



Investec

INVESTEC BANK LIMITED

Registration Number 1969/004763/06

(Incorporated with limited liability in the Republic of South Africa)

ZAR10,000,000,000 Credit Linked Note Programme

Under this ZAR10,000,000,000 Credit Linked Note Programme (the “**Programme**”), Investec Bank Limited (the “**Issuer**”) may, from time to time, issue unsecured or secured registered credit linked notes of any kind (the “**Notes**”) denominated in such currencies as may be agreed, or as may be otherwise designated by the Issuer at the time of issue and on the terms and conditions (the “**Terms and Conditions**”) set out in this document (the “**Programme Memorandum**”) (as amended and supplemented from time to time, in the relevant applicable pricing supplement (the “**Applicable Pricing Supplement**”)) and any supplement to the Programme Memorandum or other document that may be required to be issued in connection with the listing or issue of any Notes.

This Programme Memorandum will apply to Notes issued under the Programme in an aggregate outstanding Principal Amount which will not exceed ZAR10,000,000,000, unless such amount is increased by the Issuer as set out in the section of this Programme Memorandum headed “*General Description of the Programme*”.

Notes issued under the Programme are credit linked notes issued on the basis that payments of principal and/or interest (if any) in respect of the Notes (whether at maturity or otherwise) will depend on whether or not a specified “Credit Event” occurs in respect of one or more specified “Reference Entities” and/or a specified “Credit Event” occurs in respect of the obligations of any of such Reference Entities, as specified in the Applicable Pricing Supplement. Following the occurrence of a Credit Event, the Notes may either be cash settled or physically settled by delivery of bonds or other qualifying obligations (including, without limitation, the “Reference Obligations”) of the defaulted Reference Entity, as indicated in the Applicable Pricing Supplement.

The types of Notes that may be issued under the Programme will include the following: (a) Single Name Notes, being Notes where Noteholders take the credit risk of a single named Reference Entity, (b) Basket Notes, being Notes where Noteholders take the credit risk in respect of two or more named Reference Entities in a basket of Reference Entities, and (c) Nth-to-Default Notes, being Notes where Noteholders take the credit risk of the Nth to default among a basket of Reference Entities. Other types of Notes may from time to time be issued under the Programme as set out in the Applicable Pricing Supplement.

Notes may be interest bearing or non-interest bearing, as indicated in the Applicable Pricing Supplement. Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index Linked Interest Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) (if any) and specified in the Applicable Pricing Supplement.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and be subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement. The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Pricing Supplement set out in the section of this Programme Memorandum entitled “*Pro Forma Pricing Supplement*”. Details of a Tranche of Notes, including the aggregate Principal Amount (where applicable) of such Notes, the interest (if any) payable in respect of such Notes and the Issue Price (where applicable) of such Notes will be set forth in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by JSE Limited (the “**JSE**”). A Tranche of Notes may be listed on the Bond Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to applicable laws. Unlisted Notes may also be issued under the Programme. The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement of a Tranche of Notes to be listed on the Bond Market of the JSE will be delivered to the JSE and the CSD (as defined below), on or before the Issue Date, and such Notes may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The issue of a Tranche of Deferred Payment Notes pursuant to which the payment of the Issue Price is deferred to the date of the occurrence of a Credit Event will be booked, by the Issuer’s Participant, as a “free of value” trade on the JSE’s Trade Reporting System. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the Bond Market of the JSE) will be specified in the Applicable Pricing Supplement.

Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis.

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

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

Arranger, Sponsor and Dealer: Investec Bank Limited, acting through its division, Investec Capital Markets

1

IMPORTANT NOTICES

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

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

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

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

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

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, other professional advisers or the JSE.

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

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, the Sponsor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, issue, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arranger, the Sponsor and

the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer when deciding whether or not to subscribe for, or purchase, any Notes.

The Applicable Pricing Supplement will specify the nature of the responsibility taken by the Issuer for the information relating to any Reference Entity and/or Reference Obligation (each a “**Reference Item**”) to which the relevant Notes relate and which is contained in such Applicable Pricing Supplement. However, unless otherwise expressly stated in the relevant Applicable Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item or which is otherwise publicly available. The Issuer will, unless otherwise expressly stated in the relevant Applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable), but the Issuer will not accept any further or other responsibility (express or implied) in respect of such information.

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

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

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arranger and the Dealers to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering materially relating to the Notes, see the section headed “*Subscription and Sale*”.

In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom, the European Economic Area and South Africa. None of the Issuer, the Arranger, the Dealers or the other professional advisors represent that this Programme Memorandum and the Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealers or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum, the Applicable Pricing Supplement nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

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

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

Prospective subscribers for or purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. See also the section of this Programme Memorandum entitled “Risk Factors” starting on page 9.

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

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE	6
GENERAL DESCRIPTION OF THE PROGRAMME	7
RISK FACTORS	9
SUMMARY OF THE PROGRAMME	20
<i>PRO FORMA</i> PRICING SUPPLEMENT	25
FORM OF THE NOTES	40
TERMS AND CONDITIONS OF THE NOTES	42
USE OF PROCEEDS	108
DESCRIPTION OF THE ISSUER	109
SETTLEMENT, CLEARING AND TRANSFERS OF NOTES	111
SOUTH AFRICAN TAXATION	113
SUBSCRIPTION AND SALE	115
EXCHANGE CONTROL	117
GENERAL INFORMATION	119

DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents are incorporated by reference into, and form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) in respect of any issue of Notes under the Programme, the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, for its three financial years prior to the date of such issue;
- (c) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme; and
- (d) all information pertaining to the Issuer and/or Investec Limited which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted by the Securities Exchange News Service ("SENS"), established by the JSE, to SENS subscribers and/or (ii) available on any electronic news service established or used or required by the JSE,

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

The documents which are incorporated herein by reference (unless such documents have been modified or superseded), will (as and when the relevant documents and annual financial statements are approved and become available) be available for inspection, by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. The Issuer will provide at the Specified Office of the Issuer, without charge, to each person to whom a copy of the Programme Memorandum has been delivered, upon request of such person, a copy of any or all of the documents which are incorporated herein by reference (unless such documents have been modified or superseded). Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. In addition, a summary of these annual financial statements will (as and when the relevant annual financial statements are approved and become available) be accessible at the Investec group's website at www.investec.com.

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

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplement. Subject as provided in the Terms and Conditions of the Notes, any of the following, including, without limitation, the type of Notes which may issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuer and the relevant Dealer(s) (if any). Words used in this section entitled "General Description of the Programme" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Subject to compliance with all applicable legal and/or regulatory and/or exchange control requirements, the Issuer may from time to time issue one or more Tranches of Notes (denominated in such currencies as may be agreed, or as may be otherwise designated by the Issuer at the time of issue) under the Programme, pursuant to this Programme Memorandum, provided that the aggregate outstanding Principal Amount of all of the Notes issued and outstanding under the Programme from time to time does not exceed the Programme Amount.

Notes issued under the Programme are credit linked notes issued on the basis that payments of principal and/or interest (if any) in respect of the Notes (whether at maturity or otherwise) will depend on whether or not a specified "Credit Event" occurs in respect of one or more specified "Reference Entities" and/or the obligations of any of such Reference Entities, as specified in the Applicable Pricing Supplement. Following the occurrence of a Credit Event, the Notes may either be cash settled or physically settled by delivery of bonds or other qualifying obligations (including, without limitation, the "Reference Obligations") of the defaulted Reference Entity, as indicated in the Applicable Pricing Supplement.

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

- (a) Single Name Notes, being Notes where Noteholders take the credit risk of a single named Reference Entity;
- (b) Basket Notes, being Notes where Noteholders take the credit risk in respect of two or more named Reference Entities in a basket of Reference Entities; and
- (c) Nth-to-Default Notes, being Notes where Noteholders take the credit risk of the Nth to default among a basket of Reference Entities.

Other types of Notes may from time to time be issued under the Programme as set out in the Applicable Pricing Supplement.

Notes may be interest bearing or non-interest bearing, as indicated in the Applicable Pricing Supplement. Interest bearing Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index Linked Interest Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) (if any) and specified in the Applicable Pricing Supplement.

Notes may be issued as fully paid up Notes, Partly-Paid Notes or Deferred Payment Notes. Deferred Payment Notes are Notes issued on the basis that the payment of the Issue Price by Noteholders to the Issuer is deferred until the occurrence of a Credit Event, as indicated in the Applicable Pricing Supplement. If no Credit Event occurs on or prior to the Scheduled Maturity Date of a Deferred Payment Note then the Note will be Redeemed without the Noteholder being obliged to pay the Issue Price to the Issuer. Interest (if any) payable in respect of a Deferred Payment Note will be calculated by reference to the "Notional Principal Amount" specified in the Applicable Pricing Supplement.

A Tranche of Notes may be listed on the Bond Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to applicable laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE, the Issuer will, by no later than the last day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Principal Amount (where applicable) and the Scheduled Maturity Date of that Tranche of Notes.

As at the Programme Date, the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Principal Amount which does not exceed the Programme Amount (or its equivalent in other currencies). For the purpose of calculating the South African Rand equivalent of the aggregate Principal Amount of the Notes outstanding under the Programme from time to time, the South African Rand equivalent of the Notes denominated in another Currency of Issue (as specified in the Applicable Pricing Supplement) shall be

determined as of the date of agreement to issue such Notes (the “**Agreement Date**”) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Currency of Issue in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the “**Conversion Rate**”) and in respect of:

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

From time to time the Issuer may elect to increase the Programme Amount. Subject to the Applicable Procedures and all applicable laws, the Issuer may, without the consent of any Noteholder, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 18 (*Notices*) of the Terms and Conditions, and to the Arranger, the Sponsor and the Dealer(s) (if any). Upon such notice being given to the Noteholders, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

The Programme is not rated. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued provided that the Rating Agency has confirmed in writing that all of its respective current Rating(s) of Tranches of Notes then in issue will not be downgraded or withdrawn as a result of the issue of such unrated Tranche of Notes. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings. A Rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

The issue of any Tranche of Notes which references one or more foreign Reference Entity(ies) and/or foreign Reference Obligation(s) and/or other foreign asset(s) requires the prior written approval of the Exchange Control Department of the South African Reserve Bank.

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

A summary of the Programme and the Terms and Conditions appears below in the section of the Programme Memorandum entitled “*Summary of the Programme*”.

RISK FACTORS

Prospective investors should read the entire Programme Memorandum (and, where appropriate, the Applicable Pricing Supplement) to reach their own views prior to making any investment decision. Words used in this section entitled "Risk Factors" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context. Investing in securities involves certain risks.

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

An investment in Notes linked to one or more Reference Items may involve a number of risks, some of which are referred to below and are not associated with investment in a conventional debt security. The Applicable Pricing Supplement in respect of an issue of Notes may contain additional Risk Factors in respect of such Notes. The amount paid by the Issuer on redemption of the Notes may be less than the principal amount of the Notes and may in certain circumstances be zero. Potential investors should ensure that they fully understand all of the risks prior to making any investment decision. Potential investors should seek independent financial advice prior to investing in Notes. Potential investors should also read the detailed information set out elsewhere in this Programme Memorandum (and, where appropriate, any Applicable Pricing Supplement) and reach their own views prior to making any investment decision.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its operations that it considers to be material. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Furthermore, there may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effect set forth above. Prospective investors should consider, among other things the following:

Risks relating to the Issuer

Risk Management

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

Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and reputation of the Issuer.

Concentration Risk

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

Liquidity Risk

The Issuer, in common with other banks in South Africa, is very reliant on wholesale funding rather than retail deposits, due to the low savings rate within South Africa and the impact of certain exchange controls in South Africa which limited the ability of depositors to make deposits outside of South Africa. Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any maturity mismatches may have a material

adverse effect on its financial condition and results of operations. Furthermore, there can be no assurance that the Issuer will be successful in obtaining additional sources of funds on acceptable terms or at all.

Failure of systems and breaches of security systems

The Issuer relies on the proper functioning of its systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business resumption and disaster recovery planning. Any significant degradation, failure or lack of the Issuer's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations and financial condition or could give rise to adverse regulatory and reputational consequences for the Issuer's business.

The secure storage, use and transmission of confidential information are critical elements of the Issuer's operations. The Issuer's networks and systems may be vulnerable to unauthorised access and other security problems. The Issuer cannot be certain that its existing security measures will prevent breaches including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Issuer's or its client's confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

The Issuer's future success will depend in part on its ability to respond to changing technologies and demands of the market place. The Issuer's failure to upgrade its information and communications systems on a time or cost-effective basis could have an adverse effect on its business, financial condition and/or operating results and could damage its relationship with its clients and counterparties.

Key personnel

The Issuer's performance is dependent on the talents and efforts of key personnel, some of whom may have been employed by the Issuer for a substantial period of time and have developed with the business. The Issuer's continued ability to compete effectively and further develop its businesses also depends on its ability to attract new employees. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within South Africa, including access to facilities and educational programmes by its future employees. The Issuer has implemented programmes to attract new employees and equip them with appropriate skills.

Terrorist acts

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on South Africa, and international economic conditions generally

Capital adequacy requirements

The Issuer is subject to the capital adequacy requirements set out in the Banks Act (as read with the Regulations Relating to Banks published under Government Notice R3 in Government Gazette 30629 of 1 January 2008), which could limit its operations.

Under the capital adequacy requirements of the Banks Act, which provide for a minimum target ratio of capital to risk-adjusted assets, the Issuer must maintain a minimum level of capital based on risk-adjusted assets and off-balance-sheet exposures. Until 31 December 2007, the Issuer was subject to regulatory capital adequacy requirements under Basel I, which changed to Basel II on 1 January 2008. At the Issuer, capital adequacy is measured via two risk based ratios: Tier 1 capital and total capital. Tier 1 capital is a function of core capital and non-core capital, encompassing non-Redeemable non-cumulative preference shares and hybrid capital. Total capital also includes other items such as subordinated debt and an eligible portion of the total general allowance for credit losses. All of these capital measures are stated as a percentage of risk weighted assets. Risk weighted assets are measured in terms of Basel II and the Issuer has been granted regulatory approval for the implementation of the Advanced Internal Ratings Based Approach under Basel II for credit risk.

The Banks Act requires the Issuer to maintain a minimum level of capital based on the Bank's risk weighted assets. These minimum requirements are a Tier 1 capital ratio of 7.0% and a total capital ratio of 9.5%. Non-core capital can comprise a maximum of 25% of Tier 1 capital.

Any failure by the Issuer to maintain its capital adequacy ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes. In addition, it is difficult for the Issuer to predict the precise effects of the changes that may result from the implementation of Basel II on the Issuer's calculations of capital, the impact of these revisions on other aspects of its operations or the impact on the pricing of the Notes.

Regulatory environment

The Issuer is subject to government regulation in South Africa. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may include capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments. Changes in government policy,

legislation or regulatory interpretation applying to the financial services industry in the markets in which the Issuer operates may adversely affect the Issuer's product range, distribution channels, capital requirements and, consequently, reported results and financing requirements.

Exchange Control Regulations

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African Government (the "Government") may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls, may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Issuer's business and it could have an adverse effect on the financial condition of the Issuer as a whole. In the event of the immediate abolition of exchange control there may be a sudden withdrawal of Rand from the South African market by investors. Because South Africa has a fully floating exchange rate and a flexible interest rate policy, this could result in a rapid depreciation of the Rand exchange rate which could serve to stem the flight and could also result in an increase in interest rates due to the depreciation of the Rand. Rand would be purchased in exchange for foreign currency and deposited in the Sterilisation Account of the South African Reserve Bank.

General risks relating to the Notes

Investment suitability

An investment in the Notes involves a high degree of risk and is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of such investment.

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

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

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

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications may be made for the Notes issued under the Programme to be admitted to listing on the Bond Market of the JSE or on such other or additional Financial Exchange(s), there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. Consequently, any investor in a Note must be prepared to hold the Notes until the maturity date or final redemption of such Notes.

The Notes may be Redeemed prior to maturity

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

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

In the case of an early redemption of Notes due the occurrence of a "Credit Event", the price of the obligations of the Reference Entity may be significantly lower than the initial prices of the obligations of the Reference Entity. In the case of an early redemption an Index Linked Note, the level of the index may be significantly lower than the initial level of the index.

Exchange rate risks

The Issuer will pay principal and interest on the Notes in the Currency of Issue. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Currency of Issue. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Currency of Issue or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Currency of Issue would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes, and (c) the Investor's Currency equivalent market value of the Notes.

Legal, tax and regulatory risks

Legal, tax, policy and regulatory changes in the South African investment environment or otherwise, may occur during the term of the Programme that may have an adverse effect on the Issuer and/or the Notes. No prediction can be made as to what the effect of such changes (if any) will be on the Issuer and/or the Notes.

Meetings of Noteholders

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

Change of law

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice in either such jurisdiction after the Programme Date.

Rating of a Tranche of Notes

The Programme is not rated. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. A Rating of a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating of a Tranche of Notes only addresses the likelihood that the aggregate outstanding Principal Amount of Notes in that Tranche will be fully repaid on the Scheduled Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. A Rating of a Tranche of Notes does not address the likelihood of repayment of the aggregate outstanding Principal Amount of such Notes before the Scheduled Maturity Date. A Rating of a Tranche of Notes may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency and, accordingly, there can be no assurance that a Rating will remain for any given period of time or that a Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action. There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis. Any adverse change in the Rating of a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

Listing and limited liquidity of the Notes

The Issuer may issue listed or unlisted Notes. The continued listing of any Tranche of Notes listed on the Bond Market of the JSE and/or on any other Financial Exchange(s) is subject to the rules of the relevant Financial Exchange(s) in force from time to time, and the continued functioning of the relevant Financial Exchange(s). There can accordingly be no assurance that the listing of any Tranche of Notes will continue until the Scheduled Maturity Date (if any).

It is not possible to predict the price at which Notes may trade in the secondary market, or whether such market will be liquid or illiquid. There can be no assurance that any secondary market for any of the Notes will continue until the Scheduled Maturity Date. Consequently, a subscriber or purchaser must be prepared to hold its Notes until the Scheduled Maturity Date.

Noteholders that trade in Notes during the period that the Register is closed prior to each Interest Payment Date, will need to reconcile any amounts payable on the following Interest Payment Date pursuant to a partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

If the Notes are traded after their initial issue, they may trade at a discount to their initial Issue Price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Notes may be held in the CSD

Each Tranche of Notes which is listed on the Bond Market of the JSE, whether issued in certificated form or in uncertificated form, will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD. Investors in such Notes will have to rely on the procedures of the JSE and/or the CSD for transfer, payment and communication with the Issuer. Except in the circumstances described in the Terms and Conditions, investors in such Notes will not be entitled to receive Individual Certificates.

The CSD will maintain records of the Beneficial Interests in Notes held in the CSD. While the Notes are held in the CSD, investors will be able to trade their Beneficial Interests in the Notes only through the CSD.

While the Notes are held in the CSD the Issuer will discharge its payment obligations under such Notes by making payments to, or to the order of, the CSD's Nominee (as the registered holder of such Notes) for distribution to holders of the Beneficial Interest in such Notes. A holder of a Beneficial Interest in a Note must rely on the procedures of the CSD and its Participants to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in Notes vote in accordance with the Applicable Procedures and will not have a direct right to vote in respect of such Notes. The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13.1 (*Exchange of Beneficial Interests*) of the Terms and Conditions.

Requirements of the JSE and the CSD for the issue of Deferred Payment Notes

The issue of a Tranche of Deferred Payment Notes will be booked, by the Issuer's Participant, as a "free of value" trade on the JSE's Trade Reporting System. The respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes will be effected, on the Issue Date, by the relevant Participants through the respective securities accounts maintained by the relevant Participants for, respectively, the Issuer and such holder(s), in accordance with the Applicable Procedures.

The CSD assumes no responsibility or liability of whatsoever nature for, or in connection with, the booking of the issue of a Tranche of Deferred Payment Notes as a "free of value" trade on the JSE's Trade Reporting System and/or for the respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes.

Recourse to the BESA Guarantee Fund

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.

Non-recourse obligations

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person, unless otherwise specified in the Applicable Pricing Supplement.

Tax considerations

The Issuer has carried out (or will have carried out) all steps reasonably necessary to ensure its compliance with the current provisions of Taxation legislation (including the Income Tax Act, 1962, the Value-Added Tax Act, 1991 and other Taxation provisions). Full disclosure will be made to any Taxation bodies but no assurance can be given that the views of these bodies will not differ from the treatment adopted by the Issuer from time to time.

A summary of the applicable Taxation legislation applicable, as at the Programme Date, in respect of the Notes is set out in the section of this Programme Memorandum entitled “*South African Taxation*”. The summary does not constitute tax advice.

Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.

No representation and/or warranty and/or undertaking is given by the Issuer (or any other person) in respect of the tax treatment of any Noteholder of Notes, and no liability and/or responsibility is assumed by the Issuer (or any other person) for the tax treatment of any Noteholder of Notes.

Risks relating to the structure of a particular issue of Notes

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

Index-Linked and Dual Currency Notes

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

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

Partly-paid Notes

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the Interest Rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the Interest Rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating

Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on Notes.

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

Notes issued at a substantial discount or premium

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

No limitation on issuing securities

There is no restriction on the amount of securities or indebtedness which the Issuer may issue or incur which rank *pari passu* with the Notes. The issue of any such securities or indebtedness may reduce the amount recoverable by holders of Notes on a winding-up, liquidation or administration of the Issuer.

Risks relating to credit linked Notes

General Considerations

The Notes are securities which are credit-linked to the performance of one or more Reference Entities and the obligations of such Reference Entity(ies). Investors should note that the Notes differ from ordinary debt securities issued by the Issuer in that the amount of principal and (if any) interest payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the relevant Reference Entity(ies). An investment in such Notes is speculative and volatile and involves a high degree of risk and accordingly, in certain circumstances, the Notes will cease to bear interest and the value received by Noteholders on redemption may be less than their original investment and may in certain circumstances be zero. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in the Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

The Notes are linked to the creditworthiness of the relevant Reference Entity(ies). The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events in one or more jurisdictions, developments or trends in any particular industry and changes in prevailing interest rates. Accordingly, the price of the Notes may be volatile.

Where the Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date, or (b) assets which the Issuer and/or any Affiliate of the Issuer has not received under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and, as a result, the amount payable on redemption. Prospective investors should review the Terms and Conditions of the Notes and the Applicable Pricing Supplement to ascertain whether and how such provisions should apply to the Notes.

Credit risk on Reference Entities

Investors in the Notes will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the Applicable Pricing Supplement, to the full extent of their investment in such Notes. Upon the occurrence of any of the default events comprising a Credit Event with respect to any Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. However, the holding of a Note is unlikely to lead to outcomes which exactly reflect the impact of investing in an obligation of a Reference Entity, and losses could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Noteholders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by applicable laws or exchange controls.

Where Cash Settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may

result in a redemption of the Notes in a reduced redemption amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated. Where Physical Settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Notes based on the valuation (or by delivery) of certain direct or indirect obligations of the affected Reference Entity, which obligations are likely to have a market value which is substantially less than their par amount.

Investors in the Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity. The maximum loss to an investor in the Notes is 100 percent of their initial investment, together with (if applicable) any interest amounts.

Prospective investors in the Notes should conduct their own investigations and, in deciding whether or not to invest in the Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations. In particular, each investor contemplating investing in any Notes should make its own appraisal of the Reference Entity. If in doubt, potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision. Neither the Issuer nor any other Person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity.

Reliance on Creditworthiness of the Issuer

The Notes comprise debt obligations of the Issuer and, consequently, Noteholders are relying not only on the creditworthiness of the Reference Entity(ies) but also on the creditworthiness of the Issuer. The Notes will not be secured in any way, unless otherwise specified in the Applicable Pricing Supplement.

Credit observation period

Noteholders may suffer a loss of some, or all, of the principal of the Notes in respect of one or more Credit Events that occur prior to the Issue Date. Neither the Calculation Agent or the Issuer nor any of their respective Affiliates has any responsibility to inform any Noteholder, or avoid or mitigate the effects of a Credit Event that has taken place prior to the Issue Date.

Increased credit risk in Nth-to-Default Notes

Where the Notes are Nth-to-Default Notes, the Notes will be subject to redemption in full as described above upon the occurrence of a Credit Event in relation to the Nth Reference Entity.

Concentration of credit risk

Where the Notes are Basket Notes, the credit risk to investors in the Notes may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

Conflict of interest

The Issuer is acting in a number of capacities. The Issuer will act as Paying Agent, Calculation Agent and Transfer Agent (unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent and/or Calculation Agent and/or Transfer Agent, as contemplated in Condition 15 (*Transfer Agent, Calculation Agent and Paying Agent*) of the Terms and Conditions), and will be responsible for determining whether a Credit Event has occurred, calculating the payments to be made in respect of the Notes, and determining the dates of such payments in accordance with the Terms and Conditions. The Issuer may also deal in the Notes.

The Issuer will exercise its rights under the terms of the Notes, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or delivery, in its own interests and those of its Affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example, by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation or delivery, as applicable, may result in increased credit loss for Noteholders.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstances, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determination expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations.

The Issuer may have business or other relationships with Reference Entities and may hold debt obligations (whether or not constituting Reference Obligations) of, or otherwise have credit exposure to, the Reference Entities. Nothing contained in this Programme Memorandum shall be deemed to restrict or impose any liability, duty or restriction on the Issuer, its

Affiliates or any of its officers or directors, in respect of dealing with, or otherwise extending credit to or advising any Reference Entity or any of its Affiliates.

Actions of Reference Entities

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Notes. Noteholders should be aware that the Reference Entity(ies) to which the value of the Notes is exposed, and the terms of such exposure, may change over the term of the Notes.

Deferral of payments

In certain circumstances, for example where (a) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date of payment, or (b) where a potential Credit Event exists as at the Scheduled Maturity Date of the Notes, payment of the redemption amount of the Notes and/or interest (if any) on the Notes may be deferred for a material period in whole or in part without compensation to the Noteholders.

Valuation

Any quotations used in the calculation of the Cash Settlement Amount may be affected by factors other than the occurrence of a Credit Event. Such prices may vary widely from dealer to dealer and substantially between Valuation Dates. Quotations obtained will be “bid-side” – that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealers. The obligations selected, even absent a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of such obligation which in turn will impact on the amount by which the Cash Settlement Amount of the Notes may be reduced. Quotations may not be available or the level of such quotations may be substantially reduced as a result of such illiquidity. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to, for example, the present value of the related cashflows. Quotations will be deemed to be zero in the event that no such quotations are available. The Calculation Agent is entitled to select the obligation which has the lowest value in the market at the relevant time – providing such obligation satisfies certain specifications and limits for qualification as a Reference Obligation – for the purposes of calculating the amount by which the Cash Settlement Amount is reduced following a Credit Event.

Where credit losses are determined on the basis of a market protocol, such losses may be greater than the losses which would have been determined in the absence of such protocol. If the Calculation Agent or any Affiliate thereof participates in any auction for the purposes of such protocol, then it will do so without regard to the interests of Noteholders. Such participation may have a material effect on the outcome of the relevant auction.

“Cheapest-to-Deliver” risk

Since the Issuer, as buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity where Cash or Physical Settlement apply, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the Notes. This could result in a lower recovery value and hence greater losses for investors in the Notes.

No information

The Issuer and the Calculation Agent are not obliged to disclose to Noteholders any information which they may have at the Issue Date or receive thereafter in relation to any Reference Entity.

Compounding of risks

Various risks relating to the Notes may be correlated or compounded and such correlation and/or compounding may result in increased volatility in the value of the Notes and/or increased losses for Noteholders.

No need for loss

The Issuer’s obligations in respect of the Notes are irrespective of the existence or amount of the Issuer’s and/or any Affiliate’s credit exposure to a Reference Entity. The Issuer and/or any Affiliate of the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event. Credit losses will be calculated for the purpose of the Notes irrespective of whether the Issuer or any Affiliate of the Issuer has suffered an actual loss in relation to the Reference Entity or any obligations thereof. The Issuer is not obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations, unless otherwise specified in the Applicable Pricing Supplement.

No interest in obligations of Reference Entities

Holders of the Notes will have a contractual relationship only with the Issuer and not with any obligor in respect of any

Reference Obligation or any Reference Entity. Consequently, the Notes do not constitute a purchase or other acquisition by the Noteholders, or assignment by the Issuer, of any interest in any Reference Obligation or any obligation of a Reference Entity. The Issuer does not grant any security interest over any such obligation, unless otherwise specified in the Applicable Pricing Supplement. Noteholders will have rights solely against the Issuer and will have no recourse against the obligor in respect of any Reference Obligation or any Reference Entity. The Noteholders will not have any rights to acquire from the Issuer (or to require the Issuer) to transfer, cede, assign or otherwise dispose of any interest in any Reference Obligation or any Reference Entity.

Absence of benchmarks for valuation

In determining the value of the Notes, Reference Dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the Notes may be adversely affected.

Historical performance may not predict future performance

Individual Reference Entities may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of any Reference Entities. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Notes.

Limited provision of information about Reference Entities

Neither this Programme Memorandum nor the Applicable Pricing Supplement provides any information with respect to the Reference Entity(ies). Investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of a Succession Event or Credit Event.

Reference Entities may not be subject to regular reporting requirements under South African securities laws. The Reference Entities may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under South African securities laws. None of the Issuer, the Dealer(s) or the Calculation Agent or any of their respective Affiliates make any representation as to the Reference Entity(ies) or as to the accuracy or completeness of any information available with respect to the Reference Entity(ies). Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to a Reference Entity that is or may be material in the context of the Notes. The issue of the Notes will not create any obligation on the part of any such persons to disclose to Noteholders or any other party such information (whether or not confidential).

None of the Issuer, the Dealer(s) or the Calculation Agent or any of their respective Affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to the Reference Entities.

Limited liquidity

Some Reference Obligations may have no, or only a limited, trading market. The liquidity of Reference Obligations will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant Reference Entity(ies). The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the relevant Reference Obligation(s).

Some or all of the Reference Obligations may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of a Reference Entity, any resulting diminution in market value of the related Reference Obligation could be further magnified by reason of such limited liquidity for Reference Obligations generally or that Reference Obligation in particular.

Modification of the Terms and Conditions

The Calculation Agent may, following its determination that there has been a change in the prevailing market standard terms or market trading conventions that affects any Hedging Transaction, modify the terms of the Notes to the extent necessary to preserve any consistency between the Notes and the Hedging Transaction. If the Calculation Agent modifies the terms of the Notes, it will do so without regard to the interests of the Noteholders and any such modification may be prejudicial to the interests of the Noteholders.

Hedging Transactions and Trading Activities

The Issuer and/or any of its Affiliates may be involved in trading transactions with respect to the obligations of a Reference Entity in its normal course of business. In addition, the Issuer and/or any of its Affiliates may hedge itself for protection

against the risks which arise in connection with the issue of the Notes by entering into hedging transactions in relation to the obligations of a Reference Entity. In particular, it cannot be excluded that the entering into, or the termination, of such hedging transactions may have a negative effect on the price of the Notes or on the amount of principal and/or interest payable with respect to the Notes.

Exchange Control Approvals

The issue of any Tranche of Notes which references one or more foreign Reference Entity(ies) and/or foreign Reference Obligation(s) and/or other foreign asset(s) requires the prior written approval of the Exchange Control Department of the South African Reserve Bank (“**Exchange Control**”).

The issue of any other Tranche of Notes may, depending on the type of Notes in that Tranche, also require the prior written approval of Exchange Control. Dealings in such Notes and the performance by the Issuer of its obligations under such Notes and the Terms and Conditions may be subject to the Exchange Control Regulations, 1961 (see the section of this Programme Memorandum entitled “*Exchange Control*”).

Risks relating to the financial markets

The global financial system has been experiencing significant difficulties since August 2007 and financial markets have deteriorated dramatically since the bankruptcy filing of Lehman Brothers in September 2008. In response to the global financial crisis, many governments and central banks have taken unprecedented action to alleviate the effects of market turmoil making available guaranteed funding facilities and introducing wide-ranging fiscal stimuli, despite these measures taken, the volatility and disruption of the capital and credit markets have continued to deteriorate to a degree unprecedented in recent history.

A noteworthy characteristic of the market turmoil is the adverse effects it has had on the liquidity and funding risk profile of the banking system in general. At a universal level, these may be characterised as follows:

- banks became unwilling to lend to each other beyond the very short-term resulting in pressure being placed on funding costs;
- the ability of many market participants to issue unsecured debt has been constrained; and
- asset classes considered to be liquid turned out to be illiquid with no readily available repo market.

The South African Reserve Bank (SARB) increased interest rates by 0.5% in June 2008 (following on April 2008’s 0.5% increase) bringing South Africa’s interest rate cycle to its most recent peak, thereafter the cycle turned down, with the first cut of 0.5% occurring in December 2008. Between February 2009 and May 2010 a further 5.0% of monetary easing has taken place.

Operating fundamentals across the group have been impacted by the global credit and capital market crisis and volatile equity markets. This has resulted in a decline in activity levels. If these trading conditions persist, they will likely have a negative impact on the future performance of certain of the Issuer’s businesses. The current unstable market conditions have introduced a variety of increased risks to several aspects of the Issuer’s operations, which could materially adversely affect the Issuer’s business and, consequently, prospective investors in the Notes. It is not known at this time when the current markets will stabilise.

While the Issuer has no direct exposure to the foreign sub-prime market and related derivative instruments and while throughout this period Rand liquidity in South Africa has remained stable and the South African interbank market has operated normally, the developments outlined above could adversely affect the Issuer’s investments, consolidated financial condition or results of operations in future periods.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. This summary must be read as an introduction to this Programme Memorandum and any decision to invest in any Notes should be based on a consideration of this Programme Memorandum as a whole, including the documents incorporated by reference. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary. The contents of this section shall not form part of the Terms and Conditions and may not be used in interpreting the Terms and Conditions.

Issuer	Investec Bank Limited (Registration No. 1969/004763/06) (“ Investec ”).
Arranger	Investec, acting through its division, Investec Capital Markets.
Sponsor	Investec, acting through its division, Investec Capital Markets.
Dealers	Investec, acting through its division, Investec Capital Markets, and any additional Dealer appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer.
Transfer Agent	Investec, acting through its division, Investec Capital Markets, or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
Paying Agent	Investec, acting through its division, Investec Capital Markets, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent, as specified in the Applicable Pricing Supplement.
Calculation Agent	Investec, acting through its division, Investec Capital Markets, or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation Agent, as specified in the Applicable Pricing Supplement.
Blocked Rand	Blocked Rand may be used for the purchase of or subscription for Notes, subject to the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933 (see the section of this Programme Memorandum entitled “ <i>Exchange Control</i> ”).
Clearing and Settlement	<p>Notes may be cleared and settled in accordance with the rules of the JSE and the CSD. The Notes have been accepted for clearance through the CSD, which forms part of the JSE clearing system that is managed by the CSD, and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, <i>societe anonyme</i> (Clearstream Luxembourg) (“Clearstream”), may hold Notes through their Participant.</p> <p>The issue of a Tranche of Deferred Payment Notes will be booked, by the Issuer’s Participant, as a “<i>free of value</i>” trade on the JSE’s Trade Reporting System. The respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes will be effected, on the Issue Date, by the relevant Participants through the respective securities accounts maintained by the relevant Participants for, respectively, the Issuer and such holder(s), in accordance with the Applicable</p>

Procedures.

The CSD assumes no responsibility or liability of whatsoever nature for, or in connection with, the booking of the issue of a Tranche of Deferred Payment Notes as a “*free of value*” trade on the JSE’s Trade Reporting System and/or for the respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes.

CSD	Strate Limited (Registration No. 1998/022242/06), a central securities depository licensed in terms of the Securities Services Act, or any additional or alternative depository approved by the Issuer.
Denomination of Notes	Notes will be issued in such denominations as are indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
Description of Programme	Investec Bank Limited ZAR10,000,000,000 Credit Linked Note Programme.
Distribution	Notes may be distributed by way of private placement or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Form of Notes	Notes will be issued in certificated form or electronically in uncertificated form, as specified in the Applicable Pricing Supplement, as described in the section of this Programme Memorandum entitled “ <i>Form of the Notes</i> ”.
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of South Africa in force from time to time.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Scheduled Maturity Date.
Interest Rate, Interest Period(s) and Interest Payment Date(s)	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Issue and Transfer Taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum entitled “ <i>South African Taxation</i> ”). Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an Issue Price which is at their Principal Amount or at a discount to, or premium over, their Principal Amount as indicated in the Applicable Pricing Supplement. In addition, if the Notes are specified as Deferred Payment Notes in the Applicable Pricing Supplement then the payment of the Issue Price (or, the portion thereof attributable to the relevant Reference Entity as specified in the Applicable Pricing Supplement, in the case of a Basket Note) by the Noteholder is deferred to the date of the occurrence of a Credit Event.
Listing	This Programme Memorandum has been approved by the JSE. Notes issued under the Programme may be listed on the Bond Market of the JSE or such other or further Financial Exchange(s) as may be selected by the Issuer and the relevant Dealer(s) (if any), subject to applicable laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.
Maturities of Notes	Such maturity(ies) that is/are acceptable to the relevant Financial Exchange and as specified in the Applicable Pricing Supplement. The Notes are not subject

Notes

to any minimum or maximum maturity.

Notes issued under the Programme are credit linked notes issued on the basis that payments of principal and/or interest (if any) in respect of the Notes (whether at maturity or otherwise) will depend on whether or not a specified Credit Event occurs in respect of one or more specified Reference Entities and/or the obligations of any of such Reference Entities, as specified in the Applicable Pricing Supplement. Following the occurrence of a Credit Event, the Notes may either be cash settled or physically settled by delivery of bonds or other qualifying obligations (including, without limitation, the Reference Obligations) of the defaulted Reference Entity, as indicated in the Applicable Pricing Supplement.

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

- (a) **Single Name Notes:** Single Name Notes are Notes where Noteholders take the credit risk of a single named Reference Entity. At maturity of a Single Name Note and if no Credit Event has occurred, that Single Name Note is Redeemed at its outstanding Principal Amount (or, if it is a Deferred Payment Note, Redeemed by termination of the Noteholder's obligation to pay the Issue Price to the Issuer). If a Credit Event occurs prior to the Scheduled Maturity Date of a Single Name Note, no further interest (if applicable) will be paid and that Single Name Note will be Redeemed in accordance with the Settlement Method specified in the Applicable Pricing Supplement (against, in the case of a Deferred Payment Note, payment of the Issue Price by the Noteholder to the Issuer).
- (b) **Basket Notes:** Basket Notes are Notes where Noteholders take the credit risk in respect of two or more named Reference Entities in a basket of Reference Entities. At maturity of a Basket Note and if no Credit Event has occurred in relation to any Reference Entity, that Basket Note is Redeemed at its outstanding Principal Amount (or, if it is a Deferred Payment Note, Redeemed by termination of the Noteholder's obligation to pay the Issue Price to the Issuer). If a Credit Event occurs in relation to a Reference Entity prior to the Scheduled Maturity Date, the Principal Amount (or Notional Principal Amount, as applicable) of a Basket Note is reduced by the same proportion as the relevant Reference Entity bears to the basket of Reference Entities, as specified in the Applicable Pricing Supplement, and that Basket Note will be partly Redeemed in accordance with the Settlement Method specified in the Applicable Pricing Supplement (against, in the case of a Deferred Payment Note, payment of the portion of the Issue Price attributable to that Reference Entity by the Noteholder to the Issuer). Thereafter, in the case of an interest bearing Basket Note, the Calculation Amount of the Basket Note will be reduced and accordingly the interest payable on that Basket Note will be reduced proportionally. As a Basket Note is not terminated following the occurrence of a Credit Event in relation to a single Reference Entity referenced in that Basket Note, the remaining outstanding Principal Amount continues to be exposed to Credit Events of the remaining Reference Entities throughout a remaining term of that Basket Note. With a Basket Note, the loss potential per Reference Entity is limited to the proportional weighting of each Reference Entity within the basket. For example, if there are five equally weighted Reference Entities referenced in a Basket Note, a Noteholder can lose a maximum of 20% the Principal Amount of that Basket Note when each Credit Event occurs.
- (c) **Nth-to-Default Notes:** Nth-to-Default Notes are Notes where Noteholders take the credit risk of the Nth to default among a basket of Reference Entities. At maturity of a Nth-to-Default Note and if no Credit Event has occurred in relation to any Reference Entity, that Nth-to-Default Note is Redeemed at its outstanding Principal Amount (or, if it is a Deferred Payment Note, Redeemed by termination of the Noteholder's obligation to pay the Issue Price to the Issuer). If a Credit Event occurs in relation to the

Nth Reference Entity to default prior to the Scheduled Maturity Date of a Nth-to-Default Note, no further interest (if applicable) will be paid and that Nth-to-Default Note will be Redeemed in full in accordance with the Settlement Method specified in the Applicable Pricing Supplement (against, in the case of a Deferred Payment Note, payment of the Issue Price by the Noteholder to the Issuer). For example, in a 2nd-to-Default Note, that 2nd-to-Default Note would be Redeemed in accordance with the Settlement Method specified in the Applicable Pricing Supplement after a Credit Event occurs in relation to the 2nd Reference Entity in relation to which a Credit Event occurs.

Other types of Notes may from time to time be issued under the Programme as set out in the Applicable Pricing Supplement.

Noteholder(s)	The holders of Notes who are recorded as the registered Noteholder of those Notes in the Register. The CSD's Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes in uncertificated form or which is represented by a Global Certificate and which is listed on the Bond Market of the JSE. Each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.
Risk Factors	Investing in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are set out in the section of this Programme Memorandum entitled " <i>Risk Factors</i> ", and any decision to invest in Notes should be based on a consideration of the relevant Risk Factors as a whole.
Selling Restrictions	The distribution of this Programme Memorandum and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa (see the section of this Programme Memorandum entitled " <i>Subscription and Sale</i> "). Any other or additional selling restrictions which are applicable to the placing of a particular Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Size of the Programme	As at the Programme Date, the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount as described in the section of this Programme Memorandum entitled " <i>General Description of the Programme</i> ".
Currency of Issue	South African Rand or, subject to all applicable laws and, in the case of Notes listed on the Bond Market of the JSE, the rules of the JSE, such other currency as is specified in the Applicable Pricing Supplement.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and secured or unsecured (as specified in the Applicable Pricing Supplement) obligations of the Issuer and will rank <i>pari passu</i> without any preference or priority among themselves and (save for certain debts required to be preferred by law) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer
Taxation	All payments of principal and (if applicable) interest in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa unless such withholding or deduction is required by law. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to certain exceptions as provided in Condition 15 (<i>Taxation</i>), make such payments as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or

deduction shall equal the respective amounts of principal and (if applicable) interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction. For a summary of the position in relation to issue and transfer taxes, see "*Issue and Transfer Taxes*" above.

Use of Proceeds

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

PRO FORMA PRICING SUPPLEMENT

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



INVESTEC BANK LIMITED

(Registration number 1969/000763/06)

(Incorporated with limited liability in the Republic of South Africa)

ZAR10,000,000,000 Credit Linked Note Programme

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

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Investec Bank Limited ZAR10,000,000,000 Programme Memorandum dated 14 May 2010 (the “**Programme Memorandum**”). This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail. Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the Terms and Conditions. To the extent that certain provisions of the *pro forma* Pricing Supplement do not apply to the Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

[Include whichever of the following apply or specify as “Not Applicable” or “N/A”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub- paragraphs. Italics denote directions for completing the Applicable Pricing Supplement.]

Description of the Notes

- | | | |
|----|--------------------|---|
| 1. | Issuer: | Investec Bank Limited |
| 2. | Tranche Number: | [] |
| 3. | Series Number: | [] |
| 4. | Consolidation: | [The Notes are to be consolidated and form a single Series with <i>[insert title of relevant series of Notes]</i> issued on <i>[insert issue date]</i> .] [N/A] |
| 5. | Status of Notes: | Senior unsubordinated [secured] [unsecured] Notes. |
| 6. | Form of Notes: | [Listed.] [Unlisted.] [The Notes in this Tranche are issued in uncertificated form and held by the CSD.] [The Notes in this Tranche are issued in certificated form and lodged in the CSD under a single Global Certificate.] |
| 7. | Currency of Issue: | [] |
| 8. | Type of Notes: | [Single Name Notes]
[Basket Notes] |

- [Nth-to-Default Notes
N: [●]
Substitution: [Applicable] [N/A]
[Other (specify)]
9. Issue Date of the Notes: []
10. Issue Price of the Notes: []
11. Financial Exchange: [JSE (Bond Market)] [Other (specify)] [N/A]
12. Aggregate Principal Amount:
(a) Series: []
(b) Tranche: []
13. Principal Amount per Note: [ZAR[]]
14. Specified Denomination and number of Notes in this Tranche: [ZAR[]] (*Note: should be the same as the Principal Amount per Note*) [Other (specify)]
[(specify number of Notes)]
15. Payment Basis:
[Fully Paid Notes]
[Partly Paid Notes]
[Deferred Payment Notes]
Notional Principal Amount per Note: [ZAR[●]]
[Other (specify)]
16. Redemption Basis:
[Redemption at par]
[Dual Currency Notes]
[Partly Paid Notes]
[Instalment Notes]
[Other (specify)]
17. Automatic/Optional Conversion from one Redemption Basis to another: [insert details including date for conversion] [N/A]
18. Calculation Amount(s): [As defined in Condition 1.1 (*Definitions*) of the Terms and Conditions] [Other (specify)]
19. **Partly Paid Notes Provisions:** [ZAR] [specify other]
(a) Amount of each payment comprising the Issue Price: []
(b) Dates upon which each payment is to be made by a Noteholder: []
(c) Consequences (if any) of failure to make such payment by Noteholder: []
(d) Interest rate to accrue on the first and subsequent instalments after the due date for payment of such instalments: []

Provisions relating to interest (if any) payable on the Note

20. **General Interest Provisions**
(a) Interest payable on the Note: [Yes] [No]
(b) Interest Basis: [Fixed Rate Note]

	[Floating Rate Note]
	[Zero Coupon Note]
	[Index Linked Interest Note]
	[Other (<i>specify</i>)]
	[N/A]
(c) Automatic / Optional Conversion from one Interest Basis to another:	[insert details including date for conversion] [N/A]
(d) Interest Commencement Date:	[] [N/A]
(e) Default Rate:	For purpose of Condition 2.4 (<i>Deferred Payment Notes</i>) of the Terms and Conditions: [] [N/A] For purpose of Condition 6.9 (<i>Accrual of Interest</i>) of the Terms and Conditions: [] [N/A]
21. Fixed Rate Note Provisions:	[Applicable] [N/A] (<i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a) Interest Rate(s):	[[]% ([] percent) per annum payable [on the Scheduled Maturity Date / annually/ semi-annually / quarterly / monthly] in arrear]
(b) Interest Payment Date(s):	[[] in each year] [Scheduled Maturity Date] [adjusted in accordance with [<i>specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"</i>]] [not adjusted]]
(c) Fixed Coupon Amount(s):	[] per Calculation Amount
(d) Initial Broken Amount:	[] per Calculation Amount payable on the Interest Payment Date falling on []
(e) Final Broken Amount:	[] per Calculation Amount payable on the Interest Payment Date falling on []
(f) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(g) Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Business Day Convention] [Preceding Business Day Convention] [Floating Rate Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment]
(h) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[N/A] [<i>specify</i>]
22. Floating Rate Note Provisions:	[Applicable] [N/A] (<i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a) Manner in which the Interest Rate(s) is/are to be determined:	[Screen Rate Determination] [ISDA Determination] [Other (<i>specify other basis for interest rate</i>)]
(b) Party responsible for calculating the	[Name] shall be the Calculation Agent (<i>no need to specify if</i>

Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent):	<i>the Calculation Agent is to perform this function)</i>
(c) Screen Rate Determination:	[Applicable] [N/A] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
- Reference Rate:	[JIBAR] [Other (specify)]
- Interest Determination Date(s):	[The first day of each Interest Period] [Other (give details)]
- Relevant Screen Page and Reference Code:	[]
- Reference Banks	[]
- Relevant Time:	[]
- Relevant Financial Centre:	[]
(d) ISDA Determination:	[Applicable] [N/A] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
- Floating Rate Option:	[]
- Designated Maturity:	[]
- Reset Date:	[]
- ISDA Definitions to apply:	[Yes] [No]
(e) Margin(s):	[[+/-][]% ([] percent) per annum]
(f) Minimum Rate(s) of Interest:	[]
(g) Maximum Rate(s) of Interest:	[]
(h) First Interest Payment Date:	[]
(i) Interest Payment Date(s):	[[] in each year] [Scheduled Maturity Date] [adjusted in accordance with <i>[specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]</i>] [not adjusted]]
(j) Interest Period(s):	[As stated in Condition 1.1 (Definitions) of the Terms and Conditions] [Other (specify)]
(k) Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Business Day Convention] [Preceding Business Day Convention] [Floating Rate Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment]
(l) Specified Period:	[] [N/A] <i>(Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, the Floating Rate Convention or the Eurodollar Convention. Otherwise insert "N/A")</i>
(m) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis]

		[30E/360 (ISDA)]
	(n) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on the Floating Rate Notes, if different from those set out in the Terms and Conditions:	[N/A] [(specify)]
23.	Zero Coupon Note Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Accrual Yield:	[]% [] percent) per annum Calculated as [include details of method of calculation in summary form] on the Issue Date on the basis of the Issue Price.
	(b) Reference Price:	[]
	(c) Any other formula/basis for determining amount payable:	[] [consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 7.11 (Early Redemption of Zero Coupon Notes)]
24.	Index Linked Interest Note Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Index/Formula/variable:	[Give or annex details]
	(b) Party responsible for calculating the Interest Rate(s) and Interest Amount(s) (if not the Calculation Agent):	[Name] shall be the Calculation Agent (no need to specify if the Calculation Agent is to perform this function)
	(c) Provisions for determining the Interest Rate(s) and Interest Amount(s) where calculation by reference to the Index and/or Formula and/or other variable:	[]
	(d) Determination Date(s)	[]
	(e) Provisions for determining the Interest Amount(s) where calculation by reference to the Index and/or Formula is impossible or impracticable:	[]
	(f) Interest Payment Date(s):	[[] in each year] [Scheduled Maturity Date] [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"] [not adjusted]]
	(g) Interest Period(s):	[As stated in Condition 1.1 (Definitions) of the Terms and Conditions] [Other (specify)]
	(h) Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Business Day Convention] [Preceding Business Day Convention] [Floating Rate Convention] [FRN Convention] [Eurodollar Convention] [No Adjustment]
	(i) Minimum Rate(s) of Interest:	[] [N/A]

	(j) Maximum Rate(s) of Interest:	[] [N/A]
	(k) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/365] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
	(l) Other terms relating to the method of calculating interest:	[] [N/A]
25.	Dual Currency Note Provisions:	[Applicable] [N/A] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Rate of Exchange/method of calculating Rate of Exchange:	[Give or annex details]
	(b) Party responsible for calculating the principal and/or interest due (if not the Calculation Agent):	[Name] shall be the Calculation Agent <i>(no need to specify if the Calculation Agent is to perform this function)</i>
	(c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:	[Give or annex details]
	(d) Person at whose option Selected Currency(ies) is/are payable:	[]
26.	Mixed Rate Note Provisions:	[Applicable] [N/A] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Period(s) during which the Interest Rate for the Mixed Rate Notes will be (as applicable) that for:	
	(a) Fixed Rate Notes:	[]
	(b) Floating Rate Notes:	[]
	(c) Index Linked Interest Notes:	[]
	(d) Dual Currency Notes:	[]
	(e) Other Notes:	[]
27.	Other Notes Provisions:	[Applicable] [N/A] <i>(if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	If the Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Dual Currency Notes or Mixed Rate Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes:	[]
Provisions relating to redemption		
28.	Scheduled Maturity Date:	[As defined in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions] [Other (<i>specify</i>)] subject as provided in Condition 7.2 (<i>Redemption upon the occurrence of a Credit Event</i>), 7.3 (<i>Repudiation/Moratorium Extension</i>), 7.4 (<i>Grace Period Extension</i>) and 7.5 (<i>Scheduled Maturity Date Extension</i>) of the Terms and Conditions.
29.	Early Redemption following the occurrence of Tax Event:	[Applicable] [N/A]
30.	Redemption following Merger Event:	[Applicable] [N/A]

31. Prior approval of the Registrar of Banks required for Redemption: [If Applicable: Merger Event Redemption Date: []] [Yes] [No]
32. Call Option: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s) (Call): [As stated in Condition 7.7 (*Redemption at the option of the Issuer*) of the Terms and Conditions.] [Other (*specify*)]
- (b) Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (c) Notice Period: [As stated in Condition 7.7 (*Redemption at the option of the Issuer*) of the Terms and Conditions.] [Other (*specify*)]
- (d) If Redeemable in part:
- Minimum Redemption Amount: [] per Calculation Amount
- Maximum Redemption Amount: [] per Calculation Amount
33. Put Option: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Optional Redemption Date(s) (Put) [As stated in Condition 7.8 (*Redemption at the option of the Noteholders*) of the Terms and Conditions.] [Other (*specify*)]
- (b) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): []
- (c) Notice Period: [As stated in Condition 7.8 (*Redemption at the option of the Noteholders*) of the Terms and Conditions.] [Other (*specify*)]
- (d) *pro forma* Put Option Notice attached: [Yes] [No]
- (e) If Redeemable in part: [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Minimum Redemption Amount: [] per Calculation Amount
- Maximum Redemption Amount: [] per Calculation Amount
34. Final Redemption Amount: [[] per Calculation Amount] [[]% ([] percent) of par] [the aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for Redemption] [Other (*specify*)]
- In cases where the Note is an Index Linked Redemption Note or other variable-linked Note:
- (a) Index/Formula/variable: [Give or annex details]
- (b) Party responsible for calculating the Final Redemption Amount (if not the Calculation Agent): []
- (c) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [Give or annex details]
- (d) Determination Date(s): []
- (e) Provisions for determining Final Redemption Amount where calculation

by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

- (f) Payment Date: []
- (g) Minimum Redemption Amount: [] per Calculation Amount
- (h) Maximum Redemption Amount: [] per Calculation Amount
35. Early Redemption Amount (Tax): [the aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for redemption] [the amount calculated in accordance with Condition 7.11 (*Early redemption of Zero Coupon Notes*) of the Terms and Conditions] [Other (*specify*)] [N/A]
36. Early Redemption Amount (Illegality): [the aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for redemption] [the amount calculated in accordance with Condition 7.11 (*Early redemption of Zero Coupon Notes*) of the Terms and Conditions] [Other (*specify*)] [N/A]
37. Early Redemption Amount (Default): [the aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for redemption] [the amount calculated in accordance with Condition 7.11 (*Early redemption of Zero Coupon Notes*) of the Terms and Conditions] [Other (*specify*)] [N/A]
38. Early Redemption Amount (Merger Event): [the aggregate outstanding Principal Amount plus interest accrued (if any) to the date fixed for redemption] [the amount calculated in accordance with Condition 7.11 (*Early redemption of Zero Coupon Notes*) of the Terms and Conditions] [Other (*specify*)] [N/A]
39. Additional provisions relating to the redemption of the Notes: [Give details] [N/A]
40. **Instalment Note Provisions:** [Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Instalment Dates: []
- (b) Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes): []

Credit Linked Provisions:

41. General Provisions:

- (a) Trade Date: [As defined in Condition 1.1 (*Definitions*) of the Terms and Conditions] [Other (*specify*)]
- (b) Effective Date: [Trade Date] [[] calendar days prior to the Trade Date.] (*Note: If the Effective Date precedes the Issue Date, then additional disclosure will be required to notify prospective investors of the same and highlighting that Noteholders have exposure to Credit Events occurring prior to the Issue Date notwithstanding that Noteholders will not receive interest for any period prior to the Issue Date.*)
- (c) Scheduled Termination Date: [] [adjusted in accordance with [*specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"*]] [not adjusted]]
- (d) Calculation Agent: [Name] shall be the Calculation Agent (*no need to specify if*

- the Calculation Agent is to perform this function)*
- (e) Business Day: [As defined in Condition 1.1 (*Definitions*) of the Terms and Conditions [including] / [excluding] a Saturday] [Other (*specify*)]
- (f) Additional Business Centre: [] [N/A]
- (g) Business Day Convention: [Following Business Day Convention]
[Modified Following Business Day Convention]
[Preceding Business Day Convention]
- (h) Reference Entity(ies): [*Specify*] [See Appendix 1 (*insert and complete Appendix 1 for Basket Notes or Nth-to-Default Notes*)]
- (i) Reference Obligation(s): [*Specify*] [See Appendix 1 (*insert and complete Appendix 1 for Basket Notes or Nth-to-Default Notes*)]
[The obligation(s) identified as follows:
Primary Obligor: []
Guarantor: []
Maturity: []
Coupon: []
CUSIP/ISIN: []]
- (j) Reference Entity Notional Amount: [*Specify*] [See Appendix 1 (*insert and complete Appendix 1 for Basket Notes or Nth-to-Default Notes*)]
- (k) All Guarantees: [Applicable] [N/A]
- (l) Reference Price: []
- (m) Credit Events: [Bankruptcy]
[Failure to Pay]
[Grace Period Extension: [Applicable] [N/A]]
[Grace Period: []]
[Payment Requirement: [[] (or its equivalent as determined by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay)] [None Specified. Determined in accordance with the definition of "*Payment Requirement*" in Condition 1.1 (*Definitions*) of the Terms and Conditions.]]
[Obligation Default]
[Obligation Acceleration]
[Repudiation/Moratorium]
[Restructuring]
- [[Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable: Minimum amount of total assets: []] [N/A]]]
- [[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: [Applicable] [N/A]]]

- [[Multiple Holder Obligation: [Applicable] [N/A]]
 - [Minimum Exercise Amount: []]
 [Additional Credit Event(s): [Applicable: (specify)] [N/A]]
- (n) Default Requirement: [[] (or the amount determined by the Calculation Agent as its equivalent in the Obligation Currency as of the date of occurrence of the relevant Credit Event)] [None Specified. Determined in accordance with the definition of “Default Requirement” in Condition 1.1 (Definitions) of the Terms and Conditions.]
- (o) Notice Delivery Period: [] [None Specified. Determined in accordance with the definition of “Default Requirement” in Condition 1.1 (Definitions) of the Terms and Conditions.]
- (p) Conditions to Settlement: Credit Event Notice
 Alternative time for delivery of a Credit Event Notice: [Applicable: (specify)] [N/A]
 Notifying Party: [Issuer] [Other (specify)]
 Notice of Publicly Available Information: [Applicable] [N/A]
 [If Applicable:
 Public Source(s): [Standard International Public Sources] [and] [,] [Standard South African Public Sources] [and] [Other (specify)]
 Specified Number: []]
 [Notice of Physical Settlement] (delete, if Cash Settlement is the only Settlement Method)
- (q) Obligation[s]:
 Obligation Category
 (select one only)
- [Payment]
 [Borrowed Money]
 [Reference Obligations Only]
 [Bond]
 [Loan]
 [Bond or Loan]
- Obligation Characteristics
 (select all of which apply)
- [Not Subordinated]
 [Specified Currency:
 ((specify currency))] [Standard Specified Currencies]
 [Not Sovereign Lender]
 [Not Domestic Currency:]
 [Domestic Currency means: (specify currency)]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Issuance]

	Additional Obligation(s):	[]
(r)	Paragraphs (a) to (f) of the definition of “ <i>Deliverable Obligation Category</i> ” in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions Not Applicable:	[Yes] [No]
(s)	Excluded Obligation[s]:	[]
(t)	Settlement Method:	[Cash Settlement] [Physical Settlement][Cash or Physical Settlement]
(u)	Accrual of Interest Upon Credit Event:	[Applicable] [N/A]
(v)	Interest accrual after Scheduled Maturity Date:	Repudiation/Moratorium Extension : [Yes] [No] [If yes, (<i>specify rate at which interest will accrue, basis on which it will accrue and when it will be payable</i>)] Grace Period Extension: [Yes] [No] [If yes, (<i>specify rate at which interest will accrue, basis on which it will accrue and when it will be payable</i>)] Scheduled Maturity Date Extension: [Yes] [No] [If yes, (<i>specify rate at which interest will accrue, basis on which it will accrue and when it will be payable</i>)]
(w)	Final Price:	Specified: (<i>method of determination</i>)] [None Specified. Determined in accordance with the definition of “ <i>Final Price</i> ” in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions.]
(x)	Settlement Currency:	[]
(y)	Additional Provisions:	[Applicable: (<i>Specify</i>)] [N/A]
(z)	Hedge Unwind Adjustment:	[Applicable: [Standard Unwind Costs] [Other (<i>specify</i>)] [N/A]
42.	Cash Settlement Provisions:	[Applicable] [N/A] (<i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a)	Cash Settlement Amount:	[Specified: (<i>Specify amount or method of determination</i>)] [None Specified. Determined in accordance with the definition of “ <i>Cash Settlement Amount</i> ” in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions.]
(b)	Cash Settlement Date:	[] Business Days
(c)	Valuation Date:	[Single Valuation Date: [] Business Days] [Multiple Valuation Dates: [] Business Days; and each [] Business Days thereafter. Number of Valuation Dates: []]
(d)	Valuation Time:	[]
(e)	Quotation Method:	[Bid] [Offer] [Mid-Market]
(f)	Quotation Amount:	[] [Representative Amount]
(g)	Minimum Quotation Amount:	[Specified: (<i>Specify amount or method of determination</i>)] [None Specified. Determined in accordance with the definition of “ <i>Cash Settlement Amount</i> ” in Condition 1.1

		(Definitions) of the Terms and Conditions.]
	(h) Reference Dealers:	[]
	(i) Settlement Currency:	[]
	(j) Quotations:	[Include Accrued Interest] [Exclude Accrued Interest]
	(k) Market Value:	[Specified: (Specify method for determination)] [None Specified. Determined in accordance with the definition of "Market Value" in Condition 1.1 (Definitions) of the Terms and Conditions.]
	(l) Valuation Method:	[Market] [Highest] [Average Market] [Highest] [Average Highest] [Blended Market] [Blended Highest] [Average Blended Market] [Average Blended Highest]
	(m) Other terms or special conditions relating to Cash Settlement:	[]
43.	Physical Settlement Provisions:	[Applicable] [N/A] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Physical Settlement Date:	[[] Business Days] [None Specified. Determined in accordance with the definition of "Physical Settlement Date" in Condition 1.1 (Definitions) of the Terms and Conditions.]
	(b) Physical Settlement Period:	[[] Business Days] [None Specified. Determined in accordance with the definition of "Physical Settlement Period" in Condition 1.1 (Definitions) of the Terms and Conditions.]
	(c) Deliverable Obligations:	[Include Accrued Interest] [Exclude Accrued Interest]
	Deliverable Obligation Category (select only one)	 [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan] [Not Subordinated] [Specified Currency: [] (specify currency) [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [] (specify currency)] [Not Domestic Law] [Listed]
	Deliverable Obligation Characteristics (select all of which apply)	

	[Not Contingent]
	[Not Domestic Issuance]
	[Assignable Loan]
	[Consent Required Loan]
	[Direct Loan Participation]
	[Qualifying Participation Seller: [] (insert details)]
	[Transferable]
	[Maximum Maturity: [] [Determined in accordance with the definition of “Maximum Maturity” in Condition 1.1 (Definitions) of the Terms and Conditions.]]
	[Accelerated or Matured]
	[Not Bearer]
	[and:]
	[Specify any other obligations of a Reference Entity]
	[]
Additional Deliverable Obligation(s):	
(d) Paragraphs (a) to (f) of the definition of “ <i>Deliverable Obligation Category</i> ” in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions Not Applicable:	[Yes] [No]
(e) Excluded Deliverable Obligation(s):	[] [N/A]
(f) Indicative Quotations:	[] [N/A]
(g) Cut-off Date:	[] [Determined in accordance with the definition of “ <i>Cut-Off Date</i> ” in Condition 1.1 (<i>Definitions</i>) of the Terms and Conditions.]
(h) Partial Cash Settlement:	Partial Cash Settlement of Consent Required Loans: [Applicable] [N/A] Partial Cash Settlement of Assignable Loans: [Applicable] [N/A] Partial Cash Settlement of Participations: [Applicable] [N/A]
(i) Partial Cash Settlement Date:	[] [None Specified. Determined in accordance with the definition of “ <i>Partial Cash Settlement Date</i> ” in Condition 9.3(b) of the Terms and Conditions.] [N/A]
(j) Partial Cash Settlement Amount:	[] [None Specified. Determined in accordance with the definition of “ <i>Partial Cash Settlement Date</i> ” in Condition 9.3(a) of the Terms and Conditions.] [N/A]
(k) Settlement Currency:	[]
(l) Delivery provisions for the Deliverable Obligations(s) (including details of who is to make such delivery) if different from Terms and Conditions:	[As stated in the Terms and Conditions] [Other (<i>specify</i>)]
(m) Manner in which Delivery Expenses and Unwind Costs (if applicable) will be paid by the Noteholder:	[(<i>specify</i>)] [In accordance with the manner set out in the Asset Transfer Notice.]
(n) Other terms or special conditions	[]

relating to Physical Settlement:

General Provisions:

44. Business Day: [As defined in Condition 1.1 (*Definitions*) of the Terms and Conditions [including] / [excluding] a Saturday] [Other (*specify*)]
45. Additional Business Centre(s): [] [N/A]
46. Last Day to Register: []
47. Books Closed Period(s): The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Scheduled Maturity Date
48. Rounding: [In accordance with Condition 6.11 (*Rounding*) of the Terms and Conditions] [Other (*specify*)]
49. Specified Office of the Issuer: []
50. Calculation Agent: []
51. Specified Office of the Calculation Agent: []
52. Paying Agent: []
53. Specified Office of the Paying Agent: []
54. Transfer Agent: []
55. Specified Office of the Transfer Agent: []
56. Provisions relating to stabilisation: []
57. Stabilising manager: []
58. Additional Selling Restrictions: []
59. ISIN No.: []
60. Stock Code: []
61. Method of distribution: [Syndicated] [Non-syndicated]
62. If syndicated, names of Managers: []
63. If non-syndicated, name of Dealer: []
64. Governing law (if the laws of South Africa are not applicable): [] [N/A]
65. Surrendering of Notes in the case of Notes represented by a Certificate: [] days after the date on which the Certificate in respect of the Note to be Redeemed has been surrendered to the Issuer
66. Use of proceeds: []
67. Pricing Methodology: [insert details] [N/A]
68. Ratings: [The short term unsecured obligations of the Issuer are rated [] by Standard & Poor's, [] by Moody's and [] by Fitch Ratings Limited and the long-term obligations of the Issuer are rated [] by Standard & Poor's, [] by Moody's and [] by Fitch Ratings Limited.

For the avoidance of doubt, the Notes have not been individually rated.] [N/A]

[The Notes to be issued have been rated:

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

69. Other provisions:

[] [N/A]

70. Additional Risk Factors:

[(*insert details*)] [N/A]

[Application is hereby made to list Tranche [●] of Series [●] of the Notes on the Bond Market of the JSE, as from [**insert date**], pursuant to the Investec Bank Limited ZAR10,000,000,000 Credit-Linked Note Programme.] (*If the Notes are unlisted, delete the preceding paragraph.*)

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

For and on behalf of
INVESTEC BANK LIMITED

By: _____
duly authorised

By: _____
duly authorised

Date: _____

Date: _____

FORM OF THE NOTES

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

A Tranche of Notes will be issued in certificated form (see “*Notes issued in certificated form*” below) or in uncertificated form (see “*Notes issued in uncertificated form*” below), as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Bond Market of the JSE, whether issued in certificated form or in uncertificated form, will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD (see “*Beneficial Interests in Notes held in the CSD*” below).

Notes issued in certificated form

Each Tranche of Notes which is listed on the Bond Market of the JSE and/or lodged and immobilised in the CSD will be issued in certificated form. Each such Tranche of Notes will be represented by a single Global Certificate in registered form, and the CSD’s Nominee will be named in the Register as the registered Noteholder of such Tranche of Notes (see “*Beneficial Interests in Notes held in the CSD*” below).

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

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

Title to Notes represented by Certificates will pass upon registration of transfer in accordance with Condition 13.2 (*Transfer of Notes represented by Certificates*) of the Terms and Conditions.

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

Payments of all amounts due and payable in respect of Notes represented by Certificates will be made in accordance with Condition 8 (*Payments*) of the Terms and Conditions to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Notes issued in uncertificated form

A Tranche of Notes which is listed on the Bond Market of the JSE may, subject to applicable laws and the Applicable Procedures, be issued in uncertificated form in terms of section 37 of the Securities Services Act.

Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held by the CSD, and the CSD’s Nominee will be named in the Register as the registered Noteholder of that Tranche of Notes (see “*Beneficial Interests in Notes held in the CSD*” below).

Beneficial Interests in Notes held in the CSD

A Tranche of Notes which is listed on the Bond Market of the JSE will either be issued in certificated form and lodged in the CSD under a Global Certificate or will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be lodged in the CSD under a Global Certificate or in uncertificated form. While a Tranche of Notes is held in the CSD, the CSD’s Nominee will be named in the Register as the Noteholder of the Notes in that Tranche.

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

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

The Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of

Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (“Clearstream”) may hold Notes through their Participant.

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

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

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

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12.1 (*Exchange of Beneficial Interests*) of the Terms and Conditions.

TERMS AND CONDITIONS OF THE NOTES

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

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

The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Linked Interest Notes or Notes utilising any other basis for determining interest payable on the Notes (if any), or a combination of the foregoing depending on the Interest Basis Specified.

The Notes may be Single Name Notes, Basket Notes or Nth-to-Default Notes, or a combination of the foregoing, depending on the Type of Note Specified.

Although many of the Terms and Conditions contained in this Programme Memorandum are applicable to all of the types of Notes that may be issued by the Issuer under the Programme, some of the Terms and Conditions will not be applicable, whether in whole or in part, to certain Tranches of Notes. The application of any Term and Condition to a particular type of Note may be altered and the relevant Applicable Pricing Supplement may Specify additional terms and conditions which apply to the relevant Notes, which shall, to the extent so Specified replace or modify the Terms and Conditions for the purposes of these Notes. The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements the Terms and Conditions.

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

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

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

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

“Accelerated or Matured” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

“Acceleration Notice” has the meaning defined in Condition 16 (*Events of Default*);

“Accreted Amount” means with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the Obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of the claim in respect of the principal and (B) Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash and interest payments (as determined by the Calculation Agent after consultation with the parties) only if “Include Accrued Interest” is Specified as being applicable. If an Accreting Obligation is expressed to accrete pursuant to the straight line method or if such obligation’s yield to maturity is not specified in, or implied from, the terms of such obligation, then, for purposes of (a)(ii) above the Accreted Amount shall be calculated using a rate equal to the yield maturity of such obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled redemption of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of the principal and (B) the Delivery Date or applicable Valuation

Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

“Accreting Obligation” means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable;

“Accrual Yield” means, in relation to a Tranche of Notes (where applicable), the yield Specified as such;

“Additional Business Centre(s)” means, in relation to a Tranche of Notes, the city or cities Specified as such;

“Additional Credit Event” means, in relation to a Tranche of Notes, an event Specified as such;

“Additional Provisions” means any additional provisions from time to time published by ISDA for use in the over-the-counter market and Specified as applicable in relation to a Reference Entity;

“Affiliate” means, in relation to any Person, any entity controlled, directly or indirectly, by the Person, any entity that controls, directly or indirectly, the Person or any entity directly or indirectly under common control with the Person. For this purpose “control” of any entity or Person means ownership of a majority of the voting power of the entity or Person;

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

“Applicable Pricing Supplement” means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the *pro forma* pricing supplement which is set out in the section of the Programme Memorandum entitled “*Pro Forma Pricing Supplement*”;

“Applicable Procedures” means the rules and operating procedures for the time being of the CSD, the Participants, the JSE and/or any Financial Exchange;

“Asset Transfer Notice” means the notice that complies with Condition 8.5 delivered by a Noteholder to the Issuer, in connection with a Redemption of any Note wholly or in part by way of Physical Settlement;

“Assignable Loan” means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

“Bankruptcy” means, with respect to a Reference Entity, if such Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); or (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; or (c) makes a general assignment, arrangement or composition with or for the benefit of all or some of its creditors; or (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency, bankruptcy or sequestration or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented or an application is brought for its winding-up, liquidation or judicial management, and, in the case of any such proceeding, petition or application instituted, presented or brought against it, such proceeding, petition or application (i) results in a judgment of insolvency, bankruptcy or judicial management or the entry of an order for relief or the making of an order for its winding-up, liquidation or judicial management or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 (thirty) calendar days of the institution, presentation or bringing thereof; or (e) has a resolution passed for its winding-up, official management, judicial management or liquidation (other than pursuant to a consolidation, amalgamation or merger); or (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, judicial manager or other similar official for it or for all or substantially all of its assets; or (g) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration, judicial management or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed

or restrained, in each case within 30 (thirty) calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (a) to (g) (inclusive) of this definition; or (i) takes any action or omits to take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts or conduct;

“Basket Notes” means Notes, Specified as such, which are *pro rata* default basket Notes where the Issuer purchases credit protection from the Noteholders in respect of two or more Reference Entities, and pursuant to which, upon the occurrence of a Credit Event and satisfaction of the Conditions to Settlement with respect to the two or more Reference Entities, the Notes will be redeemed in accordance with the relevant Settlement Method;

“Beneficial Interest” means, in relation to a Tranche of listed or unlisted Notes which is lodged in the CSD (under a Global Certificate or in uncertificated form), the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 41(1) of the Securities Services Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Calculation Amount of such number of Notes bears to the aggregate Calculation Amount of all of the Notes in that Tranche as provided in section 41(3) of the Securities Services Act;

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

“Best Available Information” means:

- a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, *pro forma* financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, *pro forma* financial information and, if provided subsequently to the provision of unconsolidated, *pro forma* financial information but before the Calculation Agent makes its determination for the purposes of the definition of “Successor” other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of “Successor”,

provided that information which is made available more than 14 (fourteen) calendar days after the legally effective date of the Succession Event shall not constitute “Best Available Information”;

“Best Rate Currency” means the best of the rates of exchange obtained by the Calculation Agent from 3 (three) Reference Dealers equal to the rate of conversion of the currency of the Deliverable Obligation into the Relevant Currency, provided that if none of the Reference Dealers make a firm quote, then such rate of exchange shall be determined by the Calculation Agent;

“Bid” means that only the bid quotations provided by Reference Dealers shall be used in obtaining Quotations;

“Bond Market of the JSE” means the separate platform or sub-market of the JSE designated as the “Bond Market” and on which notes (and other debt securities) may be listed;

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

“Bond” means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation;

“Bond or Loan” means any obligation that is either a Bond or a Loan;

“Borrowed Money” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money

(which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

“Business Day” means:

- (a) a day (other than a Saturday or Sunday, public holiday within the meaning of the Public Holidays Act, 1994 or an Unscheduled Holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Johannesburg and any Additional Business Centre as Specified; and
- (b) either:
 - (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
 - (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

save that, if the Applicable Pricing Supplement so provides, *“Business Day”* shall include a Saturday, or such other definition of *“Business Day”* as Specified;

“Business Day Convention” means any of the business day conventions specified in Condition 6.10 (*Business Day Convention*);

“Calculation Agent” means Investec, acting through its division Investec Capital Markets, or, if the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes, that other entity Specified as such;

“Calculation Amount” means the amount Specified as such or, if no such amount is Specified, an amount equivalent to:

- (a) in the case of a Note (other than a Deferred Payment Note), the outstanding Principal Amount of that Note (or, if it is a Partly Paid Note, the amount of the Principal Amount that is paid up); and
- (b) in the case of a Deferred Payment Note, the Notional Principal Amount of that Note,

in any case as adjusted in accordance with Condition 13.2 (if applicable);

“Call Option” means, in relation to a Tranche of Notes, the option of the Issuer (where applicable) to redeem that Tranche of Notes (either in whole or, if so Specified, in part) before the Scheduled Maturity Date in terms of Condition 7.7 (*Redemption at the Option of the Issuer*);

“Cash Settlement” means the settlement of an obligation in terms of a Note by way of payment of an amount of money by the Issuer to the Noteholder in terms of and subject to the Applicable Pricing Supplement;

“Cash Settlement Amount” means in respect of any Note the amount Specified as such or if no such amount is Specified, an amount determined by the Calculation Agent equal to be the greater of (a) zero, and (b) an amount determined in accordance with the following formula:

$$(A \times B) - C$$

Where:

“A” is the Reference Entity Notional Amount;

“B” is the Final Price; and

“C” is Unwind Costs;

“Cash Settlement Date” means (a) if the Cash Settlement Amount is not Specified, the date that is the Specified number of Business Days (or, if a number of Business Days is not so Specified, 3 (three) Business Days) following the calculation of the Final Price or (b) if the Cash Settlement Amount is Specified, the date that is the Specified number of Business Days (or, if a number of Business Days is not so Specified, 3 (three) Business Days) following the satisfaction of all Conditions to Settlement;

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

“Chairman” means, in relation to any Meeting, the individual who takes the chair in accordance with Condition 23.6 (*Chairman*);

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

“Conditionally Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of *“Conditionally Transferable Obligation”*, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

“Conditions to Settlement” means, in relation to any Notes in respect of which a Credit Event has occurred, the delivery by the Issuer to the relevant Noteholders during the Notice Delivery Period of:

- (a) a Credit Event Notice;
- (b) if Specified as applicable, a Notice of Publicly Available Information; and
- (c) if Physical Settlement is Specified as applicable, a Notice of Physical Settlement,

each of which is effective during the applicable Notice Delivery Period. Where the Notes are Nth-to-Default Notes, the Conditions to Settlement shall apply solely to the Nth Reference Entity with respect to which an Event Determination Date occurs;

“Consent Required Loan” means a Loan that is, as of the Physical Settlement Date, capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

“Convertible Obligation” means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“Credit Derivatives Definitions” means the 2003 ISDA Credit Derivatives Definitions, as published by ISDA as supplemented by the March 2009 Supplement and, in addition, if Additional Provisions are Specified as being Applicable, as supplemented by the Additional Provisions;

“Credit Event” means the occurrence of one or more of the following events, namely, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Additional Credit Event as Specified with respect to a Reference Entity and, as determined by the Issuer or the Calculation Agent in their sole and absolute discretion. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange control, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described;

“**Credit Event Notice**” means an irrevocable notice from a Notifying Party (which may be in writing (including by facsimile and/or by email) and/or orally if communicated by telephone) to the Noteholders that describes a Credit Event that occurred at or after 12:01 a.m., Johannesburg time, on the Effective Date and at or before 11:59 p.m., Johannesburg time, the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if:
 - (i) Grace Period Extension is Specified as applicable;
 - (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date;
 - (iii) the Potential Failure to Pay with respect to such Failure to Pay occurred on or prior to the Scheduled Maturity Date; and
 - (iv) the Grace Period Extension Condition is satisfied;
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
 - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation Moratorium occurs on or prior to the Scheduled Maturity Date; and
 - (iii) the Repudiation/Moratorium Extension Condition is satisfied;

unless an alternative time is otherwise Specified. No such notice shall be effective unless it contains a description of the facts relevant to the determination that the Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is effective. In addition, if “Cash or Physical Settlement” is Specified as the Settlement Method, the Credit Event Notice shall also specify whether the Issuer elects to settle the Notes (or, in the case of Basket Notes, the relevant portion thereof) by Cash Settlement or Physical Settlement. A Credit Event Notice shall be subject to the requirements regarding notices set forth in Condition 25 (*Notices*);

“**CSD**” means Strate, licensed as a central securities depository in terms of the Securities Services Act or any successor depository operating in terms of the Securities Services Act, and any additional or alternate depository approved by the Issuer;

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

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

“**Currency of Issue**” means, in relation to a Tranche of Notes, the currency Specified as such;

“**Currency Rate**” means the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to the spot rate of exchange (determined by the Calculation Agent) on the date that the Notice of Physical Settlement is effective (or, if the Notice of Physical Settlement is changed on or prior to the Physical Settlement Date, the date notice of the last such change is effective), or in such other commercially reasonable manner as the Calculation Agent shall determine after consultation with the Issuer (if the Issuer is not also the Calculation Agent); provided that corrections of errors or inconsistencies in the detailed description of the Deliverable Obligations specified in the Notice of Physical Settlement do not constitute changes for the purposes of this definition of “Currency Rate”;

“**Cut-Off Date**” means 5 (five) Business Days from the date of delivery of the Notice of Physical Settlement, or such other date as may be Specified;

“**Day Count Fraction**” means, in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the “**Calculation Period**”), the day count fraction Specified as such and:

- (a) if “**Actual/Actual (ICMA)**” is so Specified, means:

- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and
- (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so Specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so Specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so Specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so Specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

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

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

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

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

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

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

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

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

Day Count Fraction =

where:

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

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

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

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

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

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

- (h) if none of the above is Specified, the Day Count Fraction shall be “Actual/360”;

“**Dealer**” means Investec, acting through its Investec Capital Markets division, and each additional Dealer (if any), appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis for the duration of the Programme, subject to the Issuer’s right to terminate the appointment of any Dealer;

“**Default Rate**” means the rate of interest Specified as such, being the rate of interest that shall be payable by (a) if applicable, the Issuer on outstanding, unpaid amounts as contemplated in Condition 6.9 (*Accrual of Interest*), or (b) if applicable, the Noteholder on any portion of the Issue Price that remains outstanding after it becomes due and payable as contemplated in Condition 2.4(b), as applicable;

“**Default Requirement**” means the amount Specified as such, or if Default Requirement is not Specified, an amount of ZAR10,000,000 or the amount determined by the Calculation Agent as its equivalent in the Obligation Currency as of the date of occurrence of the relevant Credit Event;

“**Deliver**” means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligation (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Relevant Proportion of the Deliverable Obligation(s) specified in the Notice of Physical Settlement to the Noteholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of “*Credit Event*”) or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that (a) if all or a Relevant Proportion of the Deliverable Obligation(s) consists of Direct Loan Participations, “*Deliver*” means to create (or procure the creation) of a participation in favour of the Noteholder and (b) to the extent that the Relevant Proportion of the Deliverable Obligation(s) consists of Qualifying Guarantees, “*Deliver*” means to Deliver both the Qualifying Guarantee and the Underlying Obligation. “**Delivery**” and “**Delivered**” will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time;

“**Deliverable Obligation**” means:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is Specified as applicable, as provider of any Qualifying Guarantee) described by the Deliverable Obligation Category Specified (but excluding each Excluded Deliverable Obligation, if any) and having one or more of the Deliverable Obligation Characteristics Specified that:
 - (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of “*Credit Event*”) or right of set-off by a Reference Entity or any applicable Underlying Obligor; and
 - (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph of the definition of “*Not Contingent*”, each Reference Obligation, unless Specified as an Excluded Deliverable Obligation; and
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that
 - (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable;
 - (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of “*Credit Event*”) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor; and
 - (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity Specified as such.

If “*Physical Settlement*” and “*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*” are Specified and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or valued (as applicable) only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date no later than the specified Restructuring Maturity Limitation Date. If “*Physical Settlement*” and “*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*” are Specified and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Deliverable Obligation may be specified in the Notice of Physical Settlement or valued (as applicable) only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date no later than the applicable Modified Restructuring Maturity Limitation Date;

“**Deliverable Obligation Category**” means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined herein, except that, for the purpose of determining Deliverable Obligations, the definition of Reference Obligations Only shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only), as Specified.

Unless Specified that the following paragraphs (a) to (f) are Specified as being Not Applicable to any Tranche of Notes:

- (a) If the Obligation Characteristic “*Listed*” is Specified, it shall be construed as though Listed has been Specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.
- (b) If either of the Deliverable Obligation Characteristics “*Listed*”, or “*Not Bearer*” is Specified, it shall be construed as though such Deliverable Obligation Characteristic has been Specified as a Deliverable

Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category.

- (c) If the Deliverable Obligation Characteristic “*Transferable*” is Specified it shall be construed as though such Deliverable Obligation Characteristic has been Specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category).
- (d) If any of the Deliverable Obligation Characteristics “*Assignable Loan*”, “*Consent Required Loan*” or “*Direct Loan Participation*” are Specified, it shall be construed as though such Deliverable Obligation Characteristic has been Specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category.
- (e) If any of Payment, Borrowed Money, Loan or Bond or Loan is Specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are Specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics Specified and need not satisfy all such Deliverable Obligation Characteristics.
- (f) In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
 - (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date, each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, Specified from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Loan. For these purposes, unless otherwise specified in the Applicable Pricing Supplement, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the Euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
 - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date of the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if Specified.
 - (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date, each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, Specified from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
 - (v) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
 - (vi) The terms “Outstanding Principal Balance” and “Due and Payable Amount”, when used in connection with Qualifying Guarantees are to be interpreted to be the then “Outstanding Principal Balance” or “Due and Payable Amount” as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt, the provisions of paragraphs (a) to (f) above apply in respect of the definitions of “*Obligation*” and “*Deliverable Obligation*” as the context admits;

“**Deliverable Obligation Characteristics**” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as Specified;

“**Delivery Date**” means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered;

“Delivery Expenses” means the costs and expenses (including any stamp, registration, documentation or similar tax and any transfer or similar fee) of effecting any Delivery of the Relevant Proportion of the Deliverable Obligation(s) in accordance with Condition 8 (*Physical Settlement*);

“Designated Transferee” means the Person to whom Delivery of the Relevant Proportion of the Deliverable Obligation(s) in accordance with Condition 8 (*Physical Settlement*) is to be made, provided that the Designated Transferee may be the Noteholder or any other Person;

“Direct Loan Participation” means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of a contractual right in favour of the Noteholder that provides the Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between such Noteholder and either (a) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

“Domestic Currency” means the currency Specified as such and any successor currency. If no currency is so Specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of South Africa, Canada, Japan, Switzerland, the United Kingdom or the United States of America or the Euro (or the successor currency of any such currency);

“Downstream Affiliate” means an entity, at (a) the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, (b) the Delivery Date, or (c) the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50% (fifty percent) owned, directly or indirectly, by the Reference Entity;

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

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

“Early Redemption Amount” means the Early Redemption Amount (Default), the Early Redemption Amount (Illegality), Early Redemption Amount (Merger Event) or the Early Redemption Amount (Tax), as applicable;

“Early Redemption Amount (Default)” means, in respect of any Note, (a) the outstanding Principal Amount of that Note plus accrued interest (if any) to the date fixed for Redemption, or (b) such other amount as may be Specified or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement;

“Early Redemption Amount (Illegality)” means, in respect of any Note, (a) the outstanding Principal Amount of that Note plus accrued interest (if any) to the date fixed for Redemption, or (b) such other amount as may be Specified or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement;

“Early Redemption Amount (Merger Event)” means, in respect of any Note, (a) the outstanding Principal Amount of that Note plus accrued interest (if any) to the date fixed for Redemption, or (b) such other amount as may be Specified or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement;

“Early Redemption Amount (Tax)” means, in respect of any Note, (a) the outstanding Principal Amount of that Note plus accrued interest (if any) to the date fixed for Redemption, or (b) such other amount as may be Specified or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement;

“Effective Date” means either (a) the Trade Date, or (b) the date that is the number of calendar days Specified prior to the Trade Date. The Effective Date shall not be subject to adjustment in accordance with any Business Day Convention;

“Eligible Transferee” means each of the following:

- (a) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (d)(i) below); and (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship); provided, however, in each case that (if Specified) such entity has total assets of at least such minimum amount as is Specified;

- (b) an Affiliate of any entity referred to in paragraph (a) above;
- (c) a Sovereign, Sovereign Agency or Supranational Organisation, and
- (d) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least such minimum amount (if any) as is Specified, or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least such minimum amount (if any) as is Specified;
 - (ii) that has total assets of at least such minimum amount (if any) as is Specified; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (a), (b), (c) and (d)(ii) above;

“Equity Securities” means (a) in the case of a Convertible Obligation, equity securities (including options, warrants and other equity derivatives) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time, and (b) in the case of an Exchangeable Obligation, equity securities (including options, warrants and other equity derivatives) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time;

“Event Determination Date” means, in respect of any Credit Event, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement, the Notice of Publicly Available Information is delivered by the Issuer and are effective;

“Event of Default” means any of the events described in Condition 16.1 (*Events of Default*);

“Exchangeable Obligation” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“Exclude Accrued Interest” means in respect of a Quotation that such Quotation shall not include accrued but unpaid interest;

“Excluded Deliverable Obligation” means any obligation Specified as such;

“Excluded Obligation” means any obligation of a Reference Entity Specified as such;

“Extraordinary Resolution” means a resolution passed at a Meeting duly convened and held in accordance with Condition 23 (*Meetings of Noteholders*) by a majority of not less than three-quarters of the votes cast;

“Failure to Pay” means, after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure;

“Final Broken Amount” means, in relation to a Tranche of Notes, the amount Specified as such;

“Final Price” means the price of the Reference Obligation expressed as a percentage, determined in accordance with the Specified Valuation Method or in such other manner Specified;

“Final Redemption Amount” means, in respect of any Note, (a) the outstanding Principal Amount of that Note plus accrued interest (if any) to the date fixed for Redemption, or (b) such other amount as may be Specified or determined in accordance with the Terms and Conditions or the Applicable Pricing Supplement;

“Financial Exchange” means, in relation to a Tranche of listed Notes, the JSE and/or such other (or additional) financial exchange(s) as may be determined by the Issuer and the relevant Dealer(s) (if any), subject to applicable laws;

“First Interest Payment Date” means, in relation a Tranche of Floating Rate Notes (where applicable), the date Specified as such;

“Fixed Coupon Amount” means, in relation to a Fixed Rate Note, the amount Specified as such;

“Fixed Rate Notes” means Notes which will bear interest at a fixed Interest Rate, as Specified;

“Floating Rate Notes” means which will bear interest at a floating Interest Rate, as Specified;

“Form of Proxy” means, in relation to any Meeting, a document in the English language, available from the Issuer and signed by a Noteholder or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Issuer not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Notes held by such Noteholder;

“Fractional Entitlement” has the meaning defined in Condition 8.9;

“Full Quotation” means, in accordance with the Quotation Method, each firm quotation obtained from a Reference Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, with an Outstanding Principal Balance equal to the Quotation Amount;

“Fully Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any Person being required, in the case of any Deliverable Obligation other than Bonds. Any requirements that notification of novation, assignment or transfer of a Deliverable Obligation be transferred to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Noteholder.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of *“Fully Transferable Obligation”*, such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

“Global Certificate” means, in relation to a Tranche of Notes which is issued in certificated form and immobilised in the CSD, a certificate in definitive registered form without interest coupons, deposited with and lodged in the CSD and registered in the name of the CSD’s Nominee, representing all of the Notes in that Tranche (other than those Notes in that Tranche (if any) which are represented by Individual Certificates);

“Governmental Authority” means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of incorporation, registration or organisation of a Reference Entity;

“Grace Period” means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Effective Date and the date as of which such Obligation is incurred;
- (b) if Grace Period Extension is Specified as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the grace period of the relevant Obligation cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period Specified as such or, if no period is so Specified, 30 (thirty) calendar days; and
- (c) if, at the later of the Effective Date and the date as of which an Obligation is incurred, no grace period with respect to payments or a grace period with respect to payments of less than 3 (three) Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of 3 (three) Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is Specified as applicable, such deemed Grace Period shall expire no later than the Scheduled Maturity Date;

“Grace Period Business Day” means a day (other than a Saturday, a Sunday, a public holiday within the meaning of the Public Holidays Act, 1994 or an Unscheduled Holiday) on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places, and on the days specified for that purpose, in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the currency of denomination of the relevant Obligation;

“Grace Period Extension” means the relevant period with which the Grace Period may be extended;

“Grace Period Extension Condition” means the condition which is satisfied by the delivery of a Grace Period Extension Notice and, if Specified as being Applicable, Notice of Publicly Available Information, by a Notifying Party to the Noteholders delivered on or before the Scheduled Maturity Date or, if Condition 7.5 (*Scheduled Maturity Date Extension*) applies, the Postponed Maturity Date;

“Grace Period Extension Date” means, if (a) Grace Period Extension is Specified as being Applicable, and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay;

“Grace Period Extension Notice” means an irrevocable notice from a Notifying Party to the Noteholders that describes a Potential Failure to Pay that occurred on or after the Effective Date and on or prior to the Scheduled Maturity Date. A Grace Period Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and indicate that date of the occurrence. A Grace Period Extension Notice shall be subject to the requirements regarding notices contained in Condition 25 (*Notices*);

“Hedging Transaction” means any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer’s obligations or positions (whether in whole or in part) in respect of the Notes;

“Include Accrued Interest” means in respect of a Quotation that such Quotations shall include accrued but unpaid interest;

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

“Indexed Linked Interest Notes” means Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula as Specified;

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

“Indicative Quotation” means, in accordance with the Quotation Method, each quotation obtained from a Reference Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the relevant Obligation equal to the Quotation Amount, which reflects such Reference Dealer’s reasonable assessment of the price of such Obligation based on such factors as the Reference Dealer may consider relevant, which may include historical prices and recovery rates;

“Individual Certificate” means the single certificate in definitive registered form without interest coupons representing (a) all Notes issued in certificated form which are not represented by a Global Certificate and (b) Notes for which a Beneficial Interest has been exchanged in accordance with Condition 18.1 (*Exchange of Beneficial Interests*);

“Initial Broken Amount” means, in relation to a Tranche of Notes, the amount Specified as such;

“Instalment Amount” means the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note, as Specified;

“Instalment Dates” means, in relation to a Tranche of Notes, the dates Specified as such;

“Instalment Notes” means Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as Specified;

“Interest Amount” means, in relation to each Note in a Tranche of Notes for an Interest Period, the aggregate amount of interest payable by the Issuer in respect of that Note for that Interest Period, Specified as such or, if no such amount is Specified, determined in accordance with the applicable provisions of the Terms and Conditions and/or the Applicable Pricing Supplement;

“Interest Commencement Date” means the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue as Specified;

“Interest Determination Date” means, in relation to a Tranche of Notes, the date Specified as such;

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

“Interest Period” means, in relation to a Tranche of Notes, each period beginning on (and including) one Interest Payment Date and ending on (but excluding) the next following Interest Payment Date; provided that (a) the initial Interest Period will commence on, and include, the Interest Commencement Date and (b) the final Interest Period will end on, and include, the Redemption Date (but in any event be no later than the Scheduled Maturity Date);

“Interest Period End Date” means the last day of each Interest Period;

“Interest Rate” means the rate or rates of interest payable in respect of the Notes Specified as such or, if no such rate(s) is/are Specified, determined in accordance with the applicable provisions of the Terms and Conditions and/or the Applicable Pricing Supplement;

“Interest Termination Date” means, in respect of any Notes, the Scheduled Maturity Date or such earlier date on which such Notes are to be redeemed in accordance with the Terms and Conditions;

“Investec” means Investec Bank Limited (Registration No. 1969/004763/06), a public company with limited liability duly incorporated in accordance with the laws of South Africa;

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

“ISDA Definitions” means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of Notes in the relevant Series, as Specified) as published by ISDA;

“ISDA Determination” means a determination in accordance with the relevant provisions of the relevant documentation of ISDA;

“ISDA Rate” has the meaning given to it in Condition 6.2 (*Interest on Floating Rate Notes*);

“Issue Date” means, in relation to a Tranche of Notes, the date Specified as such;

“Issue Price” means, in relation to a Tranche of Notes, the price Specified as such;

“Issuer” means Investec;

“JSE” means JSE Limited (Registration No. 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;

“Last Day to Register” means, with respect to a particular Series of Notes (as Specified), the last date or dates preceding a Payment Day or Delivery Date, as the case may be, on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further transfers or entries until the said Payment Day or Delivery Date, as the case may be;

“Latest Permissible Physical Settlement Date” means the date that, in respect of Condition 9.1(a), is 30 (thirty) calendar days after the Physical Settlement Date and, in respect of Conditions 9.1(b), 9.1(c) and 9.1(d), the date that is 15 (fifteen) Business Days after the Physical Settlement Date;

“Listed” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange;

“Loan” means any obligation of a type included in the Borrowed Money Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;

“Market Value” means, unless otherwise Specified, with respect to an Obligation on a Valuation Date, (a) if more than 3 (three) Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than 1 (one) such Full Quotations have the same highest value or lowest value, then 1 (one) of such highest or lowest Full Quotations shall be disregarded); (b) if exactly 3 (three) Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than 1 (one) such Full Quotations have the same highest value or lowest value, then 1 (one) of such highest or lowest Full Quotations shall be disregarded); (c) if exactly 2 (two) Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than 2 (two) Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to paragraph (b) of the definition “*Quotation*”, an amount as determined by the Calculation Agent on the next Business Day on which at least 2 (two) Full Quotations or a Weighted Average Quotation is obtained; and (f) if 2 (two) or more Full Quotations are not obtained within the additional 10 (ten) Business Day period set forth in paragraph (b) of the definition of “*Quotation*”, the Market Value shall be determined as provided in such paragraph (b);

“Margin” means, in relation to a Tranche of Notes (where applicable), the margin Specified as such;

“Maximum Maturity” means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period Specified as such or, if no such period is Specified, 30 (thirty) years;

“Maximum Redemption Amount” means, in relation to a Tranche of Notes (where applicable), the amount Specified as such;

“Meeting” means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

“Merger Event” means that at any time during the period from (and including) the Issue Date to (but excluding) the Scheduled Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates;

“Merger Event Redemption Date” means the date Specified as such;

“Mid-market” means that bid and offer quotations shall be requested from Reference Dealers and shall be averaged for purposes of determining a relevant Reference Dealer’s quotation;

“Minimum Quotation Amount” means the Specified amount (or its equivalent in the relevant Obligation Currency) or, if no amount is so Specified, the lower of (a) USD 1 million (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount;

“Minimum Redemption Amount” means, in relation to a Tranche of Notes (where applicable), the amount Specified as such;

“Mixed Rate Notes” means a Tranche of Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as Specified;

“Modified Eligible Transferee” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets;

“Modified Restructuring Maturity Limitation Date” means, with respect to a Deliverable Obligation, the date that is the later of (a) the Scheduled Maturity Date, and (b) 60 (sixty) months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 (thirty) months following the Restructuring Date in the case of all other Deliverable Obligations;

“Multiple Holder Obligation” means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event, is held by more than 3 (three) holders that are not Affiliates of each other, and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which would otherwise constitute a Restructuring Credit Event; provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (b) above;

“N” or “Nth” means, where “Nth-to Default Note” is Specified as applicable, such number as may be Specified;

“Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer obligation are cleared via the Euroclear system, Clearstream, Luxembourg or any internationally recognised clearing system;

“Not Contingent” means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money obligations, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (a) to convert or exchange such obligation or (b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in paragraphs (a) and (b) hereof have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

“Not Domestic Currency” means any obligation that is payable in any currency other than the Domestic Currency;

“Not Domestic Issuance” means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

“Not Domestic Law” means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

“Not Sovereign Lender” means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “Paris Club debt”;

“Not Subordinated” means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Reference Obligation is Specified, any unsubordinated Borrowed Money obligation of the Reference Entity. For purposes of determining whether an obligation satisfies the “*Not Subordinated*” Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (i) the Trade Date, and (ii) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date;

“Noteholder” and **“holder”** means the holders of the Notes (as recorded in the Register);

“Notes” means the secured or unsecured, as Specified, credit-linked notes of any kind issued or to be issued by the Issuer, under the Programme, pursuant to the Programme Memorandum and which are linked to the credit of one or more Reference Entities;

“Notice Delivery Period” means, unless otherwise Specified, the period from and including the Issue Date to and including:

- (a) the Scheduled Maturity Date; or
- (b) the Grace Period Extension Date if:
 - (i) Grace Period Extension is Specified;
 - (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date; and
 - (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11.59p.m. (Johannesburg time) on the Scheduled Maturity Date; and
 - (iv) the Grace Period Extension Condition is satisfied; or
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date;
 - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11.59p.m. (Johannesburg time) on the Scheduled Maturity Date;
 - (iii) the Repudiation/Moratorium Extension Condition is satisfied; or
- (d) the Postponed Maturity Date, if the Scheduled Maturity Date is postponed pursuant to Condition 7.5 (*Scheduled Maturity Date Extension*);

“Notice of Physical Settlement” has the meaning defined in Condition 8.1. A Notice of Physical Settlement shall be subject to the requirements regarding notices set forth in Condition 25 (*Notices*);

“Notice of Publicly Available Information” means an irrevocable notice from the Issuer to the Noteholders that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Potential Repudiation/Moratorium Extension Notice. In relation to the Repudiation/Moratorium Credit Event, the notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (a) and (b) of the definition of “*Repudiation/Moratorium*”. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set forth in Condition 25 (*Notices*). If a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information;

“Notifying Party” means, in relation to a Tranche of Notes, each party Specified as such or, if no party is so Specified, the Issuer;

“Notional Principal Amount” means, in relation to a Deferred Payment Note, the amount Specified as such or where no such amount is Specified:

- (a) in the case of a Single Name Note, the Reference Entity Notional Amount Specified;
- (b) in the case of a Basket Note, unless otherwise Specified, the aggregate of all Reference Entity Notional Amounts Specified; and
- (c) in the case of an Nth-to-Default Note, unless otherwise Specified, the highest Reference Entity Notional Amount Specified;

“Nth Reference Entity” means, in respect of any Series of Nth-to-Default Notes, the numbered Reference Entity with respect to which an Event Determination Date must have occurred in order for the Notes to be redeemed in accordance with the applicable Settlement Method. For example, if the Applicable Pricing Supplement specifies that the Notes are Second-to-Default Notes, the Nth Reference Entity shall be the second Reference Entity with respect to which an Event Determination Date has occurred;

“Nth-to-Default Note” means Notes, Specified as such, in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, upon the occurrence of a Credit Event and satisfaction of the Conditions to Settlement with respect to the Nth Reference Entity, the Notes will be redeemed in accordance with the relevant Settlement Method;

“Obligation” means (a) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is Specified, as provider of any Qualifying Guarantee), described by the Obligation Category and having the Obligation Characteristics Specified (but excluding any Excluded Obligation), (b) each Reference Obligation, unless Specified as an Excluded Obligation, and (c) any other obligation of a Reference Entity as Specified;

“Obligation Acceleration” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

“Obligation Category” means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be Specified;

“Obligation Characteristics” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, and Not Domestic Issuance as Specified; provided that if the Applicable Pricing Supplement Specifies the Obligation Category as being Reference Obligations Only, then no Obligation Characteristics shall be applicable;

“Obligation Currency” means, with respect to an Obligation, the currency or currencies in which the Obligation is denominated;

“Obligation Default” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations;

“Offer” means that only the offer quotations provided by Reference Dealers shall be used in obtaining Quotations;

“Officer’s Certification” means a certificate signed by a director (or other substantively equivalent title) of the Issuer or the Calculation Agent, as applicable, certifying the occurrence of a Credit Event with respect to a Reference Entity;

“Optional Redemption Amount” means the Optional Redemption Amount (Call) or the Optional Redemption Amount (Put), as applicable;

“Optional Redemption Amount (Call)” means, in relation to a Tranche of Notes, the amount Specified as such;

“Optional Redemption Amount (Put)” means, in relation to a Tranche of Notes, the amount Specified as such;

“Optional Redemption Date (Call)” means, in relation to a Tranche of Notes (where applicable), the date Specified as such or, if no such date is Specified, the date specified as such in the notice to the relevant Noteholders contemplated in Condition 7.7 (*Redemption at the Option of the Issuer*);

“Optional Redemption Date (Put)” means, in relation to a Tranche of Notes (where applicable), the date Specified as such or, if no such date is Specified, the date specified as such in the Put Option Notice;

“Outstanding” means, in relation to the Notes, all the Notes issued other than:

- (a) those which have been Redeemed in full;
- (b) those in respect of which the date for Redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment;
- (c) those which have been purchased and cancelled as provided in Condition 7 (*Redemption*);
- (d) those which have become prescribed under Condition 17 (*Prescription*);
- (e) those represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 18 (*Exchange of Beneficial Interests and Replacement of Certificates*);
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 18 (*Exchange of Beneficial Interests and Replacement of Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 23 (*Meetings of Noteholders*) and 24 (*Amendments*),

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

“outstanding Principal Amount” means, in relation to a Note, the Principal Amount of that Note less (on each occasion, if any, on which that Note is partially redeemed under the Terms and Conditions, that portion of that Note which has been so partially redeemed) and, in relation to the Programme at any point in time, the aggregate outstanding Principal Amount of all of the Notes in issue under the Programme at that time;

“Outstanding Principal Balance” means, subject as provided in paragraph (f)(vi) of the definition of “*Deliverable Obligation Category*”:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof;
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, “*Outstanding Principal Balance*” shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

“Partial Cash Settlement” means settlement as contemplated in Condition 9.2;

“Partial Cash Settlement Amount” has the meaning defined in Condition 9.3(a);

“Partial Cash Settlement Date” has the meaning defined in Condition 9.3(b);

“Partial Principal Amount” has the meaning defined in Condition 12 (*Succession Event*);

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

“Participation” means a participation or a sub-participation;

“Partly Paid Notes” means Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as Specified);

“Paying Agent” means the Issuer or, if the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent in respect of that Tranche or Series of Notes, as contemplated in Condition 21 (*Transfer Agent, Calculation Agent and Paying Agent*), that other entity, as the case may be;

“Payment” means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

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

“Payment Requirement” means the amount Specified as such or, if no such amount is so Specified, ZAR10,000,000 or its equivalent as determined by the Calculation Agent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;

“Permitted Currency” means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (b) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor’s, a division of the McGraw-Hill Companies, or any successor to the rating business thereof, AAA or higher assigned to it by Moodys’ Investors Service or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Physical Settlement” means the method of settlement in accordance with Condition 8 (*Physical Settlement*);

“Physical Settlement Adjustment Rounding Amount” has the meaning defined in Condition 8.9;

“Physical Settlement Amount” means, in relation to a Tranche of Notes, the Reference Entity Notional Amount multiplied by the Reference Price;

“Physical Settlement Date” means the date that is the Specified number of Business Days following the satisfaction of all applicable Conditions to Settlement or, if a number of Business Days is not so Specified, the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement as the Calculation Agent may designate in its discretion, provided that:

- (a) if no Notice of Physical Settlement is delivered by the Issuer, the Physical Settlement Date shall be the date that is 30 (thirty) calendar days (inclusive) after the Event Determination Date; and
- (b) if the Final Price has not been determined by the Business Day immediately preceding the Physical Settlement Date, the Physical Settlement Date shall be the first Business Day after the Final Price is determined;

“Physical Settlement Period” means the number of Business Days Specified as such or, if a number of Business Days is not so Specified, the longest number of Business Days for settlement in accordance with the current market practice of such Deliverable Obligation, as determined by the Calculation Agent after consultation with the Issuer (if the Issuer is not also the Calculation Agent);

“Postponed Maturity Date” has the meaning defined in Condition 7.5 (*Scheduled Maturity Date Extension*);

“Potential Failure to Pay” means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or Grace Period or any conditions precedent to the commencement of any grace period or Grace Period applicable to such Obligations as the case may be;

“Potential Repudiation/Moratorium” means the occurrence of an event described in paragraph (a) of the definition of “*Repudiation/Moratorium*”;

“Principal Amount” means, in relation to a Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency; provided that:

- (a) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

- (b) in relation to South African Rand, it means Johannesburg;
- (c) in relation to Australian dollars, it means either Sydney or Melbourne;
- (d) in relation to New Zealand dollars, it means either Wellington or Auckland; and
- (e) in any case any financial centre that is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Programme” means the Investec Bank Limited ZAR10,000,000,000 Credit Linked Note Programme under which the Issuer may from time to time issue Notes;

“Programme Amount” means the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time being, as at the Programme Date, ZAR10,000,000,000, or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures and applicable laws, as set out in the section of this Programme Memorandum entitled *“General Description of the Programme”*;

“Programme Date” means the date of this Programme Memorandum, being 14 May 2010;

“Programme Memorandum” means this document so entitled in respect of the Programme dated 14 May 2010; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of this document entitled *“Documents Incorporated by Reference”*), references to *“Programme Memorandum”* shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

“Proxy” means, in relation to any Meeting, a person appointed to vote under a Form of Proxy other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Transfer Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

“Public Source” means:

- (a) If *“Standard International Public Sources”* is Specified as applicable, then each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun and Financial Times (and successor publications); and
- (b) If *“Standard South African Public Sources”* is Specified as applicable, then each of any Reuters screen, any Telerate screen, Business Day, The Star, Die Beeld, Financial Mail, Finweek, Finansies en Tegniek, The Economist; and
- (c) each additional or other source of Publicly Available Information Specified as such;

“Publicly Available Information” means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (a) has been published in not less than the Specified number of published or electronically displayed news sources (it being understood that each Public Source shall be deemed to be a published or electronically displayed news source), regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (b) is information received from (i) the Reference Entity or (ii) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (c) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of *“Bankruptcy”* against or by a Reference Entity; or (d) is information contained in any order, decree, filing or notice, however described or filed with, a court, tribunal, regulatory authority or similar administrative, regulatory or judicial body, provided that:

- (i) in relation to any information of the type described in (b), (c) and (d) above, each Noteholder may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the Calculation Agent has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties;

- (ii) Publicly Available Information need not state (A) in relation to a Downstream Affiliate, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity, and (B) that such occurrence (I) has met the Payment Requirement or Default Requirement, (II) is the result of exceeding any applicable Grace Period, or (III) has met the subjective criteria specified in certain Credit Events; and
- (iii) in the event that the Calculation Agent is (A) the sole source of the information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an obligation, and (B) a holder of an Obligation with respect to which a Credit Event has occurred, the Calculation Agent shall be required to deliver to the Noteholders an Officer's Certification;

"Put Option" means, in relation to a Tranche of Notes (where applicable), the option of the Noteholder of Note(s) in that Tranche to require the Issuer to redeem such Note(s) (either in whole or in part, as Specified) before the Scheduled Maturity Date in terms of Condition 7.8 (*Redemption at the Option of Noteholders*);

"Put Option Notice" means, in relation to a Tranche of Notes (where applicable), a written notice which must be delivered to the Issuer (with copies thereof to the Transfer Agent and the Paying Agent) by any Noteholder wanting to exercise the Put Option in terms of Condition 7.8 (*Redemption at the Option of Noteholders*);

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an Underlying Obligation for which another party is the Underlying Obligor and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement, or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation;

"Qualifying Participation Seller" means any participation seller that meets the Specified requirements. If no such requirements are Specified, there shall be no Qualifying Participation Seller;

"Quotation" means, in respect of Reference Obligations, Deliverable Obligations and Undeliverable Obligations, as the case may be, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Reference Dealers. If the Calculation Agent is unable to obtain 2 (two) or more such Full Quotations on the same Business Day within 3 (three) Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Reference Dealers and, if 2 (two) or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date the Quotations shall be deemed to be any Full Quotation obtained from a Reference Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Reference Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (c) (i) If *"Include Accrued Interest"* is Specified in respect of Quotations, such Quotations shall include accrued but unpaid interest, (ii) if *"Exclude Accrued Interest"* is Specified in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither *"Include Accrued Interest"* nor *"Exclude Accrued Interest"* is Specified in respect of Quotations, the Calculation Agent shall, based on then current market practice in the market of the Reference Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

“Quotation Amount” means:

- (a) with respect to a Reference Obligation, the amount Specified in relation to a Reference Entity (which may be Specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no such amount is so Specified, the Reference Entity Notional Amount (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained);
- (b) with respect to each type or issue of Deliverable Obligation to be Delivered on or prior to the Physical Settlement Date, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained) of such Deliverable Obligation;
- (c) with respect to each type or issue of Undeliverable Obligation, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained) of such Undeliverable Obligation;

“Quotation Method” means Specified method of quotation provided that if no Quotation Method is Specified, Bid shall apply;

“Rating” means, in relation to a Tranche of Notes (where applicable), the rating of that Tranche of Notes granted by a Rating Agency, as Specified;

“Rating Agency” means any rating agency(ies) as is/are appointed by the Issuer for the purpose of a Tranche of Notes and as Specified;

“Redeem” means:

- (a) in the case of a Note (other than a Deferred Payment Note in respect of which no portion of the Issue Price thereof has been paid to the Issuer by the Noteholder at the relevant time), the settlement of that Note by way of the payment by the Issuer to the relevant Noteholders of the Redemption Amount on the Redemption Date; and
- (b) in the case of a Deferred Payment Note in respect of which no portion of the Issue Price thereof has been paid to the Issuer by the Noteholder at the relevant time, the termination of the obligations of the Issuer and the Noteholder under that Deferred Payment Note on the Redemption Date without the payment of any Redemption Amount,

and **“Redeemable”** and **“Redeemed”** shall be interpreted accordingly;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount (Default), the Early Redemption Amount (Tax), the Early Redemption Amount (Merger Event), the Early Redemption Amount (Illegality), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount as may be Specified or determined in accordance with the Applicable Pricing Supplement;

“Redemption Date” means, in relation to a Tranche of Notes, the date on which that Tranche of Notes is due to be redeemed in accordance with the Terms and Conditions;

“Reference Banks” means, in relation to a Tranche of Notes (where applicable), the banks Specified as such or, if none, four major banks selected (after consultation with the Issuer, if reasonably practicable, and if the Issuer is not also the Calculation Agent) by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Dealer” means a dealer (other than the Issuer, the relevant Noteholders, or any Affiliate of the Issuer or the relevant Noteholders, unless otherwise Specified) in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Reference Dealer Specified as such; provided that, if no Reference Dealers are Specified, the Calculation Agent shall select the Reference Dealers in consultation with the Issuer (if the Issuer is not the Calculation Agent) and provided further that, upon a Reference Dealer no longer being in existence (with no successor), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the

Calculation Agent may substitute any other Reference Dealer(s) for one or more of the foregoing after consultation with the Issuer (if the Issuer is not the Calculation Agent);

“Reference Entity” or **“Reference Entities”** means the entity or entities Specified as such, and any Successor as determined by the Calculation Agent;

“Reference Entity Notional Amount” means the amount in which the Issuer has purchased credit protection in respect of one or more Reference Entities, as Specified;

“Reference Obligation” means each obligation Specified as such or of a type described in the Applicable Pricing Supplement and any Substitute Reference Obligation;

“Reference Obligations Only” means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

“Reference Price” means, in relation to a Tranche of Notes (where applicable):

- (a) for purposes of Condition 6.8 (*Late payment on Zero Coupon Notes*) and Condition 7.11(a) (*Early redemption of Zero Coupon Notes*), the price Specified as such;
- (b) for purposes of Condition 7.2 (*Redemption upon the occurrence of a Credit Event*) of, the percentage Specified as such or, if no such percentage is so Specified, 100% (one hundred percent);

“Reference Rate” means, in relation to a Tranche of Notes (where applicable), the rate Specified as such;

“Register” means the register maintained by the Transfer Agent in terms of Condition 20 (*Register*), including any sub-register, as the case may be;

“Registered” means, in relation to any address of, or information relating to, any Noteholder, the address of, or information relating to, the Noteholder appearing in the Register, or in relation to any joint Noteholder, the Noteholder appearing first in the Register;

“Regular Period” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Relevant Date” means in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD’s Nominee in accordance with the Terms and Conditions, it means the first date on which (a) the full amount of such monies have been received by the CSD’s Nominee, (b) such monies are available for payment to the holders of Beneficial Interests, and (c) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;

“Relevant Fraction” means:

- (a) for all business other than voting on an Extraordinary Resolution, one-tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than one-half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, three-quarters,

provided that, in the case of a Meeting which has resumed after adjournment for want of a quorum it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of (A) in the case of Notes (other than Deferred Payment Notes), the aggregate Principal Amount of such Notes

or (B) in the case of Deferred Payment Notes, the aggregate Notional Principal Amount of such Notes, as the case may be, represented or held by the Voters actually present at the Meeting; and

(ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one-quarter;

“Relevant Obligations” means the obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allegation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case;

“Relevant Proportion” means the proportion which the Principal Amount or Notional Principal Amount, as applicable, of the Note or Notes being the subject of an Asset Transfer Notice bears to the aggregate Principal Amount or Notional Principal Amount, as applicable, of all Notes which (a) form part of the same Series, and (b) are Outstanding (including those that are the subject of the Asset Transfer Notice) immediately prior to the date set for redemption of such Series of Notes;

“Relevant Screen Page” means, in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) Specified as the Relevant Screen Page, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” means, in relation to a Tranche of Notes (where applicable), the time Specified as such;

“Remaining Amount” has the meaning defined in Condition 12.1(c);

“Representative” means a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent and the Paying Agent who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time, and shall be determined by the Calculation Agent;

“Repudiation/Moratorium” means the occurrence of both of the following events: (a) an authorised officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date;

“Repudiation/Moratorium Evaluation Date” means, if a Potential Repudiation/ Moratorium occurs on or prior to the Scheduled Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 (sixty) days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 (sixty) days after the date of such Potential Repudiation/Moratorium;

“Repudiation/Moratorium Extension Condition” means the condition which is satisfied by the delivery of a Repudiation/Moratorium Extension Notice and, if Specified as applicable, a Notice of Publicly Available Information, by a Notifying Party to the Noteholders that is effective during the period from and including the Effective Date to and including the Scheduled Maturity Date or, if Condition 7.5 (*Scheduled Maturity Date Extension*) applies, the Postponed Maturity Date;

“Repudiation/Moratorium Extension Notice” means an irrevocable notice (which may be by telephone) from a Notifying Party to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or after the Effective Date and on or prior to the Scheduled Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential

Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective. A Repudiation/Moratorium Extension Notice shall be subject to the requirements regarding notices set forth in Condition 25 (*Notices*);

“Reserved Matter” means any proposal:

- (a) to change any date fixed for payment of principal or interest, to reduce the amount of principal or interest payable on any date in respect of such Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

“Restructured Bond or Loan” means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred;

“Restructuring” means:

- (a) with respect to one or more Obligations, including as a result of an Obligation Exchange, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is incurred:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
 - (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
 - (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.
- (b) Notwithstanding the provisions of sub-paragraph (a) of this definition of *“Restructuring”*, none of the following shall constitute a Restructuring, namely:
 - (i) the payment in Euros of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
 - (ii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) of this definition of *“Restructuring”*, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
 - (iii) the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) of this definition of *“Restructuring”*, in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.
- (c) For the purposes of sub-paragraphs (a) and (b) of this definition of *“Restructuring”*, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is Specified as applicable, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference

Entity in sub-paragraph (a) of this definition of “*Restructuring*” and the definition of “*Subordination*” shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in sub-paragraph (b) of this definition of “*Restructuring*” shall continue to refer to the Reference Entity.

- (d) Unless Multiple Holder Obligation is Specified as Not Applicable in the Applicable Pricing Supplement, then, notwithstanding anything to the contrary in sub-paragraphs (a), (b) or (c) above, the occurrence of, agreement to or announcement of any of the events described in sub-paragraphs (a)(i) to (v) of this definition of “*Restructuring*” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation;

If an Obligation Exchange has occurred, the determination as to one of the events described in sub-paragraphs (a)(i) to (a)(v) of this definition of “*Restructuring*” has occurred, will be based on a comparison of the terms of the Obligation immediately before such Obligation Exchange and the terms of the resulting Obligation if any, immediately following such Obligation Exchange.

The Calculation Agent acting on good faith and commercially reasonable manner will make any determination required under (b) or (c) above in its sole discretion.

For the purpose of this definition, “**Obligation Exchange**” means the mandatory transfer (other than in accordance with the terms in effect as of the later of the Effective Date and the date of issuance of the relevant Obligation) of any security, obligation or asset to holders of Obligations in exchange for such Obligations. When so transferred, such securities, obligations or assets will be deemed to be Obligations.

“**Restructuring Date**” means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

“**Restructuring Maturity Limitation Date**” means the date that is the earlier of (i) 30 (thirty) months following the Restructuring Date and (ii) the latest final maturity date of any Restructured Bond or Loan, provided that, under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity Date or later than 30 (thirty) months following the Scheduled Maturity Date;

“**Scheduled Maturity Date**” means, in relation to a Tranche of Notes, the Scheduled Termination Date, or any other date Specified as such;

“**Scheduled Termination Date**” means, in relation to a Tranche of Notes, the date Specified as such, being the date to which the Issuer has bought credit protection in respect the Reference Entity or Reference Entities, which shall not be subject to adjustment in accordance with any Business Day Convention, unless otherwise Specified;

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

“**Series**” means a Tranche of Notes which, together with any other Tranche(s) of Notes is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the relevant Applicable Pricing Supplement by way of a unique numeral (such as Series 1);

“**Settlement Currency**” means the currency Specified as such or, if no such currency is Specified, the Specified Currency;

“**Settlement Date**” means either the Cash Settlement Date or the Physical Settlement Date;

“**Settlement Method**” means the method according to which a Note may be settled;

“**Settlement Notice**” has the meaning defined in Condition 10.1;

“**Single Name Note**” means Notes, Specified as such, in respect of which the Issuer purchases credit protection from Noteholders in respect of one Reference Entity and pursuant to which, upon the occurrence of a Credit Event and satisfaction of the Conditions to Settlement with respect to the single Reference Entity, the Notes will be redeemed in accordance with the relevant Settlement Method;

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

“**South Africa**” means the Republic of South Africa as constituted from time to time;

“Sovereign” means any state, political sub-division or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;

“Sovereign Agency” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

“Sovereign Restructured Deliverable Obligation” means an Obligation of a Sovereign Reference Entity (i) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (ii) described by the Deliverable Obligation Category Specified and, having each of the Deliverable Obligation Characteristics, if any, Specified, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after Restructuring;

“Specified” means specified in the Applicable Pricing Supplement;

“Specified Currency” means, for the purposes of the definitions of *“Obligation Characteristic”* and *“Deliverable Obligation Characteristic”* only, an obligation that is payable in the currency or currencies Specified as such (or, if Specified Currency is Specified and no currency is so Specified, any of the lawful currencies of South Africa, Canada, Japan, Switzerland, United Kingdom of Great Britain and Northern Ireland and the United States of America and the Euro (and any successor currency to any such currency), which currencies shall be referred to collectively in the Applicable Pricing Supplement as the *“Standard Specified Currencies”*);

“Specified Denomination” means, in relation to each Note in a Tranche of Notes, the amount Specified;

“Specified Number” means the number of Public Sources Specified (or, if a number is not so Specified, two);

“Specified Office” of any Agent or the Issuer means the address Specified in respect of it in the Applicable Pricing Supplement or such other address as any such Agent or the Issuer (as the case may be) may specify by notice, in the case of any Agent, to the Issuer or, in the case of the Issuer, to the Noteholders, which change of address shall in each case be notified to the Noteholders in accordance with Condition 25 (*Notices*);

“Specified Period” means, in relation to a Tranche of Notes (where applicable), the period Specified as such;

“Strate” means Strate Limited (Registration No. 1998/022242/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa;

“Subordination” means, with respect to an obligation (the *“Subordinated Obligation”*) and another obligation of the Reference Entity to which such obligation is being compared (the *“Senior Obligation”*), a contractual arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. **“Subordinated”** will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of priorities arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;

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

“Substitute Reference Obligation” means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is Specified, as provider in any Qualifying Guarantee) that will replace any one or more of the Reference Obligation(s), identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amount due under any Reference Obligation has been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation is an underlying Obligation with a Qualifying Guarantee of the Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

- (b) Any Substitute Reference Obligation shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Issue Date and (B) the date on which such Reference Obligation was issued or incurred, and not reflecting any change in ranking in priority of payment after such later date) (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the Issuer and (iii) is an obligation of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is Specified as applying, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations. The Calculation Agent shall notify the Noteholders of any selection of a Substitute Reference Obligation or Substitute Reference Obligations.
- (c) If there is more than one Reference Obligation, any of the events set forth under paragraph (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in accordance with paragraph (a) above that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If there is more than one Reference Obligation, any of the events set forth under paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with paragraph (a) above that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (i) there is more than one Reference Obligation, any of the events set forth under paragraph (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with (a) above that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) there is only one Reference Obligation, any of the events set forth in (a) above has occurred with respect to the Reference Obligation and the Calculation Agent determines in accordance with (a) above that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Scheduled Maturity Date. If (1) Cash Settlement is applicable or (2) Physical Settlement is applicable and the Reference Obligation is the only Deliverable Obligation and, in each case, on or prior to the Scheduled Maturity Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations under the Notes shall cease as of the later of (A) the Scheduled Maturity Date, (B) the Grace Period Extension Date, or (C) the Repudiation/Moratorium Evaluation Date;
- (f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligations into a different Obligation;

"Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement, as determined by the Calculation Agent. Notwithstanding the foregoing, *"Succession Event"* shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event;

"Successor" means a direct or indirect successor to the Reference Entity that assumes all or substantially all of the obligations of the Reference Entity by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement, as determined by the Calculation Agent in accordance with the following procedures:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set out below:
 - (i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor to the Reference Entity;
 - (ii) if one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations, by way of a Succession Event and not more than twenty-

five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor to the Reference Entity;

- (iii) if more than one entity each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by the way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor determined in accordance with the definition of “*Relevant Obligations*”;
 - (iv) if one or more entities each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remains with the Reference Entity, each such entity and Reference Entity will each be a Successor in accordance with the definition of “*Relevant Obligations*”;
 - (v) if one or more entities directly or indirectly succeed in a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor in the Reference Entity; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25% of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds the greatest percentage of the Relevant Obligations (or, if two or more entities succeed to an equal percentage of the Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of the Relevant Obligations of the Reference Entity) will be the sole Successor;
- (b) in relation to a Sovereign Reference Entity, Successor means any direct or indirect successor(s) to the Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably possible after it becomes aware of the relevant Succession Event (but no earlier than 14 (fourteen) calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth in (a) above have been met, or which entity qualifies under (a)(vi) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth in (a) above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall notify the Issuer (unless the Issuer is also the Calculation Agent) and the Noteholders, in accordance with Condition 25 (*Notices*), of such calculation. If the Calculation Agent, acting in a commercially reasonable manner, determines (in its sole discretion) that any determination made by it pursuant to this definition of “*Successor*” leads or would lead to an absurd or commercially unreasonable result, the Calculation Agent shall be entitled to make such determination as to the identity of the Successor that succeeds to all or the majority of the Relevant Obligations of the Reference Entity by way of a Succession Event as it deems necessary to avoid such absurd or commercially unreasonable result and shall notify the Issuer (unless the Issuer is also the Calculation Agent) and the Noteholders, in accordance with Condition 25 (*Notices*), of such determinations.

For the purposes of this definition of “*Successor*”, “*succeed*” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations) that a Party other than such Reference Entity i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or ii) issues bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primary or secondary) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to this section shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged;

“**Supranational Organisation**” means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign or two or more Sovereigns and includes, without limiting the

foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto is open;

“Taxes” means all present and future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and 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;

“Tax Event” means, in relation to a Series of Notes, an event where, as a result of a Tax Law Change, the Issuer has or will become obliged, on the next Interest Payment Date, to deduct or withhold any amount from any payment in respect of any such Notes, as provided for in Condition 10 (*Taxation*), and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

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

“Terms and Conditions” means the terms and conditions of the Notes set out in this section of the Programme Memorandum entitled *“Terms and Conditions of the Notes”*;

“Trade Date” means, in relation to a Tranche of Notes, the Issue Date or the date Specified as such;

“Tranche” and **“Tranche of Notes”** means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

“Transferable” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

“Transfer Agent” means the Issuer or, if the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent in respect of that Tranche or Series of Notes, as contemplated in Condition 21 (*Transfer Agent, Calculation Agent and Paying Agent*), that other entity, as the case may be;

“Transfer Form” means the written form for the transfer of a Note represented by a Certificate, in the usual form or in such other form as is approved by the Transfer Agent;

“Underlying Obligation” means an obligation for which another party is the obligor;

“Underlying Obligor” means the party who is the obligor for an Underlying Obligation;

“Unscheduled Holiday” means a day that is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00a.m. (Johannesburg time) 2 (two) Business Days prior to the relevant day i.e. the Unscheduled Holiday;

“Unwind Costs” means, in respect of any Tranche of Notes in which **“Hedge Unwind Adjustment”** is Specified, the amount Specified or, if **“Standard Unwind Costs”** are Specified, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), Tax and duties incurred by the Issuer in connection with the Redemption of the Notes and the related termination, settlement or re-establishment of any Hedging Transaction following the occurrence of a Credit Event, such amount to be apportioned *pro rata* among the Notes in that Tranche in the ratio which the Principal Amount (or Notional Principal Amount, as applicable) of each Note of that Tranche bears to aggregate Principal Amount (or Notional Principal Amount, as applicable) of all of the Notes in that Tranche;

“Valuation Date” means (a) if “Single Valuation Date” is Specified, the date that is the Specified number of Business Days after satisfaction of all Conditions to Settlement or, if the number of Business Days is not Specified, 5 (five) Business Days, and (b) if “Multiple Valuation Dates” is Specified, each of the following dates:

- (i) the date that is the Specified number of Business Days after satisfaction of all Conditions to Settlement (or, if the number of Business Days is not so Specified, 5 (five) Business Days); and
- (ii) each successive date that is the Specified number of Business Days (or, if the number of Business Days is not so Specified, 5 (five) Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is Specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates Specified (or, if the number of Valuation Dates is not so Specified, 5 (five) Valuation Dates).

If neither “Single Valuation Date” nor “Multiple Valuation Dates” is Specified, “Single Valuation Date” shall be deemed to be Specified;

“Valuation Method” means:

- (a) for Notes with only one Reference Obligation and only one Valuation Date, the Valuation Method so Specified and:

- (i) if “Market” is Specified it means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
- (ii) if “Highest” is Specified it means the highest Quotation obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to the Valuation Date.

If no such Valuation Method is Specified, “Highest” shall be deemed to be Specified as the Valuation Method;

- (b) for Notes with only one Reference Obligation and more than one Valuation Date, the Valuation Method so Specified and:

- (i) if “Average Market” is Specified it means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (ii) if “Highest” is Specified it means the highest Quotation obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to each Valuation Date;
- (iii) if “Average Highest” is Specified it means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to each Valuation Date.

If no such Valuation Method is Specified, “Average Highest” shall be deemed to be Specified as the Valuation Method;

- (c) for Notes with more than one Reference Obligation and only one Valuation Date, the Valuation Method so Specified and:

- (i) if “Blended Market” is Specified it means the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or
- (ii) if “Blended Highest” is Specified it means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with sub-paragraph (b) of the definition of “Quotation”) for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is Specified, “Blended Highest” shall be deemed to be Specified as the Valuation Method;

- (d) for Notes with more than one Reference Obligation and more than one Valuation Dates, the Valuation Method so Specified and:

- (i) if “Average Blended Market” is Specified it means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the “Blended Market” Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or
- (ii) if “Average Blended Highest” is Specified it means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the “Blended Highest” Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is Specified, “Average Blended Highest” shall be deemed to be Specified as the Valuation Method.

- (e) Notwithstanding (a) through (d) above, if Quotations include Weighted Average Quotations, the Valuation Method shall be “Market”, “Average Market”, “Blended Market” or “Average Blended Market”, as the case may be.

“**Valuation Time**” means the time Specified as such or if no such time is Specified, 11:00a.m. in the city where the principal place of business of the Calculation Agent is situated;

“**Voter**” means, in relation to any Meeting, (a) a Proxy or (b) (subject to Condition 23.3 (*Record Date*)) a Noteholder; provided that (subject to Condition 23.3 (*Record Date*)) any Noteholder which has appointed a Proxy under a Form of Proxy shall not be a “Voter” except to the extent that such appointment has been revoked and the Registrar notified in writing of such revocation at least 48 hours before the time fixed for such Meeting;

“**Voting Shares**” means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity;

“**Weighted Average Quotation**” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Reference Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount;

“**Written Resolution**” means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of Condition 23 (*Meetings of Noteholders*), whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

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

“**ZAR-JIBAR-SAFEX**” means the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11:00a.m. (Johannesburg time) on the relevant date;

“**Zero Coupon Notes**” means a Tranche of Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest and other than in the case of late payment, as Specified;

“**24 hours**” means a period of 24 (twenty-four) hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and in each of the places where the Paying Agent has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 (twenty-four) hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

“**48 hours**” means two consecutive periods of 24 hours.

1.2. Interpretation

1.2.1. In the Terms and Conditions:

- 1.2.1.1. any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to the Terms and Conditions;
- 1.2.1.2. any reference to interest or coupon, as the case may be, shall be deemed to include payment of any Interest Amount and any other amount in the nature of interest or coupon, as the case may be, payable pursuant to the Terms and Conditions;
- 1.2.1.3. if an expression is stated in Condition 1.1 (*Definitions*) to have the meaning given in the Applicable Pricing Supplement, but the Applicable Pricing Supplement gives no such meaning or specifies that such expression is “Not Applicable” then such expression is not applicable to the relevant Tranche of Notes; and
- 1.2.1.4. any reference to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time.

- 1.2.2. Unless inconsistent with the context or save where the contrary is expressly specified in the Terms and Conditions:
 - 1.2.2.1. words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;
 - 1.2.2.2. the use of the word “including” followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to “including” and “in particular” will not be construed restrictively but will mean “including, without prejudice to the generality of the foregoing” and “in particular, but without prejudice to the generality of the foregoing” respectively;
 - 1.2.2.3. any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;
 - 1.2.2.4. where any number of days is to be calculated from a particular day, such number shall be calculated as inclusive of the first day and exclusive of the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day.
- 1.2.3. If any provision in a definition in the Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Terms and Conditions.
- 1.2.4. Headings and sub-headings in the Terms and Conditions are inserted for convenience only.
- 1.2.5. Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Terms and Conditions.
- 1.2.6. The *contra proferentem* rule shall not be applied in the interpretation of the Terms and Conditions.
- 1.2.7. The 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement and 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement, each as published by ISDA on 12 March 2009 and 14 July 2009 shall not apply to any Tranche of Notes issued under the Programme unless otherwise Specified.

2. ISSUE

2.1. General

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

2.2. Credit Linked Provisions

The Applicable Pricing Supplement shall Specify amongst other things:

- (a) the type of Notes, being Single Name Notes, Basket Notes, Nth-to-Default Notes or such other type as may be Specified;
- (b) the Settlement Method;
- (c) the Reference Entity or Reference Entities in respect of which a Credit Event may occur;

- (d) the Reference Obligation(s) (if any) in respect of each Reference Entity;
- (e) the Trade Date and the Scheduled Termination Date; and
- (f) the Reference Entity Notional Amount in respect of each Reference Entity.

2.3. **Basket Notes**

If the Notes are Basket Notes, then the provisions of the Terms and Conditions relating to redemption of Notes following satisfaction of Conditions to Settlement, extension of maturity of Notes on delivery of an Extension Notice, cessation or suspension of accrual of interest or accrual and payment of interest following the Redemption Date shall apply separately with respect of each Reference Entity and a nominal amount of each Note corresponding to the Reference Entity Notional Amount divided by the number of Notes then in issue. The remaining provisions of the Terms and Conditions shall be construed accordingly.

2.4. **Deferred Payment Notes**

- (a) If the Notes are Deferred Payment Notes, the obligation of the Noteholder to pay the Issue Price (or, in the case of Basket Notes that are Deferred Payment Notes, the relevant portion thereof Specified in relation to a Reference Entity (i.e. the Reference Entity Notional Amount)) shall be deferred until the satisfaction of the Conditions to Settlement in relation to any Reference Entity.
- (b) On the Event Determination Date in relation to a Reference Entity or on such other date as may be Specified, the Noteholder shall be obliged to immediately pay the Issue Price of the Basket Notes (or, in the case of Basket Notes that are Deferred Payment Notes, the relevant portion thereof Specified in relation to that Reference Entity (i.e. the Reference Entity Notional Amount)) to the Issuer in the Currency of Issue. Unless otherwise Specified, in the event that the Noteholder fails to pay or withholds payment of, for any reason whatsoever, the Issue Price (or the relevant portion thereof, as applicable) on its due date for payment, interest will accrue thereon for the benefit of the Issuer at the Default Rate from (and including) such due date to (but excluding) the date of payment thereof by the Noteholder, which interest shall be paid by the Noteholder on the date of payment of the Issue Price (or the relevant portion thereof, as applicable) but shall otherwise be payable on demand by the Issuer.
- (c) Upon payment of the Issue Price of the Basket Notes (or, in the case of Basket Note that are Deferred Payment Notes, the relevant portion thereof Specified in relation to a Reference Entity (i.e. the Reference Entity Notional Amount)) to the Issuer as contemplated by paragraph (b) above, the Issuer shall Redeem the relevant Deferred Payment Notes (or, in the case of Basket Notes that are Deferred Payment Notes, the relevant portion thereof Specified in relation to a Reference Entity) in accordance with Condition 7.2 (*Redemption upon the occurrence of a Credit Event*).

3. **FORM AND DENOMINATION**

3.1. **General**

- (a) The Notes are issued in listed or unlisted registered form in the Specified Denomination(s) and in the Currency of Issue shown in the Applicable Pricing Supplement.
- (b) Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index Linked Interest Notes and/or such combination of the foregoing Notes and/or such other type of Note as may be determined by the Issuer and the relevant Dealer(s) (if any) and Specified.
- (c) A Tranche of Notes may be listed on the Bond Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer and the Dealer(s) (if any), subject to any applicable laws. Unlisted Notes may also be issued under the Programme.
- (d) A Tranche of Notes will be issued in certificated form, as contemplated in Condition 3.2 (*Notes issued in certificated form*) or in uncertificated form, as contemplated in Condition 3.3 (*Notes issued in uncertificated form*), as Specified. Each Tranche of Notes which is listed on the Bond Market of the JSE, whether issued in certificated form or in uncertificated form, will be held in the CSD, as contemplated in Condition 3.4 (*Beneficial Interests in Notes held in the CSD*). A Tranche of unlisted Notes may also be held in the CSD, as contemplated in Condition 3.4 (*Beneficial Interests in Notes held in the CSD*).

3.2. **Notes issued in certificated form**

- (a) Each Tranche of Notes which is listed on the Bond Market of the JSE and/or lodged in the CSD will be issued in certificated form. Each such Tranche of Notes will be represented by a Global Certificate, and the CSD's

Nominee will be named in the Register as the registered Noteholder of that Tranche of Notes. Each Global Certificate will be physically deposited with and lodged in the CSD.

- (b) All Notes issued in certificated form which are not represented by a Global Certificate will be represented by Individual Certificates.

3.3. Notes issued in uncertificated form

A Tranche of Notes which is listed on the Bond Market of the JSE may, subject to applicable laws, be issued in uncertificated form in terms of section 37 of the Securities Services Act. Notes issued in uncertificated form will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes which is represented by a Global Certificate may be replaced by uncertificated securities in terms of section 37 of the Securities Services Act.

3.4. Beneficial Interests in Notes held in the CSD

- (a) A Tranche of Notes which is listed on the Bond Market of the JSE will either be issued in certificated form and lodged in the CSD under a Global Certificate or be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD under a Global Certificate.
- (b) The CSD will hold Notes subject to the Securities Services Act and the Applicable Procedures.
- (c) All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.
- (d) A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 18.1 (*Exchange of Beneficial Interests*).

3.5. Recourse to the BESA Guarantee Fund

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE.

4. TITLE

4.1. Notes issued in certificated form

- (a) The CSD's Nominee will be named in the Register as the registered holder of each Tranche of Notes which is represented by a Global Certificate.
- (b) Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.
- (c) The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- (d) Title to Notes represented by a Certificate will pass upon registration of transfer in the Register in accordance with Condition 19.2 (*Transfer of Notes represented by Certificates*).

4.2. Notes issued in uncertificated form

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

4.3. Beneficial Interests in Notes held in the CSD

- (a) While a Tranche of Notes is held in the CSD, the CSD's Nominee will be named in the Register as the Noteholder of the Notes in that Tranche.
- (b) Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.
- (c) Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities

accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.

- (d) In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Calculation Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the Calculation Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that Calculation Amount of such Notes for all purposes.
- (e) Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes, notwithstanding such transfers.
- (f) Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

5. STATUS

The Notes constitute direct, unconditional, unsubordinated and secured or unsecured, as Specified, obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for certain debts required to be preferred by law) at least *pari passu* with all other present and future secured or unsecured, as the case may be, and unsubordinated obligations of the Issuer.

6. INTEREST

6.1. Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding Calculation Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date, to (but excluding) the Interest Termination Date, at the rate(s) per annum equal to the Interest Rate, payable in arrear on each Interest Payment Date in each year up to and including the Scheduled Maturity Date.

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

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

- (a) if an Initial Broken Amount is Specified, then the first Interest Amount shall equal the Initial Broken Amount Specified, unless the Interest Termination Date occurs before the end of the first Interest Period; and
- (b) if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

Save as provided above, if interest is required to be calculated for a period other than a full Interest Period, the amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not Specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure in accordance with Condition 6.11 (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

6.2. Interest on Floating Rate Notes

General

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

Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding Calculation Amount from (and including) the Interest Commencement Date, to (but excluding) the Interest Termination Date, at the rate(s) per annum equal to the Interest Rate, payable in arrear on each Interest Payment Date in each year up to and including the Scheduled Maturity Date.

Interest Rate

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

Minimum and/or Maximum Rate of Interest

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

Determination of Interest Rate and Calculation of Interest Amount

The Calculation Agent, in the case of Floating Rate Notes will at, or as soon as is practicable after, each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount payable in respect of each Floating Rate Note for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Interest Rate for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Interest Rate to the Calculation Amount of the Note, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure in accordance with Condition 6.11 (*Rounding*).

Interest Determination, Screen Rate Determination, ISDA Determination including Fallback Provisions

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

- (a) if the Relevant Screen Page is available,
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11:00a.m. (or as otherwise Specified) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11:00a.m. (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- (c) if the Interest Rate cannot be determined by applying the provisions of (a) and (b) above, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11:00a.m. (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any).

If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11:00a.m. (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

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

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

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

6.3. Interest on Dual Currency Notes

In the case of Dual Currency Notes, the Interest Rate or Interest Amount payable shall be determined in the manner Specified.

6.4. Interest on Mixed Rate Notes

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

6.5. Interest on Indexed Linked Interest Notes

In the case of Indexed Linked Interest Notes, if the Interest Rate or Interest Amount falls to be determined by reference to an index and/or a formula, such rate or amount of interest payable in respect of Interest Period shall be determined in the manner specified in the Applicable Pricing Supplement. Any interest so accruing shall fall due for payment on the Interest Payment Date(s) in each year up to and including the Scheduled Maturity Date.

6.6. Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Calculation Amount of such Notes and otherwise as Specified.

6.7. Interest on Other Notes

The Applicable Pricing Supplement relating to any other Tranche of Notes not specifically provided for in the Terms and Conditions will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date(s) (and/or other payment date(s)) and the Interest Payment Period(s) (and/or other payment period(s)).

6.8. Late Payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note in a Tranche of Zero Coupon Notes is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (a) the date on which all amounts due in respect of such Note have been paid and (b) the date on which the full amount of the monies payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 25 (*Notices*).

6.9. Accrual of Interest

- (a) Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will (save in the case of Zero Coupon Notes) continue to accrue at the Default Rate until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes or Notes evidenced by a Global Certificate, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 25 (*Notices*).
 - (b) Notwithstanding Condition 6.9(a) above, if Condition 7.2 (*Redemption upon the occurrence of a Credit Event*) applies in respect of the Notes:
 - (i) “*Accrual of Interest Upon Credit Event*” is Specified as Not Applicable, each Note (or, in the case of a Basket Note, the relevant portion thereof) will cease to bear interest from the Interest Period End Date immediately preceding the Event Determination Date or, if the Event Determination Date is an Interest Period End Date, such Interest Period End Date or, if the Event Determination Date falls prior to the first Interest Period End Date, no interest shall accrue on the Notes (or, in the case of a Basket Note, the relevant portion thereof); or
 - (ii) “*Accrual of Interest Upon Credit Event*” is Specified as being Applicable, each Note (or, in the case of a Basket Note, the relevant portion thereof) shall cease to bear interest from the Event Determination Date,
- provided that if:
- (iii) Condition 7.3 (*Repudiation/Moratorium Extension*) or Condition 7.4 (*Grace Period Extension*) applies in respect of the Notes (or, in the case of a Basket Note, the relevant portion thereof) and, in the case of Condition 7.3 (*Repudiation/Moratorium Extension*), a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or, in the case of Condition 7.4 (*Grace Period Extension*), a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
 - (iv) Condition 7.5 (*Scheduled Maturity Date Extension*) applies in respect of the Notes and the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in Condition 7.3 (*Repudiation/Moratorium Extension*), Condition 7.4 (*Grace Period Extension*) or Condition 7.5 (*Scheduled Maturity Date Extension*), as the case may be.

6.10. Business Day Convention

- (a) If (i) there is no numerically corresponding day of the calendar month in which an Interest Payment Date should occur, or (ii) if any date (including, for the avoidance of doubt, an Interest Payment Date, Scheduled Maturity Date or Redemption Date) which is Specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then such date will be adjusted according to the Business Day Convention Specified.
- (b) If the Business Day Convention is:
 - (i) the “**Following Business Day Convention**”, such date shall be postponed to the first following day that is a Business Day;

- (ii) the “**Modified Following Business Day Convention**”, such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) the “**Nearest Business Day Convention**”, such date will be the first preceding day that is a Business Day if the relevant date otherwise falls on a day other than a Sunday or a Monday and will be the first following day that is a Business Day if the relevant date otherwise falls on a Sunday or a Monday;
- (iv) the “**Preceding Business Day Convention**”, such date shall be brought forward to the first preceding day that is a Business Day;
- (v) the “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**”, such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months Specified as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred,

and if “**No Adjustment**” is Specified, the relevant date shall not be adjusted in accordance with any Business Day Convention.

6.11. Rounding

For the purposes of any calculations required pursuant to the Terms and Conditions (unless otherwise Specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “**unit**” means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

6.12. Notification of Interest Rate(s) and Interest Amount(s)

The Issuer will cause the Interest Rate and each Interest Amount for each Interest Period determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s), to be notified to the JSE and the CSD and/or every other relevant exchange or authority as soon as possible after their determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the CSD and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 25 (*Notices*).

6.13. Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6, by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

7. REDEMPTION

7.1. Redemption at Maturity

The Issuer will Redeem each Note on the Scheduled Maturity Date by payment, other than in the case of a Deferred Payment Note, of an amount equal to the Final Redemption Amount of such Note (or, in the case of Basket Notes, the relevant portion thereof Specified in relation to a Reference Entity) together with interest, if any, payable thereon unless:

- (a) such Note has been previously Redeemed or purchased and cancelled in full (including pursuant to Condition 7.6 (*Redemption for Tax reasons*), Condition 7.7 (*Redemption at the Option of the Issuer*), Condition 7.8 (*Redemption at the Option of the Noteholders*) or Condition 7.9 (*Redemption for Illegality*)); or
- (b) the Conditions to Settlement have been satisfied, in which event the Issuer shall Redeem the Notes in accordance with Condition 7.2 (*Redemption upon the occurrence of a Credit Event*).

No Redemption Amount shall be payable to a Noteholder on the Redemption of a Deferred Payment Note on the Scheduled Maturity Date and, unless the Conditions to Settlement have been satisfied on or prior to the Scheduled Maturity Date and subject to Condition 7.5 (*Scheduled Maturity Date Extension*), the obligation of such Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date) to the Issuer shall be terminated.

7.2. Redemption upon the occurrence of a Credit Event

- (a) If an Event Determination Date occurs during the Notice Delivery Period, the Issuer shall Redeem each Note (or, in the case of Basket Notes, the relevant portion thereof Specified in relation to a Reference Entity) as follows:
 - (i) if the Settlement Method Specified is “*Physical Settlement*”, by Delivery of its *pro rata* share of the Deliverable Obligations specified in the Notice of Physical Settlement and payment of its *pro rata* share of any Physical Settlement Adjustment Rounding Amount, in each case in accordance with and subject to Condition 8 (*Physical Settlement*);
 - (ii) if the Settlement Method Specified is “*Cash Settlement*”, by payment of its *pro rata* share of the Cash Settlement Amount on the Cash Settlement Date, in each case in accordance with and subject to Condition 10 (*Cash Settlement*); and
 - (iii) if the Settlement Method Specified is “*Cash or Physical Settlement*”, by “*Cash Settlement*” or “*Physical Settlement*” as set out in sub-paragraph (i) or (ii) above at the option of the Issuer in its sole and absolute discretion and notified to the Noteholders in the relevant Credit Event Notice.
- (b) Upon discharge by the Issuer of such payment or delivery obligation on the Cash Settlement Date (or, if the Cash Settlement Amount is zero, upon the occurrence of the Cash Settlement Date) or by the Physical Settlement Date, as the case may be, or otherwise as provided herein, the Issuer’s obligations in respect of the Notes shall be discharged in full.
- (c) If the Applicable Pricing Supplement or Credit Event Notice Specifies that Physical Settlement shall apply then the provisions of Condition 8 (*Physical Settlement*) shall apply and if Cash Settlement is so Specified then the provisions of Condition 10 (*Cash Settlement*) shall apply.
- (d) In accordance with the Terms and Conditions, the Issuer may deliver a Credit Event Notice and (if applicable) a Notice of Publicly Available Information to the Paying Agent and the Noteholders in accordance with Condition 25 (*Notices*), specifying that an Event Determination Date has occurred under the Notes.
- (e) Where the Notes are Nth-to-Default Notes, the Calculation Agent may give a Credit Event Notice (and the Notice of Publicly Available Information and/or Notice of Physical Settlement, as applicable) in respect of a Credit Event having occurred in relation to any of the Reference Entities (whether or not such Credit Event is the first to occur). If a Credit Event occurs with respect to more than one Reference Entity on the same day, the Calculation Agent shall in its sole discretion select which Reference Entity shall be deemed to be subject to the Credit Event provisions.
- (f) Where Restructuring is Specified as being an applicable Credit Event, there may be more than one Event Determination Date in respect of the same Reference Entity as further described in Condition 13 (*Restructuring Credit Event*). In addition, in the case of a Basket Note, there may be multiple Event Determination Dates but, other than as set out in the preceding sentence, only one Event Determination Date in respect of each Reference Entity. An Event Determination Date in respect of more than one Reference Entity may occur on any one date. The provisions set out in the Terms and Conditions that set out the

mechanics that apply in respect of one Reference Entity and shall apply severally to each Reference Entity for a Note.

- (g) Where Repudiation/Moratorium and/or Failure to Pay is Specified as being an applicable Credit Event, the Issuer may deliver a Repudiation/Moratorium Extension Notice or a Grace Period Extension Notice, as applicable, in accordance with the terms of the definition thereof set out in Condition 1.1 (*Definitions*).
- (h) Any Credit Event Notice, Notice of Publicly Available Information, Notice of Physical Settlement, Repudiation/Moratorium Extension Notice or Grace Period Extension Notice, as the case may be, delivered on or prior to 5:00p.m. (Johannesburg time) on a Business Day is effective on such date and if delivered after such time or on a day that is not a Business Day, is deemed effective on the next following Business Day.

7.3. Repudiation/Moratorium Extension

- (a) Where Repudiation/Moratorium is Specified as a Credit Event, the provisions of this Condition 7.3 shall apply.
- (b) Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Condition 7.5 (*Scheduled Maturity Date Extension*) applies, the Postponed Maturity Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Noteholders in accordance with Condition 25 (*Notices*) that a Potential Repudiation/Moratorium has occurred and:
 - (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (A) each Note (or, in the case of Basket Notes, the relevant portion thereof) will be Redeemed by the Issuer by (1) in the case of Notes (other than Deferred Payment Notes), payment of the Final Redemption Amount, or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date) to the Issuer, in either case, on the second Business Day following the Repudiation/Moratorium Evaluation Date; and
 - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and, unless otherwise Specified, no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay for the period from the Scheduled Maturity Date to the Repudiation/Moratorium Evaluation Date; or
 - (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied during the Notice Delivery Period, the provisions of Condition 7.2 (*Redemption upon the occurrence of a Credit Event*) shall apply to the Notes.

7.4. Grace Period Extension

- (a) If “Grace Period Extension” is Specified as Applicable, the provisions of this Condition 7.4 shall apply.
- (b) Where Conditions to Settlement has not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:
 - (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (A) each Note (or, in the case of Basket Notes, the relevant portion thereof) will be Redeemed by the Issuer (1) in the case of Notes (other than Deferred Payment Notes), payment of the Final Redemption Amount, or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to

the Issuer on or prior to the Redemption Date) to the Issuer, in either case, on the Grace Period Extension Date; and

- (B) in the case of interest bearing Notes, the issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and, unless otherwise Specified, no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay for the period from the Scheduled Maturity Date to the Grace Period Extension Date; or
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied during the Notice Delivery Period, the provisions of Condition 7.2 (*Redemption upon the occurrence of a Credit Event*) shall apply to the Notes.

7.5. Scheduled Maturity Date Extension

If:

- (a) on (i) the Scheduled Maturity Date, or (ii) if applicable, the Repudiation/Moratorium Evaluation Date, or (iii) if Grace Period Extension is Specified as Applicable, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Issuer, a Credit Event may have occurred; or
- (b) on the Scheduled Maturity Date, in the opinion of the Issuer a Potential Repudiation/Moratorium may have occurred,

the Issuer may notify the Noteholders in accordance with Condition 25 (*Notices*) that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (the “**Postponed Maturity Date**”) specified in such notice falling 15 (fifteen) calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and:

- (A) where, in the case of Condition 7.5(a), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date, or, in the case of Condition 7.5(b), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:
 - (1) subject as provided below, each Note (or, in the case of Basket Notes, the relevant portion thereof) will be Redeemed by the Issuer by (1) in the case of Notes (other than Deferred Payment Notes), payment of the Final Redemption Amount, or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date) to the Issuer, in either case, on the Postponed Maturity Date; and
 - (2) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and, unless otherwise Specified, no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay for the period from the Scheduled Maturity Date to the Postponed Maturity Date; or
- (B) where:
 - (1) in the case of Condition 7.5(a), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 7.2 (*Redemption upon the occurrence of a Credit Event*) shall apply to the Notes; or
 - (2) in the case of Condition 7.5(b), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 7.3 (*Repudiation/Moratorium Extension*) shall apply to the Notes.

7.6. Redemption for Tax Reasons

If Early Redemption following the occurrence of a Tax Event is Specified as being Applicable, the Notes may be Redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if neither the Floating Rate Note Provisions or the Index Linked Interest Note Provisions are Specified as being Applicable); or
- (b) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index Linked Interest Note Provisions are Specified as being Applicable),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 25 (*Notices*) and to the Transfer Agent and the Paying Agent, by (1) in the case of Notes (other than Deferred Payment Notes), payment of the Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for Redemption, or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date), in either case if a Tax Event occurs and is continuing, provided, however, that no such notice of Redemption shall be given earlier than:

- (i) where the Notes may be Redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (ii) where the Notes may be Redeemed only on an Interest Payment Date, 60 (sixty) days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

Prior to the delivery of any notice of redemption pursuant to this Condition 7.6, the Issuer shall deliver to the Paying Agent (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such Redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to Redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 7.6, the Issuer shall be bound to Redeem the Notes in accordance with this Condition 7.6.

7.7. Redemption at the Option of the Issuer

If "*Call Option*" is Specified as being Applicable to a Tranche of Notes, the Issuer may at its option, having given not less than 15 (fifteen) days' notice (or such other period of notice as may be Specified) to the Noteholders (which notice shall be irrevocable) in accordance with Condition 25 (*Notices*) and to the Transfer Agent and the Paying Agent Redeem that Tranche of Notes in whole or, if so Specified, in part, by (1) in the case of Notes (other than Deferred Payment Notes), payment of the Optional Redemption Amount (Call), or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date), in either case, on the Optional Redemption Date (Call). Any such Redemption must, if so Specified, be of a nominal amount equal to the Minimum Redemption Amount or a Maximum Redemption Amount, each as Specified.

7.8. Redemption at the Option of the Noteholders

- (a) If "*Put Option*" is Specified as being Applicable to a Tranche of Notes, the Issuer shall, at the option of the Noteholder of any such Note, in whole (or, if Specified as Applicable, in part), by (1) in the case of Notes (other than Deferred Payment Notes), payment of the Optional Redemption Amount (Put), or (2) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date), in either case, upon expiry of the relevant Put Option Notice on the Optional Redemption Date (Put) specified in the relevant Put Option Notice.
- (b) In order to exercise the option contained in this Condition 7.8, the Noteholder of a Note must, not less than 15 (fifteen) nor more than 30 (thirty) days (or such other period of notice as may be Specified) before the relevant Optional Redemption Date (Put), deliver a duly completed Put Option Notice, in the form obtainable from the Specified Office of the Transfer Agent, to the Issuer and the Transfer Agent.
- (c) Any such Redemption must, if so Specified, be of a nominal amount equal to the Minimum Redemption Amount or a Maximum Redemption Amount, each as Specified.
- (d) The redemption by the Noteholders of uncertificated Notes shall take place in accordance with the Applicable Procedures.

- (e) In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Option Notice) deliver the Individual Certificate to the Transfer Agent at least 1 Business Day prior to the Optional Redemption Date (Put), for cancellation failing which the Put Option Notice shall be invalid. A holder of an Individual Certificate shall in that holder's Put Option Notice specify a bank account in South Africa into which (if applicable) the Optional Redemption Amount (Put) is to be paid.
- (f) Any Put Option Notice given by a Noteholder pursuant to this Condition 7.8 shall be irrevocable except where after giving the notice but prior to the Redemption Date, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer, delivered at least 1 (one) Business Day prior to the Optional Redemption Date (Put), to withdraw the notice given pursuant to this Condition 7.8 and instead to deliver an Acceleration Notice pursuant to Condition 16 (*Events of Default*).
- (g) The Issuer shall have no obligation to remedy any defects in any Put Option Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Option Notice.

7.9. Redemption for Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under any Tranche of Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer, having given not less than 10 (ten) nor more than 30 (thirty) days' notice to the Noteholders in accordance with Condition 25 (*Notices*) (which notice shall be irrevocable), may, on expiry of such notice Redeem all, but not some only, of the Notes of that Tranche by (a) in the case of Notes (other than Deferred Payment Notes), payment of the Early Redemption Amount (Illegality), or (b) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date), in either case, upon expiry of such notice.

7.10. Redemption following Merger Event

If "*Redemption following a Merger Event*" is Specified as being Applicable to a Tranche of Notes, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 25 (*Notices*) and Redeem the Notes by (a) in the case of Notes (other than Deferred Payment Notes), payment of the Early Redemption Amount (Merger Event), or (b) in the case of Deferred Payment Notes, termination of the obligation of the Noteholder to pay the Issue Price (or any portion thereof which such Noteholder is not obliged in accordance with Condition 2.4 (*Deferred Payment Notes*) to pay to the Issuer on or prior to the Redemption Date), in either case, on the Merger Event Redemption Date.

7.11. Early Redemption Amount of Zero Coupon Notes

Unless otherwise Specified, the Early Redemption Amount payable (if applicable) on Redemption of a Zero Coupon Note at any time before the Scheduled Maturity Date shall be an amount (the "**Amortised Face Amount**") equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Redemption Date.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period which is less than a full year shall be made on the basis of the Day Count Fraction Specified for the purposes of this Condition 7.11 or, if none is so Specified, a Day Count Fraction of Actual/365.

7.12. Instalment Notes

Instalment Notes will be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding Principal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Principal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date.

7.13. Partly Paid Notes

If the Notes are Partly Paid Notes, they will be Redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 7 and the Applicable Pricing Supplement.

7.14. Purchases

The Issuer or any of its Affiliates may at any time purchase Notes in the open market or otherwise and at any price. All Notes so purchased by the Issuer or any of its Affiliates may (subject to the restrictions of any applicable law) be held, resold or, at the option of the Issuer or the relevant Affiliate, be cancelled.

7.15. Cancellation

All Notes which are purchased by the Issuer or any of its Affiliates and, at the option of the Issuer or the relevant Affiliate, cancelled (as contemplated in Condition 7.14 (*Purchases*)), all Notes which are Redeemed in full shall forthwith be cancelled and may not be re-issued or resold. Each Certificate (if any) representing any Notes so purchased or redeemed or terminated, as the case may be, shall be forwarded to the Transfer Agent for cancellation.

8. PHYSICAL SETTLEMENT

- 8.1. If “Physical Settlement” is Specified as the applicable Settlement Method in the Applicable Pricing Supplement or Credit Event Notice, the Issuer shall, during the Notice Delivery Period, deliver to the Noteholders a notice (the “**Notice of Physical Settlement**”), in accordance with Condition 25 (*Notices*) on or before the 30th (thirtieth) calendar day after the relevant Event Determination Date (such 30th (thirtieth) calendar day being the “**Physical Determination Date**”), in which the Issuer shall give a detailed description of the Deliverable Obligation(s) that the Issuer reasonably expects to Deliver to the Noteholders, including the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation(s) to be Delivered and, if available, the CUSIP or ISIN number (if such identifying number is not available, the rate and tenor of the Deliverable Obligation(s)). For purposes of determining whether such Notice of Physical Settlement has been so delivered by the Physical Determination Date, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used.
- 8.2. The Deliverable Obligation(s) to be Delivered pursuant to the delivery of a Notice of Physical Settlement pursuant to Condition 8.1, unless otherwise Specified, shall be (a) in the case of Deliverable Obligations that are Borrowed Money, Deliverable Obligation(s) with an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if “*Include Accrued Interest*” is Specified, but excluding accrued but unpaid interest if “*Exclude Accrued Interest*” is Specified, and if neither “*Include Accrued Interest*” nor “*Exclude Accrued Interest*” is Specified, excluding accrued but unpaid interest), or (b) in the case of Deliverable Obligations that are not Borrowed Money, Deliverable Obligation(s) with a Due and Payable Amount (or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount equal to the Physical Settlement Amount. If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Require Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligation(s) may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics. If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.
- 8.3. Subject to Condition, 8.4 the Issuer shall Deliver the Relevant Proportion of the Deliverable Obligation(s) to the Noteholder on or before the Physical Settlement Date. The failure by the Issuer to Deliver the Relevant Proportion of the Deliverable Obligation(s) to the Noteholder for any reasons referred to in Conditions 8.7 or 9.1 on or before the due date for Delivery shall not constitute an Event of Default, and the Noteholder’s remedies shall be limited to those specified in Condition 9 (*Partial Cash Settlement*). In this event the procedures in Condition 8.8 will be followed.
- 8.4. In order to obtain Delivery of the Relevant Proportion of the Deliverable Obligation(s), each Noteholder must deliver to the Transfer Agent before the Cut-Off Date, a duly completed Asset Transfer Notice, the form of which may be obtained from the Specified Office of the Issuer or the Paying Agent, together with the Certificates relating to the Notes. Holders of Beneficial Interests in a Global Certificate may deliver an Asset Transfer Notice in accordance with the Applicable Procedures.
- No Asset Transfer Notice may be withdrawn after it is delivered to the Transfer Agent. After delivery of a valid Asset Transfer Notice, no transfers of the Notes specified therein will be effected by the Transfer Agent and no transfers of Beneficial Interests in such Notes will be effected by the CSD.
- 8.5. An Asset Transfer Notice shall:
- (a) specify the name of the Noteholder;

- (b) specify the name, physical and postal address and the banking and securities safe custody account details of the Designated Transferee;
- (c) specify the Principal Amount or Notional Principal Amount, as applicable, of Notes which are the subject of such notice;
- (d) irrevocably instruct and authorise the Transfer Agent to cancel the relevant Notes;
- (e) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (f) unless otherwise Specified in the Applicable Pricing Supplement, specify the manner in which the Delivery Expenses and Unwind Costs, if applicable, will be borne by the Noteholder in accordance with Condition 8.10 and authorise the Issuer to deduct from the Relevant Proportion of the Deliverable Obligation(s) to be Delivered to the Designated Transferee such Delivery Expenses and Unwind Costs, if applicable.

8.6. Failure to properly complete and deliver an Asset Transfer Notice and the relevant Certificates may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms and Conditions shall be made by the Transfer Agent in its sole and absolute discretion and shall be conclusive and binding on the relevant Noteholder and the Issuer. Upon receipt of a duly completed Asset Transfer Notice the Transfer Agent shall verify that the Person specified in the notice as the Noteholder is the Noteholder of the Note referred to therein according to the Register.

Subject as provided herein, in relation to each Note, the Relevant Proportion of the Deliverable Obligation(s) will be Delivered to the Noteholder's Designated Transferee on the relevant Physical Settlement Date or Latest Permissible Physical Settlement Date (whichever is applicable) at the risk of such Noteholder. Any Designated Transferee other than the Noteholder shall be deemed to be the duly authorised agent of the Noteholder and any Delivery or payment to such Person shall be deemed for all purposes to be a Delivery or payment to the Noteholder. Such Person shall not be entitled to enforce any of the Noteholder's rights against the Issuer.

If the Asset Transfer Notice and the relevant Certificates are delivered to the Issuer later than close of business on the Cut-Off Date, then the Relevant Proportion of the Deliverable Obligation(s) will be Delivered as soon as practicable after the date on which delivery of the same is made, at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, such Noteholder shall not be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of the Delivery of the Relevant Proportion of the Deliverable Obligation(s) taking place after the date on which Delivery of the same would otherwise be made pursuant to the provisions of this Condition 8 or otherwise due to circumstances beyond the control of the Issuer. The failure by the Issuer to Deliver the Relevant Proportion of the Deliverable Obligation(s) to the Noteholder's Designated Transferee on the relevant Physical Settlement Date or Latest Permissible Physical Settlement Date shall not constitute an Event of Default.

If the Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or fails to deliver the Certificates related thereto or fails to pay the Delivery Expenses as referred to in Condition 8.10 within a reasonable period, the Issuer shall be discharged from its obligations in respect of such Notes and shall have no further obligation or liability whatsoever in respect thereof.

- 8.7. If due to an event beyond the control of the Issuer it is impossible, impracticable or illegal for the Issuer to Deliver, or due to an event beyond the control of any Noteholder or its Designated Transferee, it is impossible, impracticable or illegal for such Designated Transferee to accept Delivery of any portion of the Deliverable Obligation(s) by the Physical Settlement Date (including, without limitation, failure of any relevant settlement system or due to any law, regulation or court order, but not including market conditions or failure to obtain any requisite consent with respect to the Delivery of Loans) then by such date the Issuer shall Deliver to such Designated Transferee that portion of the Relevant Proportion of the Deliverable Obligation(s) which is possible, practicable and legal to Deliver or for which it is possible, practicable and legal to take Delivery and the Issuer or the Designated Transferee, as the case may be, shall provide a description in reasonable detail of the facts giving rise to such impossibility, impracticability or illegality and, as soon as possible thereafter, the Issuer shall Deliver to such Designated Transferee that previously undelivered portion of the Relevant Proportion of the Deliverable Obligation(s).
- 8.8. If, as referred to in Condition 8.3, the Relevant Proportion of the Deliverable Obligation(s) is Delivered later than the Physical Settlement Date, then until Delivery of the Relevant Proportion of the Deliverable Obligation(s) is made to the relevant Designated Transferee, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. Although, a failure to Deliver any Relevant Proportion of the Deliverable Obligation(s) for any reasons referred to in Conditions 8.7 or 9.1 shall not relieve the Issuer from its obligations under the applicable Terms and Conditions, no one of the Issuer and any other person holding any Relevant Proportion of the Deliverable Obligation(s) for the Issuer shall (i) be under any obligation to deliver or procure

delivery of any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such assets (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such assets until the date of Delivery or (iii) be under any liability to such Noteholder for any loss, liability, damage, cost or expense that such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person not being the legal owner of such assets until the date of Delivery.

- 8.9. If the Relevant Proportion of the Deliverable Obligation(s) comprises less than a multiple of a whole number of the Deliverable Obligation(s) at the relevant time, (i) the Issuer shall not Deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of an asset which is less than a whole number (the “**Fractional Entitlement**”) and (ii) the Issuer shall pay to the relevant Noteholder a cash amount (the “**Physical Settlement Adjustment Rounding Amount**”) (to be paid at the same time as Delivery of the Relevant Proportion of the Deliverable Obligation(s)) equal to the fair market value (as determined by the Calculation Agent) of such Fractional Entitlement.
- 8.10. All Delivery Expenses of effecting Delivery of the Relevant Proportion of the Deliverable Obligation(s) and, if the Applicable Pricing Supplement Specifies that “*Hedge Unwind Adjustment*” shall be Applicable, a *pro rata* share of the Unwind Costs, shall, in the absence of any provision to the contrary in the Applicable Pricing Supplement, be borne by the Noteholder and shall, unless otherwise Specified, at the option of each Noteholder either be:
- (a) paid to the Issuer by such Noteholder prior to the Delivery of the Relevant Proportion of the Deliverable Obligation(s) (and, for the avoidance of doubt, the Issuer shall not be required to Deliver any portion of the Deliverable Obligation(s) to such Noteholder until it has actually received such payment); or
 - (b) deducted by the Issuer from the amount which may be payable to such Noteholder, in accordance with Condition 8.9.

If there is not a cash amount owing to a Noteholder sufficient to cover the Delivery Expenses and, if applicable, its *pro rata* share of the Unwind Costs in respect of such Noteholder’s Note, the Issuer may convert such amount of the Relevant Proportion of the Deliverable Obligation(s) into cash sufficient to cover the Delivery Expenses and, if applicable, a *pro rata* share of the Unwind Costs in respect of such Note from which the Issuer shall deduct such amounts. Each Note will then be Redeemed by delivery of the remainder of the Relevant Proportion of the Deliverable Obligation(s) in respect of such Note and, if applicable, payment of the Physical Settlement Adjustment Rounding Amount arising from any Fractional Entitlement, together with any other amounts to which such Noteholder is entitled upon Redemption of such Note.

- 8.11. The Issuer shall not be under any obligation to register or procure the registration of any Noteholder or any other person as the registered holder of any of the Deliverable Obligation(s) to be Delivered in the register of members of any company whose shares form part of the Deliverable Obligation(s). The Issuer shall not be obliged to account to any Noteholder for any interest or other entitlement received or receivable in respect of any securities comprising the Deliverable Obligation(s) to be Delivered by the Issuer to the Noteholder unless the interest or entitlement has been received by the Issuer for the account of the Noteholder after the delivery date of the securities to the Noteholder or the securities are Delivered to the Noteholder through the settlement system of an exchange and the transferee would be entitled to receive such interest or entitlement in terms of the rules of that exchange.

9. **PARTIAL CASH SETTLEMENT**

9.1. If:

- (a) following the occurrence of any impossibility, impracticability or illegality referred to in Condition 8.7, all of the Relevant Proportion of the Deliverable Obligation(s) is not Delivered on or prior to the Latest Permissible Physical Settlement Date; or
- (b) (i) “*Partial Cash Settlement of Loans*” is Specified as being Applicable; (ii) all or a portion of the Deliverable Obligation(s) includes Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being ceded or assigned to the Designated Transferee and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and (iii) (aa) Direct Loan Participation is not Specified as a Deliverable Obligation Characteristics or (bb) Direct Loan Participation is Specified as a Deliverable Obligation Characteristic and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date; or
- (c) (i) “*Partial Cash Settlement of Assignable Loans*” is Specified as being Applicable; (ii) all or a portion of the Deliverable Obligation(s) includes Assignable Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being ceded or assigned to the Designated Transferee and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and (iii)

(aa) Direct Loan Participation is not Specified as a Deliverable Obligation Characteristic or (bb) Direct Loan Participation is Specified as a Deliverable Obligation Characteristics and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date; or

- (d) (i) “*Partial Cash Settlement of Participation*” is Specified as being Applicable; and (ii) all or a portion of the Deliverable Obligation(s) includes Direct Loan Participations and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date,

then Partial Cash Settlement pursuant to Condition 9.2 shall be deemed to apply with respect to that portion of the Deliverable Obligation(s) that cannot be Delivered for the reasons specified in Condition 9.1(a) (the “**Undeliverable Obligations**”) or that portion of the Deliverable Obligation(s) of the type referred to in Condition 9.1(b) that cannot be ceded or assigned to the Designated Transferee (the “**Undeliverable Loan Obligations**”) or that portion of the Deliverable Obligation(s) of the type referred to in Condition 9.1(c) that cannot be ceded or assigned to a Noteholder or its Designated Transferee (the “**Unassignable Obligations**”) or that portion of the Deliverable Obligation(s) of the type referred to in Condition 9.1(d) in respect of which the relevant Participation is not effected (the “**Undeliverable Participations**”).

- 9.2. On the Partial Cash Settlement Date, the Issuer shall pay the Noteholder the Partial Cash Settlement Amount, whereupon the Issuer’s obligations in respect of the Note shall be discharged.

- 9.3. Unless otherwise Specified, in this Condition 9:

- (a) “**Partial Cash Settlement Amount**” is deemed to be, for each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, multiplied by (B) the Reference Price minus the Final Price with respect to such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, less (C) Unwind Costs, if any, and (ii) zero, or is the amount otherwise Specified;
- (b) “**Partial Cash Settlement Date**” is deemed to be the date that is 3 (three) Business Days after the calculation of the Final Price, or is the date otherwise Specified;
- (c) “**Reference Obligation**” is deemed to be each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation and “**Reference Price**” is deemed to be 100% (one hundred per cent);
- (d) “**Valuation Date**” is deemed to be the date that is 2 (two) Business Days after the Latest Permissible Physical Settlement Date;
- (e) “**Valuation Method**” is deemed to be “Highest” unless the relevant Quotations include Weighted Average Quotations (or, if applicable, Indicative Quotations), in which case, the Valuation Method is deemed to be “Market”;
- (f) “**Quotation Method**” is deemed to be “Bid”;
- (g) “**Quotation Amount**” is deemed to be, with respect to each type or issue of Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation;
- (h) There shall be no “**Minimum Quotation Amount**”;
- (i) “**Valuation Time**” will be 11:00a.m. (Johannesburg time);
- (j) “**Market Value**” means, with respect to an Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) on a Valuation Date, (i) if more than 3 (three) Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly 3 (three) Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest

value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly 2 (two) Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are applicable and exactly 3 (three) Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest value or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than 2 (two) Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than 3 (three) Indicative Quotations are obtained) then subject to clause (k)(ii), an amount as determined by the Calculation Agent on the next Business Day on which at least 2 (two) Full Quotations, a Weighted Average Quotation or 3 (three) Indicative Quotations are obtained, and (vii) if the Quotations are deemed to be zero, Market Value shall be zero;

(k) **“Quotation”** means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are applicable, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from at least 5 (five) Reference Dealers. If at least 2 (two) such Full Quotations are not available on the same Business Day within 3 (three) Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the 10th (tenth) Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from at least 5 (five) Reference Banks, and, if at least 2 (two) Full Quotations are not available, a Weighted Average Quotation. If at least 2 (two) such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are applicable, the Calculation Agent shall attempt to obtain 3 (three) Indicative Quotations from at least 5 (five) Reference Dealers;

(ii) If the Calculation Agent is unable to obtain at least 2 (two) Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, 3 (three) Indicative Quotations) on the same Business Day on or prior to the 10th (tenth) Business Day following the applicable Valuation Date, the Quotations shall be deemed to be zero;

(iii) The Calculation Agent shall, based on then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination;

(l) **“Indicative Quotation”** shall mean, in accordance with the Quotation Method, each quotation obtained from a Reference Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) equal to the Quotation Amount, which reflects such Reference Dealer’s reasonable assessment of the price of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation based on such factors as such Reference Dealer may consider relevant, which may include historical prices and recovery rates.

10. CASH SETTLEMENT

10.1. If *“Cash Settlement”* is Specified as the Settlement Method or specified in the Credit Event Notice and the Conditions to Settlement are satisfied during the Notice Delivery Period, on the Cash Settlement Date the Issuer shall give notice (a **“Settlement Notice”**) to the Noteholders in accordance with Condition 25 (*Notices*) and Redeem each Note by payment in accordance with Condition 14 (*Payments*) of the Cash Settlement Amount on the Cash Settlement Date upon:

- (a) actual receipt of the Certificate surrendered by the Noteholder; and
- (b) if such Notes are Deferred Payment Notes, actual receipt by the Issuer of the Issue Price of such Notes (or, in the case of Notes which are Basket Notes, the relevant portion thereof) in accordance with Condition 2.4 (*Deferred Payment Notes*).

10.2. If the Conditions to Settlement are satisfied and the Notes become Redeemable in accordance with this Condition 10, upon payment of the Cash Settlement Amount in respect of the Notes, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The Cash

Settlement Amount may be less than the Principal Amount of a Note. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

11. SUBSTITUTE REFERENCE OBLIGATIONS

11.1. The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 (fourteen) calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth in the definition of “*Successor*” have been met, or which entity qualifies under paragraph (f) of the definition of “*Successor*”, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth in the definition of “*Successor*” have been met, or which entity qualifies under paragraph (f) of the definition of “*Successor*”, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall notify the Issuer of such calculation. The Issuer shall notify the Noteholders of such calculation received from the Calculation Agent in accordance with Condition 25 (*Notices*).

11.2. Where:

- (a) a Reference Obligation is Specified;
- (b) one or more Successors to the Reference Entity have been identified; and
- (c) any one or more such Successors have not assumed the Reference Obligations,

a Substitute Reference Obligation will be determined in accordance with the definition of “*Substitute Reference Obligation*”.

12. SUCCESSION EVENT

12.1. Where the Notes are Single Name Notes:

- (a) Where a Succession Event has occurred and more than one Successor has been identified by the Calculation Agent, each such Successor will be deemed to be a Reference Entity for the purposes of the Notes, and to the extent applicable, the Calculation Agent shall apportion any outstanding Principal Amounts (or Notional Principal Amounts, as applicable) or any other relevant Calculation Amounts as it in its sole discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of such adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it makes such adjustments in such manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the Credit Derivatives Definitions.
- (b) Where a Credit Event occurs in respect of a Reference Entity after such a Succession Event, the provisions of the Terms and Conditions shall be deemed to apply to the Principal Amount (or Notional Principal Amount, as applicable) represented by that Reference Entity only (i.e. the Reference Entity Notional Amount) (the “**Partial Principal Amount**”) and all the provisions shall be construed accordingly. Each Note shall thereafter be redeemed in part (such redeemed part being equal to the relevant proportion of the Partial Principal Amount).
- (c) The Notes shall be deemed to be redeemed *pro rata* in an amount equal to the Partial Principal Amount only. The Notes in an amount equal to the aggregate Principal Amount (or Notional Principal Amount) less the Partial Principal Amount shall remain outstanding (the “**Remaining Amount**”) and interest shall accrue on the Remaining Amount as provided for in the Terms and Conditions and the Applicable Pricing Supplement (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
- (d) The provisions of these Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the Succession Event.

12.2. Where the Notes are Basket Notes:

- (a) Where a Succession Event has occurred in respect of a Reference Entity and more than one Successor has been identified, each Successor will be the Reference Entity (each a “**Successor Reference Entity**”) for the purposes of the Notes, for the avoidance of doubt such Reference Entity shall no longer be a Reference Entity.
- (b) Following the occurrence of a Succession Event, upon the satisfaction of the Conditions to Settlement with respect to any of the Reference Entities unaffected by a Succession Event, the Remaining Amount of the

Notes will be Redeemed in accordance with the provisions of these Terms and Conditions relating to Basket Notes.

- (c) Where a Credit Event occurs in respect of a Successor Reference Entity, the provisions of these Terms and Conditions shall be deemed to apply to the Partial Principal Amount of the relevant Successor Reference Entity and all the provisions shall be construed accordingly. Each Note shall thereafter be Redeemed in a proportion equal to the relevant proportion which the Partial Principal Amount forms of the aggregate outstanding Principal Amount of the Notes as of the Issue Date.
- (d) Following Partial redemption of the Notes pursuant to paragraph (c) above, interest shall accrue on the remaining outstanding Principal Amount of the Notes equal to the aggregate outstanding Principal amount immediately prior to the redemption as provided for in these Terms and Conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determined to be appropriate).
- (e) The provisions of these Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any Reference Entities following the occurrence of a Succession Event. For the avoidance of doubt, the provisions of this Condition 12.2 shall apply to each Succession Event.

12.3. Where the Notes are Nth-to-Default Notes:

- (a) Where a Succession Event has occurred in respect of a Reference Entity (each such Reference Entity and any Reference Entity previously the subject of a Succession Event, a “**Succession Event Reference Entity**” and the Reference Entities unaffected by such Succession Event or any previous Succession Event, the “**Non-Succession Event Reference Entities**”) and more than one Successor has been identified by the Calculation Agent, each such Successor will be deemed to be a Successor Reference Entity for the purposes of the Notes and, to the extent applicable, the Calculation Agent shall apportion any outstanding Principal Amounts or any other relevant Calculation Amounts equally in relation to each Successor Reference Entity.
- (b) Following the occurrence of a Succession Event, satisfaction of the Conditions to Settlement following a Credit Event with respect to any of the Non-Succession Event Reference Entities will cause the Notes to be Redeemed in full in accordance with the provisions of these Terms and Conditions; provided that, in the case of Nth-to-Default Notes, satisfaction of the Conditions to Settlement following a Credit Event with respect to any of the Non-Succession Event Reference Entities will only cause the Notes to be redeemed in full as aforesaid where such Non-Succession Event Reference Entity is the Nth Reference Entity with respect to which the Conditions to Settlement have been satisfied.
- (c) Where a Credit Event occurs in respect of a Successor Reference Entity, the relevant provisions of these Terms and Conditions shall be deemed to apply to the Partial Principal Amount of the Notes represented by the relevant successor Reference Entity only; provided that, in the case of Nth-to-Default Notes, that such Successor Reference Entity is the Nth Reference Entity with respect to which the Conditions to Settlement have been satisfied, and all the provisions shall be construed accordingly. Subject as aforesaid, the Notes shall thereafter be Redeemed in a proportion equal to the relevant proportion which the Partial Principal Amount forms of the aggregate outstanding Principal Amount of the Notes as of the Issue Date.
- (d) Following a partial redemption of the Notes pursuant to paragraph (c) above, interest shall accrue on the remaining outstanding Principal Amount of the Notes immediately following the partial redemption as provided for in the Terms and Conditions (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate).
- (e) The provisions of these Terms and Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any other Successor Reference Entities formed as a result of one or more Succession Events and/or any of the Non-Succession Event Reference Entities. For the avoidance of doubt, the provisions of this Condition 12.3(e) shall apply to each Succession Event.

12.4. Where the effect of the foregoing provisions would be to specify a Reference Entity more than once with respect to the Notes, the Reference Entity shall be deemed to be specified only once.

12.5. Where the effect of the foregoing provisions would be to specify a Reference Entity (the “**Surviving Reference Entity**”) (other than a Reference Entity that is subject to a Succession Event) would be a Successor to any other Reference Entity (the “**Legacy Reference Entity**”) pursuant to a Succession Event through the application of the foregoing provisions, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

12.6. Save as otherwise provided in the Applicable Pricing Supplement, in the event that (i) the Issuer becomes a Successor to any Reference Entity as a result of the application of the foregoing provisions, (ii) the Issuer and any Reference Entity becomes Affiliates, or (iii) the Issuer or a Reference Entity consolidates or amalgamates with, or

merges into, or transfers all or substantially all its assets to, a Reference Entity or the Issuer (as applicable), then the Issuer shall forthwith give notice of such circumstance to Noteholders. In such event, the Issuer may, but shall not be obliged to, on giving not more than 30 (thirty) nor less than 15 (fifteen) days' notice to Noteholders (the "**Seller Merger Notice**"), redeem all but not some of the Notes at the Early Redemption Amount specified in the Seller Merger Notice.

- 12.7. In the case of any determinations under each of Conditions 12.1 to 12.6 and any determinations under the Applicable Pricing Supplement connected with or as a result of a Succession Event or otherwise shall be made by the Calculation Agent in its sole discretion and in good faith and, in the absence of manifest error, shall be conclusive and binding on all parties.

13. RESTRUCTURING CREDIT EVENT

- 13.1. Where Restructuring is Specified as being an applicable Credit Event and, unless otherwise Specified, the Issuer may deliver multiple Credit Event Notices with respect to such Credit Event (a "**Restructuring Credit Event**"). Accordingly, notwithstanding anything to the contrary in these Terms and Conditions, where a Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an amount that is less than the aggregate Principal Amount or Notional Principal Amount, as applicable, outstanding of the Notes immediately prior to the delivery of such Credit Event Notice (the "**Exercise Amount**"), the provisions of these Terms and Conditions shall be deemed to apply to a Principal Amount or Notional Principal Amount, as applicable, equal to the Exercise Amount only and all the provisions shall be construed accordingly. The Exercise Amount shall be subject to a minimum Exercise Amount as Specified. Each notice shall specify the Valuation Date and the Exercise Amount, provided that such Valuation Date is no later than the day falling 72 (seventy-two) or, as the case may be, 125 (one hundred and twenty-five) Business Days following, in respect of the Notes, the Scheduled Maturity Date. Each such Note shall be redeemed in part (such redeemed part being equal to the relevant proportion of the Exercise Amount).
- 13.2. The Notes shall be deemed to be Redeemed *pro rata* in an amount equal to the Exercise Amount only. The Notes in an amount equal to the aggregate Principal Amount or Notional Principal Amount, as applicable, outstanding (immediately prior to the redemption thereof) less the Exercise Amount shall remain outstanding and the Calculation Agent shall be adjusted in accordance with such reduction of the aggregate Principal Amount or Notional Principal Amount, as applicable, and interest shall accrue on the Calculation Amount as provided for in the Terms and Conditions and the Applicable Pricing Supplement (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate to take account of such reduction of the aggregate Principal Amount or Notional Principal Amount, as applicable).
- 13.3. In respect of any subsequent Credit Event Notices delivered in respect of the Reference Entity that was the subject of the Credit Event Notice referred to above:
- (a) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring Credit Event must be equal to the then outstanding principal amount of the Notes at such time (and not a point thereof); and
 - (b) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is 1,000,000 (one million) units of the currency (or, if Japanese yen, 100,000,000 (one hundred million) units) in which the Notes are denominated or any integral multiple thereof or the entire then outstanding principal amount of the notes at such time.
- 13.4. For the avoidance of doubt, in the case of a Nth-to-Default Note, if a Restructuring Credit Event has occurred in respect of the Nth Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Nth Reference Entity.
- 13.5. If "*Restructuring Maturity Limitation and Fully Transferable Obligation Applicable*" is Specified and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the Notice of Physical Settlement and may be included in the Deliverable Obligations only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.
- 13.6. If "*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*" is Specified and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be specified in the notice of Physical Settlement and may be included in the Deliverable Obligations only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date. Where Modified Restructuring Maturity Limitation applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement

Date (in which case it shall be deemed to have been refused), the Issuer shall promptly notify the Noteholders of such refusal (or deemed refusal) and:

- (a) each such Noteholder may designate a third party (which may or may not be an Affiliate of such Noteholder) to take Delivery of the Deliverable Obligation on its behalf; and
- (b) if a Noteholder does not designate a third party that takes Delivery on or prior to the date which is 3 (three) Business Days after the Physical Settlement Date, then the Issuer will Redeem the Notes which have been Delivered by payment of the relevant Partial Cash Settlement Amount .

13.7. If the provisions of this Condition 13 apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Certificate, such Global Certificate shall be endorsed to reflect such partial redemption.

14. PAYMENTS

14.1. General

- (a) Only Noteholders reflected in the Register at 5:00p.m., Johannesburg time, on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes. Payments of interest and/or principal in respect of Notes shall be made to the person reflected as the registered holder of such Notes in the Register at 5:00p.m., Johannesburg time, on the relevant Last Day to Register.
- (b) All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of this Condition 14.
- (c) Neither the Paying Agent nor the Issuer shall be responsible for the loss in transmission of any funds paid by the CSD's Nominee to the Noteholders, and payment of any amount by the Paying Agent to the CSD's Nominee, in accordance with the Applicable Procedures, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the Notes and the Terms and Conditions.
- (d) 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.
- (e) Any reference in the Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any additional amounts which are payable under the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.

14.2. Method of payment

The Paying Agent will, on behalf of the Issuer, pay all amounts due and payable in respect of Notes:

- (a) in the case of listed or unlisted Notes which are held in the CSD (under a Global Certificate or in uncertificated form), in immediately available and freely transferable funds, in the Currency of Issue by electronic funds transfer to the bank account of the CSD's Nominee, as the registered holder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests in such Notes;
- (b) in the case of Note(s) which are represented by an Individual Certificate, in immediately available and freely transferable funds, in the Currency of Issue by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, to the bank account of that one of them who is first named in the Register in respect of such Notes; provided that if several persons are entered into the Register as joint registered Noteholders of such Notes then, without affecting the previous provisions of this Condition 14, payment to any one of them 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 such Notes.

14.3. Beneficial Interests

- (a) Following payment to the CSD's Nominee of amounts due and payable in respect of listed or unlisted Notes which are held in the CSD (under a Global Certificate or in uncertificated form) pursuant to Condition 14.2(a), the relevant funds will be transferred by the CSD's Nominee, via the Participants, to the holders of Beneficial Interests in such Notes.
- (b) Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case

may be, for such persons share of each payment so made by the Paying Agent, on behalf of the Issuer, to or for the order of the CSD's Nominee, as the registered Noteholder of such Notes.

- (c) Neither the Paying Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests.
- (d) Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered Noteholder of such Notes, shall be prima facie proof of such payments.

14.4. Payments by cheque

- (a) If the Paying Agent, on behalf of the Issuer, is prevented or restricted directly or indirectly from making any payment in respect of any Notes by electronic funds transfer in accordance with the preceding paragraphs of this Condition 14 (whether by reason of strike, lockout, fire, explosion, flood, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbance, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer) such inability to make payment will not constitute an Event of Default and the Paying Agent, on behalf of the Issuer, shall (subject to applicable laws and banking practice) make such payment by cheque (or by such number of cheques as may be required in accordance with applicable law and banking practice).
- (b) All monies so payable by cheque shall, promptly after the Paying Agent, on behalf of the Issuer, is so prevented or restricted from making payment by electronic funds transfer (as contemplated in Condition 14.4(a)), be sent by post, at the risk of the relevant Noteholder (unless otherwise requested by the relevant Noteholder by notice in writing to the Issuer), to the address of the relevant Noteholder set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of the relevant Notes.
- (c) Each such cheque shall be made payable to or for the order of the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register in respect of the relevant Notes. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss, including without limitation any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the relevant Noteholders for the purpose of all cheques posted in terms of this Condition 14.4.
- (d) Payment by cheque sent in terms of this Condition 14.4 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque.

14.5. Surrender of Certificates

- (a) On or before the Redemption Date, the holder of a Certificate shall surrender that Certificate to the Transfer Agent (at its Specified Office) for cancellation.
- (b) Should the holder of a Certificate refuse or fail to surrender that Certificate for cancellation on or before the Redemption Date, the amount payable (if any) in respect of the Notes represented by that Certificate, including any accrued interest, shall be retained by the Issuer for the Noteholder of such Notes, at the latter's risk, until the Noteholder surrenders that Certificate, and interest in respect of such Notes shall cease to accrue to such Noteholder from the Redemption Date (but in either event by no later than the Scheduled Maturity Date).
- (c) All documents and Certificates required to be surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so surrendered at the Specified Office of the Transfer Agent.

14.6. Payment on a day other than a Business Day

The Noteholder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment of any amount in respect of that Note resulting from (a) the due date for such payment not being a Business Day or (b) a cheque mailed in accordance with Condition 14.4 (*Payments by cheque*) arriving after the due date for such payment or being lost in the mail.

14.7. Interpretation of Principal and Interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 15 (*Taxation*);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes (excluding any interest included in any Early Redemption Amount), as the case may be;
- (c) the Optional Redemption Amount(s) (if any);
- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.11 (*Early Redemption Amount of Zero Coupon Notes*); and
- (f) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 15 (*Taxation*).

15. TAXATION

- (a) A Noteholder whose Notes are Redeemed shall pay all Taxes payable in connection with (a) the payment of the Interest Amount, or the Redemption of such Notes and/or the payment of any Redemption Amount, or (b) the transfer or Delivery of Deliverable Obligations or Deliverable Amount as a result of such Redemption. The Issuer is not liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, Redemption or enforcement of any Note.
- (b) All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future Taxes, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:
 - (i) held by or on behalf of a Noteholder, who is liable for such Taxes or duties in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
 - (ii) held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
 - (iii) where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
 - (iv) more than 30 (thirty) days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
 - (v) if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

16. EVENTS OF DEFAULT

16.1. Events of Default

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

- (a) the Issuer fails to pay any amount due in respect of the Notes and such failure to pay has continued for more than 7 (seven) Business Days following the delivery by any Noteholder to the Issuer in accordance with Condition 25 (*Notices*) of written notice requiring such failure to pay to be remedied; or

- (b) the Issuer fails to perform or observe any of its other obligations under or in respect of the Notes and such failure continues for a period of 30 (thirty) days following the delivery by any Noteholder to the Issuer in accordance with Condition 25 (*Notices*) of written notice requiring such failure to be remedied (it being recorded that, for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (c) the granting of an order for the liquidation, dissolution, winding-up or judicial management of the Issuer or such order is granted, whether provisionally (and such order is not dismissed or withdrawn within 30 (thirty) days of the grant thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship; provided that no such liquidation, curatorship, dissolution, winding-up or judicial management shall constitute an Event of Default if such liquidation, curatorship, dissolution, winding-up or judicial management (a) is in respect of a Solvent Reconstruction, or (b) is for purposes of effecting a merger, amalgamation, demerger, consolidation, reconstruction, reorganisation or other similar arrangement the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of liquidation, curatorship, dissolution, winding-up or judicial management,

then any Note of that Series may, by written notice (the “**Acceleration Notice**”) from the Noteholder thereof to the Issuer and delivered to the Issuer in accordance with Condition 25 (*Notices*), effective upon the date of receipt thereof by the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Redemption Amount (Default).

16.2. Notification

- (a) The Issuer, upon becoming aware that any Event of Default has occurred and is continuing, shall forthwith notify the Noteholders thereof in accordance with Condition 25 (*Notices*), the Paying Agent (if the Issuer is not the Paying Agent), the Calculation Agent (if the Issuer is not the Calculation Agent), the JSE and the CSD.
- (b) The Issuer, upon receipt of Acceleration Notice, shall forthwith notify the Paying Agent (if the Issuer is not the Paying Agent), the Calculation Agent (if the Issuer is not the Calculation Agent) and, if the relevant Notes are listed on the Bond Market of the JSE, the JSE and the CSD, that the relevant Notes which are the subject of such notice have become immediately due and payable.

17. PRESCRIPTION

Any claim for payment of any amount in respect of any Notes will prescribe and become void 3 (three) years after the date on which such amount first becomes due and payable under the Terms and Conditions.

18. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF CERTIFICATES

18.1. Exchange of Beneficial Interests

- (a) The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder’s nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the “**Exchange Notice**”). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.
- (b) The holder’s nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.
- (c) In the case of the exchange of a Beneficial Interest in a Tranche of Notes which is lodged in the CSD under a Global Certificate:
 - (i) the CSD’s Nominee will surrender the relevant Global Certificate to the Transfer Agent at its Specified Office;

- (ii) the Transfer Agent will, in accordance with the Applicable Procedures, procure the splitting of the relevant Global Certificate and the preparation of a new Global Certificate representing the balance of the Notes (if any) in the relevant Tranche still held by the CSD;
 - (iii) the Issuer will, through its nominated Participant, procure that the new Global Certificate is deposited with and lodged in the CSD and registered in the Register in the name of the CSD's Nominee;
 - (iv) the original Global Certificate shall be cancelled and retained by the Transfer Agent.
- (d) In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- (i) the CSD's Nominee shall, prior to the Exchange Date, will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office;
 - (ii) the Transfer Agent will; obtain the release of such uncertificated Notes from the CSD; in accordance with the Applicable Procedures.
- (e) An Individual Certificate shall, in relation to a Beneficial Interest:
- (i) in a Tranche of Notes which is lodged in the CSD under a Global Certificate, represent that number of Notes as have, in the aggregate, the same aggregate Calculation Amount standing to the account of the holder of such Beneficial Interest, as the case may be; or
 - (ii) in any number of Notes issued in uncertificated form of a particular Calculation Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Calculation Amount,

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

18.2. Costs

The costs and expenses of the printing, issue and delivery of each Global Certificate and each Individual Certificate referred to in paragraph (a) of the definition of "*Individual Certificate*" in Condition 1.1 (*Definitions*) shall be borne by the Issuer. The costs and expenses of the printing, issue and delivery of each Individual Certificate referred to in paragraph (b) of the definition of "*Individual Certificate*" in Condition 1.1 (*Definitions*) and all taxes and governmental charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer. The costs and expenses of the delivery of Individual Certificates, and all taxes, governmental charges and/or insurance charges that may be imposed in relation to such mode of delivery, shall be borne by the Noteholder.

18.3. Replacement

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

18.4. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 18.4 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 18.4 and Condition 19.2 (*Transfer of Notes represented by Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

19. TRANSFER OF NOTES

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

- (a) Beneficial Interests may be transferred only in terms of the Applicable Procedures through the CSD.
- (b) Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- (c) Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
- (d) Transfers of Beneficial Interests in Notes will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

19.2. Transfer of Notes represented by Certificates

- (a) In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - (i) the transfer of such Notes must be embodied in a Transfer Form;
 - (ii) the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any authorised representative of that registered Noteholder and/or transferee; and
 - (iii) the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Certificate representing such Notes for cancellation.
- (b) Notes represented by a Certificate may be transferred, in whole or in part, in amounts of not less than the Specified Denomination or any multiple thereof.
- (c) Subject to this Condition 19, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable laws and/or Applicable Procedures), record the transfer of Notes represented by a Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of the Notes transferred reflecting the Calculation Amount in respect of the Notes transferred, as the case may be.
- (d) Where a Noteholder has transferred a portion only of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- (e) The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- (f) Before any transfer of Notes represented by a Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- (g) No transfer of any Notes represented by a Certificate will be registered while the Register is closed as contemplated in Condition 20 (Register).
- (h) If a transfer of any Notes represented by a Certificate is registered in the Register, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

20. REGISTER

- 20.1. The Register will be kept at the Specified Office of the Transfer Agent. The Register will reflect the number of Notes issued and outstanding and whether they are issued in certificated form or in uncertificated form. The Register will contain the name, address and bank account details of the registered Noteholders. The Register will set out the Calculation Amount in respect of the Notes issued to a Noteholder or the Calculation Amount in respect of the Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such. The Register will show the serial numbers of the Certificates issued.

- 20.2. The Register will be open for inspection, to any Noteholder (or any person of proven identity authorised in writing by any Noteholder), during the normal business hours of the Transfer Agent. Neither the Issuer nor the Transfer Agent will be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 20.3. The Register will be closed during the 5 (five) days preceding each Interest Payment Date and the Redemption Date or the Termination Date, as the case may be, from 5:00p.m., Johannesburg time, on the Last Day to Register until 5:00p.m., Johannesburg time, on the day preceding each Interest Payment Date and the Redemption Date. All periods referred to for the closure of the Register may, subject to the Applicable Procedures, be shortened by the Issuer from time to time, upon notice thereof to the Noteholders in accordance with Condition 25 (*Notices*).
- 20.4. The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with Condition 25 (*Notices*); provided that the Register will only be amended to reflect a transfer of Notes if such transfer is carried out in accordance with Condition 19.2 (*Transfer of Notes represented by Certificates*).

21. TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT

- 21.1. The Issuer is entitled to vary or terminate the appointment of the Calculation Agent and/or the Paying Agent and/or the Transfer Agent and/or to appoint additional or other agents.
- 21.2. If the Issuer elects to appoint another entity as Calculation Agent and/or Paying Agent and/or Transfer Agent, that other entity shall serve in that capacity in respect of the Notes.
- 21.3. If the Issuer elects to appoint another entity as Calculation Agent and/or Paying Agent and/or Transfer Agent in terms of this Condition 21, the Issuer shall notify the Noteholders in accordance with Condition 25 (*Notices*) of such appointment(s) and, if any Tranche of Notes is listed on the Bond Market of the JSE, the Issuer shall notify the JSE of such appointment(s).
- 21.4. There will at all times be a Calculation Agent, a Paying Agent and a Transfer Agent with a Specified Office in such place as may be required by the Applicable Procedures.
- 21.5. The Calculation Agent, the Paying Agent and the Transfer 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 Noteholders.
- 21.6. If and to the extent that the Issuer acts as Transfer Agent and/or Calculation Agent and/or Paying Agent:
 - (a) all references in the Terms and Conditions to any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
 - (b) all requirements in the Terms and Conditions for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and the Transfer Agent, Calculation Agent and/or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.
- 21.7. The Paying Agents shall have no responsibility for errors or omissions in any calculations and determinations made hereunder, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents, the Calculation Agents and the Noteholders.

22. RESPONSIBILITIES OF THE CALCULATION AGENT

- 22.1. The Calculation Agent shall be responsible for:
 - (a) determining a Successor;
 - (b) determining whether (i) the aggregate amounts due under any Reference Obligations have been materially reduced by redemption or otherwise (other than due to any regularly scheduled amortisation or prepayments as per paragraph (a) of the definition of “*Substitute Reference Obligation*”), (ii) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of an Early Redemption Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (iii) for any reason other than as described in (i) or (ii) above and other than due to the existence or occurrence of an Early Redemption Event, any Reference Obligation is no longer an obligation of a Reference Entity;
 - (c) identifying and determining a Substitute Reference Obligation;
 - (d) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price;

- (e) converting any amount from one currency to another;
- (f) choosing the Reference Dealers and substituting Reference Dealers in connection with obtaining Quotations;
- (g) determining the Currency Rate;
- (h) determining the Representative Amount;
- (i) determining the number of Business Days in each Physical Settlement Period;
- (j) if “*Include Accrued Interest*” is Specified as applicable with respect to Deliverable Obligations, determining accrued but unpaid interest; and
- (k) determining the Accreted Amount of any Accreting Obligation.

- 22.2. Whenever the Calculation Agent is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner.
- 22.3. The Calculation Agent shall be responsible for making all relevant determinations as set out in these Terms and Conditions and as applicable in the Applicable Pricing Supplement. The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to the Terms and Conditions shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders.
- 22.4. The Calculation Agent shall, as soon as practicable after obtaining all Quotations for a Valuation Date, notify the Issuer (unless the Issuer is also the Calculation Agent) and the Noteholder in writing of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide to the Issuer (unless the Issuer is also the Calculation Agent) and the Noteholders a written computation showing its calculation of the Final Price. All notices to be delivered by the Calculation Agent to the Noteholders in terms of this Condition 22.4 shall be delivered to the Noteholders in accordance with Condition 25 (*Notices*).
- 22.5. Neither the Calculation Agent nor the Issuer shall have any responsibility to the Noteholders for good faith errors or omissions in the Calculation Agent's calculations and determinations as provided in these Terms and Conditions or the Applicable Pricing Supplement, as the case may be, whether caused by negligence or otherwise.
- 22.6. When determining the existence or occurrence of any Potential Failure to Pay, Potential Repudiation/Moratorium or any Credit Event as specified in the Applicable Pricing Supplement, the Calculation Agent shall make such determination based on the occurrence of an event whether or not the occurrence of the relevant event arises directly or indirectly from or is subject to a defence based upon (a) any lack or alleged lack of authority or capacity of the relevant Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of or any change in any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority.
- 22.7. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or discretions under the Terms and Conditions including, without limitation, the giving of any notice to any Person, shall not affect the validity or binding nature of or any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of willful misconduct or gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

23. MEETINGS OF NOTEHOLDERS

This Condition 23 contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the amendment of any of the Terms and Conditions.

23.1. Notes held in the CSD

The CSD's Nominee, as the registered Noteholder of each Tranche of listed or unlisted Notes which is held in the CSD (under a Global Certificate or in uncertificated form), will vote at any Meeting on behalf of the holders of Beneficial Interests in such Notes, in accordance with the instructions to the CSD's Nominee from such holders conveyed through the Participants in accordance with the Applicable Procedures.

23.2. **Validity of Forms of Proxy**

Any holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Transfer Agent. Forms of Proxy shall be valid only if they are deposited at the Specified Office of the Transfer Agent, or at some other place approved by the Issuer, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Issuer requires, satisfactory proof of the identity of each Proxy shall be produced at the Meeting, but the Issuer shall not be obliged to investigate the authority of any Proxy.

23.3. **Record Date**

The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum; provided that such record date is not more than 10 (ten) days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Transfer Agent has its Specified Office shall be deemed to be the holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

23.4. **Convening of Meeting**

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one-tenth of the aggregate outstanding Calculation Amount of the Notes.

23.5. **Notice**

- (a) At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders (in the manner set out in Condition 25 (*Notices*)) and the Transfer Agent (with a copy to the Issuer if the Issuer has not convened the Meeting).
- (b) The notice shall set out the full text of any resolutions to be proposed and shall state that a Noteholder may appoint a Proxy by executing and delivering a Form of Proxy to the Specified Office of the Transfer Agent, or at such other place as is approved by the Issuer, until 48 hours before the time fixed for the Meeting.

23.6. **Chairman**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

23.7. **Quorum**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate outstanding Calculation Amount of the Notes; provided that, so long as at least the Relevant Fraction of the aggregate outstanding Calculation Amount of the Notes comprises of Notes represented by a Global Certificate or a single Individual Certificate, a single Proxy representing the holder thereof shall be deemed to be two Voters for the purpose of forming a quorum.

23.8. **Adjournment for want of quorum**

If within 15 (fifteen) minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 42 (forty-two) days) and to such place as the Chairman determines;

provided that (i) the Meeting shall be dissolved if the Issuer so decides and (ii) no Meeting may be adjourned more than once for want of a quorum.

23.9. **Adjourned Meeting**

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

23.10. Notice following adjournment

- (a) Condition 23.5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:
 - (i) 10 (ten) days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
 - (ii) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.
- (b) It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

23.11. Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer and the Transfer Agent;
- (c) the financial advisers of the Issuer;
- (d) the legal counsel to the Issuer and the Transfer Agent; and
- (e) any other Person approved by the Meeting.

23.12. Show of hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this Condition 23.12 shall not apply and the resolution will immediately be decided by means of a poll.

23.13. Poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one-fiftieth of the aggregate Calculation Amount of the Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

23.14. Votes

- (a) Every Voter shall have:
 - (i) on a show of hands, one vote; and
 - (ii) on a poll, the number of votes obtained by dividing the aggregate Calculation Amount of the Notes represented or held by him, as the case may be, by one unit of the Currency of Issue of such Notes.
- (b) In the case of a voting tie the Chairman shall have a casting vote.
- (c) Unless the terms of any Form of Proxy state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

23.15. Validity of votes by Proxies

- (a) Any vote by a Proxy in accordance with the relevant Form of Proxy shall be valid even if such Form of Proxy or any instruction pursuant to which it was given has been amended or revoked; provided that the Issuer has not been notified in writing of such amendment or revocation by the time which is 24 (twenty-four) hours before the time fixed for the relevant Meeting.
- (b) Unless revoked, any appointment of a Proxy under a Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; provided that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Form of Proxy to vote at the Meeting when it is resumed.

23.16. Powers

A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any amendment, abrogation, variation or compromise of any of the Terms and Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (d) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes or the Terms and Conditions or any act or omission which might otherwise constitute an event of default under the Notes;
- (e) to authorise the Issuer or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (f) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- (g) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

23.17. Extraordinary Resolution binds all Noteholders

An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at the relevant Meeting and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders in accordance with Condition 25 (*Notices*) and to the Transfer Agent (with a copy to the Issuer) within 14 (fourteen) days of the conclusion of the Meeting.

23.18. Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

23.19. Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

24. AMENDMENTS

- 24.1. The Notes and the Terms and Conditions may be amended without the consent of the Noteholders to correct a manifest error.
- 24.2. If the Calculation Agent determines, acting reasonably, that from time to time there has been a change in prevailing market standard terms or market trading conventions, which change affects any Hedging Transaction such that the terms of such Hedging Transaction are or may thereafter be inconsistent with the corresponding provisions of the Terms and Conditions, then it may modify the Terms and Conditions to the extent necessary to preserve such consistency. The Calculation Agent shall notify the Issuer and the Noteholders as soon as reasonably practicable upon making any such determination and/or modification.
- 24.3. Save as is provided in Condition 24.1 or Condition 24.2, no amendment to the Notes and/or the Terms and Conditions may be made unless such amendment is sanctioned by an Extraordinary Resolution.

25. NOTICES

25.1. Notice to Noteholders

- (a) All notices to the Noteholders shall be in writing and shall (subject to Condition 19.1.3):
 - (i) be mailed by registered post or hand delivered to the respective addresses of the Noteholders appearing in the Register; and
 - (ii) be published in a leading English language daily newspaper of general circulation in South Africa; and

- (iii) for so long as Notes are listed on the Bond Market of the JSE, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.
- (b) A notice given to Noteholders in terms of paragraph (a) above shall be deemed to have been received by the Noteholders on the date on which that notice is first published in the daily newspaper of general circulation in South Africa contemplated in paragraph (a)(ii) above.
- (c) Notwithstanding the provisions of paragraph (a) above, for so long as all of the Notes in a Tranche are held in their entirety in the CSD, there may be substituted for the notice contemplated in paragraph (a) above the delivery of the relevant notice to the CSD's Nominee (as the registered holder of such Notes), the Participants and the JSE for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD's Nominee.
- (d) Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given *mutatis mutandis* as set out in this Condition 25.1, subject to compliance with any other time periods prescribed in the provision concerned.

25.2. Notice by Noteholders

- (a) All notices to be given by any Noteholder of Notes represented by a Certificate to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of that Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- (b) All notices to be given by any holder of a Beneficial Interest to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such holder through such holder's Participant, in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant Participant may approve for this purpose.

26. FURTHER ISSUES

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

27. SEVERABILITY

Should any of the provisions contained in the Terms and Conditions of the Notes be, or become, invalid, the validity of the remaining provisions shall not be affected in any way.

28. GOVERNING LAW

The Notes and all rights and obligations under the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time, unless otherwise Specified.

USE OF PROCEEDS

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

For and on behalf of
INVESTEC BANK LIMITED

By: _____
duly authorised

Date: _____

By: _____
duly authorised

Date: _____

DESCRIPTION OF THE ISSUER

Introduction

The Issuer is registered and incorporated as a public company with limited liability in terms of the Companies Act, under registration number 1969/000763/06. The Issuer was registered and incorporated as a public company on 31 March 1969. The Issuer carries on the business of a bank and is registered as a bank in terms of the Banks Act.

A detailed description of the Issuer and its business, operations, financial resources and requirements, and the risks associated with the Issuer's business and market place, is set out in the annual reports of the Issuer and Investec Limited, respectively, which are incorporated by reference into, and form part of, this Programme Memorandum in terms of the section of this Programme Memorandum headed "*Documents Incorporated by Reference*". See, in addition, the section of this Programme Memorandum headed "*Risk Factors*".

The annual reports of the Issuer and Investec Limited, respectively, for the financial years ended 31 March 2007 and 31 March 2008 are available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, a summary of these annual reports may be accessed at Investec Limited's website at www.investec.com.

The annual reports of the Issuer and Investec Limited, respectively, for the financial year ended 31 March 2009, as well as the annual reports of the Issuer and Investec Limited, respectively, for the financial years after the Programme Date, will (as and when the relevant annual financial statements are approved and become available) be available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, a summary of these annual financial statements will (as and when the relevant annual financial statements are approved and become available) be accessible at Investec Limited's website at www.investec.com.

Directors

The directors of the Issuer as at the Programme Date are:

Fanie Titi (46)
David M Lawrence (58)
Stephen Koseff (57)
Bernard Kantor (59)
Sam E Abrahams (70)
Peter M Malungani (54)
Peter RS Thomas (64)
Glynn R Burger (52)
Bradley Tapnack (62)
Karl-Bart XT Socikwa (40)
C Busi Tshili (45)

Company secretary

The company secretary of the Issuer as at the Programme Date is Ms Benita Coetsee. The address of the company secretary is 100 Grayston Drive, Sandown, Sandton 2196, PO Box 785700, Sandton 2196. The contact details of the company secretary are: telephone (27 11) 286 7957; facsimile (27 11) 291 1806.

Registered office

The registered office of the Issuer is situated at 2nd Floor, 100 Grayston Drive, Sandown, Sandton 2196, Republic of South Africa.

Auditors

Ernst & Young and KPMG Inc. are the auditors of the Issuer as at the Programme Date.

Financial information

The audited consolidated annual financial statements of the Issuer and Investec Limited, respectively, for the financial years ended 31 March 2007, 31 March 2008 and 31 March 2009, and for the financial years ended after the Programme Date, together with such statements, reports and notes attached to (or intended to be read with) such financial statements, are incorporated by reference into, and form part of, this Programme Memorandum in terms of the section of this Programme Memorandum headed “*Documents Incorporated by Reference*”.

The audited consolidated annual financial statements of the Issuer and Investec Limited, respectively, for the financial years ended 31 March 2007 and 31 March 2008 are available for inspection, by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, a summary of these annual financial statements may be accessed at Investec Limited’s website at www.investec.com.

The audited consolidated annual financial statements of the Issuer and Investec Limited, respectively, for the financial year ended 31 March 2009, as well as the audited consolidated annual financial statements of the Issuer and Investec Limited, respectively, for the financial years after the Programme Date will (as and when the relevant annual financial statements are approved and become available) be made available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, a summary of these annual financial statements will (as and when the relevant annual financial statements are approved and become available) be accessible at Investec Limited’s website at www.investec.com.

Report of the independent auditors

The reports of the independent auditors of the Issuer are included with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 March 2007, 31 March 2008 and 31 March 2009 and will be included with the audited consolidated annual financial statements of the Issuer for the financial years ended after the Programme Date (see “*Financial information*” above).

SETTLEMENT, CLEARING AND TRANSFERS OF NOTES

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

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

Each Tranche of Notes which is listed on the Bond Market of the JSE, whether issued in certificated form or in uncertificated form, will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

Clearing systems

Each Tranche of Notes which is listed on the Bond Market of the JSE and/or held in the CSD under a Global Certificate will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

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

Requirements of the JSE and the CSD for the issue of Deferred Payment Notes

The issue of a Tranche of Deferred Payment Notes will be booked, by the Issuer's Participant, as a "*free of value*" trade on the JSE's Trade Reporting System. The respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes will be effected, on the Issue Date, by the relevant Participants through the respective securities accounts maintained by the relevant Participants for, respectively, the Issuer and such holder(s), in accordance with the Applicable Procedures.

The CSD assumes no responsibility or liability of whatsoever nature for, or in connection with, the booking of the issue of a Tranche of Deferred Payment Notes as a "*free of value*" trade on the JSE's Trade Reporting System and/or for the respective allocations of Beneficial Interests in a Tranche of Deferred Payment Notes to the holder(s) of Beneficial Interests in that Tranche of Deferred Payment Notes.

Participants

The CSD maintains accounts only for Participants. As at the Programme Date the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear, as operator of the Euroclear System, and Clearstream will settle off-shore transfers in the Notes through their Participants.

Settlement and clearing

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

While a Tranche of Notes is held in the CSD, the CSD's Nominee will be named in the Register as the Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

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

Payments of all amounts in respect of a Tranche of Notes which is listed on the Bond Market of the JSE and/or held in the CSD under a Global Certificate will be made to the CSD's Nominee, as the registered Noteholder of such Notes, which in

turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD's Nominee, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the Bond Market of the JSE and/or held in the CSD under a Global Certificate will be recorded by the CSD's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the CSD's Nominee, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

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

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition [18.1] (*Exchange of Beneficial Interests*) of the Terms and Conditions.

Records of payments, trust and voting

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Paying Agent nor the Transfer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

BESA Guarantee Fund

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE.

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

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

SOUTH AFRICAN TAXATION

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

The comments below are intended as a general guide to the relevant tax laws of South Africa as at the Programme Date. The contents of this section entitled “South African Taxation” do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

Securities Transfer Tax

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.

Income Tax

Nature of any original issue discount or premium

Any original issue at a discount to the Principal Amount of the Notes will, in terms of section 24J of the Income Tax Act, be treated as interest for tax purposes, and the discount amount will be deemed to accrue to the Noteholder on a yield to maturity as if such Noteholder were to hold the Notes until maturity. Any original issue premium over the Principal Amount of the Notes will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity.

Position as at the Programme Date

A “resident” (as defined in section 1 of the Income Tax Act) (“**Resident**”) will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Noteholder who is a Resident will be liable to pay income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Noteholder in any relevant year of assessment of that Noteholder.

A non-Resident is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be within South Africa. A non-Resident is a person who or which is not a Resident. Interest which is received or accrued in respect of the Notes during any year of assessment to any Non-Resident Noteholder of such Notes will be exempt from income tax under the Income Tax Act, unless that person:

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

Capital Gains Tax

Capital gains tax applies to any capital gain earned on the disposal or deemed disposal of an asset by a Resident.

Capital gains tax will not be levied in relation to the disposal of any Notes by a Non-Resident unless such Notes comprise assets which are attributable to a permanent establishment of that Non-Resident in South Africa during the relevant year of assessment.

SUBSCRIPTION AND SALE

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

Dealer Arrangements

Investec Bank Limited, acting through its division, Investec Capital Markets will act as Lead Arranger and Sponsor of the Programme, and as a Dealer for the duration of the Programme.

The Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes by entering into a Subscription Agreement (including an Issue Confirmation made by telephone and by the signing of (i) the Applicable Pricing Supplement and (ii) the confirmation reflecting the terms of the Subscription Agreement).

Selling Restrictions

South Africa

The issue of a Tranche of Notes which references one or more foreign Reference Entity/ies and/or foreign Reference Obligation/s and/or other foreign asset/s requires the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Inward Listings Directive.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche of Notes, and will itself not sell the Notes in that Tranche of Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations (including, where applicable, the provisions of the Exchange Control Inward Listings Directive) and/or any other applicable laws and regulations of South Africa in force from time to time. In particular, each Dealer who has (or will have) agreed to place a Tranche of Notes will be required to represent and agree that that Tranche of Notes will not be offered for subscription or sale to the general public and will only be privately placed with a closed list of institutional investors. Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1 000 000.

United States of America

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

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

- a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of that Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons;
- c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons;
- d) it, its Affiliates and any persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Within 40 (forty) days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the

Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

United Kingdom

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

- a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of the Notes in that Tranche other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the “FSMA”) by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving, the United Kingdom.

European Economic Area

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of any such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so are authorised or regulated, whose corporate purpose is solely to invest in securities;
- c) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000.00; and (iii) an annual turnover of more than €50,000,000.00 as shown in its last annual or consolidated accounts; or
- d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “*offer of Notes to the public*” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “*Prospectus Directive*” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

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

- a) it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscription for, offers or sells Notes in that Tranche, or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and

regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales; and

- b) it will comply with such other or additional restrictions in relation to that Tranche of Notes as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

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

SOUTH AFRICAN EXCHANGE CONTROL

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

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section entitled "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes that are non-South African residents or emigrants from the Common Monetary Area should consult their professional advisers in this regard. The Common Monetary Area includes South Africa, Namibia, Lesotho and Swaziland.

Non-South African resident Noteholders and emigrants from the Common Monetary Area

Dealings in the Notes and the performance by the Issuer of its obligations under such Notes may be subject to the Exchange Control Regulations, 1961 made pursuant to the Currency and Exchanges Act, 1933 (the "Exchange Control Regulations"). The issue of any Tranche of Notes (in addition to those referred to under "Foreign Reference Entities and Reference Obligations – Exchange Control Regulations and the Inward Listing Procedures" below) may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Department of the South African Reserve Bank ("Exchange Control") in terms of the Exchange Control Regulations.

Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an "emigrant" account.

Any payments of interest and/or principal and/or other redemption amount and/or Deliverable Obligations due to an emigrant Noteholder will be deposited, paid or Delivered, as the case may be, into such emigrant's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The aforesaid amounts and/or Deliverable Obligations are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident".

In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a "non-resident" account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate has been endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" account, as the case may be.

Other restrictions

Any Listed Deliverable Obligations due to a non-resident Noteholder may be Delivered to such non-resident Noteholder, and any distributions under such Deliverable Obligations and any proceeds due to such non-resident Noteholder on the sale at market value of such Deliverable Obligations may be remitted from the Common Monetary Area. The delivery of any other Deliverable Obligations to a non-resident Noteholder may require the prior approval of Exchange Control.

Foreign Reference Entities and Reference Obligations – Exchange Control Regulations and the Inward Listing Procedures

The issue of a Tranche of Notes which references one or more foreign Reference Entity(ies) and/or foreign Reference Obligation(s) and/or other foreign asset(s) requires the prior written approval of Exchange Control, and is subject to the policies of Exchange Control in respect thereof.

GENERAL INFORMATION

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

Authorisation

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of this Programme Memorandum.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa will be given, prior to the Issue Date of a Tranche of Notes, for (among other things) the Issuer to issue that Tranche of Notes, to execute the Applicable Pricing Supplement and the Global Certificate (if any) relating to that Tranche of Notes, to enter into and perform its obligations under the Terms and Conditions of that Tranche of Notes, and to enter into and perform its obligations under (a) the Subscription Agreement relating to the issue and placing of that Tranche of Notes, and (b) the Agency Agreement (if any).

Listing

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

Auditors

KPMG Inc. and Ernst & Young are the auditors of the Issuer as at the Programme Date.

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120
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