution	Private placement
40	Credit Rating assigned to the Issuer	N/A
41	Rating Agency	N/A
42	Governing Law	South Africa
43	Last Day to Trade	The " <i>Last Day to Trade</i> " as set out in the Applicable Procedures
44	Record Date	The date on which the holdings of Preference Shares is determined, upon which date the Event entitlement is ascertained, being the " <i>Record Date</i> " as set out in the Applicable Procedures
45	Calculation Agent	Rand Merchant Bank (a division of FirstRand Bank Limited)
46	Specified Office of the Calculation Agent	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196
47	Transfer Agent	Computershare Investor Services Proprietary Limited
48	Specified Office of the Transfer Agent	Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
49	Settlement Agent	RMB Morgan Stanley Proprietary Limited
50	Specified Office of the Settlement Agent	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196

51	Paying Agent	Rand Merchant Bank (a division of FirstRand Bank Limited)
52	Specified Office of the Paying Agent	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196
53	Debt Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited)
54	Stabilisation Manager, if any	N/A
55	Programme Amount	ZAR5,000,000,000
56	Aggregate Issue Price of all Preference Shares in issue on the Issue Date of this Tranche	ZARnil, excluding this Tranche of Preference Shares and any other Tranche(s) of Preference Shares to be issued on the Issue Date
57	Other Banking Jurisdiction	N/A
58	Use of proceeds	General corporate purposes
59	Surrendering of Certificates	Uncertificated
60	Additional Redemption Events	<p><i>Amendment of Preference Share Terms and Conditions:</i> The proposal of any Special Resolution to (i) alter any of the Dividend Commencement Date, Dividend Compounding Date(s), Dividend Payment Date(s), Dividend Period, Dividend Rate Determination Date, Final Redemption Amount, Final Redemption Date, Default Rate, Redemption Amount, Redemption Event or Redemption Dates; or (ii) reduce the Dividend Rate or change the basis of its calculation or determination whatsoever</p> <p><i>Business Rescue:</i> The passing of any resolution by the Board to voluntarily begin business rescue proceedings, the giving of any notice contemplated in section 129(7) of the Companies Act, or any decision not to publish such notice in circumstances where the Issuer is financially distressed</p>
61	Additional Adjustment Events	N/A

62 Material change	The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest audited consolidated annual financial statements for the year ended 30 June 2019. This statement has not been confirmed nor verified by the auditors of the Issuer.
63 Exchange Control Approval	N/A
64 Other provisions	N/A

Responsibility Statements

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

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

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

Application is hereby made to list Tranche No 1 of the Class A Preference Shares on the Main Board of the JSE, as from 28 October 2019, pursuant to the FirstRand Bank Limited ZAR5,000,000,000 Preference Share Programme.

FirstRand Bank Limited

By: 

Duly authorised

Name of signatory: Alan Patrick Pullinger

Date: 18 October 2019

By: 

Duly authorised

Name of signatory: Hetash Surendrakumar Kellan

Date: 18 October 2019