
APPLICABLE PRICING SUPPLEMENT (PREFERENCE SHARES)



INVESTEC BANK LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1969/004763/06)

**Issue of ZAR200,000,000 Redeemable Programme Preference Shares
Under its ZAR40,000,000,000 Domestic Medium Term Note and Preference Share
Programme**

Stock Code: IBRP4

This document constitutes the Applicable Pricing Supplement (Preference Shares) relating to the issue of Redeemable Programme Preference Shares described herein in accordance with the Issuer's Memorandum of Incorporation, non-redeemable Programme Preference Shares shall only be issued subject to JSE approval and the Applicable Procedures in effect at the time. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Programme Preference Share Terms and Conditions**") set forth under the section headed "*Programme Preference Share Terms and Conditions*" in the Programme Memorandum dated 10 December 2018 (the "**Programme Memorandum**"), as updated and amended from time to time. This Applicable Pricing Supplement (Preference Shares) must be read in conjunction with the Programme Preference Share Terms and Conditions. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement (Preference Shares) and the Programme Preference Share Terms and Conditions, the provisions of this Applicable Pricing Supplement (Preference Shares) shall prevail.

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PARTIES

1.	Issuer	Investec Bank Limited
2.	Specified Office	100 Grayston Drive, Sandown, Sandton
3.	If non-syndicated, Dealer(s)	Investec Bank Limited
4.	If syndicated, Managers	Not Applicable
5.	Debt Sponsor	Investec Bank Limited
6.	Issuer Agent (incorporating the calculation agent, the paying agent and the settlement agent)	Investec Bank Limited
7.	Specified Office	100 Grayston Drive, Sandown, Sandton
8.	Transfer agent	Computershare Investor Services Proprietary Limited (the Transfer Agent)
9.	Specified Office	70 Marshall Street, Johannesburg

PROVISIONS RELATING TO THE PROGRAMME PREFERENCE SHARES

10.	Class of Programme Preference Shares	Class IBRP4
11.	Status of Programme Preference Shares	Credit-Linked Redeemable Cumulative Non-Participating Unsecured Preference Shares
	(a) Class Number	Class IBRP4
	(b) Tranche Number	1
12.	Number of Programme Preference Shares	5,000 (Five Thousand)
13.	Dividend/Payment Basis	Floating Rate Programme Preference Shares
14.	Form of Programme Preference Share	Listed. The Programme Preference Shares in this Tranche are issued in uncertificated form in the CSD.
15.	Automatic/Optional Conversion from one Dividend/ Payment Basis to another	N/A
16.	Issue Date	28 May 2019
17.	Business Centre	Johannesburg

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18.	Additional Business Centre	N/A
19.	Calculation Amount	ZAR40,000 (Forty Thousand Rand) per Programme Preference Share
20.	Issue Price	ZAR40,000 (Forty Thousand Rand) per Programme Preference Share consisting of a par value of ZAR0.01 (One cent) and a premium of ZAR39,999.99 (Thirty-Nine Thousand Nine Hundred and Ninety-Nine Rand and Ninety-Nine cents).
21.	Dividend Commencement Date	Issue Date
22.	Final Redemption Date	The Final Redemption Date (as defined in Annex A hereto (the Additional IBRP4 Conditions)).
23.	Specified Currency	ZAR
24.	Applicable Business Day Convention	Following Business Day
25.	Final Redemption Amount	As determined in accordance with Additional IBRP4 Condition 3.1 (<i>Final Redemption Amount</i>) of the Additional IBRP4 Conditions.
26.	Last Day to Trade	means the day which is 3 (three) Business Days prior to the Record Date
27.	Record Date	means the Dividend Record Date, the Redemption Dividend Record Date, the Early Redemption Record Date or the Final Redemption Record Date (as applicable).
28.	Penalty Dividend Rate	The Dividend Rate plus 2%.
29.	Provisions applicable to Programme Preference Shares, the proceeds of which are intended to qualify as Regulatory Capital	N/A. the Programme Preference Shares will not be treated as Regulatory Capital.
30.	Additional Amounts	Applicable as set out in, and subject to, Additional IBRP4 Condition 6 (<i>Additional Amounts</i>) of the Additional IBRP4 Conditions.
31.	Preference Dividends Payable	Discretion of the Board: No

FIXED RATE PROGRAMME PREFERENCE SHARES

32.	Payment of Dividend Amount
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(a)	Dividend Rate(s)	N/A
(b)	Dividend Payment Date(s)	N/A
(c)	Fixed Dividend Amount[(s)]	N/A
(d)	Initial Broken Amount	N/A
(e)	Final Broken Amount	N/A
(f)	Day Count Fraction	N/A
(g)	Any other terms relating to the particular method of calculating dividends	N/A

FLOATING RATE PROGRAMME PREFERENCE SHARES

33.	Payment of Dividend Amount	Applicable.
(a)	Dividend Rate(s)	3 month JIBAR plus the applicable Margin.
(b)	Dividend Payment Date(s)	Subject to Additional IBRP4 Condition 5 (<i>Cancellation of Payment of Dividend Amount</i>), 28 August, 28 November, 28 February and 28 May each year, and the Final Redemption Date or any earlier date on which this Tranche of Programme Preference Shares are Redeemed, with the first Dividend Payment Date being 28 August 2019, subject to adjustment in accordance with the Applicable Business Day Convention
(c)	Any other terms relating to the particular method of calculating dividends	Applicable as set out in, and subject to, Additional IBRP4 Condition 3.3 (<u>Dividend Amount</u>) of the Additional IBRP4 Conditions.
(d)	Definition of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>))	N/A
(e)	Minimum Dividend Rate	N/A
(f)	Maximum Dividend Rate	N/A
(g)	Day Count Fraction	Actual/365
(h)	Other terms relating to the method of calculating dividends (e.g.: day count fraction, rounding-up)	Applicable as set out in, and subject to, Additional IBRP4 Condition 3.3 (<u>Dividend Amount</u>) of the Additional IBRP4 Conditions.

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provision, if different from Condition 7.3. (*Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares*))

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| 34. | Manner in which the Dividend Rate is to be determined | The Dividend Rate will be determined by the Issuer Agent in accordance with Condition 7.3.4. |
| 35. | Margin | 0% prior to the Event Determination Date or Succession Event Notice Delivery Date, as applicable, (as defined in the Additional IBRP4 Conditions) (Initial Margin); or

-1.2% with effect from the Event Determination Date or Succession Event Notice Delivery Date, as applicable (as defined in the Additional IBRP4 Conditions) (the Reduced Margin) |
| 36. | If ISDA Determination | |
| | (a) Floating Rate | N/A |
| | (b) Floating Rate Option | N/A |
| | (c) Designated Maturity | N/A |
| | (d) Reset Date(s) | N/A |
| | (e) ISDA Definitions to apply | N/A |
| 37. | If Screen Rate Determination | |
| | (a) Reference Rate (including relevant period by reference to which the Dividend Rate is to be calculated) | ZAR-JIBAR-SAFEX with a Designated Maturity of 3 (three) months |
| | (b) Dividend Rate Determination Date(s) | Each Dividend Payment Date; provided that the first Dividend Rate Determination Date shall be the Issue Date |
| | (c) Relevant Screen page and Reference Code | Reuters page SAFEX MNY MKT code SFX3MYLD or any successor page |
| | (d) Relevant Time | 12h00 South African time |
| 38. | If Dividend Rate to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for | N/A |

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determining Dividend
Rate/Margin/Fallback provisions

MIXED RATE PROGRAMME PREFERENCE SHARES

39. Period(s) during which the dividend rate for the Mixed Rate Programme Preference Shares will be (as applicable) that for:
- (a) Fixed Rate Programme Preference Shares N/A
 - (b) Floating Rate Programme Preference Shares N/A
 - (c) Indexed Programme Preference Shares N/A
 - (d) Other Programme Preference Shares N/A
40. The Dividend Rate and other pertinent details are set out under the headings relating to the applicable forms of Programme Preference Shares N/A

INDEXED PROGRAMME PREFERENCE SHARES

41. (a) Type of Indexed Programme Preference Shares N/A
- (b) Index and formula by reference to which the Dividend Amount, Early Redemption Amount and Final Redemption Amount (delete as applicable) is to be determined N/A
- (c) Manner in which the Dividend Amount, Early Redemption Amount and Final Redemption Amount (delete as applicable) is to be determined N/A
- (d) Dividend Period N/A
- (e) Dividend Payment Date(s) N/A

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| (f) | Provisions where calculation by reference to Index and/or Formula is impossible or impracticable | N/A |
| (g) | Minimum Dividend Rate | N/A |
| (h) | Maximum Dividend Rate | N/A |
| (i) | Other terms relating to the calculation of the Dividend Rate (e.g.: Day Count Fraction, rounding-up provisions) | N/A |

OTHER PROGRAMME PREFERENCE SHARES

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| 42. | Relevant description and any additional Programme Preference Share Terms relating to such Programme Preference Shares | As set out in the Additional IBRP4 Conditions. |
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PROVISIONS REGARDING REDEMPTION/MATURITY

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| 43. | Minimum Period of notice for redemption following Regulatory Event (if different from Condition 10.2 (Early Redemption following a Regulatory Event)) | As set out in the Additional IBRP4 Conditions. |
| 44. | Redemption at the option of the Issuer: if yes: | Yes |
| (a) | Optional Redemption Date(s) | As set out in the Additional IBRP4 Conditions. |
| (b) | Optional Redemption Amount(s) and method, if any, of calculation of such amount | The Early Redemption Amount as determined in accordance with the Additional IBRP4 Conditions. |
| (c) | Minimum period of notice (if different from Condition 10.3 (Early Redemption at the option of the Issuer)) | As set out in the Additional IBRP4 Condition 7.8 (<u>Early Redemption at the option of the Issuer</u>) |
| (d) | If redeemable in part: | N/A |
| | Minimum Redemption Amount(s) | N/A |

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	Higher Amount(s)	Redemption	N/A
	(e)	Other terms applicable on Redemption	N/A
45.	Early Redemption payable on redemption following a Regulatory Event (if applicable), if yes:	Amount(s)	Yes. Applicable as set out in the Additional IBRP4 Condition 7 (<i>Early Redemption</i>).
	(a)	Amount payable	The Early Redemption Amount as determined in accordance with the Additional IBRP4 Condition 3.2 (<i>Early Redemption Amount</i>).
	(b)	Method of calculation of amount payable (if required or if different from that set out in Condition 10.5 (<i>Early Redemption Amounts</i>))	As set out in the Additional IBRP4 Condition 3.2 (<i>Early Redemption Amount</i>).
46.	Early Redemption payable on redemption upon the occurrence of a Redemption Event (if applicable), if yes:	Amount(s)	Yes. Applicable as set out in the Additional IBRP4 Condition 7 (<i>Early Redemption</i>).
	(a)	Amount payable	The Early Redemption Amount as determined in accordance with the Additional IBRP4 Condition 3.2 (<i>Early Redemption Amount</i>).
	(b)	Method of calculation of amount payable (if required or if different from that set out in Condition 10.5 (<i>Early Redemption Amounts</i>))	As set out in the Additional IBRP4 Condition 3.2 (<i>Early Redemption Amount</i>).
47.	Hedge Unwind Adjustment		Hedge Unwind Adjustment is applicable, provided that for purposes of this Tranche of Programme Preference Shares Unwind Costs as defined in the Programme Preference Share Terms and Conditions and used in the determination of the relevant Settlement Amount will be borne by the Issuer and/or Programme Preference Shareholder as set out in the Additional IBRP4 Condition 11 (<i>Hedge Unwind Adjustment</i>).

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GENERAL

48. Aggregate Nominal Amount of Notes Outstanding (as defined in the Note Terms and Conditions) and the aggregate Calculation Amount of Programme Preference Shares as at the Issue Date ZAR38,866,645,050.00
- excluding this Tranche of Programme Preference Shares but, including all other Programme Preference Shares and Notes issued on the Issue Date.
- The aggregate Nominal Amount of all Notes Outstanding (including Notes issued under the Programme pursuant to the Previous Programme Memoranda) and the aggregate Calculation Amount of all Programme Preference Shares (including Programme Preference Shares issued under the Programme pursuant to the 2013 Programme Memorandum) as at the Issue Date, together with the aggregate Calculation Amount of this Tranche of Programme Preference Shares (when issued), will not exceed the Programme Amount.
49. Financial Exchange JSE
50. ISIN No. ZAE000273215
51. Stock Code IBRP4
52. Additional selling restrictions N/A
53. Provisions relating to stabilisation N/A
54. Method of distribution Private Placement
55. Credit Rating assigned to Issuer as at the Issue Date (if any) See Annex B hereto (*Applicable Credit Ratings*).
56. Governing law (if the laws of South Africa are not applicable) N/A
57. Other Banking Jurisdiction N/A
58. Use of proceeds General banking and trading purposes
59. Surrendering of Individual Certificates 10 (ten) days after the date on which the Individual Certificate (if any) in respect of the Programme Preference Shares to be redeemed has been surrendered to the Issuer.

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| 60. | Reference Banks | Any 2 (two) or more of the following banks selected by the Issuer Agent in its sole discretion: Absa Bank Limited, Standard Bank of South Africa Limited, Nedbank Limited or First Rand Bank Limited. |
| 61. | Redemption Events | Applicable as set out in the Additional IBRP4 Conditions. |
| 62. | Material Change Statement | The Issuer hereby confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest reviewed interim financial statements for the six month period ended 30 September 2018. This statement has not been confirmed nor verified by the auditors of the Issuer. |
| 63. | Other provisions | As set out in the Additional IBRP4 Conditions. |

Responsibility

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the placing document contains all information required by law and the Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the placing document and the annual financial statements and/or the pricing supplements.

The JSE takes no responsibility for the contents of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the placing document and listing of the Programme Preference Shares is not to be taken in any way as an indication of the merits of the issuer or of the Programme Preference Shares and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

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Application is hereby made to list this issue of Programme Preference Shares on the Main Board of the JSE on 28 May 2019.


SIGNED at SAUDTON on this 17TH day of MAY 2019.

For and on behalf of
INVESTEC BANK LIMITED

For and on behalf of
INVESTEC BANK LIMITED



Name: K. OWEN
Capacity: AUTHORIZED SIGNATORY
Who warrants his authority hereto


_____ **Carmen Malcolm**
Authorized Signatory

Name:
Capacity:
Who warrants his authority hereto

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ANNEX A

*The additional definitions and terms and conditions set out in this Annex A (the **Additional IBRP4 Conditions**) will only apply to the Programme Preference Shares referred to in this Applicable Pricing Supplement and not to any other Programme Preference Shares issued under the Programme.*

1. Additional definitions

In this Applicable Pricing Supplement, unless inconsistent with the context, the following expressions shall have the following meanings.

Additional Redemption Event means the occurrence of any one or more of the following events which is continuing:

- (a) any representation or warranty made by the Issuer in the Subscription Agreement is or proves to have been incorrect or misleading when made and such event is not remedied by the Issuer within 10 (ten) Business Days of the Programme Preference Shareholder(s) holding 100% of the Programme Preference Shares referred to in this Applicable Pricing Supplement delivering a written notice to the Issuer requiring such remedy;
- (b) the Programme Preference Shares are suspended or delisted by the Financial Exchange; or
- (c) the Issuer is removed from the Register of Companies and such event is not remedied within 10 (ten) Business Days of receipt of written notice from the Programme Preference Shareholder(s) holding 100% of the Programme Preference Shares referred to in this Applicable Pricing Supplement calling upon the Issuer to remedy such event.

Adjusted Calculation Amount means, in respect of each Programme Preference Share, and amount equal to the Calculation Amount multiplied by the Auction Final Price or Final Price, as applicable.

Affiliate means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

Applicable STT Rate means the rate at which STT is levied from time to time (being 0.25% as at the Issue Date).

Auction has the meaning set out in the Credit Derivatives Auction Settlement Terms.

Auction Final Price means the remaining value of the Reference Obligation expressed as a percentage of the nominal amount of the Reference Obligation, determined by the ISDA Determinations Committee following the Event Determination Date.

Auction Final Price Determination Date has the meaning set out in the Credit Derivatives Auction Settlement Terms.

Auction Settlement If following receipt by the DC Secretary of a DC Credit Event Question the ISDA Determinations Committee determines that a Credit Event has

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occurred in relation to the Reference Entity, an Auction shall be held in respect thereof in accordance with the Credit Derivatives Auction Settlement Terms, the auction final price determined by the relevant Auction shall be the Auction Final Price for the purposes of determining the Auction Settlement Amount.

Auction Settlement Amount” means the greater of:

- (a) the Calculation Amount multiplied by the Auction Final Price percentage provided that the Auction Final Price shall be adjusted to exclude any accrued interest in respect of the Reference Obligation that may have been included by the ISDA Determinations Committee or the Issuer as the case may be, in the calculation of the Auction Final Price less the Programme Preference Shareholder’s share of the Unwind Costs, if applicable, as determined in accordance with Additional IBRP4 Condition 11 (*Hedge Unwind Adjustment*) divided by the number of Programme Preference Shares; and
- (b) zero.

Bankruptcy means the Reference Entity:

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

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process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter or before the Scheduled Final Redemption Valuation Date, whichever is earlier; or

- (h) causes or is subject to any event with respect to it which, under the Applicable Laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) above.

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 but shall exclude proceeds raised from the issue of preference shares).

Cash Settlement means that if Cash Settlement is applicable as the Fallback Settlement Method, the Cash Settlement Amount will be paid on the applicable redemption date of this Tranche of Programme Preference Shares.

Cash Settlement Amount means an amount per Programme Preference Share calculated by the Issuer Agent as being:

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

where:

"A" is the Calculation Amount;

"B" is the Final Price; and

"C" is the Programme Preference Shareholder's share of the Unwind Costs, if applicable, as determined in accordance with Additional IBRP4 Condition¹¹ (*Hedge Unwind Adjustment*) divided by the number of Programme Preference Shares,

provided that in no event shall the Cash Settlement Amount be less than zero.

Change in Tax Laws means, on or after the Issue Date of the Programme Preference Shares:

- (a) any variation, amendment or any change in a relevant provision of the Income Tax Act or any other relevant tax legislation, excluding a change in the rate of any tax (other than any increase in the rate at which dividend tax is levied in terms of the Income Tax Act); or
- (b) any variation, amendment or any change in the interpretation thereof by any court, revenue or other competent authority,

which takes effect before the earlier of the Scheduled Final Redemption Valuation Date or Early Redemption Date, as applicable.

Credit Derivatives Auction Settlement Terms means the Credit Derivatives Auction Settlement Terms published by ISDA on its website (www.isda.org), or any successor website, from time to time and as amended from time to time.

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Credit Event means the occurrence of any one or more of the following events: Bankruptcy, Failure to Pay, Obligation Default, Restructuring, Repudiation or Governmental Intervention. 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 the Reference Entity to enter into an Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to an Obligation;
- (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, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Credit Event Notice means a notice from the Issuer to the Programme Preference Shareholders (which the Issuer has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the Issue Date and on or prior to the Scheduled Final Redemption Date, or, if a notice is delivered in terms of Additional IBRP4 Condition 3.4(a) (*Grace Period Extension*), the Grace Period Extension Date. Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Final Redemption Valuation Date must relate to the Potential Failure to Pay, in the case of a Grace Period Extension Date. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Condition 19 (Notices).

DC Credit Event Question means a notice to the DC Secretary, from the Issuer or a third party in accordance with the Credit Derivatives Auction Settlement Terms, requesting that a Credit Derivatives Determinations Committee be convened to determine whether a Credit Event has occurred in respect of the Reference Entity.

DC Rules means the Credit Derivatives Determinations Committees Rules as published on the ISDA website (www.isda.org) or any successor website from time to time and as may be amended from time to time.

DC Secretary has the meaning given to that term in the DC Rules.

Dividend Amount has the meaning given to that term in Additional IBRP4 Condition 3.3 (*Dividend Amount*).

Dividend Finalisation Date means the date on which finalisation information regarding the Dividend Amount to be paid on a Dividend Payment Date will be published by the Issuer on SENS.

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Dividend Record Date means the day on which the Programme Preference Shareholder must be recorded in the Register in order to receive the Dividend Amount on the Dividend Payment Date, being the date which is 8 (eight) Business Days after the Dividend Finalisation Date or such other date after the Dividend Finalisation Date prescribed by the JSE Debt Listings Requirements, or permitted by the JSE, to be the "record date" for the payment of cash dividends in respect of debt securities listed on the Main Board of the JSE; provided that, if that date is not a Friday and the JSE Debt Listings Requirement require that the Dividend Record Date falls on a Friday, the Dividend Record Date shall be the 1st (first) Friday occurring after that date unless that Friday is not a Business Day in which event the Dividend Record Date will be the last Business Day of the week in which that Friday falls.

Downgrade Event means:

- (a) Fitch has downgraded the Issuer's national scale long-term credit rating for unsecured and non-guaranteed obligations assigned by it (on a solicited basis) below A-(zaf) and Moody's has downgraded the Issuer's national scale credit rating for long-term deposits below A3.za (and, if S&P has substituted Fitch or Moody's as contemplated by the definition of "*Rating Agency*", S&P has downgraded the Issuer's national scale credit rating for long-term deposits below za.A-); or
- (b) if the Downgrade Event specified in paragraph (a) above has occurred, any further downgrade by both of the Rating Agencies of the Issuer's ratings specified in paragraph (a) above by one or more ratings notches; or
- (c) the Issuer ceases to be rated by both of the Rating Agencies,

provided that no Downgrade Event shall occur where any downgrade of a rating assigned to the Issuer (on a solicited basis) is downgraded solely as a result of the downgrading of any sovereign rating assigned to the Republic of South of Africa (on a solicited basis) by any Rating Agency.

Due and Payable Amount means the amount that is due and payable by the Reference Entity under the relevant Obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the relevant Valuation Date.

Early Redemption Amount has the meaning given to that term in Additional IBRP4 Condition 3.2 (*Early Redemption Amount*).

Early Redemption Date means:

- (a) in respect of an early redemption pursuant to Additional IBRP4 Conditions 7.3 (Early Redemption: Illegality Event – Programme Preference Shareholder), 7.4 (Early Redemption: Illegality Event - Issuer), 7.5 (Early Redemption: Succession Event), 7.6 (Early Redemption: Issuer Terms Adjustment), 7.7 (Early Redemption:

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Hedging Disruption), 7.8 (Early Redemption at the option of the Issuer) or 7.10 (Early Redemption: Redemption Event) as applicable, the date specified as such in the Early Redemption Notice, provided that if an Event Determination Date occurs on or before the date specified as such in the Early Redemption Notice, the Early Redemption Date shall be the 1st (first) Business Day immediately following the Early Redemption Record Date; and

- (b) in respect of an early redemption pursuant to Additional IBRP4 Condition 7.9 (Early redemption: Event Determination Date), the 1st (first) Business Day immediately following the Early Redemption Record Date.

Early Redemption Finalisation Date means the date on which finalisation information regarding the Early Redemption Amount will be published by the Issuer on SENS, being:

- (a) in respect of an early redemption pursuant to Additional IBRP4 Condition 7.3 (Early Redemption: Illegality Event – Programme Preference Shareholder), 7.4 (Early Redemption: Illegality Event - Issuer), 7.5 (Early Redemption: Succession Event), 7.6 (Early Redemption: Issuer Terms Adjustment), 7.7 (Early Redemption: Hedging Disruption), 7.8 (Early Redemption at the option of the Issuer) or 7.10 (Early Redemption: Redemption Event), the date which is 9 (nine) Business Days prior to the Early Redemption Date provided that if an Event Determination Date occurs on or before the date specified as such in the Early Redemption Notice, the Early Redemption Finalisation Date shall be the 1st (first) Business Day immediately following the Early Redemption Valuation Date; and
- (b) In respect of an early redemption pursuant to Additional IBRP4 Condition 7.9 (Early redemption: Event Determination Date), the 1st (first) Business Day immediately following the Early Redemption Valuation Date.

Early Redemption Notice means:

- (a) in relation to the Issuer, the written notice delivered by the Issuer pursuant to Additional IBRP4 Conditions 7.4 (Early Redemption: Illegality Event - Issuer) to 7.9 (Early redemption: Event Determination Date) as applicable; and
- (b) in relation to the Programme Preference Shareholder, the written notice delivered by the Programme Preference Shareholder pursuant to Additional IBRP4 Condition 7.3 (Early Redemption: Illegality Event – Programme Preference Shareholder) and 7.10 (Early Redemption: Redemption Event) as applicable.

Early Redemption Record Date means the day on which the Programme Preference Shareholder must be recorded in the Register in order to receive the Early Redemption Amount, being the date which is 8 (eight) Business Days after the Early Redemption Finalisation Date or such other date after the Early Redemption Finalisation Date prescribed by the JSE Debt Listings Requirements, or permitted by the JSE, to be the "record date" for the redemption of debt securities listed on the Main Board of the JSE;

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provided that, if that date is not a Friday and the JSE Debt Listings Requirements require that the Early Redemption Record Date falls on a Friday, the Early Redemption Record Date shall be the 1st (first) Friday occurring after that date unless that Friday is not a Business Day in which event the Early Redemption Record Date will be the last Business Day of the week in which that Friday falls.

Early Redemption Valuation Date means the Settlement Amount Notice Date, or if such date is not a Business Day, the 1st (first) Business Day thereafter.

Eligible Information means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

Event Determination Date means, with respect to a Credit Event, the Notice Delivery Date.

Failure to Pay means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payment in an aggregate amount of not less than R10,000,000 under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

Fallback Settlement Method means Cash Settlement.

FATCA Withholding has the meaning given to that term in Additional IBRP4 Condition 6.4 (*FATCA Withholding*).

Final Price means in respect of the Cash Settlement Amount the price of the Reference Obligation expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable, determined in accordance with the Valuation Method. The Final Price shall be adjusted to exclude any accrued interest in respect of the Reference Obligation that may have been included in the determination of the Cash Settlement Amount.

Final Redemption Amount has the meaning given to that term in Additional IBRP4 Condition 3.1 (*Final Redemption Amount*).

Final Redemption Date means the 1st (first) Business Day immediately following the Final Redemption Record Date.

Final Redemption Finalisation Date means the date on which finalisation information regarding the Final Redemption Amount will be published by the Issuer on SENS, being the 1st (first) Business Day immediately following the Final Redemption Valuation Date.

Final Redemption Record Date means the day on which the Programme Preference Shareholder must be recorded in the Register in order to receive the Final Redemption Amount, being the date which is 8 (eight) Business Days after the Final Redemption Finalisation Date or such other date after the Early Redemption Finalisation Date prescribed by the JSE Debt Listings Requirements, or permitted by the JSE, to be the "record date" for the redemption of debt securities listed on the Main Board of the JSE, provided that, if either such date is not a Friday and the JSE Debt Listings Requirements require that the Final Redemption Record Date falls on a Friday, the Final Redemption Record Date shall be the 1st (first) Friday occurring after such date

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unless that Friday is not a Business Day in which event the Final Redemption Record Date will be the last Business Day of the week in which that Friday falls.

Final Redemption Valuation Date means:

- (a) if no notice is delivered in terms of Additional IBRP4 Condition 3.4(a) (Grace Period Extension), and if:
 - (i) no Event Determination Date has occurred on or prior to the Scheduled Final Redemption Valuation Date, the Scheduled Final Redemption Valuation Date, or
 - (ii) an Event Determination Date has occurred on or prior to the Scheduled Final Redemption Valuation Date, the Settlement Amount Notice Date, or if such date is not a Business Day, the 1st (first) Business Day thereafter; or
- (b) in the event that notice is delivered in terms of Additional IBRP4 Condition 3.4(a) (Grace Period Extension), and if:
 - (i) no Failure to Pay has occurred on or prior to the Grace Period Extension Date, the Grace Period Extension Date; or
 - (ii) an Event Determination Date has occurred on or prior to the Grace Period Extension Date, the Settlement Amount Notice Date, or if such date is not a Business Day, the 1st (first) Business Day thereafter.

Fitch means Fitch Ratings Ltd.

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

Governmental Authority means:

- (a) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in paragraphs (a) to (c) above.

Governmental Intervention means that, with respect to one or more Obligations any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a

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restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors' rights so as to cause:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (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; or
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of the such Obligation to any other Obligation;
 - (v) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
 - (vi) a mandatory cancellation, conversion or exchange; or
- (b) any event which has an analogous effect to any of the events specified in paragraph (a) above.

Grace Period means the applicable grace period with respect to payments under and in accordance with the terms of an Obligation in effect as of the date as of which the Obligation is issued or incurred.

Grace Period Extension Date means, if a Potential Failure to Pay occurs on or prior to the Scheduled Final Redemption Valuation Date, the date falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

Gross-Up Amount means, in relation to the Programme Preference Shareholder or Unit Holder and a Gross-Up Event, an amount that, after normal income tax (if any) arising as a result of the events specified in Additional IBRP4 Condition 6.2(a)(i) and/or (ii) (Gross-Up), puts the Programme Preference Shareholder or Unit Holder in the same position as it would have been in had such tax not been imposed on any Dividend Amount or Applicable Redemption Amount (as the case may be) as a consequence of the occurrence of that Gross-Up Event, provided that the Programme Preference Shareholder Holder or any Unit Holder shall be deemed to be a South African Company for purposes of determining any applicable tax rate.

Gross-Up Event means the occurrence of any one or more of the following events or circumstances:

- (a) any Preference Dividend is not paid in compliance with the requirements of the Companies Act, including, without limitation, section 46 of the Companies Act;
- (b) the Programme Preference Shares are not redeemed out of the "contributed tax capital" (as defined in section 1 of the Income Tax Act)

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of the Issuer, attributable to the class of shares of which the Programme Preference Shares forms part;

- (c) the payment of any Preference Dividend in respect of the Programme Preference Shares results in a reduction of the "contributed tax capital" (as defined in section 1 of the Income Tax Act) of the Issuer attributable to the class of shares applicable to the Programme Preference Shares;
- (d) any Preference Dividend, when paid is not a "dividend" (as defined in section 1 of the Income Tax Act);
- (e) the Issuer is a "foreign company" (as defined in section 1 of the Income Tax Act) at the time the Preference Dividend is paid;
- (f) the Programme Preference Shares are not validly created, allotted and issued on the Issue Date in accordance with the provisions of the Companies Act or the Issuer's Memorandum of Incorporation;
- (g) the Issuer is not a "resident" (as defined in section 1 of the Income Tax Act) at the time the Preference Dividend is paid; or
- (h) the occurrence of any Redemption Event.

Hedging Party has the meaning given to that term in the definition of "Regulatory Event".

Holder Acceptance Notice has the meaning given to that term in Additional IBRP4 Condition 4.2 (*Terms Adjustment: Issuer*).

Holder Acceptance Period has the meaning given to that term in Additional IBRP4 Condition 4.2 (*Terms Adjustment: Issuer*).

Holder Adjustment Notice has the meaning given to that term in Additional IBRP4 Condition 4.3 (*Terms Adjustment: Programme Preference Shareholder*).

Holder Terms Adjustment has the meaning given to that term in Additional IBRP4 Condition 4.3 (*Terms Adjustment: Programme Preference Shareholder*).

Holder Terms Adjustment Effective Date has the meaning given to that term in Additional IBRP4 Condition 4.3 (*Terms Adjustment: Programme Preference Shareholder*).

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Income Tax Act means the Income Tax Act, 1962 of South Africa.

Increased Cost of Hedging means that a Hedging Party would incur a materially increased (as compared with circumstances existing as at the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Hedging Transaction, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of that Hedging Party shall not be deemed to be an Increased Cost of Hedging.

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Independent Dealer has the meaning given to that term in Additional IBRP4 Condition 10.3 (*Issuer Agent disputes*).

Investec means Investec Limited, a public company incorporated in the Republic of South Africa with limited liability under registration number 1925/002833/06.

ISDA Determinations Committee means a Credit Derivatives Determinations Committee established pursuant to the DC Rules.

Issuer Illegality Event has the meaning given to that term in Additional IBRP4 Condition 7.4 (Early Redemption: Illegality Event - Issuer).

Issuer Terms Adjustment has the meaning given to that term in Additional IBRP4 Condition 4.2 (*Terms Adjustment: Issuer*).

Issuer Terms Adjustment Event has the meaning given to that term in Additional IBRP4 Condition 4.2 (*Terms Adjustment: Issuer*).

JSE Debt Listings Requirements means the Debt Listings Requirements of the JSE as amended from time to time.

Moody's means Moody's Investors Service Ltd.

Notice Delivery Date means the first date on which a Credit Event Notice and the Notice of Publicly Available Information, have been delivered by the Issuer to the Programme Preference Shareholders.

Notice of Publicly Available Information means a notice by the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information.

Obligation means any obligation of the Reference Entity (either directly or as provider of a Qualifying Guarantee) described by the Obligation Category.

Obligation Category means any obligation of the Reference Entity that:

- (a) is payable in ZAR;
- (b) is unsecured;
- (c) is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity;
- (d) constitutes Borrowed Money; and
- (e) is either:
 - (i) in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security; or
 - (ii) documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

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Obligation Default means the one or more Obligations in an aggregate amount of not less than R10,000,000 has 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 the Reference Entity under one or more Obligations.

Outstanding Principal Balance means the outstanding principal balance of an obligation which will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable, the Reference Entity's accrued but unpaid interest payment obligations;
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in accordance with paragraph (a) above less any amounts subtracted in accordance with this paragraph (b), the "**Non-Contingent Amount**"); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined in accordance with the terms of the obligation in effect on the relevant Valuation Date; and

with respect to the Quantum of the Claim only, in accordance with any Applicable Law (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

Permitted Contingency means, with respect to an obligation, any reduction to the Reference Entity's payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity; or
 - (ii) provisions which permit the Reference Entity's obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

Potential Failure to Pay means the failure by the Reference Entity to make payment, when and where due under one or more Obligations in an aggregate amount of not less than R10,000,000, in accordance with the terms of such Obligation/s at the time

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of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

Prohibited Action means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in (a) to (d) of the definition of Credit Event above) or right of set-off by or of the Reference Entity.

Programme Preference Shareholder Illegality Event has the meaning given to that term in Additional IBRP4 Condition 7.3 (Early Redemption: Illegality Event – Programme Preference Shareholder).

Public Source means (i) each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, and Debtwire (and successor publications) and the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources), or (ii) each of any Reuters screen, any Telerate screen, Business Day, The Star, Die Beeld, Financial Mail, Finweek, Finansies en Tegniek, The Economist (and successor publications) and the main source(s) of business news in South Africa and any other recognised published or electronically displayed news sources).

Publicly Available Information means information that reasonably confirms any of the facts relevant to the determination that the Credit Event as applicable, described in a Credit Event Notice has occurred and which:

- (a) has been published in or on not less than 2 Public Sources (regardless of whether the reader or user thereof pays a fee to obtain such information); or
- (b) is information received from or published by (i) the Reference Entity or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation; or
- (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body,

provided that where any information of the type described in paragraph (b) or (c) above is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in paragraph (b) or (c) above, each Programme Preference Shareholder may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state that the relevant occurrence:

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- (i) is the result of exceeding any applicable Grace Period; or
- (ii) has met the subjective criteria specified in certain Credit Events.

Qualifying Guarantee means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes, or is otherwise obliged to pay all amounts of principal and interest due under an underlying obligation, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

Quantum of the Claim means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

Quotation means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Reference Obligation's Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Issuer Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Issuer Agent is unable to obtain two or more such Full Quotations on the same Business Day within 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 Issuer Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Issuer 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 Quotation 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 Quotation 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.

Quotation Amount means an amount equal to the aggregate Calculation Amount, as determined by the Issuer Agent, on the Valuation Date.

Quotation Dealer means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, selected by the Issuer Agent.

Quotation Method means that only bid quotations shall be requested from Quotation Dealers.

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Rating Agency means each of Moody's or Fitch provided that if either such Rating Agency ceases to rate the Issuer then it shall be substituted with S&P if S&P rates the Issuer at the relevant time.

Redemption Dividend Finalisation Date means the date on which finalisation information regarding the Dividend Amount to be paid on the Redemption Dividend Payment Date will be published by the Issuer on SENS, being the Early Redemption Finalisation Date or the Final Redemption Finalisation Date (as applicable).

Redemption Dividend Payment Date means the 1st (first) Business Day immediately following the Redemption Dividend Record Date.

Redemption Dividend Record Date means the day on which the Programme Preference Shareholder must be recorded in the Register in order to receive the Dividend Amount on the Redemption Dividend Payment Date, being the Early Redemption Record Date or the Final Redemption Record Date (as applicable).

Redemption Event means the occurrence of any one or more of the following events which is continuing:

- (a) any of the Redemption Events referred to in Condition 14.1.1 to 14.1.6 of the Programme Preference Share Terms and Conditions; or
- (b) an Additional Redemption Event.

Reference Entity means Standard Bank of South Africa Limited.

Reference Obligation means an Obligation of the Reference Entity with a Scheduled Maturity Date as close as possible to the Scheduled Final Redemption Valuation Date as determined by the Issuer Agent following a Credit Event.

Regulatory Event means on or after the Issue Date of the Programme Preference Shares, due to:

- (a) any implementation, introduction, abolition, withdrawal, or variation of any Applicable Law, regulation, published practice, concession, official directive, ruling, notice, announcement (including but not limited to any budget speech) or any change in the interpretation, or any new or further interpretation, or different interpretation by any court, governmental, revenue, central bank or other competent authority or compliance with any existing, new or different request, direction, circular or official directive from any government entity, revenue, central bank or other competent authority; or
- (b) any change in banking practice as it affects or is applied generally by any financial institution in the Republic of South Africa; or
- (c) a requirement or a request by any statutory or monetary authority, including but not limited to any taxation of dividends, to pay any amounts, or maintain special deposits or reserve assets, in addition to those currently paid or maintained or reserved by the Issuer and/or its Holding Company; or

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- (d) any compliance by the Issuer and/or its Holding Company with any reserve, capital adequacy, cash ratio, special deposit or liquidity requirement (or any other similar requirement) in respect of the Programme Preference Shares in addition to those payable by the Issuer and/or its Holding Company as at the Issue Date; or
- (e) any change in the listings requirement of the Financial Exchange; or
- (f) any change in the exchange control regulations of the Republic of South Africa,

(other than for any change in the rate of taxation on income or capital gains or dividends) and the Issuer determines in good faith that:

- (i) it has become illegal or contrary to Applicable Law or regulation for the Programme Preference Shareholder to hold the Programme Preference Share; or
- (ii) it has become illegal or contrary to Applicable Law or regulation for the Issuer or any of its Affiliates (each, a **Hedging Party**) to hold, acquire, deal in, maintain or dispose of or realise, recover or remit the proceeds of the sale or disposal of, a Hedging Transaction; or
- (iii) the Issuer or the Issuer's Holding Company will incur any Increased Cost in performing its obligations in respect of the Programme Preference Shares or any Hedge Position in connection with the Programme Preference Shares (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); or
- (iv) the Issuer or any of its Affiliates will be subjected to materially less favourable regulatory capital treatment in respect of the Programme Preference Shares or any related Hedging Transactions.

Restructuring means, with respect to one or more Obligations and in relation to an aggregate amount of not less than R10,000,000 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 the holders of such 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 (including, in each case, in respect of Bonds only, by way of an exchange), and such event is not expressly provided for under the terms of such Obligation in effect from the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);

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- (c) 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;
- (d) a change in the ranking in priority of payment of the Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of South Africa and any successor currency.

If an exchange has occurred, the determination as to whether one of the events described under paragraphs (a) to (e) above has occurred will be based on a comparison of the terms of the Obligation immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

Restructuring Date means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

S&P means Standard & Poor's Rating Services.

Scheduled Final Redemption Valuation Date means the fifth anniversary of the Issue Date.

Scheduled Maturity Date means the maturity date of an Obligation for the purposes of this Tranche of Programme Preference Shares.

Settlement Amount means the Auction Settlement Amount or the Cash Settlement Amount, as applicable.

Settlement Amount Notice Date means the date on which written notice of the Settlement Amount is delivered or deemed to be delivered by the Issuer to the Programme Preference Shareholder in accordance with Condition 19.1 (*By the Issuer*) of the Programme Preference Share Terms and Conditions.

Settlement Method Auction Settlement, provided that if the relevant ISDA Credit Derivatives Determinations Committee does not determine that an Auction will be held following the occurrence of a Credit Event in relation to the Reference Entity and, the Final Price for the purposes of this Tranche of Programme Preference Shares shall be determined in accordance with the provisions relating to Cash Settlement.

Steps Plan means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the obligations of the Reference Entity under the relevant Obligations, by one or more entities.

STT means securities transfer tax levied in terms of the STT Act or any similar levy, tax duty or levy that replaces securities transfer tax and which would be payable on the redemption of the Programme Preference Shares.

STT Act means the Securities Transfer Tax Act, 2007 of South Africa.

Subordination means, with respect to an obligation (the "**Second Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**First Obligation**"), a contractual, trust or other similar arrangement providing that

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(a) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (b) the holders of the Second Obligation will not be entitled to receive or retain principal 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 First Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account.

Subscription Agreement means the Preference Share Subscription Agreement concluded or to be concluded between the Issuer and the Programme Preference Shareholder in relation to the Programme Preference Shares in this Tranche on or about the Issue Date.

Subsidiary means a "subsidiary" as defined in the Companies Act.

Succession Event means for any reason, other than due to the existence or occurrence of a Credit Event, 75% (seventy five per cent) or more of all Obligations cease to fully be Obligations of the Reference Entity, and the Issuer and the Programme Preference Shareholders fail to agree on an appropriate successor Reference Entity within 10 (ten) Business Days of written notice from the Issuer to the Programme Preference Shareholders proposing a successor.

Succession Event Date means, with respect to an Obligation, the date of the occurrence of the relevant Succession Event.

Succession Event Notice Delivery Date means the first date on which the Issuer has delivered notice of a Succession Event to the Programme Preference Shareholders.

Tax Event means a Change in Tax Law that results in any Preference Dividend received or to be received by the Programme Preference Shareholder or any of its Unit Holders to whom that Preference Dividend may accrue in terms of the Income Tax Act either being subject to normal tax or being subject to dividends tax or being taxed at an increased dividend tax rate.

Terms Adjustment means a Holder Terms Adjustment or an Issuer Terms Adjustment (as applicable).

Unit Holder/s means where the Programme Preference Shareholder is a collective investment scheme, a holder of a participatory interest in such collective investment scheme and to whom the Dividend Amounts in respect of this Tranche of Programme Preference Shares accrue.

Unwind Costs means an amount determined by the Issuer Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), Tax and duties actually incurred by the Issuer in connection with any termination, settlement or re-establishment of any Hedging Transaction following an early redemption of the Programme Preference Shares.

Valuation Date means [five Business Days] following the Event Determination Date.

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Valuation Method” the highest Quotation obtained by the Issuer Agent (or in accordance with the definition of Quotation) with respect to the Valuation Date.

Valuation Time” means 11.00 a.m. in the principal trading market for the Reference Obligation.

Weighted Average Quotation means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but, of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

2. Interpretation

The provisions of Condition 2 (Interpretation) of the Programme Preference Share Terms and Conditions apply to these Additional IBRP4 Conditions as though they were set out in full in these Additional IBRP4 Conditions, except that references to the Programme Preference Share Terms and Conditions are to be construed as references to these Additional IBRP4 Conditions.

If any term used in these Additional IBRP4 Conditions is not defined herein or any process mentioned or implied is not specified, such term or process will as a fall-back be governed by the relevant definition or process detailed in the 2014 ISDA Credit Definitions as read with the Credit Derivatives Auction Settlement Terms and the Credit Derivatives Determinations Committees Rules each of which are published by ISDA on its website, (www.isda.org) or any successor website, from time to time and as may be amended from time to time. To the extent that any of the above ISDA definition or procedures contains terms that are inconsistent with Programme Preference Shares, the Issuer Agent shall be entitled to adjust such terms to the extent necessary to resolve the inconsistency in a practical manner.

3. Credit -Linked Conditions

3.1 Final Redemption Amount

- (a) If no Event Determination Date has occurred the **Final Redemption Amount** per Programme Preference Share shall be an amount equal to the Issue Price.
- (b) If an Event Determination Date has occurred, and the Issuer has not elected to early redeem the Preference Shares in accordance with Additional IBRP4 Condition 7.9 (Early redemption: Event Determination Date), the **Final Redemption Amount** per Programme Preference Share shall be the applicable Settlement Amount.

3.2 Early Redemption Amount

- (a) If no Event Determination Date has occurred prior to the Early Redemption Date the **Early Redemption Amount** per Programme Preference Share shall be an amount equal to the Issue Price.

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- (b) If an Event Determination Date has occurred prior to the Early Redemption Date, the **Early Redemption Amount** per Programme Preference Share shall be the applicable Settlement Amount.

3.3 Dividend Amount

- (a) In respect of each Programme Preference Share in this Tranche for the Dividend Period, the Programme Preference Shareholder shall be entitled to receive and be paid, in accordance with Condition 7.1 (*Right to Preference Dividends*) of the Preference Share Terms and Conditions, a Scheduled Preference Dividend in the Specified Currency equal to the Dividend Amount calculated in accordance with the formula set out in paragraph (b) below.

- (b) The **Dividend Amount** shall be an amount determined by the Issuer Agent in accordance with the following formulas:

- (i) if no Event Determination Date has occurred on or before the last day of the relevant Dividend Period:

$$DA = CA \times DR \times d/365$$

Where:

DA = the Dividend Amount;

CA = the Calculation Amount;

DR = the Dividend Rate (applying the Initial Margin);

d = The actual number of days in the relevant Dividend Period;

- (ii) if an Event Determination Date or Succession Event Notice Delivery Date has occurred on or before the last day of the relevant Dividend Period (**Affected Dividend Period**) and, in the case of a Credit Event only, no Adjusted Calculation Amount has yet been determined:

$$DA = [CA \times DR1 \times d1/365] + [CA \times DR2 \times d2/365]$$

Where:

DA = the Dividend Amount;

CA = the Calculation Amount;

DR1 = the Dividend Rate (applying the Initial Margin);

d1 = the actual number of days calculated from and including the first day of the relevant Dividend Period, to and excluding the Event Determination Date or Succession Event Notice Delivery Date, as applicable;

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DR2= the Dividend Rate (applying the Reduced Margin);

d2 = the actual number of days calculated from and including the Event Determination Date or Succession Event Notice Delivery Date, as applicable; to and excluding the last day of the relevant Dividend Period;

- (iii) if an Event Determination Date has occurred on or before the last day of the Affected Dividend Period, and the Adjusted Calculation Amount has been determined:

$$DA = [CA \times DR1 \times d1/365] + [CA \times DR2 \times d2/365] + [ACA \times DR2 \times d3/365]$$

Where:

DA = the Dividend Amount;

CA = the Calculation Amount;

DR1 = the Dividend Rate (applying the Initial Margin);

d1 = the actual number of days calculated from and including the first day of the relevant Dividend Period (if applicable), to and excluding the Event Determination Date;

DR2= the Dividend Rate (applying the Reduced Margin);

d2 = the actual number of days calculated from and including the Event Determination Date; to and excluding the date on which the Adjusted Calculation Amount is Determined;

ACA = the Adjusted Calculation Amount;

d3 = the actual number of days calculated from and including the date on which the Adjusted Calculation Amount is determined; to and excluding the last day of the relevant Dividend Period.

- (iv) where an Event Determination Date has occurred, as contemplated in paragraph (iii) above and the Issuer has not elected to early redeem the Programme Preference Shares as contemplated in Additional IBRP4 Condition 7.9 (Early redemption: Event Determination Date), in respect of each Dividend Period after the applicable Affected Dividend Period:

$$DA = ACA \times DR \times d/365$$

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Where:

DA = the Dividend Amount;

ACA = the Adjusted Calculation Amount;

DR = the Dividend Rate (applying the Reduced Margin);

d = The actual number of days in the relevant Dividend Period;

- (v) where a Succession Event Notice Delivery Date has occurred, in respect of a Succession Event and the Issuer has not elected to early redeem the Programme Preference Shares as contemplated in Additional IBRP4 Condition 7.5 (Early Redemption: Succession Event), in respect of each Dividend Period after the applicable Affected Dividend Period:

$$DA = CA \times DR \times d/365$$

Where:

DA = the Dividend Amount;

CA = the Calculation Amount;

DR = the Dividend Rate (applying the Reduced Margin);

d = The actual number of days in the relevant Dividend Period;

3.4 Grace Period Extension

- (a) Where an Event Determination Date has not occurred on or prior to the Scheduled Final Redemption Valuation Date but, in the determination of the Issuer Agent, a Potential Failure to Pay has occurred with respect to an Obligation of the Reference Entity and the Grace Period is continuing as at the Scheduled Final Redemption Valuation Date), then the Issuer shall notify the Programme Preference Shareholders in accordance with Condition 19 (Notices) that a Potential Failure to Pay has occurred, and:
- (b) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
- (i) each Programme Preference Share will be redeemed by the Issuer at the Final Redemption Amount as contemplated in Additional IBRP4 Condition 3.1(a) (Final Redemption Amount) on the Final Redemption Date; and
- (ii) the Issuer shall be obliged to pay accrued but unpaid Preference Dividends up to but excluding the Final Redemption Date; or

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- (c) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and an Event Determination Date has occurred:
 - (i) each Programme Preference Share will be redeemed by the Issuer at the Final Redemption Amount as contemplated in Additional IBRP4 Condition 3.1(b) (Final Redemption Amount) on the Final Redemption Date; and
 - (ii) the Issuer shall be obliged to pay accrued but unpaid Preference Dividends up to but excluding the Final Redemption Date.

3.5 Payment in full and final settlement

Upon payment of the amounts determined in accordance with Additional IBRP4 Conditions 3.1(b) (Final Redemption Amount), 3.2(b) (Early Redemption Amount), 3.3 (Dividend Amount) and 6.2(c) (Gross-Up) in respect of this Tranche of Programme Preference Shares, the Issuer shall have discharged its obligations to pay the Dividend Amounts and Final Redemption Amount in respect of this Tranche of Programme Preference Shares and such payment shall, subject to and without prejudice to the provisions of Additional IBRP4 Condition 6.2(c) (Gross-Up), be made in full and final settlement of all of the Issuer's obligations under this Tranche of Programme Preference Shares and accordingly the Issuer shall have no other liability or obligation whatsoever in respect thereof. The relevant Settlement Amount may be less than the Issue Price. Any shortfall shall be borne by the Programme Preference Shareholders and the Issuer shall have no liability to the Programme Preference Shareholders in respect of any such shortfall.

4. **Terms Adjustments**

4.1 Disapplication of Programme Preference Share Terms and Conditions

Conditions 7.7 (*Regulatory Event*) shall not apply to the Programme Preference Shares and shall be replaced by the provisions of this Additional IBRP4 Condition 4.

4.2 Terms Adjustment: Issuer

- (a) If a Regulatory Event or Increased Cost of Hedging occurs, the Issuer shall be entitled (but not obliged), by delivery of a written notice to the Programme Preference Shareholder in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (an **Issuer Adjustment Notice**) to propose an adjustment to the Programme Preference Share Terms and Conditions and/or these Additional IBRP4 Conditions and/or the Margin as may be necessary or appropriate in relation to such Regulatory Event or Increased Cost of Hedging (as the case may be) to account for and preserve the economic objectives of the Programme Preference Shares and to place the Issuer in the same position as it would have been in had the Regulatory Event or Increased Cost of Hedging (as the case may be) not occurred and ensure that the Issuer will receive the same return as if that Regulatory Event or Increased Cost of Hedging had not occurred (an **Issuer Terms Adjustment**). The Issuer Adjustment Notice shall be accompanied by a written confirmation signed by two authorised signatories of the Issuer

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setting out in reasonable detail the consequences of the Relevant Event or Increased Cost of Hedging on the Issuer's or any Hedging Party's obligations in connection with the Programme Preference Shares or Hedging Transactions (as the case may be).

- (b) The Programme Preference Shareholder may, within 10 (ten) Business Days after receipt of the Issuer Adjustment Notice (or such further period as may be agreed in writing by the Issuer) (the **Holder Acceptance Period**), notify the Issuer in writing (a **Holder Acceptance Notice**) that it elects to amend the Programme Preference Share Terms and Conditions and/or these Additional IBRP4 Conditions and/or the Margin to take into account the Issuer Terms Adjustment whereupon the Programme Preference Share Terms and Conditions and/or these Additional IBRP4 Conditions and/or the Margin shall be amended from the date of receipt of the Holder Acceptance Notice.
- (c) If the Holder Acceptance Notice is not delivered within the Holder Acceptance Period or the Programme Preference Shareholder expressly rejects the Issuer Terms Adjustment, the Issuer shall be entitled (but not obliged) to redeem the Programme Preference Shares in accordance with Additional IBRP4 Condition 7.6 (*Early Redemption: Issuer Terms Adjustment*) (an **Issuer Terms Adjustment Event**).

4.3 Terms Adjustment: Programme Preference Shareholder

- (a) If a Downgrade Event or Tax Event occurs, the Programme Preference Shareholder shall be entitled (but not obliged), by delivery of a written notice to the Issuer in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (a **Holder Adjustment Notice**) to propose an adjustment to the Programme Preference Share Terms and Conditions and/or these Additional IBRP4 Conditions and/or the Margin as may be necessary or appropriate in relation to such Downgrade Event or Tax Event (as the case may be) to account for and preserve the economic objectives of the Programme Preference Shares and to place the Programme Preference Shareholder in the same position as it would have been in had the Downgrade Event or Tax Event (as the case may be) not occurred and ensure that the Programme Preference Shareholder will receive the same return as if that Downgrade Event or Tax Event had not occurred (an **Holder Terms Adjustment**).
- (b) In order to constitute a valid Holder Adjustment Notice, the Holder Adjustment Notice must:
 - (i) propose an adjustment in respect of the Initial Margin that will apply prior to the occurrence of an Event Determination Date or Succession Event Notice Delivery Date and the Reduced Margin that will apply upon the occurrence of an Event Determination Date or Succession Event Notice Delivery Date;
 - (ii) specify the effective date of the Holder Terms Adjustment (**Holder Terms Adjustment Effective Date**), which shall not be earlier than 30 Business Days after the date of the Holder Adjustment Notice; and

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- (iii) be accompanied by a written confirmation signed by two authorised signatories of the Programme Preference Shareholder setting out in reasonable detail the consequences of the Downgrade Event or Tax Event on the Programme Preference Shareholder's return in connection with the Programme Preference Shares.
- (c) Following receipt of a valid Holder Adjustment Notice, the Programme Preference Share Terms and Conditions and/or these Additional IBRP4 Conditions and/or the Margin shall be amended from the Holder Terms Adjustment Effective Date.

5. Cancellation of Payment of Dividend Amount

Notwithstanding the provisions of Condition 7.9.1 (Payment of Preference Dividends) of the Programme Preference Share Terms and Conditions, if an Event Determination Date occurs after the Dividend Finalisation Date in respect of a Dividend Payment Date (**Scheduled Dividend Payment Date**) but on or prior to the Scheduled Dividend Payment Date, the Issuer shall be entitled to cancel the payment of the Dividend Amount (**Affected Dividend Amount**) as announced on the applicable Dividend Finalisation Date, and the failure to pay the Affected Dividend Amount on the Scheduled Dividend Date shall not constitute an Event of Default by the Issuer, provided that the Issuer will be obliged to recalculate the Affected Dividend Amount (**Adjusted Dividend Amount**) as contemplated in Additional IBRP4 Condition 3.3(b) (Dividend Amount) and to declare and pay the Adjusted Dividend Amount in respect of the Dividend Period ending on the Scheduled Dividend Payment Date within [20 (twenty)] Business Days of such Scheduled Dividend Payment Date.

6. Additional Amounts

6.1 Disapplication of Programme Preference Share Terms and Conditions

Conditions 8 (Additional Amounts) shall not apply to the Programme Preference Shares and shall be replaced by the provisions of this Additional IBRP4 Condition 6.

6.2 Gross-Up

- (a) Subject to paragraphs (b), (d) and (e) below, if:
 - (i) any Dividend Amount paid or payable by the Issuer:
 - (A) is not a "dividend" as defined in section 1 of the Income Tax Act; or
 - (B) is not exempt from income tax under the Income Tax Act, and consequently is subject to normal income tax under the Income Tax Act; or
 - (ii) any Applicable Redemption Amount is subject to normal income tax under the Income Tax Act,

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only as a result of the occurrence of a Gross-Up Event, then, without double counting, the Issuer shall, in addition to that Dividend Amount or Applicable Redemption Amount (as the case may be), be obliged to pay to the Programme Preference Shareholder an amount equal to the Gross-Up Amount simultaneously with the payment of that Dividend Amount on the Dividend Payment Date or that Applicable Redemption Amount on the Applicable Redemption Date (as applicable).

- (b) The Programme Preference Shareholder is required to deliver to the Issuer either a copy of the tax assessment or written confirmation from the then auditor of Sanlam Collective Investments Proprietary Limited of the Unit Holders affected by the Gross-Up Event showing that an amount of income tax is payable on the relevant Dividend Amount accrued to such Programme Preference Shareholder and/or any its Unit Holders as a result of the occurrence of the Gross-Up Event, which tax assessment shall be delivered within 3 (three) years from the occurrence of the relevant Gross-Up Event.
- (c) Subject to paragraphs (b), (d) and (e) below, if the effect of a Gross-Up Event in respect of a Dividend Amount or Applicable Redemption Amount only becomes apparent after the Programme Preference Shares have been redeemed, the Issuer shall and hereby does indemnify and hold the Programme Preference Shareholder harmless against the effect of that Gross-Up Event and, accordingly, shall pay to the Programme Preference Shareholder, within 10 (ten) Business Days of written demand, the Gross-Up Amount that would have been payable to the Programme Preference Shareholder on the date of payment of such Dividend Amount or Applicable Redemption Amount (as the case may be) had the effect of that Gross-Up Event been apparent on or prior to the Dividend Payment Date or the Applicable Redemption Date (as the case may be).
- (d) Notwithstanding paragraph (a) or (c) above, paragraphs (a) and (c) above shall not apply:
 - (i) to the extent a Gross-Up Amount is compensated for by a Terms Adjustment pursuant to Additional IBRP4 Condition 4 (*Terms Adjustments*); or
 - (ii) to the extent a Gross-Up Amount is attributable to the wilful breach by the Programme Preference Shareholder, any Unit Holder or any of its Affiliates of any Applicable Law or regulation; or
 - (iii) where any Preference Dividend paid or payable by the Issuer to the Programme Preference Shareholder is deemed to be an amount of income in terms of section 8E(2) of the Income Tax Act solely by reason of the Programme Preference Shareholder or any of its Affiliates, without the written consent of the Issuer (given or withheld in its sole discretion), having entered into any agreement or arrangement which results in the Programme Preference Shares being or becoming a "hybrid equity instrument" as envisaged in section 8E of the Income Tax Act; or

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- (iv) where any Preference Dividend paid or payable by the Issuer to the Programme Preference Shareholder is deemed to be an amount of income in terms of section 8EA(2) of the Income Tax Act solely by reason of the Programme Preference Shareholder or any of its Affiliates, without the written consent of the Issuer (given or withheld in its sole discretion), having entered into any agreement or arrangement which results in the Programme Preference Shares being or becoming a "third-party backed share" as envisaged in section 8EA of the Income Tax Act; or
 - (v) to the extent the Programme Preference Shareholder or Unit Holder could lawfully avoid (but has not so avoided) any tax on the Preference Dividend arising as the consequence of the occurrence of a Gross-Up Event by complying with any statutory requirements in force at the relevant time or by making a declaration or other claim or filing for exemption to which it is entitled to the relevant tax authority; or
 - (vi) to the extent a Gross-Up Amount is attributable to the failure by the Programme Preference Shareholder or Unit Holder to provide the Issuer with the written declaration contemplated in section 64G(2)(a)(i)(aa) of the Income Tax Act prior to the date of declaration of the relevant Preference Dividend; or
 - (vii) in the event that any Dividend Amount or Applicable Redemption Amount becomes payable prior to the Scheduled Final Redemption Valuation Date as a consequence of the occurrence of a Tax Event or a Programme Preference Shareholder Illegality Event; or
 - (viii) if any of the events or circumstances described in paragraph (a)(i) or (a)(ii) occur due to (A) the nature or characteristics of the Dividend Amount or Applicable Redemption Amount in the hands of the Programme Preference Shareholder, or (B) the Programme Preference Shareholder or Unit Holder not being a South African tax resident, or (C) a change in the tax residence of the Programme Preference Shareholder or Unit Holder; or
 - (ix) to any FATCA Withholding; or
 - (x) a failure by the Programme Preference Shareholder to deliver the required tax assessments or written auditor confirmation in accordance with paragraph (b) above.
- (e) If the Programme Preference Shareholder (the **Existing Programme Preference Shareholder**) sells, transfers or otherwise disposes of the Programme Preference Shares to any person (each, a **New Programme Preference Shareholder**) then the New Programme Preference Shareholder or Programme Preference Shareholder, as the case may, is only entitled to receive payment under this Additional IBRP4 Condition 6 to the same extent as the Existing Programme Preference Shareholder would have been if the sale, transfer or other disposal had not occurred.

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(f) Notwithstanding anything to the contrary contained herein, the Issuer gives no assurances, guarantees, representations or warranties in respect of the nature and/or characteristics of the Dividend Amount and/or the Applicable Redemption Amount in the hands of the Programme Preference Shareholder or any Unit Holder.

6.3 The provisions of this Additional IBRP4 Condition 6 shall survive the redemption of the Programme Preference Shares and shall remain enforceable against the Issuer by the Programme Preference Shareholder until the date of expiry of a period of 3 (three) years after the Applicable Redemption Date.

6.4 FATCA Withholding

Notwithstanding any other provision in the Programme Preference Share Terms and Conditions or these Additional IBRP4 Conditions, the Issuer, the Issuer Agent and/or the Transfer Agent, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. IRS (**FATCA Withholding**). The Issuer will have no obligations to pay additional amounts or otherwise indemnify a Programme Preference Shareholder for any FATCA withholding deducted or withheld by the Issuer, the Issuer Agent, the Transfer Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA Withholding.

7. **Early Redemption**

7.1 Disapplication of Programme Preference Share Terms and Conditions

(a) Conditions 10.2 (Early Redemption following a Regulatory Event), 10.3 (Early Redemption at the option of the Issuer) and 10.4 (Early Redemption following a Redemption Event) of the Programme Preference Share Terms and Conditions shall not apply to the Programme Preference Shares and shall be replaced by the provisions of this Additional IBRP4 Condition 7.

(b) The provisions of Condition 14 (Redemption Events), will apply *mutatis mutandis*, except that:

(i) Condition 14.1.2 will be amended by inserting the words “, for any reason whatsoever,” in the first line thereof after the words “fails to”.

(ii) the reference to “10%” in Condition 14.2 shall be amended to “100%”;

(iii) the reference to “50%” in Condition 14.3 shall be amended to “100%”; and

(iv) to the extent that there is any inconsistency or conflict between the provisions of Condition 14 (Redemption Events) of the Programme Preference Share Terms and Conditions and this

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Additional IBRP4 Condition 7, the provisions of this Additional IBRP4 Condition 7 will prevail.

7.2 General conditions relating to Early Redemption

- (a) For purposes of this Additional IBRP4 Condition 7, any option granted to the Preference Shareholder to redeem the Programme Preference Shares shall only be capable of being exercised on the instruction of Preference Shareholder(s) holding 100% of the Programme Preference Shares referred to in this Applicable Pricing Supplement.
- (b) Subject to Additional IBRP4 Condition 7.2(c) below, in the event that an Event Determination Date has occurred, no Early Redemption Notice may be delivered by the Programme Preference Shareholder from the date of the Event Determination Date, until the Settlement Amount Notice Date has occurred.
- (c) If no Settlement Amount Notice Date has occurred on or before the date falling 3 calendar months after the Event Determination Date then Additional Clause 7.2(b) will cease to apply, and the Programme Preference Shareholder shall be entitled, but not obliged, to deliver an Early Redemption Notice. For the avoidance of doubt, notwithstanding any Early Redemption Notice delivered by the Programme Preference Shareholder as contemplated in this Additional IBRP4 Condition 7.2(c), the consequences of the occurrence of an Event Determination Date as set out in these Additional IBRP4 Conditions will apply
- (d) For the avoidance of doubt, the Issuer shall be entitled to deliver a Credit Event Notice and Notice of Publicly Available Information whether or not any other Early Redemption Notice has been delivered, in which event the consequences of the occurrence of an Event Determination Date as set out in these Additional IBRP4 Conditions will apply.

7.3 Early Redemption: Illegality Event – Programme Preference Shareholder

If, at any time, it is or becomes illegal or unlawful for the Programme Preference Shareholder to perform any of its obligations as contemplated by the Programme Preference Share Terms and Conditions and/or the Additional IBRP4 Conditions or to hold the Programme Preference Shares or to claim and recover all or any part of a Preference Dividend, Early Redemption Amount or Final Redemption Amount (a **Programme Preference Shareholder Illegality Event**):

- (a) the Programme Preference Shareholder shall, promptly upon becoming aware of the same, notify the Issuer, the Issuer Agent and the Transfer Agent (the **Illegality Notification Date**); and
- (b) if the Issuer and the Programme Preference Shareholder fail to remove or rectify such Programme Preference Shareholder Illegality Event (provided such Programme Preference Shareholder Illegality Event is capable of being removed or rectified), or agree upon alternative acceptable provisions within 60 (sixty) Business Days (or such longer period as the Issuer and the Programme Preference Shareholder may

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agree in the circumstances) of the Illegality Notification Date, the Programme Preference Shareholder shall be entitled, by written notice to the Issuer, specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (the **Illegality Redemption Notice**), to require the Issuer to redeem the Programme Preference Shares, in whole but not in part, on the Early Redemption Date for the Early Redemption Amount.

7.4 Early Redemption: Illegality Event - Issuer

If, at any time, the Issuer determines, acting in good faith and in a commercially reasonable manner, that the performance of the Issuer's obligations under the to perform any of its obligations as contemplated by the Programme Preference Share Terms and Conditions and/or the Additional IBRP4 Conditions, or under any related Hedging Transaction, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future Applicable Law or in the interpretation thereof (an **Issuer Illegality Event**), the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer by written notice to the Programme Preference Shareholder specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (which notice shall be revocable), on the Early Redemption Date for the Early Redemption Amount.

7.5 Early Redemption: Succession Event

If an Succession Event occurs, the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer by written notice to the Programme Preference Shareholder specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (which notice shall be revocable), on the Early Redemption Date for the Early Redemption Amount.

7.6 Early Redemption: Issuer Terms Adjustment

If an Issuer Terms Adjustment Event occurs, the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer by written notice to the Programme Preference Shareholder specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (which notice shall be revocable), on the Early Redemption Date for the Early Redemption Amount.

7.7 Early Redemption: Hedging Disruption

In the event that the Issuer and/or any of its Affiliates or agents is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish,

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substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to this Tranche of Programme Preference Shares or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer by written notice to the Programme Preference Shareholder specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date delivered in accordance with Condition 19 (Notices) of the Programme Preference Share Terms and Conditions (which notice shall be revocable), on the Early Redemption Date for the Early Redemption Amount.

7.8 Early Redemption at the option of the Issuer

The Programme Preference Shares may be redeemed at the option of the Issuer, in whole or in part, by written notice to the Programme Preference Shareholders specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions (which notice shall be revocable) (the **Issuer Optional Redemption Notice**), on the Early Redemption Date for the Early Redemption Amount.

7.9 Early redemption: Event Determination Date

If an Event Determination Date occurs, the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Issuer by written notice to the Programme Preference Shareholder delivered no later than 10 (ten) Business Days after Settlement Amount Notice Date in accordance with Condition 19 (Notices) of the Programme Preference Share Terms and Conditions (which notice shall be revocable), on the Early Redemption Date for the Early Redemption Amount.

7.10 Early Redemption: Redemption Event

Upon the occurrence of a Redemption Event, the Programme Preference Shares may be redeemed, in whole but not in part, at the option of the Programme Preference Shareholder by written notice to the Issuer specifying the Early Redemption Date, which shall not be a date earlier than 15 (fifteen) Business Days after the Early Redemption Notice Date, delivered in accordance with Condition 19 (*Notices*) of the Programme Preference Share Terms and Conditions on the Early Redemption Date for the Early Redemption Amount.

8. **Redemption Duties**

If the Programme Preference Shares are redeemed within a period of 3 (three) years from the Issue Date as a result of a Tax Event or a Programme Preference Shareholder Illegality Event, then the Programme Preference Shareholder shall bear 50% of any STT levied in respect of such redemption of the Programme Preference Shares at the Applicable STT Rate, which amount shall be payable by the Programme Preference Shareholder to the Issuer on the Early Redemption Date and the Issuer shall be entitled to deduct and withhold such amount from any Early Redemption Amount or

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Dividend Amount payable by the Issuer to the Programme Preference Shareholder on that Early Redemption Date.

9. Further Issues

Notwithstanding Condition 23 (*Further Issues*) of the Programme Preference Share Terms and Conditions, the number of issued Programme Preference Shares in Class IBRP4 shall be limited to 5,000 (five thousand).

10. Issuer Agent

10.1 For purposes of this Tranche of Programme Preference Shares only:

- (a) For purposes of the definition of "*Issuer Agent*", the Issuer Agent shall not incorporate the transfer agent;
- (b) unless inconsistent with the context or save where the contrary is expressly specified herein, references to the Issuer Agent in the Programme Preference Share Terms and Conditions shall include a reference to the Transfer Agent; and
- (c) all references to:
 - (i) "*Issuer Agent*" in the definition of "*Transfer Form*", and in Conditions 10.7, 15, 16 and 17 of the Programme Preference Share Terms and Conditions shall be deleted and replaced with a reference to the "*Transfer Agent*"; and
 - (ii) "*Issuer Agent*" in Condition 21 of the Programme Preference Share Terms and Conditions shall be deleted and replaced with a reference to the "*Issuer or the Transfer Agent*".

10.2 Appointment and duties

The Issuer Agent acts as calculation agent in relation to the Programme Preference Shares in accordance with the provisions of Condition 18 (*Issuer Agent*) of the Programme Preference Share Terms and Conditions. The Issuer Agent shall have no duties other than as specifically set forth in this Applicable Pricing Supplement and the other Programme Preference Share Terms and Conditions and shall have no implied duties, other than the duty to act honestly, objectively and in good faith and in a commercially reasonable manner and to exercise the due diligence of a prudent agent in comparable circumstances.

10.3 Issuer Agent disputes

- (a) The Issuer Agent is responsible for making any determination, calculation or adjustment in connection with the Programme Preference Shares. If the Programme Preference Shareholder does not agree with a particular determination, adjustment or calculation for which the Issuer Agent is responsible, then within 3 (three) Business Days after the Issuer Agent provides the Programme Preference Shareholder with its determination, adjustment or calculation, each party shall select an Independent Dealer, which dealers shall jointly appoint a third Independent Dealer, each to make a determination, adjustment or

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calculation as to the disputed matter within 2 (two) Business Days of such appointment. The parties shall share equally the costs, fees and expenses (if any) of any Independent Dealers called upon to resolve a dispute and agree to waive any claim that they might otherwise have against any Independent Dealer for any determination, adjustment or calculation made in good faith pursuant to this provision. For the purposes of this Additional IBRP4 Condition 10.3, **Independent Dealer** means a leading dealer in the relevant market that is not an Affiliate of either of the parties or any other appointed Independent Dealer.

- (b) In the event that only 1 (one) Independent Dealer provides a response as to the disputed matter within 2 (two) Business Days of its appointment, that response shall be binding on the parties for the disputed matter, absent manifest error.
- (c) In the event that 2 (two) or 3 (three) Independent Dealers provide a response as to the disputed matter within 2 (two) Business Days of their respective appointments:
 - (i) if those responses are susceptible to the determination of an arithmetic mean, the arithmetic mean of such responses shall be binding on the parties for the disputed matter, absent manifest error; or
 - (ii) if those responses are not susceptible to the determination of an arithmetic mean:
 - (A) if the majority of the responding Independent Dealers provided the same response, such response shall be binding on the parties for the disputed matter, absent manifest error; or
 - (B) if the majority of the Independent Dealers did not provide the same response, the responding Independent Dealers will jointly appoint a fourth Independent Dealer (the **Resolver**), and the Resolver will select within 2 (two) Business Days from the responses originally provided by the responding Independent Dealers, with the selected response being binding on the parties for the disputed matter, absent manifest error.

The Issuer Agent and the Programme Preference Shareholder acknowledge and agree, by way of example and without limiting the phrase, that the following are not susceptible to the determination of an arithmetic mean: (1) responses as to whether or not an event has occurred; and (2) responses in which different terms of the Programme Preference Shares are proposed to be adjusted.

11. Hedge Unwind Adjustment

11.1 Unwind Costs for the Issuer's account:

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The Issuer will be liable for Unwind costs incurred as a result of the following events:

- (a) Redemption following the occurrence of a Redemption Event;
- (b) Redemption at the election of the Issuer as contemplated in Additional IBRP4 Conditions 7.6 (Early Redemption: Issuer Terms Adjustment); and
- (c) Redemption at the election of the Issuer as contemplated in Additional IBRP4 Conditions 7.4 (Early Redemption: Illegality Event - Issuer) and 7.8 (Early Redemption at the option of the Issuer), except if Additional IBRP4 Condition 11.2(b) applies.

11.2 Unwind Costs for the Programme Preference Shareholder's account:

The Programme Preference Shareholder will be liable for Unwind costs incurred as a result of the following events:

- (a) Redemption at the election of the Programme Preference Shareholder as contemplated in Additional IBRP4 Condition 7.3 (Early Redemption: Illegality Event – Programme Preference Shareholder);
- (b) Redemption at the election of the Issuer as contemplated in Additional IBRP4 Condition 7.8 (Early Redemption at the option of the Issuer), following the receipt by the Issuer of a Holder Adjustment Notice delivered by the Programme Preference Shareholder following the occurrence of Tax Event. For the avoidance of doubt, this Additional IBRP4 Condition 11.2(b) will not apply if a Holder Adjustment Notice is delivered by the Programme Preference Shareholder following the occurrence of a Downgrade Event.
- (c) Redemption following the occurrence of an Event Determination Event as contemplated in Additional IBRP4 Condition 7.9 (Early redemption: Event Determination Date).

11.3 Unwind Costs to be shared

The Programme Preference Shareholder(s) and the Issuer will each be liable for 50% (fifty per cent) of the Unwind Costs incurred as a result of the following events:

- (a) Redemption following the occurrence of an Succession Event as contemplated in Additional IBRP4 Condition 7.5 (Early Redemption: Succession Event); and
- (b) Redemption at the election of the Issuer as contemplated in Additional IBRP4 Condition 7.7 (Early Redemption: Hedging Disruption).

12. Notices

Notwithstanding Condition 19.1.1 (but subject to the remaining provisions of Condition 19.1 (By the Issuer)) of the Programme Preference Share Terms and Conditions,

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notices may not be given or delivered to the Programme Preference Shareholder by telegram, telex or fax.

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ANNEX B

APPLICABLE CREDIT RATINGS

1. Issuer

The Issuer has been rated as follows:

Rating Agency	Rating	Rating Date	Rating Expiry / Renewal Date
S&P	za.AA+	July 2018	2019
Moody's	Aa1.za	July 2018	2019
Fitch	AA(zaf)	July 2018	2019

2. Programme Preference Shares

This Tranche of Programme Preference Shares will not be rated.

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ANNEX C

ADDITIONAL RISK FACTORS APPLICABLE TO THE PROGRAMME PREFERENCE SHARES

General Considerations

The Programme Preference Shares are securities which are credit-linked to the performance of the Reference Entity and the obligations of such Reference Entity under the Obligations. Investors should note that the Programme Preference Shares differ from ordinary debt or equity securities issued by the Issuer in that the amount of principal and (if any) dividends payable by the Issuer is dependent on whether a Credit Event has occurred in respect of the Reference Entity. An investment in such Programme Preference Shares is speculative and volatile and involves a high degree of risk and accordingly, in certain circumstances, the Programme Preference Shares will cease to accrue Scheduled Preference Dividends and the value received by Programme Preference Shareholders 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 Programme Preference Shares 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 Programme Preference Shares are linked to the creditworthiness of the Reference Entity. The likelihood of a Credit Event occurring in respect of the Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of the 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 Programme Preference Shares may be volatile.

Credit risk on Reference Entity

Investors in the Programme Preference Shares will be exposed to the credit of the Reference Entity, which exposure shall be, unless otherwise stated in the Applicable Pricing Supplement, to the full extent of their investment in such Programme Preference Shares. Upon the occurrence of any of the default events comprising a Credit Event with respect to the Reference Entity, the Programme Preference Shareholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of the Reference Entity. However, the holding of a Programme Preference Share 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. Programme Preference Shareholders should also note that a Credit Event may occur even if the obligations of the Reference Entity are unenforceable or their performance is prohibited by Applicable Laws or exchange controls.

The occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the Programme Preference Shares for a reduced redemption amount or at zero, and, (if applicable) in a reduction of the amount on which and, if so specified in the Applicable Pricing Supplement, a reduction in the rate at which, dividends are calculated.

Investors in the Programme Preference Shares are accordingly exposed, as to both principal and (if applicable) dividends, to the credit risk of the Reference Entity. The maximum loss to an investor in the Programme Preference Shares is 100 percent of their initial investment,

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together with (if applicable) any Scheduled Preference Dividends.

Prospective investors in the Programme Preference Shares should conduct their own investigations and, in deciding whether or not to invest in the Programme Preference Shares, should form their own views of the merits of an investment related to the Programme Preference Shares based upon such investigations. In particular, each investor contemplating investing in any Programme Preference Shares 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 Programme Preference Shares comprise debt obligations of the Issuer and, consequently, Programme Preference Shareholders are relying not only on the creditworthiness of the Reference Entity but also on the creditworthiness of the Issuer. The Programme Preference Shares are not secured in any way.

Credit observation period

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

Conflict of interest

The Issuer and/or one or more of its Affiliates may act in a number of capacities. The Issuer will act as Issuer Agent, and will be responsible for determining whether a Credit Event has occurred, calculating the payments to be made in respect of the Programme Preference Shares, and determining the dates of such payments in accordance with the Programme Preference Share Terms and Conditions. The Issuer and/or one or more of its Affiliates may also deal in the Programme Preference Shares.

The Issuer will exercise its rights under the terms of the Programme Preference Shares, including in particular the right to designate a Credit Event and the right to select obligations of the Reference Entity for valuation, in its own interests and those of its Affiliates, and not in the interests of investors in the Programme Preference Shares. 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 may result in increased credit loss for Programme Preference Shareholders.

The determination by the Issuer 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 Issuer Agent shall (in the absence of manifest error) be final and binding on the Programme Preference Shareholders. In performing its duties pursuant to the Programme Preference Shares and making any determination expressed to be made by it, for example, as to substitute Reference Obligations or Successors, the Issuer Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Programme Preference Shareholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations.

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The Issuer may have business or other relationships with the Reference Entity and/or its Affiliates and may hold debt obligations (whether or not constituting Obligations) of, or otherwise have credit exposure to, the Reference Entity and/or its Affiliates. Nothing contained in this Applicable Pricing Supplement 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 the Reference Entity or any of its Affiliates.

Actions of Reference Entities

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

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 Failure to Pay exists as at the Scheduled Final Redemption Valuation Date of the Programme Preference Shares, payment of the redemption amount of the Programme Preference Shares and/or Scheduled Preference Dividends (if any) on the Programme Preference Shares may be deferred for a material period in whole or in part without compensation to the Programme Preference Shareholders.

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 Programme Preference Shares 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 Issuer 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 Issuer 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 Programme Preference Shareholders. Such participation may have a material effect on the outcome of the relevant auction.

“Cheapest-to-Deliver” risk

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Since the Issuer, as buyer of protection, has discretion to choose the portfolio of obligations to be valued following a Credit Event in respect of the Reference Entity, 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 Programme Preference Shares. This could result in a lower recovery value and hence greater losses for investors in the Programme Preference Shares.

No information

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

Compounding of risks

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

No need for loss

The Issuer's obligations in respect of the Programme Preference Shares are irrespective of the existence or amount of the Issuer's and/or any Affiliate's credit exposure to the 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 Programme Preference Shares 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 the Reference Entity or its obligations.

No interest in obligations of Reference Entity

Holders of the Programme Preference Shares will have a contractual relationship only with the Issuer and not with any obligor in respect of any Obligation or the Reference Entity. Consequently, the Programme Preference Shares do not constitute a purchase or other acquisition by the Programme Preference Shareholders, or assignment by the Issuer, of any interest in any Obligation or any obligation of the Reference Entity. The Issuer does not grant any security interest over any such obligation. Programme Preference Shareholders will have rights solely against the Issuer and will have no recourse against the obligor in respect of any Obligation or the Reference Entity. The Programme Preference Shareholders 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 Obligation or the Reference Entity.

Absence of benchmarks for valuation

In determining the value of the Programme Preference Shares, 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 Programme Preference Shares may be adversely affected.

Historical performance may not predict future performance

The Reference Entity may not perform as indicated by the historical performance of similar

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entities and no assurance can be given with respect to the future performance of the Reference Entity. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Programme Preference Shares.

Limited provision of information about Reference Entity

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

The Reference Entity may not be subject to regular reporting requirements under South African securities laws. The Reference Entity may report information in accordance with different disclosure and accounting standards. Consequently, the information available for the Reference Entity 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 Issuer Agent or any of their respective Affiliates make any representation as to the Reference Entity or as to the accuracy or completeness of any information available with respect to the Reference Entity. Any of such persons may have acquired, or during the term of the Programme Preference Shares may acquire, non-public information with respect to the Reference Entity that is or may be material in the context of the Programme Preference Shares. The issue of the Programme Preference Shares will not create any obligation on the part of any such persons to disclose to Programme Preference Shareholders or any other party such information (whether or not confidential).

None of the Issuer, the Dealer(s) or the Issuer Agent or any of their respective Affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entity 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 Entity.

Limited liquidity

The Reference Obligation may have no, or only a limited, trading market. The liquidity of the Reference Obligation 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 Reference Entity. The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the Reference Obligation.

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

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 the 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 Programme Preference Shares by entering into hedging transactions in relation to the obligations of the Reference Entity. In particular, it cannot be excluded that the entering into, or the termination, of such hedging transactions may have a

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negative effect on the price of the Programme Preference Shares or on the redemption amounts and/or Scheduled Preference Dividend payable with respect to the Programme Preference Shares.