



INVESTEC LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1925/002833/06)

ZAR15,000,000,000

Domestic Medium Term Note and Preference Share Programme

On 4 September 2013, Investec Limited (the "Issuer" or "Investec"), established a ZAR15,000,000,000 Domestic Medium Term Note and Preference Share Programme (the "2013 Programme"), pursuant to a programme memorandum dated 4 September 2013 (the "2013 Programme Memorandum"). This programme memorandum (the "Programme Memorandum") applies to all notes (the "Notes") and preference shares ("Programme Preference Shares", and together with the Notes, "Securities") issued under the Programme on or after 15 November 2017 (the "Programme Date"). Investec may from time to time issue notes ("Notes") or preference shares ("Programme Preference Shares", and together with the Notes, "Securities") denominated in South African Rand or, subject to Applicable Law (as defined herein), such other currency agreed by the Issuer and the relevant Dealer(s) (as defined herein). Any Notes issued under the Programme are issued subject to the provisions described in the section of this Programme Memorandum headed "Note Terms and Conditions" (the "Note Terms and Conditions") and any Programme Preference Shares issued under the Programme are issued subject to the provisions described in the section of this Programme Memorandum headed "Programme Preference Share Terms and Conditions" (the "Preference Share Terms and Conditions"). In addition, any Securities issued are subject to all Applicable Law (as defined herein) and, in the case of Securities listed on the JSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer, in accordance with the debt listings requirements of the JSE or such other Financial Exchange(s), as the case may be. This Programme Memorandum supersedes and replaces the 2013 Programme Memorandum in its entirety, and Securities issued under the Programme on or after the Programme Date are subject to the provisions described herein. This Programme Memorandum does not affect any Securities issued before the Programme Date and the Previous Programme Memoranda, as applicable, will continue to apply to such Securities, as applicable.

Securities issued under the Programme pursuant to this Programme Memorandum shall be denominated in South African Rand or, subject to Applicable Law (as defined herein), in such other currency agreed by the Issuer and the relevant Dealer(s) (as defined herein). Any Notes issued under the Programme on or after the Programme Date are issued subject to the provisions described in the section of this Programme Memorandum headed "Note Terms and Conditions" (the "Note Terms and Conditions") and any Programme Preference Shares issued under the Programme are issued subject to the provisions described in the section of this Programme Memorandum headed "Programme Preference Share Terms and Conditions" (the "Preference Share Terms and Conditions"). In addition, any Securities issued are subject to all Applicable Law (as defined herein) and, in the case of Securities listed on the JSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer, in accordance with the debt listings requirements of the JSE or such other Financial Exchange(s), as the case may be.

As at the Programme Date, the Programme Amount (as defined herein) is ZAR15,000,000,000. This Programme Memorandum will apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount (as defined in the Note Terms and Conditions) (including Notes issued under the Programme pursuant to the Previous Programme Memoranda) and Programme Preference Shares issued under the Programme in an aggregate Calculation Amount (as defined in the Programme Preference Share Terms and Conditions) (including Programme Preference Shares issued under the Programme pursuant to the 2013 Programme Memorandum) which do not exceed ZAR15,000,000,000 unless such amount is increased by the Issuer pursuant to the section of this Programme Memorandum headed "General Description of the Programme".

Notes to be issued under the Programme may comprise (i) senior notes (the "Senior Notes"), and/or (ii) Notes which are subordinated to the Senior Notes (the "Subordinated Notes"), and/or (iii) Notes which are subordinated Notes and with terms capable of qualifying the proceeds of such Notes as Regulatory Capital (the "Subordinated Capital Notes") for the benefit of the Issuer. **Where Subordinated Capital Notes are convertible into equity, the necessary shareholder approvals for the issue of such equity will be obtained prior to the issue of such convertible Subordinated**

Capital Notes. A Tranche (as defined herein) of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Notes, Mixed Rate Notes, Instalment Notes, Partly Paid Notes, Exchangeable Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement (Notes). Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Note Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement (Notes).

A Tranche of Programme Preference Shares may comprise, without limitation, Fixed Rate Programme Preference Shares, Floating Rate Programme Preference Shares, Indexed Programme Preference Shares, Mixed Rate Programme Preference Shares and/or such other type of Programme Preference Shares as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement (Preference Shares). Programme Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Programme Preference Shares. A Tranche of Programme Preference Shares will be issued on, and subject to, the Programme Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Programme Preference Shares set out in the Applicable Pricing Supplement (Preference Shares).

Any reference in this Programme Memorandum to “**Applicable Terms and Conditions**” shall be (i) in relation to Notes, the Note Terms and Conditions and (ii) in relation to Programme Preference Shares, the Programme Preference Share Terms and Conditions.

The Programme has been approved by and registered with the JSE. A Tranche of Securities may be listed on the JSE (as defined herein) or on such other or additional Financial Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant Dealer(s) and subject to the Applicable Law. Unlisted Securities may also be issued under this Programme. Unlisted Securities are not regulated by the JSE.

Claims against the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund (each as defined herein) may only be made in respect of the trading of Securities listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Securities listed on the JSE. Any claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be, may only be made in accordance with the rules of the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund, as applicable. The holders of Securities that are not listed on the JSE will have no recourse against the JSE, the BESA Guarantee Fund Trust or the JSE Guarantee Fund. Securities which were not originally issued under this Programme may (provided they are amended to be documented in terms of the Programme) be listed under the Programme. Details of the Securities, including the aggregate Nominal Amount of Notes or the aggregate Applicable Redemption Amount of Programme Preference Shares, as the case may be, interest (if any) and/or dividend, as the case may be, payable in respect of the Securities and the issue price of the Securities will be specified in the Applicable Pricing Supplement (Notes) or the Applicable Pricing Supplement (Preference Shares), as applicable. A copy of the Applicable Pricing Supplement (Notes) and/or Applicable Pricing Supplement (Preference Shares), as applicable, relating to a Tranche of the Securities which is to be listed on the JSE will specify the relevant platform or sub-market of the JSE on which such Tranche of Securities is to be listed and be delivered to the JSE and the CSD, before the Issue Date (as defined herein) of such Tranche. Securities in a Tranche of Securities listed on the JSE may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as applicable, in accordance with the Applicable Procedures (as defined herein). The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD. The Issuer may determine that particular Securities will not be listed on the JSE or such other or additional Financial Exchange and in that case, (i) neither an Applicable Pricing Supplement (Notes) nor an Applicable Pricing Supplement (Preference Shares) will be delivered to the JSE or (ii) the Issuer may (in its sole discretion) decide to report trades in such unlisted Securities through the JSE reporting system, in which event the settlement of trades in such Securities will take place in accordance with the electronic settlement procedures of the JSE and the CSD. The settlement and redemption procedures for a Tranche of Securities listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares), as the case may be.

The Securities may be issued on a continuing basis and be placed by one or more of the Dealers specified in this Programme Memorandum and any additional Dealers appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the “relevant Dealer” shall, in the case of Securities being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Securities.

The attention of investors contemplating investing in Securities is drawn to the section headed “Risk Factors” for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in Securities.

As at the Programme Date, the Issuer is rated. A Tranche of Securities may, on or before the Issue Date, be rated by a Rating Agency. Unrated Tranches of Securities may also be issued. The Programme may also be rated by a Rating Agency. The Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as applicable, will reflect the Rating which has been assigned to the Issuer and/or the Programme and/or a Tranche of Securities, as applicable, as well as the Rating Agency(s) which assigned such Rating(s). For so long as any Security remains outstanding and listed on the JSE, any change in any assigned Rating (if applicable) will be published by the Issuer on the Stock Exchange News Service (SENS), or any other similar service, established by the JSE, as soon as possible, but in any event in accordance with the applicable debt listings requirements of the JSE. A Rating is

not a recommendation to subscribe for, buy, sell or hold Securities and may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

The Issuer may determine that Securities may be issued in a form and on terms not contemplated by the Applicable Terms and Conditions, in which case a supplementary programme memorandum, if appropriate, may be prepared and made available which will describe the terms and conditions upon which such Securities will be issued. Alternatively, terms not contemplated by the Applicable Terms and Conditions that are applicable to a particular Tranche of Securities may, if appropriate, be set out in the Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares) in terms of which such Tranche of Securities is issued.

Issuer: **INVESTEC LIMITED**

Arranger, Dealer and Debt Sponsor: **INVESTEC BANK LIMITED**

Programme Memorandum dated 15 November 2017

GENERAL

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

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 shall have regard to the objects of the Financial Markets Act, which includes, but is not limited to ensuring fairness, efficiency and transparency. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, the annual financial statements, the Applicable Pricing Supplements, and/or the annual report and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum, the annual financial statements, the Applicable 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 Programme Memorandum, the annual financial statements, the Applicable Pricing Supplements, 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 Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

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

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

The Arranger, the Dealer(s), the Debt Sponsor and/or any of their respective subsidiaries or holding companies or a subsidiary of their holding company (their “**Affiliates**”) and the other professional advisers named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the Debt Sponsor and/or any of their respective Affiliates and/or the other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealer(s), the Debt Sponsor and/or their respective Affiliates and the other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No Person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Programme or any other documents which are deemed to be incorporated herein by reference and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Dealer(s), the Debt Sponsor, any of their respective Affiliates, agents or employees or the other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arranger, the Dealer(s), the Debt Sponsor and/or any of their respective Affiliates and the other professional advisers that any recipient of this Programme Memorandum, or any other information supplied in connection with the Programme, should subscribe for, or purchase, any Securities.

Each Person contemplating the subscription for, or purchase of, any Securities should make its own independent investigation of the financial Condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Securities should be based upon any such investigation as it deems necessary. None of the Programme Memorandum, the Applicable Pricing Supplement(s) (Notes), the Applicable Pricing Supplement(s) (Preference Shares) or any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, the Dealer(s) or the Debt Sponsor to any Person to subscribe for, or purchase, any Securities.

Neither the delivery of this Programme Memorandum nor any offer, sale or allotment made in connection with the offering of the Securities shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the Programme Date, or at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the Programme Date or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Investors should review, among others, the most recent non-consolidated and/or consolidated financial statements of the Issuer when deciding whether or not to purchase any Securities.

This Programme Memorandum may be distributed electronically. If the document is distributed in this manner, the recipient of this Programme Memorandum is responsible for protecting itself against viruses and other destructive malware. The use of this Programme Memorandum by a recipient is at the recipient's own risk, and it is the recipient's responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The Issuer takes no responsibility and expressly disclaims any liability for any loss arising from or in connection with any viruses, destructive items or similar threats.

None of the Programme Memorandum, the Applicable Pricing Supplement(s) (Notes) or the Applicable Pricing Supplement(s) (Preference Shares) constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase of any Securities in any jurisdiction to any Person to whom it is unlawful to make the offer or solicitation in such jurisdiction (see the section of this Programme Memorandum headed "*Subscription and Sale*").

The distribution of this Programme Memorandum, any Applicable Pricing Supplement (Notes) and/or any Applicable Pricing Supplement (Preference Shares), as the case may be, and the issue, sale or offer of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Securities come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Securities in the United States of America, the European Economic Area, the United Kingdom, South Africa and certain other jurisdictions (see the section headed "*Subscription and Sale*"). The Issuer, the Arranger, the Dealer(s), the Debt Sponsor, and of their respective Affiliates and the other professional advisers do not represent that this Programme Memorandum may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Dealer(s), the Debt Sponsor, any of their respective Affiliates and the other professional advisers which would permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations.

Securities have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States of America. Securities may not be offered, sold or delivered within the United States of America or to U.S. Persons except in accordance with Regulation S (as defined in the Securities Act) under the Securities Act.

All references in this document to “**Rand**”, “**ZAR**”, “**South African Rand**”, “**R**” and “**cent**” refer to the currency of South Africa and all references to “**U.S. Dollar**”, “**US\$**” or “**Dollars**” shall be a reference to the currency of the United States of America.

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

In connection with the issue and distribution of any Tranche of Securities under the Programme, the Issuer or any Dealer, if any, that is specified in the Applicable Pricing Supplement (Notes) or the Applicable Pricing Supplement (Preference Shares), as applicable, as the stabilising manager (or any Person acting for the stabilising manager) may, if specified in that Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares), as applicable, and only if such stabilising is permitted by Applicable Law and the applicable debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the stabilising manager (or any agent of the stabilising manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be carried out in accordance with all Applicable Law.

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DOCUMENTS INCORPORATED BY REFERENCE

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

For so long as any Security remains outstanding, the following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (i) all amendments and supplements to the Programme Memorandum prepared by the Issuer from time to time;
- (ii) as at the Programme Date, the published consolidated audited financial statements (incorporating the Issuer's audited annual financial statement, together with the reports and notes thereto) of the Issuer for the financial years ended 31 March 2015, 2016 and 2017 and in respect of any issue of Securities under the Programme, the published audited annual financial statements (incorporating the Issuer's audited annual financial statement, together with the reports and notes thereto) of the Issuer in respect of its three financial years prior to the date of such issue financial years post the date of such issue, as and when such audited financial statements become available;
- (iii) each Applicable Pricing Supplement (Notes) relating to any Tranche of Notes issued under the Programme;
- (iv) each Applicable Pricing Supplement (Preference Shares) relating to any Tranche of Programme Preference Shares issued under the Programme;
- (v) an audit report of the auditor stating that the Issuer has been independently audited by the auditor who has been accredited by the JSE;
- (vi) each Authorising Resolution passed in respect of a Tranche of Programme Preference Shares issued under the Programme;
- (vii) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by SENS, to SENS subscribers, if required; and
- (viii) the constitutional documents of the Issuer, as amended from time to time,

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

The Issuer will for so long as on the Programme Memorandum remains registered with the JSE, provide, free of charge, to any Person, upon request of such Person, a copy of any of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. Requests for such documents should be directed to the Issuer at its registered office as set at the end of this Programme Memorandum.

This Programme Memorandum, any amendments and/or supplements to this Programme Memorandum, all Applicable Pricing Supplements (Notes) relating to Notes in issue under the Programme, all Applicable Pricing Supplements (Preference Shares) relating to Programme Preference Shares in issue under the Programme and the audited annual financial statements of the Issuer are also available for inspection, upon request, (or will be available for inspection, upon request) at the registered office of the Issuer as set out at the end of this Programme Memorandum and on the Issuer's website, www.investec.co.za. In addition, this Programme Memorandum, any amendments and/or supplements to this Programme Memorandum, any Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as applicable, relating to any Tranche of Securities which is to be listed on the JSE will be filed with the JSE which will publish such document on its website at www.jse.co.za. This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Arranger and the Dealer, the Debt Sponsor, any of their respective Affiliates, other professional advisors or the JSE to any Person in any jurisdiction to subscribe for or purchase any Securities.

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

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

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

period required in terms of the debt listings requirements of the JSE. The Issuer's financial statements may include risk factors which may be updated from time to time.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

GENERAL DESCRIPTION OF THE PROGRAMME

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

Under the Programme, the Issuer may from time to time issue Securities denominated in the currency specified in the Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be. The applicable terms of any Securities will be set out in the Applicable Terms and Conditions incorporated by reference into the Securities, as modified and supplemented by the Applicable Pricing Supplement (Notes) relating to any Tranche of Notes issued under the Programme or the Applicable Pricing Supplement (Preference Shares) relating to any Tranche of Programme Preference Shares issued under the Programme and any supplementary Programme Memorandum.

As at the Programme Date, the Programme Amount is ZAR15,000,000,000 (or its equivalent in such other currency or currencies as Securities are issued). This Programme Memorandum will only apply to Notes Outstanding issued under the Programme in an aggregate Nominal Amount (including Notes issued under the Programme pursuant to the Previous Programme Memoranda) and Programme Preference Shares issued under the Programme in an aggregate Calculation Amount (as defined in the Programme Preference Share Terms and Conditions) (including Programme Preference Shares issued under the Programme pursuant to the 2013 Programme Memorandum) which aggregate Nominal Amount and aggregate Calculation Amount together do not exceed the Programme Amount, unless such amount is increased as set out below. For the purpose of calculating the aggregate Nominal Amount of Notes Outstanding and/or the aggregate Calculation Amount (as defined in the Programme Preference Share Terms and Conditions) of Programme Preference Shares, as the case may be, issued under the Programme from time to time:

- (i) the ZAR equivalent of Securities denominated in another currency shall be determined at or about the time at which an agreement is reached for the issue of such Securities as between the Issuer and the relevant Dealer(s) on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of such currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted by the Issuer or by any leading bank selected by the Issuer, or as otherwise set out in the Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares), as the case may be;
- (ii) the amount of Indexed Notes and Partly Paid Notes shall be calculated by reference to the original nominal amount of such Notes (and, in the case of Partly Paid Notes, regardless of the subscription price paid);
- (iii) the amount of Indexed Programme Preference Shares shall be calculated in the manner specified in the Applicable Pricing Supplement (Preference Shares); and

- (iv) the amount of Zero Coupon Notes and Other Notes issued at a discount or premium shall be calculated by reference to the Nominal Amount received by the Issuer for the relevant issue.

A Tranche of Securities may be listed on the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to Applicable Law. Unlisted Securities may also be issued under the Programme but will not be regulated by the JSE. The Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be, will specify whether or not a Tranche of Securities will be listed and, if so, on which Financial Exchange.

From time to time, the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Law and the programme agreement (if any) relating to the Programme, the Issuer may, without the consent of Noteholders and/or Programme Preference Shareholders, increase the Programme Amount by delivering notice thereof to (i) the Debt Sponsor, (ii) Noteholders and Programme Preference Shareholders, (iii) the relevant Financial Exchange(s), (iv) the Issuer Agent and (v) the Arranger and (vi) the Dealers in accordance with the Applicable Terms and Conditions and the Applicable Procedures. Upon such notices being given and the conditions set out in the programme agreement (if any) relating to the Programme to the exercise of this right having been met, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the Programme Amount, shall be, and shall be deemed to be, references to the increased Programme Amount.

Claims against the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund, as the case may be, may only be made in respect of trading in Securities listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Securities listed on the JSE. Any claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be, may only be made in accordance with the rules of the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund, as the case may be.

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

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

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision. The information given below is as at the Programme Date.

Factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme

The Issuer is a bank controlling company (as defined in the Banks Act) and accordingly a substantial portion of the Issuer's income and assets are derived from its Specialist Banking Business (Investec Bank Limited). Therefore, a number of the risks facing the Specialist Banking Business directly affects the Issuer.

The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.

The Issuer is a holding company that currently has no significant assets other than its investment in its principal subsidiaries. As a holder of ordinary shares in such subsidiaries, the Issuer's right to participate in the assets of any of them if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders (if any), except in the limited circumstance where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of other of the subsidiary's creditors and/or preference shareholders against such subsidiary. Accordingly, if any of the Issuer's subsidiaries were to be wound up, liquidated or dissolved, (i) the holders of the Securities would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of its senior and subordinated creditors, including holders (which may include the Issuer) of preference shares and any other Tier 1 capital instruments, before the Issuer, to the extent it is as an ordinary shareholder such subsidiary would be entitled to receive any distributions from such subsidiary.

The Issuer is subject to risks arising from general macro-economic conditions in the countries in which it operates, including in particular Southern Africa, as well as global economic conditions

In recent years, economic conditions in the countries in which the Issuer operates have been negatively impacted by a number of global macroeconomic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the potential exit of member states from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the global economy and by financial institutions in particular, and have placed strains on funding markets at times when many financial institutions had material funding needs. Any further adverse developments in the global economy and in particular the South African economy, could have an adverse impact on its business, results of operations, financial condition and prospects.

Revenues from the Specialist Banking business are also sensitive to market volatility. Deterioration in the financial markets and general economic activity has in the past affected, and will continue to affect levels of private client activity. The Issuer's investment banking and corporate banking income is directly related to the number and size of the transactions in which the Issuer participates and general corporate and institutional

activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its results of operations. Moreover, some of the Specialist Banking income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments and, as such, revenues, returns and profitability may fluctuate, impacting the Issuer's results of operations. As a result of the foregoing factors, market volatility may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer also maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that the Issuer will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect investor sentiment. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in the Issuer incurring losses.

Within the Issuer's Wealth & Investment and Asset Management businesses, adverse market conditions would likely lead to a decline in the volume and value of stockbroking transactions that it executes for its clients and therefore would have a negative impact on its operating income. In addition, because the portfolio management fees that the Issuer charges are in many cases based on the value of those portfolios, adverse market conditions, the market downturn or any other factor, including underperformance against benchmarks and reputational damage, that reduces the value of clients' portfolios or increases the amount of withdrawals would reduce the amount of revenue received from the Issuer's asset and investment management businesses and adversely affect its results of operations.

The Issuer faces risks associated with interest rate levels and volatility

Interest rates, which are impacted by factors outside of the Issuer's control, including the fiscal and monetary policies of the South African government and central bank, as well as South African and international political and economic conditions, affect the Issuer's results of operations, profitability and return on capital in three principal areas: margins and income, cost and availability of funding and impairment levels.

Increases in interest rates could also adversely affect the Issuer. In an increasing interest rate environment, the Issuer may be more exposed to re-pricing of its liabilities than competitors with higher levels of term deposits. In the event of sudden large or frequent increases in interest rates, the Issuer also may not be able

to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact the Issuer's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Issuer. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on the Issuer's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on the Issuer's profitability.

If the Issuer is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

Operational risks may disrupt the Issuer's business or result in regulatory action

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Issuer. Notwithstanding anything contained in this risk factor, it should not be taken as implying that the Issuer will be unable to comply with its regulatory obligations.

Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on the Issuer's results of operations, reputation and financial condition.

The Issuer is subject to risks concerning customer and counterparty credit quality

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable to unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Issuer has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received; and
- trading transactions, giving risk to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

The Issuer's credit risk arises primarily in relation to its Specialist Banking business, through which it offers products such as private client mortgages and specialised lending to high income professionals and high net worth individuals and a range of lending products to corporate clients, including corporate loans, asset based lending, fund finance, asset finance, acquisition finance, power and infrastructure finance, resource finance and corporate debt securities.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, the Issuer makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. The Issuer may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite the Issuer having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on the Issuer's business, results of operations, financial condition and prospects.

Concentration of credit risk could increase the Issuer's potential for significant losses

The Issuer is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While the Issuer regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

The Issuer is subject to liquidity risk, which may impair its ability to fund its operations

Liquidity risk is the risk that the Issuer has insufficient capacity to fund increases in its assets, or that it is unable to meet its payment obligations as they fall due, without incurring unacceptable losses. This includes repaying depositors and repayments of wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events. Liquidity risk can be further broken down into:

Funding liquidity, which relates to the risk that the Issuer will be unable to meet current and/or future cash flow or collateral requirements in the normal course of its business, without adversely affecting its financial position or reputation; and

Market liquidity, which relates to the risk that the Issuer may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Sources of liquidity risk include:

- unforeseen withdrawals of deposits;
- restricted access to new funding with appropriate maturity and interest rate characteristics;
- inability to liquidate a marketable asset in a timely manner with minimal risk of capital loss;
- unpredicted customer non-payment of loan obligations; and
- a sudden increased demand for loans in the absence of corresponding funding inflows of appropriate maturity.

The Issuer utilises deposits from its private client base to provide a stable source of funding. the Issuer's primary source of funding is customer deposits. Growth in the Issuer's lending activities will therefore depend in part on the availability of customer deposit funding on acceptable terms, for which there may be increased competition, which is dependent on a variety of factors outside the Issuer's control. These factors include general macroeconomic conditions and market volatility and confidence of retail depositors in the economy.

Increases in the cost of customer deposit funding will adversely affect the Issuer's net interest margin and a lack of availability of customer deposit funding could have a material adverse effect on the Issuer's growth.

While the Issuer does not currently rely heavily on borrowing from other banks, it may need to access interbank markets where there is a residual funding requirement over and above funds held from customer deposits. If the interbank funding markets were to be fully or partially closed, it is likely that interbank funding would prove more difficult to obtain on commercial terms. Significant curtailments of central bank liquidity to the financial markets in connection with other market stresses might also have a material adverse effect on the Issuer's financial position depending on the Issuer's liquidity position at that time.

The Issuer is exposed to depositor concentration risk

Due to exchange controls in South Africa, individuals and corporates are limited from making deposits outside South Africa. This has led to large deposits in banks in South Africa being made by corporates and in particular by the local South African fund managers. The principal South African fund managers are the largest depositors in the South African banking market, making deposits on behalf of their customers to benefit from high interest rates available to wholesale depositors. The Issuer, in line with other South African banks, obtains a large percentage of its deposits from such fund managers and thus has a high reliance on interbank funding. Legislation in South Africa restricts the exposure that the fund managers can have to an individual bank and the fund managers are required to spread their deposits amongst banks. However, given the impact of exchange controls, Rand liquidity is contained within the Rand system thus significantly reducing the potential liquidity risks in South Africa compared to other more open financial systems. Notwithstanding, the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allow and will continue to allow the Issuer to meet its short-term and long-term liquidity needs.

Poor investment performance relative to competitors and applicable benchmarks or a deterioration in the Issuer's Wealth & Investment and Asset Management services could lead to a loss of assets under management and a decline in operating profit

The success of relevant investment strategies ("Investment Performance") is an important factor for the maintenance and growth of assets under management across the Issuer's Wealth & Investment and Asset Management businesses. If the Issuer's Wealth & Investment and Asset Management businesses were to experience poor Investment Performance over a prolonged period, affected clients (or clients generally) might decide to reduce their investments or withdraw funds altogether in favour of better performing services or competing investment managers, which would lead to a direct reduction in the level of the Issuer's assets under management and, as a result, lower fee and commission income.

Furthermore, during a period of significant poor Investment Performance, the Issuer's reputation and brand, which have in part been built around its strong Investment Performance, may deteriorate. As a result, its

ability to attract funds from existing and new clients might diminish, particularly given the competitive nature of the wealth and asset management markets.

In addition to Investment Performance, the directors believe that the quality of the services it delivers and the relationships it develops with clients are among the key factors for the maintenance and growth of its assets under management. The Issuer's investment managers are central to its relationships with its clients and play a key role in enabling the Issuer's Wealth & Investment business to earn the long-term trust of its client base. However, client complaints regarding dissatisfaction with the services they receive from their investment managers or the Issuer generally, including in relation to general administration of their investments, could ultimately lead to the withdrawal of client investments and a reduction in the Issuer's assets under management.

The occurrence of any of the foregoing could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The Issuer's Wealth & Investment and Asset Management businesses may lose clients or may experience withdrawals of assets under management at short or no notice, which would result in the loss of assets under management and lower fee and commission income

The Issuer's arrangements with its Wealth & Investment and Asset Management clients are generally terminable without cause and at any time without notice. Clients may decide to withdraw a portion or all of the assets managed by the Issuer, or transfer their investments to another provider of wealth and asset management services, for various reasons. A reduction in the value of assets under management would lead to an immediate impact on the Issuer's fee and commission income and therefore on operating profit. Significant withdrawals of assets under management or transfers of client assets could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

Changes in distribution trends, in particular in relation to financial advisers, may have a material adverse effect on the Issuer's Wealth & Investment business

Financial intermediaries are one of the distribution channels for the Wealth & Investment business. In particular, it relies on independent financial advisers, who may retain responsibility for specific aspects of the overall service provided to the client, such as the recording of "know your customer" information and the suitability of the investment mandate. Although the Issuer has undertaken various steps to expand and deepen its financial adviser relationships and networks, there can be no assurance that its efforts will be successful. In particular, many of the Issuer's competitors are working to expand and deepen their own financial adviser relationships and networks. As competition expands among wealth management firms for business from financial adviser introductions, the Issuer may be unable to maintain its key financial adviser relationships or grow the amount of new business it generates from financial adviser introductions.

Changes in distribution trends may also lead to the emergence of new competitors. For example, the increasing popularity of internet investing systems and platforms in recent years has led to the growth of

investment managers offering simplified investment management services to the mass affluent investor market, often targeting self-directed investors. In recent years, this trend towards self-directed investments in certain segments of the market has intensified. In many cases, investment managers have focused their services on the development of low-cost, simplified investment models in order to target this segment of the investor market. Although the Issuer is investing in a digital distribution channel, as internet platforms and similar distribution channels become more prevalent, there can be no assurance that its clients will not transfer their investments to these types of investment management firms, or that it will be able to successfully compete with them for new clients.

A loss of the Issuer's relationships with particular intermediaries, or the emergence of competitors through new or developing distribution channels, could result in a reduction its assets under management.

The Issuer's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, market and other banking risks and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of the Issuer's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure by the Issuer's risk management techniques may have a material adverse effect on its results of operations and financial condition.

The financial services industry in which the Issuer operates is intensely competitive

The financial services industry in which the Issuer's businesses operate is highly competitive. The Issuer competes on the basis of a number of factors, including customer services and quality, transaction execution, its products and services, innovation, reputation and price. New competitors, including companies other than banks, may disintermediate the market and as a result they may acquire significant market share. Some of the Issuer's competitors also offer a wider range of services and products than the Issuer offers and have greater name recognition, greater financial resources and more extensive customer bases. These competitors may be able to respond more quickly to new or evolving opportunities, technologies and customer requirements than the Issuer and may be able to undertake more extensive promotional activities. If the Issuer is unable to compete successfully, its future revenue and profit growth could be materially adversely affected.

Failing infrastructure systems may negatively impact the economy generally and the business and results of operations of the Issuer

Events such as electricity supply failures, the shut-down of transport systems due to inclement weather (such as snow or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most firms, including the Issuer, to do business. The regular occurrence of such events or timing of the occurrence of such events could have an adverse effect on the Issuer's operations.

The Issuer may be unable to recruit, retain and motivate key personnel

The Issuer's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by the Issuer for a substantial period of time and have developed with the business. In addition, while the Issuer is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the Issuer's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the Issuer's business. The Issuer's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within South Africa, including access to facilities and educational programmes by its future employees. In addition, the South African operations of the Issuer have been and may continue to be affected by the general skill shortages occurring in the labour pool in the industry in which the Issuer operates.

The Issuer may be vulnerable to the failure of its information and operating systems and breaches of its security systems

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

The secure transmission of confidential information is a critical element of the Issuer's operations. The Issuer's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, the Issuer is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. For example, the Issuer is exposed to potential losses due to breaches of its terms of business by its customers (e.g., through the use of a false identity to open an

account) or by customers engaging in fraudulent activities, including the improper use of legitimate customer accounts. There also can be no assurance that the Issuer's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt the Issuer's operations. The Issuer cannot be certain that its existing security measures will prevent security breaches including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Issuer's or its client's confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

The Issuer's future success will depend in part on its ability to respond to changing technologies and demands of the market place. The Issuer's failure to upgrade its information and communications system on a timely or cost-effective basis could damage its relationships with its clients and counterparties and could have a materially adverse effect on its business, results of operations, financial condition and prospects.

The Issuer is subject to conduct risk, including the risk that it treats its customers unfairly and delivers inappropriate outcomes and the risk of conducting itself negatively in the market

The Issuer is exposed to conduct risk, including retail conduct risk and wholesale conduct risk. Retail conduct risk is the risk that the Issuer treats its customers unfairly and delivers inappropriate outcomes. Wholesale conduct risk is the risk of conducting itself negatively in the market. Certain aspects of the Issuer's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner. If the Issuer fails to comply with any relevant laws or regulations, it may suffer reputational damage and may become subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities. Changes in laws or regulations may also vastly change the requirements applicable to the Issuer in a short period of time and/or without transitional arrangements.

The Issuer may be adversely affected if its reputation is harmed

The Issuer is subject to the risk of loss due to customer or staff misconduct. The Issuer's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to the Issuer.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Issuer's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised

activities from the Issuer, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. The Issuer has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

Terrorist acts and other acts of war could have a negative impact on the business and results of operations of the Issuer

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on South Africa, and international economic conditions generally and may directly affect the countries in which the Issuer operates, and more specifically on the business and results of operations of the Issuer in ways that cannot be predicted.

The Issuer's business performance could be affected if its capital resources and liquidity are not managed effectively

The Issuer's capital and liquidity is critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. The Issuer mitigates capital and liquidity risk by careful management of its balance sheet, through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying its funding sources. The Issuer is required by regulators in the jurisdictions in which it undertakes regulated activities, to maintain adequate capital and liquidity. The maintenance of adequate capital and liquidity is also necessary for the Issuer's financial flexibility in the face of any turbulence and uncertainty in the global economy.

Extreme and unanticipated market circumstances may cause exceptional changes in the Issuer's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liability, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit the Issuer's ability effectively to manage its capital resources could have a material adverse impact on the Issuer's profitability and results. If such exceptional changes persist, the Issuer may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance its businesses or services take advantage of business opportunities or respond to competitive pressures.

The Issuer is subject to government regulation in South Africa. Regulatory agencies have broad jurisdiction over many aspects of the Issuer's business, which may range from capital adequacy, funding and liquidity risk management and credit risk management to practices relating to marketing and selling, advertising, licensing agents, policy forms, terms of business and permitted investments.

The Issuer is subject to capital adequacy guidelines adopted by the Financial Surveillance Department of the South African Reserve Bank (the "SARB"), which provide for a minimum target ratio of capital to risk-

adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Securities.

The Basel III proposals agreed by the Governors and Heads of the Basel committee on Banking Supervision (the “**Basel Committee**”), and endorsed by the G20 leaders at their November 2010 Seoul summit have been adopted in the domestic regulatory framework in 2013 with various phase-ins and transitional arrangements through to 2019. From a capital perspective the most heavily impacted banks are those with relatively large capital market businesses, particularly trading activities, complex securitisations, over-the-counter derivatives (counterparty credit risk) and securities lending. The Issuer has a relatively small capital markets business and therefore the overall impact is manageable. From a liquidity perspective most banks, domestically and abroad, generally fall short of the two new liquidity ratios (the liquidity coverage ratio (“**LCR**”), effective 1 January 2015 and the net stable funding ratio (“**NSFR**”), effective 1 January 2018, with shortfalls in high-quality liquid assets and stable funding presenting significant business model implications. Both ratios will be subject to an initial observation period and banks will have several years before full compliance becomes mandatory. In particular, the NSFR, in its current form, seems likely to significantly curtail longer-term lending. This is contrary to the primary role of banks to act as regulated financial intermediaries to convert short-term deposits into long-term lending, which enables economies to grow. For the Issuer and generally the entire South African banking industry, the impact of these two liquidity ratios would be pervasive if implemented in their current form, particularly the NSFR. The SARB is engaging the banking industry with regards to the national discretion items that are allowed for national regulators to adopt the Basel III framework as appropriate within their respective jurisdictions. The Basel III aligned South African Banking Regulations became effective on 1 January 2013 (the “**Regulations**”). The consultation process will continue for a number of years during the monitoring period, and until implementing regulations are approved, the effect on the Issuer will remain uncertain. The Issuer expects the SARB to take a pragmatic approach to the implementation of the Regulations, but there can be no assurance as to what approach the SARB will ultimately adopt. If the LCR and NSFR are implemented in their current form, this could have a material adverse effect on the Issuer’s revenues and profitability.

South African Regulatory developments

Other important regulatory developments in South Africa include the Financial Markets Act and the Protection of Personal Information Bill.

The Financial Markets Act, which was promulgated on 3 June 2013, introduces an enabling framework for the regulation of over-the-counter (“**OTC**”) derivatives trading and gives effect to South Africa’s G20 commitments. A phased approach to OTC derivative regulation will be followed, starting with mandatory reporting of OTC trades to a trade repository. Phase two will include central clearing of standardised OTC products. The Regulations under the Financial Markets Act have yet to be finalised and consequently, the full extent of the impact on the Issuer remains unclear.

The Protection of Personal Information Bill introduces certain minimum conditions such as acquiring customer consent before processing personal information and provides for the establishment of an Information Protection Regulator. The Protection of Personal Information Bill is expected to become law in 2013. This legislation provides for conditions of privacy and protection of personal information. The Protection of Personal Information Bill will affect the Issuer and its operations, particularly in relation to the manner in which it uses, records and transfers information.

In addition, in February 2011, the South African Government published policy proposals in its document "A safer financial sector to serve South Africa better". These significant proposals include the development of a "twin peaks" model of regulation and supervision of banks and other financial service firms, with the SARB being responsible for all prudential supervision and the Financial Services Board ("FSB") being responsible for market conduct regulation. A new market conduct regulator for banks will be established under the ambit of the FSB. In February 2013, the National Treasury published an additional paper on Twin Peaks setting out proposals for how the Twin Peaks model will be implemented in South Africa. On 21 August 2017, the President assented to the Financial Sector Regulation Act 9 of 2017 (the "FSR Act"), however a commencement date has not yet been published in the Government Gazette and as such the FSR Act is not yet in force.

Social, political and economic risk outside of the Issuer's control may adversely affect its business and results of operations

Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the performance and demand for the Issuer's products and services. The Issuer's businesses, results of operations and financial condition could be materially adversely affected by changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which the Issuer operates. Among others, the actions of such governments in relation to employee relations, salaries, the setting of interest rates, or in relation to exerting controls on prices, exchange rates or local and foreign investment, may adversely affect the Issuer's business and results of operations.

The Issuer's operations are concentrated in South Africa and Mauritius, with the majority of its revenues deriving from operations in South Africa. Operations in these markets are subject to various risks which need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks particularly relating to South Africa, such as general economic volatility, recession, inflationary pressure, exchange rate risks, exchange controls, crime and diseases (including e.g. HIV/AIDS), which could affect an investment in the Securities. The existence of such factors may have a negative impact on South African and international economic conditions generally, and more specifically on the business and results of the Issuer in ways that cannot be predicted.

Regulatory risks

The Issuer is subject to extensive regulation by governmental and other regulatory organisations in the jurisdictions in which it operates, including, in particular, the SARB.

In addition, the Issuer is subject to extensive and increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which it operates. The requirements imposed by the Issuer's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with the Issuer.

In addition, new laws are introduced, and existing laws are amended from time to time, including Tax, consumer protection, privacy and other legislation, which affect the environment in which the Issuer operates. Governmental policies and regulatory changes in the other areas which could affect the Issuer, include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which the Issuer operates or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy and liquidity framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- further developments in the corporate governance, conduct of business and employee compensation environments;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political or diplomatic developments or legal uncertainty which, in turn, may affect demand for the Issuer's products and services.

Consequently, changes in these governmental policies and regulation may limit the Issuer's activities, which could have an adverse effect on the Issuer's results.

Future changes in the legal and regulatory environment may mean that the DLC structure will no longer be viable

The Investec Group's DLC structure (as more fully described under "**Description of Issuer**") has been developed on the basis of existing law and policies of regulatory authorities in the UK and South Africa. Changes to the laws or policies (including changes in tax law or policy) related to the DLC structure may result in the DLC structure no longer being viable, which may affect the ability of the Issuer's operations to continue in their current form and may affect the Issuer's results in the future.

The response of governments and regulators to instability in the global financial markets may not be effective

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions in which the Issuer operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact the Issuer's business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of companies can have unintended effects on the environment within which companies operate. There can be no guarantee that the governments and regulators in the jurisdictions in which the Issuer operates will not make policy decisions to implement reforms which increase the burdens faced by the Issuer in relation to compliance and reporting. This could increase the costs the Issuer has to devote to compliance and reporting and, in turn, could have a negative effect on the Issuer's financial condition and results of operations.

The Issuer's borrowing costs and access to the debt capital markets depend significantly on its credit rating

Rating agencies, which determine the Issuer's own credit ratings and thereby influence the Issuer's cost of funds, take into consideration management effectiveness and the success of the Issuer's risk management processes. Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry or have altered the credit ratings of the Issuer or instruments issued by the Issuer specifically.

A reduction in the Issuer's long- or short-term credit ratings could increase its borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Any further changes in the credit ratings of the Issuer could negatively impact the volume and pricing of the Issuer's funding, which could in turn have a materially adverse effect on its business, results of operations, financial condition and prospects.

Certain financial instruments are recorded at fair value under relevant accounting rules. To determine fair value, the Issuer uses financial models which require it to make certain assumptions and judgements and estimates which may change over time

Under IFRS, the Issuer is required to carry certain financial instruments on its balance sheet at fair value, including, among others, trading assets (which include certain retained interests in loans that have been securitised), available-for-sale securities and derivatives. Generally, in order to establish the fair value of these instruments, the Issuer relies on quoted market prices or internal valuation models that utilise observable market data. In certain circumstances and over the last year in particular, however, the ability of the Issuer and other financial institutions to establish fair values has been influenced by the lack of readily available observable market prices and data and the fact that the availability or reliability of such information has diminished due to market conditions. Furthermore, in common with other financial institutions, the Issuer's processes and procedures governing internal valuation models are complex, and require the Issuer to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent the Issuer's assumptions, judgements or estimates change over time in response to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on the Issuer's balance sheet could have a material adverse effect on the Issuer's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets classified as held-to-maturity are carried at cost (less provisions for permanent impairment) while trading assets are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon the purpose for which they are held and different financial institutions may classify the same instrument differently. In addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments. Accordingly, the Issuer's carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments.

Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on the Issuer's financial Condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which the Issuer believes it could ultimately be realised.

The Issuer faces significant legal risks

The Issuer faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading statements made in connection with the sale of securities and other transactions, potential liability for advice the Issuer provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. The Issuer also faces the possibility that counterparties in complex or risky trading transactions will claim that the Issuer improperly failed to inform them of the risks or that they were not authorised or permitted to enter into these transactions with the Issuer and that their obligations to the Issuer are not enforceable.

The Issuer may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the Issuer's results of operations and financial condition.

These issues require the Issuer to deal appropriately with, *inter alia*, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Issuer, with an increase in the number of litigation claims and the amount of damages asserted against the Issuer, or subject the Issuer to regulatory enforcement actions, fines, penalties or reputational damage.

The Issuer is subject to the substance and interpretation of tax laws in all countries in which it operates. A number of double taxation agreements entered into between countries also affect the taxation of the Issuer.

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for not complying as required with tax laws. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of the Issuer. Revisions to tax legislation or to its interpretation might also affect the Issuer's results in the future.

Factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme

The Securities may not be a suitable investment for all investors

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

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

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

Risks related to the structure of a particular issue of Securities

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

Securities subject to optional redemption by the Issuer

If specified as applicable in the Applicable Pricing Supplement (Notes) or Applicable Pricing Supplement (Preference Shares), as the case may be, in respect of a Tranche of Securities, the Issuer may, at its option, redeem that Tranche of Securities (in whole or in part) on the Optional Redemption Date as set out in Condition 10.3 (*Early Redemption at the option of the Issuer*) of the Note Terms and Conditions or Condition 10.3 (*Early Redemption at the option of the Issuer*) of the Programme Preference Share Terms and Conditions, as applicable. In addition, the Issuer may, at its option, redeem Tranche(s) of Notes in a Series (in whole but not in part) in the circumstances set out in Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross Up) or Tax Event (Deductibility) or Change in Law*) of the Note Terms and Conditions and Tranche(s) of Programme Preference Shares in a Class (in whole but not in part) in the circumstances set out in Condition 10.2 (*Early Redemption following a Regulatory Event*), as the case may be.

An optional redemption feature of Securities is likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Securities and Dual Currency Notes

The Issuer may issue Securities with principal or interest or redemption amount or dividend, as the case may be, determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**").

In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Securities may be volatile;

- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected;
- they may lose all or a substantial portion of their principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest or redemption amount or divided, as applicable, payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Securities. Accordingly, you should consult your own financial and legal advisers about the risk entailed by an investment in any Index Linked Securities and the suitability of such Securities in light of their particular circumstances.

Variable rate Securities with a multiplier or other leverage factor

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

Fixed/Floating Rate Securities

Fixed/Floating Rate Securities may bear interest and/or dividends, as the case may be, at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Securities may be less favourable than then prevailing spreads on comparable Floating Rate Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Securities.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as JIBAR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Partly-paid Notes

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

Notes issued at a substantial discount or premium

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

The Issuer's obligations under Subordinated Notes are subordinated

The payment obligations of the Issuer under Subordinated Notes will rank behind Senior Notes. Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for certain debts accorded preferential rights by law) and at least *pari passu* with all other Subordinated Indebtedness of the Issuer.

See Condition 6.2 (*Status of Subordinated Notes that are not Subordinated Capital Notes*) of the Note Terms and Conditions of the Notes for a full description of subordination and the payment obligations of the Issuer under Subordinated Notes that are not Subordinated Capital Notes.

With regard to any Subordinated Notes, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, administration or wound-up, the Issuer will be required to pay or discharge the claims of the holders of Senior Notes and other unsubordinated creditors in full before it can make any payments in respect of such Subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such Subordinated Notes.

The ranking of the Programme Preference Shares

Each Programme Preference Share will rank as regards to the payment of dividends and a return of capital on the winding-up of the Issuer in accordance with the Issuer's Memorandum of Incorporation.

Capital Regulations

In order for the proceeds of the issuance of any Class of Programme Preference Shares to qualify as Regulatory Capital, the Class of Programme Preference Shares must comply with the applicable Regulatory Capital Requirements, where “**Regulatory Capital Requirements**” means, at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa or the controlling companies of such banks.

Risks related to Securities generally

Set out below is a brief description of certain risks relating to the Securities generally:

Because the Uncertificated Securities are held by or on behalf of the CSD, investors will have to rely on their procedures for transfers, payments and communications with the Issuer

Securities issued under the Programme may be issued in uncertificated form and will in such cases be deposited with the CSD. Except in the circumstances described in Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Note Terms and Conditions and Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Programme Preference Share Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in the Uncertificated Notes. Investors will be able to trade their Beneficial Interests in such uncertificated Securities only through CSD.

While any Securities are issued in uncertificated form, the Issuer will discharge its payment obligations under such Securities by making payments to the CSD for distribution to their account holders. A holder of a Beneficial Interest must rely on the procedures of the CSD to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests in the uncertificated Securities.

Holders of Beneficial Interests in uncertificated Securities will not have a direct right to vote in respect of the relevant Securities. Instead, such holders **will** be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Compliance with section 46 of the Companies Act

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

Modification and waivers and substitution

The Applicable Terms and Conditions contain provisions for calling meetings of holders of Securities respectively, to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Programme Preference Shareholders, as the case may be, including holders who did not attend and vote at the relevant meeting and holders of Securities who voted in a manner contrary to the majority.

Change of law

This Programme Memorandum, the Securities and the Applicable Terms and Conditions, are governed by, and will be construed in accordance with, the laws of South Africa. No assurance can be given as to the impact of any possible judicial decision or change to the laws of South Africa or administrative practice in South Africa after the Programme Date, including but not limited to the Regulations, any circulars, directives and/or guidance notes published by the SARB, and/or any guidelines or policy documents which may from time to time be published by the Basel Committee.

Withholding Tax

Withholding tax on interest was introduced into the Income Tax Act by the Taxation Laws Amendment Act, 2010 with effect from 1 January 2013. This may affect the interest payable on the Notes. A general guide of the relevant South African tax laws as at the Programme Date is set out in that section of this Programme Memorandum headed “*South African Taxation*”.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest or dividend rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt or equity securities. Illiquidity may have a severely adverse effect on the market value of Securities. To the extent required by a Financial Exchange and/or the debt listings requirements of such Financial Exchange, as the case may be, on which a Tranche of Securities is listed, the Issuer may procure that a third party provide liquidity by appointing a third party as a market maker. However, to the extent not required by

the Financial Exchange or the debt listings requirements of that Financial Exchange on which the Tranche of Securities is listed, the decision to appoint a market maker is voluntary and there can be no guarantee or assurance that a market maker will be appointed.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an Investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities. Similarly, the Issuer may be exposed to potential losses if the Specified Currency was to depreciate against key currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial Condition and results of operations.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Dealings in the Securities and the performance by the Issuer of its obligations under any of the Securities may be subject to the Exchange Control Regulations. In particular, no Security may be (i) subscribed for, or purchased, by a Resident (as defined in "*South African Exchange Control Regulations*"); or (ii) sold to a Resident; or (iii) beneficially held, or owned, by a Resident, other than in strict compliance with the Exchange Control Regulations in effect from time to time. A summary of the Exchange Control Regulations is set out in that section of this Programme Memorandum headed "*South African Exchange Control Regulations*".

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

Interest rate and/or dividend rate risks

Investment in Fixed Rate Notes and/or Fixed Rate Preference Shares, as the case may be, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and/or Fixed Rate Preference Shares, as the case may be.

Credit ratings may not reflect all risks

One or more independent credit Rating Agencies may assign credit Ratings to the Securities. The Ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit Rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

FORM OF SECURITIES

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

FORM OF THE NOTES

Notes are issued in accordance with South African laws and in accordance with the Issuer's constitutional documents.

Notes may be issued in listed or unlisted registered form, as specified in the Applicable Pricing Supplement (Notes). Each Tranche of Notes which is listed on the JSE must be fully paid-up and freely transferable.

Registered Notes

A Tranche of Registered Notes may be issued in certificated form or uncertificated form as specified in the Applicable Pricing Supplement (Notes).

Notes issued in certificated form

All certificated Registered Notes will be represented by a single Individual Certificate in registered form. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 16.2 (*Transfer of Registered Notes represented by Individual Certificates*) of the Note Terms and Conditions.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 11 (*Payments*) of the Note Terms and Conditions to the Person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Notes issued in uncertificated form

A Tranche of Registered Notes which is listed on the JSE must, subject to Applicable Law and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Unlisted Notes may also be issued in uncertificated form.

Registered Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Registered Notes issued in uncertificated form will be held in its entirety in the CSD, and the Register will initially indicate that the entire Tranche of such Registered Notes is held in uncertificated form in the CSD.

Uncertificated Notes held in the CSD

A Tranche of Notes which is listed on the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted, Uncertificated Notes may also be held in the CSD. While a Tranche of Notes is in the CSD, each Person recorded in the Uncertificated Securities Register will be named as the registered Noteholder of the portion of that Tranche of Uncertificated Notes so registered in the Person's name in accordance with the Applicable Procedures

Each Tranche of Notes held in the CSD will be subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid in respect of Notes held in the CSD will be paid to the CSD and all rights to be exercised in respect of Notes held in the CSD may be exercised only, in each case, in accordance with the Applicable Procedures.

The CSD holds Central Securities Accounts for Participants (which accounts may be in the name of such Participants or such Participants' clients). As at the Programme Date, the Participants include (but are not limited to) Citibank N.A., South Africa branch, FirstRand Bank Limited, Nedbank Limited, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch, The Standard Bank of South Africa Limited and the SARB.

Where a Central Securities Account or Securities Account is in the name of a Participant (or its nominee), but is for the benefit of such Participant's clients, such Participant is in turn required to maintain Securities Accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants (or their nominees), and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants. Euroclear and Clearstream may hold Notes through their Participant.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the registered Noteholder or holder of a Beneficial Interest in a particular outstanding Nominal Amount of Uncertificated Notes, a certificate, statement or other document issued by the CSD or the relevant Participant, as the case may be, as to the outstanding Nominal Amount of such Notes standing to the account of any Person shall be *prima facie* proof of such Beneficial Interest.

Title to Uncertificated Notes or Beneficial Interests in Uncertificated Notes held by Participants, as the case may be, will pass on transfer thereof by electronic book entry in the Central Securities Accounts and/or

Securities Accounts in accordance with the Financial Markets Act and the Applicable Procedures. Noteholders of Uncertificated Notes and holders of Beneficial Interests in Uncertificated Notes vote in accordance with the Applicable Procedures.

The holder of an Uncertificated Note or Beneficial Interest therein will only be entitled to exchange such holding for Notes represented by an Individual Certificate in accordance with Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Note Terms and Conditions.

Endorsements on Individual Certificates representing Subordinated Capital Notes

If so required by the Regulatory Capital Requirements, each Individual Certificate (if any) representing Subordinated Capital Notes will bear the legend prescribed by the applicable Regulatory Capital Requirements.

FORM OF THE PROGRAMME PREFERENCE SHARES

Programme Preference Shares are issued in accordance with South African laws and in accordance with the Issuer's constitutional documents.

Each Tranche of Programme Preference Shares shall be issued in listed or unlisted registered form, as specified in the Applicable Pricing Supplement (Preference Shares).

Registered Programme Preference Shares

Programme Preference Shares issued in uncertificated form

Each Tranche of Programme Preference Shares which is listed on the JSE must, subject to Applicable Law and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Unlisted Programme Preference Shares may also be issued in uncertificated form.

Programme Preference Shares issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche Programme Preference Shares issued in uncertificated form will be held in its entirety in the CSD, and the Register will initially indicate that the entire Tranche of such Programme Preference Shares is held in uncertificated form in the CSD.

Programme Preference Shares held in the CSD

A Tranche of Programme Preference Shares which is listed on the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted, uncertificated Programme Preference Shares may also be held in the CSD. While a Tranche of Programme Preference Shares is in the CSD, each Person recorded in the Uncertificated Securities Register will be named as the registered Programme Preference Shareholder of the portion of that Tranche of uncertificated Programme Preference Shares so registered in the Person's name in accordance with the Applicable Procedures.

Each Tranche of Programme Preference Shares held in the CSD will be subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid in respect of Programme Preference Shares held in the CSD will be paid to the CSD and all rights to be exercised in respect of Programme Preference Shares held in the CSD may be exercised only, in each case, in accordance with the Applicable Procedures.

The CSD holds Central Securities Accounts for Participants (which accounts may be in the name of such Participants or such Participants' clients). As at the Programme Date, the Participants include (but are not limited to) Citibank N.A., South Africa branch, FirstRand Bank Limited, Nedbank Limited, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch, The Standard Bank of South Africa Limited and the SARB.

Where a Central Securities Account or Securities Account is in the name of a Participant (or its nominee), but is for the benefit of such Participant's clients, such Participant is in turn required to maintain Securities Accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants (or their nominees), and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Programme Preference Shares or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Programme Preference Shares held by them in the CSD only through their Participants. Euroclear and Clearstream may hold Programme Preference Shares through their Participant.

In relation to each person shown in the records of the CSD or the relevant Participant, as the case may be, as the registered Programme Preference Shareholder or holder of a Beneficial Interest in Programme Preference Shares, a certificate, statement or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Calculation Amount of such Programme Preference Shares standing to the account of any Person shall be *prima facie* proof of such Beneficial Interest.

Title to uncertificated Programme Preference Shares or Beneficial Interests in uncertificated Programme Preference Shares held by Participants, as the case may be, will pass on transfer thereof by electronic book entry in the Central Securities Accounts and/or Securities Accounts in accordance with the Financial Markets Act and the Applicable Procedures. Programme Preference Shareholders of uncertificated Programme Preference Shares and holders of Beneficial Interests in uncertificated Programme Preference Shares vote in accordance with the Applicable Procedures.

The holder of an uncertificated Programme Preference Share or a Beneficial Interest therein shall only be entitled to exchange such holding for Programme Preference Shares represented by an Individual Certificate in accordance with Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Programme Preference Share Terms and Conditions.

Programme Preference Shares represented by Individual Certificates

Title to Programme Preference Shares represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 16.2 (*Transfer of Programme Preference Shares represented by Individual Certificates*) of the Programme Preference Share Terms and Conditions.

Payments of all amounts due and payable in respect of Programme Preference Shares represented by Individual Certificates will be made in accordance with Condition 12 (*Payments*) of the Programme Preference Share Terms and Conditions to the Person reflected as the registered Programme Preference Shareholder of such Programme Preference Shares in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

NOTE TERMS AND CONDITIONS

*The following are the terms and conditions of the Notes (the “**Note Terms and Conditions**”) to be issued by the Issuer pursuant to this Programme Memorandum, which Note Terms and Conditions will be incorporated by reference into each Note. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement (Notes), based on the Pro Forma Pricing Supplement (Notes) included in the Programme Memorandum, setting out details of such Notes.*

The Applicable Pricing Supplement (Notes) in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Note Terms and Conditions, replace or modify the following Note Terms and Conditions for the purpose of such Tranche of Notes. If there is any conflict or inconsistency between the provisions set out in the Applicable Pricing Supplement (Notes) and the provisions set out in these Note Terms and Conditions, then the provisions in the Applicable Pricing Supplement (Notes) will prevail.

Any reference in this Programme Memorandum to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation at the Programme Date, as amended or substituted from time to time.

1. INTERPRETATION

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

“2013 Programme Memorandum”	the programme memorandum dated 4 September 2013 issued by the Issuer in relation to the Programme, which applies to all Notes and Programme Preference Shares issued under the Programme between 4 September 2013 and the Programme Date and which in respect of any such Notes and Programme Preference Shares superseded and replaced in its entirety the programme memorandum dated 12 February 2003 issued by the Issuer in relation to the Programme;
“Additional Business Centre(s)”	in relation to a Tranche of Notes, the city or cities specified as such in the Applicable Pricing Supplement (Notes);
“Additional Conditions”	in relation to any Tranche of Subordinated Capital Notes, such conditions (in addition to the conditions specified in the

applicable Regulatory Capital Requirements) as may be prescribed by the Relevant Authority for the proceeds of the issuance of such Tranche of Subordinated Capital Notes to qualify as Regulatory Capital at the time of such issue pursuant to the approval granted by the Relevant Authority for the issue of such Subordinated Capital Notes, as specified in the Applicable Pricing Supplement (Notes);

"Additional Tier 1 Capital"

"additional Tier 1 capital" as defined in the Banks Act;

"Additional Tier 1 Capital Regulations"

Regulation 38(11)(b) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation (including the Additional Tier 1 Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Additional Tier 1 Capital;

"Additional Tier 1 Noteholder"

a Noteholder of an Additional Tier 1 Note;

"Additional Tier 1 Notes"

Notes specified as such in the Applicable Pricing Supplement (Notes) and complying with the Additional Tier 1 Capital Regulations;

"Applicable Law"

in relation to a Person, any law (including statutory, common or customary law), statute, constitution, decree, treaty, regulation, judgment, directive, code of practice, guidance note, circular, by-law, order, other legislative measure, regulation, requirement, request, rule or guideline (whether or not having the force of law but, if not having the force of law, is generally complied with by the person to whom it is addressed or applied) of any government, supranational, local government, statutory or regulatory or self-regulatory or similar body or authority or court, compliance with which is mandatory for that Person;

"Applicable Pricing Supplement (Notes)"

the pricing supplement relating to a Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the *pro forma* Applicable Pricing Supplement which is set out in the section of the Programme Memorandum headed "*Pro Forma Applicable*

Pricing Supplement;

"Applicable Procedures"	the rules, debt listings requirements and operating procedures from time to time of the CSD, Participants, Issuer Agents, JSE and/or any Financial Exchange, as the case may be;
"Applicable Redemption Amount"	in relation to a Tranche of Notes, the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount, as appropriate, as may be specified in, or determined in accordance with the provisions of, the relevant Applicable Pricing Supplement (Notes) relating to that Tranche;
"Applicable Redemption Date"	in relation to a Tranche of Notes, the Maturity Date or the relevant Early Redemption Date, as applicable;
"Arranger"	Investec Bank Limited, or such other entity as may be appointed by the Issuer as arranger, as specified in the Applicable Pricing Supplement (Notes);
"Banks Act"	the Banks Act, 1990;
"Beneficial Interest"	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as a co-owner of an undivided share of all of the Uncertificated Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the portion that the aggregate Nominal Amount of such number of Notes Outstanding bears to the aggregate Nominal Amount of all of the Notes in that Tranche Outstanding, as provided for in section 37(3) of the Financial Markets Act;
"BESA Guarantee Fund Trust"	the guarantee fund established and operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(1)(w) of the Financial Markets Act or any successor fund;
"Books Closed Period"	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement (Notes) relating to that Tranche, commencing after the Last Day to Register, during which transfers of that Tranche of Notes will not be registered, or

such other shorter period as the Issuer may decide to determine those Noteholders entitled to receive interest or redemption monies;

"Business Day"

a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement (Notes) save that if the Specified Currency is not ZAR, **"Business Day"** shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement (Notes) so provides, **"Business Day"** shall include a Saturday;

"Calculation Amount"

in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;

"Central Securities Account"

shall bear the meaning ascribed thereto in the Financial Markets Act;

"Change in Law"

on, or after the Issue Date of the first Tranche of Notes in any Series of Notes, (i) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it or its holding company will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Class of Noteholders"

the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;

"Common Equity Tier 1 Capital"

"common equity Tier 1 capital" as defined in the Banks Act;

"Companies Act"	the Companies Act, 2008;
"Concurrent Claims"	all unsecured, non-preferent, unsubordinated claims of creditors of the Issuer including, without limiting the generality of the foregoing, the claims of the holders of Senior Notes, proved in the dissolution, winding-up or liquidation of the Issuer;
"Contractual Conversion Condition"	the conditions contemplated in Condition 6.7 (<i>Conversion of Convertible Subordinated Capital Notes upon a Trigger Event</i>);
"Contractual Write Off Condition"	the conditions contemplated in Condition 6.8 (<i>Write Off of Subordinated Capital Notes upon a Trigger Event</i>);
"Conversion"	the conversion of Subordinated Capital Notes into Issuer Shares upon the occurrence of a Trigger Event and after the delivery of an Issuer's Trigger Event Notice in accordance with Condition 6.7 (<i>Conversion of Convertible Subordinated Capital Notes upon a Trigger Event</i>), and its cognates shall bear the same meaning;
"Conversion Amount"	<p>in respect of each holder of Individual Certificates in respect of, or, as the case may be, a Beneficial Interest in, the Converted Subordinated Capital Notes on the relevant date of calculation, the aggregate of:</p> <ul style="list-style-type: none"> (i) the outstanding Nominal Amount of the relevant Converted Subordinated Capital Notes (in the case of holders of Individual Certificates) or the Beneficial Interest therein (in the case of Uncertificated Notes) of that holder; and (ii) any accrued but unpaid interest in respect thereof;
"Conversion Last Day to Trade"	the date which is 3(three) Business Days prior to the Conversion Record Date;
"Conversion Price"	in relation to a Tranche of Subordinated Capital Notes, the conversion price as specified in, or determined in the manner specified in, the Applicable Pricing Supplement (Notes);
"Conversion Record Date"	the date which is 1 (one) Business Day prior to the Conversion Settlement Date or such other date specified in the Applicable

Pricing Supplement (Notes);

“Conversion Settlement Date”

the date of the Conversion of the Subordinated Capital Notes (or a Relevant Part thereof) into newly-issued Issuer Shares, which shall be:

- (i) a date which falls within 30 (thirty) days of receipt by the Issuer of the Relevant Authority's Trigger Event Notice (or such other number of days specified in the Applicable Pricing Supplement (Notes)), unless the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30 (thirty) day period as a result of the need to comply with any Applicable Laws, regulations or written instructions of the Relevant Authority (including but not limited to the time required to interface and consult with the Relevant Authority), in which case the Conversion Settlement Date shall be a date as soon as reasonably possible after the end of the aforesaid 30 (thirty)-day period; or
- (ii) where the Relevant Authority determines a date for Conversion, such date;

“Converted Subordinated Capital Notes”

the Series of Subordinated Capital Notes which the Relevant Authority requires to be Converted upon the occurrence of a Trigger Event or, as the case may be, the Relevant Part(s) thereof identified by the Relevant Authority, as adjusted for upward rounding in the circumstances and manner contemplated in Conditions 6.7.2.2 and 6.7.2.2;

“Convertible Subordinated Capital Notes”

Subordinated Capital Notes to which the Contractual Conversion Condition is specified as applicable in the Applicable Pricing Supplement (Notes);

“CSD”

Strate Proprietary Limited (Registration number 1998/022242/07), or its nominee, being a registered central securities depository operating in terms of the Financial Markets Act (or any successor legislation thereto), and any reference to “CSD” shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act, or any additional or

alternate depository approved by the Issuer;

"Day Count Fraction"

in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Note Terms and Conditions or the Applicable Pricing Supplement (Notes):

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in such Regular Period and (B) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty five) (or, if any portion of the Calculation Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 (three hundred and sixty six) and (b) the actual number of days in that portion of the Calculation Period falling in a non leap year divided by 365 (three hundred

and sixty five));

- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty five);
- (iv) "**Actual/360**" is so specified, means the number of days in the Calculation Period divided by 360 (three hundred and sixty);
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (three hundred and sixty) (the number of days to be calculated on the basis of a year of 360 (three hundred and sixty) days with 12 (twelve) 30 (thirty) day months (unless (a) the last day of the Calculation Period is the 31st (thirty first) day of a month but the first day of the Calculation Period is a day other than the 30th (thirtieth) or 31st (thirty first) day of a month, in which case the month that included the last day shall not be considered to be shortened to a 30 (thirty) day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 (thirty) day month)); and
- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (three hundred and sixty) (the number of days to be calculated on the basis of a year of 360 (three hundred and sixty) days with 12 (twelve) 30 (thirty) day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 (thirty) day month;

"Dealer(s)"

the Issuer and/or any other additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment

of any Dealer, as indicated in the Applicable Pricing Supplement (Notes);

“Debt Sponsor”

Investec Bank Limited, unless the Issuer elects to appoint another entity as a debt sponsor, in which event that other entity will act as a debt sponsor, as specified in the Applicable Pricing Supplement (Notes); provided that the Issuer shall maintain the appointment of at least one debt sponsor until such time as the Programme is deregistered from the JSE;

“Deposit”

a “*deposit*” as defined in the Banks Act;

“Depositor”

any Person having a claim against the Issuer in respect of a Deposit, excluding:

- (i) in relation to the claims of the Tier 2 Noteholders, any such Person whose claim in respect of such Deposit (a) ranks or is expressed to rank (or are deemed under the Regulatory Capital Requirements to rank), *pari passu* with, or junior to the claims of the Tier 2 Noteholders or (b) constitutes a claim of the Tier 2 Noteholders in respect of Tier 2 Notes; and
- (ii) in relation to the claims of the Additional Tier 1 Noteholders, any such Person whose claim in respect of such Deposit (a) ranks or is expressed to rank (or are deemed under the Regulatory Capital Requirements to rank), *pari passu* with, or junior to the claims of the Additional Tier 1 Noteholders or (b) constitutes a claim of the Additional Tier 1 Noteholders in respect of Additional Tier 1 Notes;

“Designated Maturity”

has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes);

“Early Redemption Amount”

the amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Conditions 10.2 (*Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law*), 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*) and/or Condition 14 (*Events of Default*), determined in accordance with Condition 10.9 (*Early Redemption Amounts*)

or as set out in the Applicable Pricing Supplement (Notes);

“Early Redemption Date”

- (i) the date on which the Issuer elects to redeem Notes as contemplated in Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law*), Condition 10.3 (*Early Redemption at the option of the Issuer*) or Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*); and/or
- (ii) the Optional Redemption Date on which the Issuer is obliged to redeem Senior Notes in accordance with Condition 10.4 (*Early Redemption at the option of Noteholders of Senior Notes*);

“Event of Default”

an event of default as set out in Condition 14 (*Events of Default*);

“Exchangeable Notes”

Notes which may be redeemed by the issuer in the manner specified in the Applicable Pricing Supplement (Notes) by the delivery to the Noteholders of cash or of so many of the Exchange Securities as are determined in accordance with the Applicable Pricing Supplement (Notes);

“Exchange Control Regulations”

the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;

“Exchange Period”

in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as specified in the Applicable Pricing Supplement (Notes)), the period specified in the Applicable Pricing Supplement (Notes) during which such right may be exercised;

“Exchange Price”

the value specified in the Applicable Pricing Supplement (Notes) according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;

“Exchange Securities”

the securities specified in the Applicable Pricing Supplement (Notes) which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;

"Extraordinary Resolution"

- (i) a resolution passed at a meeting (duly convened) of the Noteholders or relevant Class of Noteholders, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point six seven percent) of the persons voting thereat upon a show of hands or if a poll is duly demanded, then by a majority consisting of not less than 66.67% (sixty-six point six seven percent) of the votes given on such poll by Noteholders or the relevant Class of Noteholders present in person or by proxy; provided that, if and for so long as the Programme and/or any Notes issued thereunder are registered with and/or listed on the JSE, and then only to the extent required by the applicable debt listings requirements of the JSE, where a resolution (and where such resolution forms part of a composite resolution, in relation to that specific resolution only) relates to an amendment to the Note Terms and Conditions (other than an amendment contemplated in Condition 21.1), such resolution will need to be approved by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, representing not less than 66.67% (sixty-six point six seven percent) (or such higher amount as may be prescribed by the applicable debt listings requirements of the JSE from time to time) of the value of all Notes or Notes in that Series ("**relevant Noteholders**"), as the case may be ("**relevant Notes**") (being determined with reference to the aggregate outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate outstanding Nominal Amount of all of the relevant Notes Outstanding), notwithstanding that the meeting of relevant Noteholders may otherwise be duly convened or quorated and that other matters (including other Extraordinary Resolutions) may otherwise validly be considered and approved at such meeting; and
- (ii) a resolution passed other than at a meeting (duly convened) of the Noteholders or relevant Class of Noteholders, as the case may be ("**relevant Noteholders**"), in respect of which relevant Noteholders representing not less than 66.67% (sixty-six point six

seven percent) of the value of all Notes or Notes in that Series, as the case may be ("**relevant Notes**") (being determined with reference to the aggregate outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate outstanding Nominal Amount of all of the relevant Notes Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days from the date the resolution is submitted to the relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Noteholders, provided that notice shall have been given to all relevant Noteholders in terms of Condition 19 (*Notices*); provided that where (a) a resolution (and where such resolution forms part of a composite resolution, in relation to that specific resolution only) relates to an amendment to the Note Terms and Conditions (other than an amendment contemplated in Condition 21.1), (b) the Programme and/or any Notes issued thereunder are registered with and/or listed on the JSE and (c) a higher amount is prescribed by the applicable debt listings requirements of the JSE in relation to amendments to the Note Terms and Conditions, the resolution will need to be passed by relevant Noteholders representing not less than such higher percentage of the value of the relevant Notes;

"Fair Market Value"

in respect of any securities or assets, the amount determined in good faith by the Independent Financial Advisor, acting reasonably;

"Final Broken Amount"

in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement (Notes);

"Final Redemption Amount"

the nominal amount payable in respect of each Note upon final redemption thereof, as specified in, or determined in the manner specified in, the Applicable Pricing Supplement (Notes);

"Financial Exchange"	the JSE or its successor and/or such other or further financial exchange(s) as may be selected by the Issuer and the relevant Dealer, subject to Applicable Law;
"Financial Indebtedness"	<p>any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (i) amounts raised by acceptance under any acceptance credit facility; (ii) amount raised under any note purchase facility; (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with the Applicable Law and generally accepted accounting principles, be treated as finance and capital leases; (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 (ninety) days; and (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;
"Financial Markets Act"	the Financial Markets Act, 2012;
"Fixed Coupon Amount"	the fixed coupon amount specified as such in the Applicable Pricing Supplement (Notes);
"Fixed Rate Notes"	Notes which will bear interest at a fixed interest rate, as specified in the Applicable Pricing Supplement (Notes) and more fully described in Condition 9.1 (<i>Interest on Fixed Rate Notes</i>);
"Floating Rate Notes"	Notes which will bear interest at a floating rate as specified in the Applicable Pricing Supplement (Notes) and more fully described in Condition 9.2 (<i>Interest on Floating Rate Notes and Indexed Notes</i>);
"Guidance Note 6"	Guidance Note 6 of 2017 (<i>Loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments</i>) issued by the

	SARB on 14 August 2017 in terms of section 6(5) of the Banks Act, or such other replacement or successor guidance note, directive or circular;
“Higher Redemption Amount”	has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes);
“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement (Notes);
“Income Tax Act”	the Income Tax Act, 1962;
“Independent Financial Advisor”	an internationally-recognised auditor or independent financial institution appointed at the request of the Issuer by the head of the South African Institute of Chartered Accounts (or its replacement or successor body), whose decision as to appointment shall be final and binding;
“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as specified in the Applicable Pricing Supplement (Notes);
“Indexed Notes”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as specified in the Applicable Pricing Supplement (Notes);
“Individual Certificate”	a Registered Note in the definitive registered form of a single certificate, a certificate exchanged for an Uncertificated Note or a Beneficial Interest therein in accordance with Condition 14.1 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>) and any further certificate issued in consequence of a transfer thereof;
“Initial Broken Amount”	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement (Notes);
“Instalment Amount”	the amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other

	than the final instalment) on an Instalment Note;
"Instalment Date"	in relation to a Tranche of Notes, the dates specified as such in the Applicable Pricing Supplement (Notes);
"Instalment Notes"	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement (Notes);
"Interest Amount"	in relation to a Tranche of Notes and an Interest Period, the amount of interest payable on the Calculation Amount of each Notes in that Tranche, on each Interest Payment Date in respect of such Interest Period, determined by the Issuer Agent in accordance with Condition 9 (<i>Interest</i>);
"Interest Commencement Date"	in relation to a Tranche of Notes, the first date from which interest on such Tranche, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement (Notes);
"Interest Payment Date"	if applicable in relation to a Tranche of Notes, the date(s) specified in the Applicable Pricing Supplement (Notes) or if no express such date(s) is/are specified in the Applicable Pricing Supplement (Notes), the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
"Interest Period"	each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date; provided that the first Interest Period shall begin on (and include) the Interest Commencement Date and the last Interest Period in respect of such Notes shall end on (but exclude) the Applicable Redemption Date;
"Interest Rate"	the rate or rates of interest applicable to Notes other than Zero Coupon Notes, as specified in the Applicable Pricing Supplement (Notes);
"Interest Rate Determination Date"	if applicable in relation to a Tranche of Notes, the date(s) specified in the Applicable Pricing Supplement (Notes);

“Investec Bank Limited”	Investec Bank Limited (registration number 1969/004763/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
“Investec Limited Group”	the Issuer and any of its subsidiaries;
“Investec Limited Restricted Group”	the Issuer and any of its wholly-owned consolidated subsidiaries which are regulated as a banking operation;
“ISDA Definitions”	the 2006 ISDA Definitions as published by International Swaps and Derivatives Association, Inc. (as amended, supplemented, revised or republished from time to time), or as specified in the Applicable Pricing Supplement (Notes);
“Issue Date”	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement (Notes), being the date upon which such Tranche of Notes is issued by the Issuer;
“Issue Price”	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement (Notes);
“Issuer”	Investec Limited (registration number 1925/002833/06), a public company with limited liability and a registered “controlling company” duly incorporated in accordance with the company and banking laws of South Africa;
“Issuer Agent”	Investec Bank Limited, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Issuer Agent in respect of that Tranche or Series of Notes;
“Issuer Agency Agreement”	the issuer agency agreement dated on or about 15 November 2017 entered into between the Issuer and the Issuer Agent;
“Issuer Shares”	fully paid ordinary shares of the Issuer;
“Issuer Share Price”	the Fair Market Value of the Issuer Shares on the Conversion Settlement Date;
“Issuer’s Trigger Event Notice”	has the meaning ascribed thereto in Condition 6.6.1;

"Junior Debt"

in relation to Additional Tier 1 Notes, any subordinated debt issued by the Issuer which ranks or is expressed to rank (or is deemed under the Regulatory Capital Requirements to rank) senior to the Additional Tier 1 Notes and/or the proceeds of which qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Tier 2 Capital;

"Junior Securities"

(i) the Issuer Shares, (ii) other share capital or any other securities of the Issuer or any other member of the Investec Limited Restricted Group, the proceeds of which qualify (or are deemed under the Regulatory Capital Requirements to qualify) as Common Equity Tier 1 Capital of the Issuer or any other member of the Investec Limited Restricted Group, as the case may be, (iii) other share capital or any other securities of the Issuer or any other member of the Investec Limited Restricted Group which rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) junior to the Additional Tier 1 Notes and (iv) any other securities issued by a member of the Investec Limited Restricted Group which benefit from a guarantee or similar support agreement from any other member of the Investec Limited Restricted Group which ranks or is expressed to rank (or is deemed under the Regulatory Capital Requirements to rank), as to the payment of sums under any such guarantee or similar support agreement, junior to the Additional Tier 1 Notes;

"JSE"

JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, licensed as an exchange under the Financial Markets Act;

"JSE Guarantee Fund"

the guarantee fund established and operated by the JSE as a separate guarantee fund in terms of the rules of the JSE as required by sections 8(1)(h) and 17(1)(w) of the Financial Markets Act or any successor fund;

"Last Day to Register"

with respect to a particular Series of Notes (as specified in the Applicable Pricing Supplement (Notes)), the last date or dates preceding a Books Closed Period on which the Issuer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter,

the Register is closed for further transfers or entries until the Payment Day and in the case of Notes listed on the Main Board of the JSE, shall mean "*Last Day to Trade*" as set out in the listings requirements of the JSE;

"Mandatory Exchange"	if specified in the Applicable Pricing Supplement (Notes), the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
"Margin"	in relation to a Tranche of Floating Rate Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Maturity Date"	in relation to a Tranche of Notes (other than a Tranche of Additional Tier 1 Notes), the date specified as such in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Maturity Period"	in relation to a Tranche of Notes (other than a Tranche of Additional Tier 1 Notes), the period from (and including) the Issue Date to (but excluding) the Maturity Date, as specified in the Applicable Pricing Supplement (Notes);
"Maximum Redemption Amount"	in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Minimum Redemption Amount"	in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Mixed Rate Notes"	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement (Notes) and as more fully described in Condition 9.3 (<i>Interest on Mixed Rate Notes</i>);
"Nominal Amount"	the nominal amount of each Note, as specified in the Applicable Pricing Supplement (Notes);
"Noteholders"	the holders of the Registered Notes (as recorded in the

Register);

"Noteholders' Exchange Right"	if specified in the Applicable Pricing Supplement (Notes), the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
"Notes"	the notes issued or to be issued by the Issuer under the Programme pursuant to the Programme Memorandum and represented by an Individual Certificate (if any), or Uncertificated Notes;
"Optional Redemption Amount "	in respect of any Note, its outstanding Nominal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement (Notes);
"Optional Redemption Date(s)"	<p>the date(s) specified as such in the Applicable Pricing Supplement (Notes) in relation to a Tranche of Notes pursuant to which:</p> <ul style="list-style-type: none"> <li data-bbox="692 1032 1414 1570">(i) the Issuer is specified as having an option to redeem in accordance with Condition 10.3 (<i>Early Redemption at the option of the Issuer</i>). If no such date(s) is/are specified in the Applicable Pricing Supplement (Notes), the Optional Redemption Date(s) shall be the Interest Payment Date(s) (in the case of interest-bearing Notes) or, such other date(s) (in the case of non-interest bearing Notes) stipulated as the date(s) for redemption of such Tranche of Notes or the relevant portion of such Tranche of Notes, as the case may be, in the notice delivered by the Issuer pursuant to Condition 10.3 (<i>Early Redemption at the option of the Issuer</i>); or <li data-bbox="692 1621 1414 1960">(ii) the Noteholders of Senior Notes are specified as having an option to redeem in accordance with Condition 10.4 (<i>Early Redemption at the option of the Noteholders of Senior Notes</i>). If no such date(s) is/are specified in the Applicable Pricing Supplement (Notes), the Optional Redemption Date(s) shall be the Interest Payment Date(s) (in the case of interest-bearing Notes) or such other date(s) (in the case of noninterest bearing Notes)

stipulated as the date(s) for redemption of such Tranche of Senior Notes or the relevant portion of such Tranche of Senior Notes, as the case may be, in the Put Notice;

“Ordinary Resolution”

- (i) a resolution passed at a meeting (duly convened) of the Noteholders or relevant Class of Noteholders, as the case may be, upon a show of hands, by a majority consisting of more than 50% (fifty percent) of the value of the Notes held by the Noteholders or relevant Class of Noteholders, as the case may be, present in person and voting at such meeting, or, if a poll is duly demanded, a majority consisting of more than 50% (fifty percent) of the votes cast at such poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy; and
- (ii) a resolution passed other than at a meeting (duly convened) of the Noteholders or relevant Class of Noteholders, as the case may be (**“relevant Noteholders”**), in respect of which relevant Noteholders representing more than 50% (fifty percent) of the value of all Notes or Notes in that Series, as the case may be (**“relevant Notes”**) (being determined with reference to the aggregate outstanding Nominal Amount of the Notes Outstanding held by such relevant Noteholders as it bears to the aggregate outstanding Nominal Amount of all of the relevant Notes Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days from the date the resolution is submitted to the relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Noteholders, provided that notice shall have been given to all relevant Noteholders in terms of Condition 19 (*Notices*);

“Outstanding”

in relation to the Notes, all the Notes issued other than:

- (i) those which have been redeemed in full;
- (ii) those in respect of which the date for redemption in

accordance with the Note Terms and Conditions has occurred and the redemption monies wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Note Terms and Conditions after such date) remain available for payment against presentation and surrender of such Notes (or any Individual Certificates in respect thereof (if any));

- (iii) those which have been fully Written Off or Converted, as the case may be, under Condition 6 (*Status of Notes, Write Off and Conversion of Subordinated Capital Notes*);
- (iv) those which have been purchased and cancelled as provided in Condition 10.14 (*Cancellation*);
- (v) those which have become prescribed under Condition 13 (*Prescription*);
- (vi) Notes represented by those worn out, mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 14.1 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*);
- (vii) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose), those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 14.1 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes, namely:

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

Conditions 20 (*Meetings of Noteholders*) and 21 (*Modification*), all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any Person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held,

shall be deemed not to be Outstanding;

"Participants"

a person that holds in custody and administers securities or an interest in securities and that has been accepted by the CSD as a participant in terms of the Financial Markets Act;

"Partly Paid Notes"

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

"Payment Day"

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

"Person"

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

"Previous Programme Memoranda"

the programme memorandum dated 12 February 2003 issued by the Issuer in relation to the Programme and the 2013 Programme Memorandum;

"Programme"

Investec Limited ZAR15,000,000,000 Domestic Medium Term Note and Preference Share Programme;

"Programme Amount"

the maximum 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) that, considered together, may be issued under the Programme at any one point in time being as at the Programme Date, ZAR15,000,000,000 (or its equivalent in other currencies) or such increased amount as is determined by the Issuer from time to time, subject to the Applicable

Procedures, Applicable Law and the programme agreement (if any) relating to the Programme as set out in the section of this Programme Memorandum headed "*General Description of the Programme*";

"Programme Date"

15 November 2017;

"Programme Memorandum"

this programme memorandum dated 15 November 2017 which will apply to all Notes and Programme Preference Shares issued under the Programme on or after the Programme Date and which in respect of any such Notes and Programme Preference Shares, supersedes and replaces the 2013 Programme Memorandum in its entirety;

"Programme Preference Share Terms and Conditions"

the terms and conditions of the Programme Preference Shares set out in the section of this Programme Memorandum headed "*Programme Preference Share Terms and Conditions*";

"Programme Preference Shares"

the preference shares issued or to be issued by the Issuer under the Programme from time to time;

"Put Notice"

a notice which must be delivered to the Issuer Agent by any Noteholder wanting to exercise its option (if applicable) to require the Issuer to redeem the Senior Notes in that Tranche of Notes held by the Noteholder, in whole or in part at the Optional Redemption Amount on the Optional Redemption Date in terms of Condition 10.4 (*Early Redemption at the Option of Noteholders of Senior Notes*);

"Qualifying Additional Tier 1 Securities"

in relation to a Tranche of Additional Tier 1 Notes, securities issued directly by the Issuer that:

- (i) have terms not materially less favourable to a holder of Additional Tier 1 Notes than the terms of the Additional Tier 1 Notes being substituted or varied in accordance with Condition 10.7 (*Substitution or variation*) (as reasonably determined by the Issuer), and provided that a certification to such effect signed by 2 (two) authorised officers of the Issuer shall have been delivered to the Issuer Agent prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Additional Tier 1

Securities (a) contain terms which comply with the then current minimum requirements of the Relevant Authority in relation to Additional Tier 1 Capital, required to ensure that such Qualifying Additional Tier 1 Securities qualify as Additional Tier 1 Capital, (b) include terms which provide for the same Interest Rate, dividend or distribution rate or rate of return from time to time applying to the Additional Tier 1 Notes, and preserve the Interest Payment Dates, (c) rank at least *pari passu* with the ranking of the Additional Tier 1 Notes, (d) preserve any existing rights under the Note Terms and Conditions to any accrued interest or other amounts which have not been paid and (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Additional Tier 1 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and

- (ii) if the Additional Tier 1 Notes being substituted or varied in accordance with Condition 10.7 (*Substitution or variation*) are listed on the JSE, (a) are listed on the JSE or (b) are listed on such other Financial Exchange at that time as selected by the Issuer;

"Qualifying Tier 2 Securities"

in relation to a Tranche of Tier 2 Notes, securities issued directly by the Issuer that:

- (i) have terms not materially less favourable to a holder of Tier 2 Notes than the terms of the Tier 2 Notes being substituted or varied in accordance with Condition 10.7 (*Substitution or variation*) (as reasonably determined by the Issuer), and provided that a certification to such effect signed by 2 (two) authorised officers of the Issuer shall have been delivered to the Issuer Agent prior to the issue or, as appropriate, variation of the relevant securities and is so stated in the certificate), and which Qualifying Tier 2 Securities (a) contain terms which comply with the then current minimum requirements of the Relevant Authority in relation to Tier 2 Capital, required to ensure that such Qualifying Tier 2 Securities qualify as Tier 2 Capital,

(b) include terms which provide for the same Interest Rate, dividend or distribution rate or rate of return from time to time applying to the Tier 2 Notes, and preserve the Interest Payment Dates, (c) rank at least *pari passu* with the ranking of the Tier 2 Notes, (d) preserve any existing rights under the Note Terms and Conditions to any accrued interest or other amounts which have not been paid and (e) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Tier 2 Notes, including, without limitation, as to the timing of, and amounts payable upon, such redemption; and

- (ii) if the Tier 2 Notes being substituted or varied in accordance with Condition 10.7 (*Substitution or variation*) are listed on the JSE, (a) are listed on the JSE or (b) are listed on such other Financial Exchange at that time as selected by the Issuer;

“Rating”

in relation to the Issuer, the Programme or a Tranche of Notes, as the case may be, the rating assigned to the Issuer, the Programme or that Tranche of Notes, as the case may be, by any Rating Agency, as specified in the Applicable Pricing Supplement (Notes);

“Rating Agency”

such rating agency(ies) (registered in terms of section 5(1) of the Credit Rating Services Act, 2012) as may be appointed by the Issuer for the purpose of rating the Issuer, the Programme and/or a Tranche of Notes, as the case may be, and as specified in the Applicable Pricing Supplement (Notes);

“Reference Banks”

in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;

“Reference Price”

in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;

“Reference Rate”

in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to

	that Tranche;
"Register"	the register of Noteholders maintained by the Issuer Agent in terms of Condition 17 (<i>Register</i>) and the agency agreement (if any), of which any Uncertificated Securities Register (which is administered and maintained by a Participant or the CSD, as determined in accordance with the Applicable Procedures) forms part;
"Registered Note"	a Note issued in registered form and transferable in accordance with Condition 16 (<i>Transfer of Notes</i>) and which may include Uncertificated Notes;
"Registrar of Banks"	the Registrar of Banks designated under section 4 of the Banks Act;
"Regular Period"	<ul style="list-style-type: none"> (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date; (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where "<i>Regular Date</i>" means the day and month (but not the year) on which any Interest Payment Date falls; and (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where "<i>Regular Date</i>" means the day and the month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Regulations Relating to Banks"	the Regulations promulgated under section 90 of the Banks Act (published on 12 December 2012 in Government Gazette 35950) (as amended by Government Notice R261 in Government Gazette 38616 of 27 March 2015, Government Notice R309 in Government Gazette 38682 of 10 April 2015 and Government Notice R297 in Government Gazette 40002 of 20 May 2016), as such Regulations may be amended, supplemented or replaced from time to time, and any other prevailing capital adequacy regulations promulgated under the Banks Act and applicable to the Issuer, as such regulations may be amended, supplemented or replaced from time to time;
"Regulatory Capital"	as applicable, Tier 2 Capital or Additional Tier 1 Capital;
"Regulatory Capital Change"	(i) a change in, or amendment to, the Regulatory Capital Requirements or (ii) any change in the application of or official or generally published guidance or interpretation of the Regulatory Capital Requirements, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;
"Regulatory Capital Event"	an event which is deemed to have occurred if, with respect to the Notes of any Series which comprise Subordinated Capital Notes on the Issue Date of the first Tranche of Notes of that Series, the whole or any part of the aggregate outstanding Nominal Amount of the Notes of that Series would, as a result of a Regulatory Capital Change, no longer be eligible to qualify or no longer qualify (on a solo and/or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, or will in the future, but in the case of Tier 2 Notes, prior to the Maturity Date, no longer qualify (on a solo or consolidated basis) fully, or to the extent permitted by the Regulatory Capital Requirements, partially, as Regulatory Capital (save where such non-qualification arises only as a result of any applicable limitation on the amount of such capital or any amortisation or recognition of Tier 2 Capital under the Regulatory Capital Requirements in the final 5 (five) years prior to maturity) of the Issuer, on a solo and/or consolidated basis. For the avoidance of doubt, a Write Off would not constitute a

"Regulatory Capital Requirements"	<p>Regulatory Capital Event;</p> <p>at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa (and, if applicable, to the controlling companies of such banks) (including any rules and Additional Conditions applicable specifically to the Issuer as prescribed by the Relevant Authority);</p>
"Relevant Authority"	<p>the Registrar of Banks in terms of the Banks Act and any successor or replacement thereto, or any authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the responsibility of making decisions relating to the declaration of a bank as being non-viable with the effect (as contemplated in the Regulations Relating to Banks) of triggering loss absorption within the relevant capital instruments and/or shares;</p>
"Relevant Authority's Trigger Event Notice"	<p>the notification given to the Issuer by the Relevant Authority upon the occurrence of a Trigger Event as contemplated in the Regulatory Capital Requirements, which notification may or may not be in writing, and which may or may not require the Issuer to Convert or Write Off all or some of its Regulatory Capital-qualifying instruments or shares;</p>
"Relevant Date"	<p>in respect of any payment relating to a Tranche of Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Note Terms and Conditions, it means the first date on which:</p> <ul style="list-style-type: none"> (i) the full amount of such monies have been received by the CSD; (ii) such monies are available for payment to the holders of Beneficial Interests; and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;

"Relevant Financial Exchange"	the JSE, or if at the relevant time the Issuer Shares are not listed and admitted to trading on the JSE, the principal Financial Exchange or securities market on which the Issuer Shares are then listed, admitted to trading or quoted or dealt in, as the case may be;
"Relevant Part"	that portion of the aggregate outstanding Nominal Amount of the Series of Subordinated Capital Notes which the Relevant Authority requires be Written Off or Converted, as the case may be, upon the occurrence of a Trigger Event, whether expressed as a value, a percentage or otherwise, as determined and notified to the Issuer by the Relevant Authority;
"Relevant Screen Page"	the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement (Notes), or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
"Relevant Time"	in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Representative"	a Person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer and the Issuer Agent (both acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder;
"SARB"	the South African Reserve Bank, or the relevant replacement or successor regulator;
"Securities Account"	shall bear the meaning ascribed thereto in the Financial Markets Act;
"Senior Creditors"	(i) all creditors of the Issuer (including the Noteholders of Senior Notes) whose claims against the Issuer are in

respect of unsubordinated obligations of the Issuer; and

- (ii) all creditors of the Issuer whose claims (whether subordinated or unsubordinated) are, or are expressed to be or rank (or are deemed under the Regulatory Capital Requirements to rank) in priority to all or certain claims which are subordinated (whether only in the event of the winding up, liquidation or curatorship of the Issuer or otherwise) to the claims of other creditors of the Issuer, other than (i) in relation to the claims of Tier 2 Noteholders, all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with or junior to the claims of the Tier 2 Noteholders, or (ii) in relation to the claims of Additional Tier 1 Noteholders, all creditors of the Issuer whose claims rank or are expressed to rank (or are deemed under the Regulatory Capital Requirements to rank) *pari passu* with or junior to the claims of the Additional Tier 1 Noteholders;

"Senior Notes"

Notes issued with the status and characteristics set out in Condition 6.1 (*Status of Senior Notes*) as specified in the Applicable Pricing Supplement (Notes);

"SENS"

the Stock Exchange News Services established by the JSE;

"Series"

a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;

"Solvent Reconstruction"

the event where an order is made or an effective resolution is passed for the winding-up of the Issuer (i) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Securities are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or (ii) where an arrangement with similar effect not

	involving a bankruptcy or insolvency is implemented;
"South Africa"	the Republic of South Africa;
"Specified Currency"	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on the JSE, subject to the rules and applicable debt listings requirements of the JSE, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Specified Denomination"	in relation to a Tranche of Notes, has the meaning ascribed thereto in the Applicable Pricing Supplement (Notes) relating to that Tranche;
"Specified Office"	in relation to each of the Issuer, the Issuer Agent and the stabilising manager (if any), the address of the office in respect of such entity as specified in the Applicable Pricing Supplement (Notes), or such other address as is notified by such entity (or where applicable, a successor to such entity) to the Noteholders in accordance with Condition 19 (<i>Notices</i>);
"Statutory Loss Absorption Regime" or "SLAR"	<p>any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Relevant Authority with (i) special resolution powers in respect of systemically-important- and other financial institutions and/or (ii) the power to implement principal loss absorption measures in respect of capital instruments (such as Additional Tier 1 Capital and Tier 2 Capital) in accordance with Basel III (being the set of minimum global standards for banks issued by the Basel Committee on Banking Supervision in December 2010 and revised in July 2011, or its successor or replacement standard) and which legal, statutory or regulatory regime or requirement so implemented:</p> <ul style="list-style-type: none"> (i) requires the capital instrument to be written off upon the occurrence of a trigger event specified by the Relevant Authority in writing; or (ii) requires the capital instrument to be converted to the most subordinated form of equity of the Issuer; or (iii) otherwise requires the instrument to absorb loss before

tax payers or ordinary depositors are exposed to loss;

“Subordinated Capital Notes”

Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital in accordance with the relevant Regulatory Capital Requirements;

“Subordinated Indebtedness”

any indebtedness of the Issuer in respect of monies borrowed, including guarantees given by the Issuer in respect of such indebtedness (including indebtedness of the Issuer in respect of the Subordinated Notes), under which the right of payment of the Person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to Concurrent Claims in the event of the dissolution, winding up or liquidation of the Issuer;

“Subordinated Notes”

any Notes (including Subordinated Capital Notes) specified as such in the Applicable Pricing Supplement (Notes), issued, in the case of Subordinated Notes that are not Subordinated Capital Notes, with the status and characteristics set out in Condition 6.2 (*Status of Subordinated Notes that are not Subordinated Capital Notes*), in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Tier 2 Capital, with the status and characteristics set out in Condition 6.3 (*Status of Tier 2 Notes*) and in the case of Subordinated Capital Notes the proceeds of which are intended to constitute Additional Tier 1 Capital, with the status and characteristics set out in Condition 6.4 (*Status of Additional Tier 1 Notes*);

“Tax Event (Deductibility)”

an event where, as a result of a Tax Law Change, in respect of the Issuer’s obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any

	such interest does not constitute a tax deductible expense);
"Tax Event (Gross up)"	an event where, as a result of a Tax Law Change, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 12 (<i>Taxation</i>), and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);
"Tax Law Change"	in relation to each Note in a Series of Notes, a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to Tax, or any change in the application or official interpretation of such tax laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which actual or proposed change or amendment is announced on or after the Issue Date of the first Tranche of such Series of Notes;
"Taxes"	all present and future taxes, duties, imposts, levies, charges, fees, withholdings or deductions of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and " Tax " and " Taxation " will be construed accordingly;
"Tier 2 Capital"	<i>"Tier 2 capital"</i> as defined in the Banks Act;
"Tier 2 Capital Regulations"	Regulation 38(12) of the Regulations Relating to Banks and/or such other provisions of the Regulatory Capital Requirements with which the instruments and/or shares contemplated in that Regulation (including the Tier 2 Notes) must comply in order for the proceeds of the issue of such instruments and/or shares to rank as Tier 2 Capital;

"Tier 2 Noteholder"	a Noteholder of a Tier 2 Note;
"Tier 2 Notes"	Notes specified as such in the Applicable Pricing Supplement (Notes) and complying with the Tier 2 Capital Regulations;
"Tranche"	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
"Transfer Form"	the written form for the transfer of a Registered Note, in the form approved by the Issuer Agent, and signed by the transferor and transferee;
"Trigger Event"	<p>unless otherwise specified in the Applicable Pricing Supplement (Notes):</p> <ul style="list-style-type: none"> (i) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital and Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as equity, the occurrence of a <i>"trigger event"</i> specified in the Relevant Authority's Trigger Event Notice by the Relevant Authority as contemplated in Regulations 38(12)(a)(i) and 38(11)(b)(i) of the Regulations Relating to Banks respectively, provided that in each case, the aforesaid <i>"trigger event"</i> shall be the earlier of: <ul style="list-style-type: none"> (a) a decision that a Write Off, without which the Issuer would become non-viable, is necessary as determined by the Relevant Authority; or (b) a decision to make a public sector injection of capital without which the Issuer would become non-viable as determined by the Relevant Authority; and (ii) in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital which are accounted for as liabilities, the first to occur of the following events: <ul style="list-style-type: none"> (a) the occurrence of a <i>"trigger event"</i> specified in the

Relevant Authority's Trigger Event Notice by the Relevant Authority as contemplated in Regulation 38(11)(b)(i) of the Regulations Relating to Banks, provided that the aforesaid "trigger event" shall be the earlier of:

(A) a decision that a Write Off, without which the Issuer would become non-viable, is necessary as determined by the Relevant Authority; or

(B) a decision to make a public sector injection of capital without which the Issuer would become non-viable as determined by the Relevant Authority; and

(b) the Common Equity Tier 1 ratio of the is equal to or falls below the value of risk-weighted exposures set out in Guidance Note 6 (or such other amount of risk-weighted exposures as may from time to time be prescribed in the Regulatory Capital Requirements);

"Uncertificated Note"

a Note that is an uncertificated security as contemplated in the Financial Markets Act, and related expressions have the same meaning;

"Uncertificated Securities Register"

the register of uncertificated securities administered and maintained by the Participant or the CSD, as determined in accordance with the Applicable Procedures, and which forms part of the Register;

"Write Off"

(i) in respect of Tier 2 Notes:

(a) the Tier 2 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Relevant Authority; and

(b) all rights of any Tier 2 Noteholders for payment of

any amounts under or in respect of the Tier 2 Notes, or the Written Off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Relevant Authority's Trigger Event Notice and even if the Trigger Event has ceased; and

(ii) in respect of Additional Tier 1 Notes:

- (a) the Additional Tier 1 Notes shall be cancelled (in the case of a write off in whole) or written down in part on a *pro rata* basis (in the case of write off in part), in accordance with the Regulatory Capital Requirements and as determined by the Relevant Authority; and
- (b) all rights of any Additional Tier 1 Noteholders for payment of any amounts under or in respect of the Additional Tier 1 Notes, or the Written Off portion thereof, as the case may be, (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Event of Default) shall, as the case may be, be cancelled or written off *pro rata* among the Additional Tier 1 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Relevant Authority's Trigger Event Notice and even if the Trigger Event has ceased;

"ZAR"

the lawful currency of South Africa, being South African Rand, or any successor currency;

"ZAR-JIBAR-SAFEX"

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen

SAFEY Page as at 12h00, Johannesburg time on the relevant date, or any successor rate; and

"Zero Coupon Notes"

Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

2. INTERPRETATION

2.1. In these Note Terms and Conditions:

- 2.1.1. if an expression is stated in Condition 1 (*Definitions*) to have the meaning given in the Applicable Pricing Supplement (Notes), but the Applicable Pricing Supplement (Notes) gives no such meaning or specifies that such expression is "*not applicable*" then such expression is not applicable to the relevant Tranche of Notes;
- 2.1.2. any reference to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time; and
- 2.1.3. any reference to "*Currency*" or "*currency*" means the lawful currency from time to time of a country.

2.2. Unless inconsistent with the context or save where the contrary is expressly specified in the Note Terms and Conditions:

- 2.2.1. references to any Condition are to that Condition of the Note Terms and Conditions;
- 2.2.2. words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;
- 2.2.3. a "subsidiary", "wholly-owned subsidiary" or "holding company" shall be interpreted in accordance with section 1 of the Companies Act;
- 2.2.4. the use of the word "*including*" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *ejusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "*including*" and "*in particular*" will not be construed restrictively but will mean "*including, without*

prejudice to the generality of the foregoing" and *"in particular, but without prejudice to the generality of the foregoing"* respectively;

- 2.2.5. any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;
- 2.2.6. where any number of days is to be calculated from a particular day, such number shall be calculated as inclusive of the first day and exclusive of the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day.
- 2.3. If any provision in a definition in the Note Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Note Terms and Conditions.
- 2.4. Headings and sub-headings in the Note Terms and Conditions are inserted for convenience only.
- 2.5. Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Note Terms and Conditions.
- 2.6. The rule of construction that, in the event of ambiguity, a contract shall be interpreted against the party responsible for the drafting thereof shall not be applied in the interpretation of the Note Terms and Conditions.

3. **ISSUE**

- 3.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder, but subject to the prior consent of the Relevant Authority if and to the extent required by Applicable Law), issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the aggregate outstanding Nominal Amount of all of the Notes (including Notes issued under the Programme pursuant to the Previous Programme Memoranda) and the aggregate Calculation Amount (as defined in the Programme Preference Share Terms and Conditions) of all of the Programme Preference Shares (including Programme Preference Shares issued under the Programme pursuant to the 2013 Programme Memorandum) issued under the Programme from time to time does not exceed the Programme Amount.
- 3.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms

and Conditions of a Tranche of Notes which are the Note Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement (Notes) relating to that Tranche of Notes.

- 3.3. The applicable Note Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement (Notes) relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.
- 3.4. Copies of the Applicable Pricing Supplement (Notes) are available for inspection at the Specified Office of the Issuer.

4. **FORM**

4.1. General

- 4.1.1. A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes, as specified in the Applicable Pricing Supplement (Notes).
- 4.1.2. A Tranche of Notes will comprise Senior Notes or Subordinated Notes, as indicated in the Applicable Pricing Supplement (Notes). Any Note issued, whether a Senior Note or a Subordinated Note, may, subject to the Regulatory Capital Requirements in the case of Subordinated Capital Notes, be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Note, a Mixed Rate Note, an Instalment Note, a Partly Paid Note, an Exchangeable Note or a combination of any of the foregoing or such other type of note as may be approved by the JSE, or its successor, or such other or further Financial Exchange(s), as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement (Notes).
- 4.1.3. A Tranche of Notes may be listed on the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer, subject to any Applicable Law. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement (Notes) will specify whether or not a Tranche of Notes will be listed, on which Financial Exchange(s) they are to be listed (if applicable) and, if such Tranche of Notes is to be listed on the JSE, the relevant platform or sub-market of the JSE on which such Tranche of Notes is to be listed.

4.2. Registered Notes

A Tranche of Registered Notes will be represented by (i) Individual Certificates, as contemplated in Condition 4.2.1 (*Notes issued in certificated form*), or (ii) no Individual Certificate and held in uncertificated form in the CSD, as contemplated in Condition 4.2.2 (*Notes issued in uncertificated form*), as specified in the Applicable Pricing Supplement (Notes). The CSD will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

4.2.1. Notes issued in certificated form

Each Tranche of Registered Notes may, subject to Applicable Law and the Applicable Procedures, be issued in certificated form.

All Registered Notes issued in certificated form will be represented by Individual Certificates and a Register of Noteholders will be maintained. A Registered Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

4.2.2. Notes issued in uncertificated form

A Tranche of Registered Notes which is listed on the JSE must, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Registered Notes issued in uncertificated form will (i) be held in the CSD and (ii) not be represented by any certificate or written instrument.

4.2.3. Beneficial Interests in Notes held in the CSD

A Tranche of Registered Notes which is listed on the JSE will be issued in uncertificated form and held in the CSD. A Tranche of uncertificated unlisted Registered Notes may also be held in the CSD.

The CSD will hold Registered Notes issued in uncertificated form subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Registered Notes held in the CSD will be paid to the CSD and all rights to be exercised in respect of Registered Notes held in the CSD may be exercised only, in each case, in accordance with the Applicable Procedures.

A holder of an uncertificated Registered Note or Beneficial Interest therein shall only be entitled to exchange such holding for Registered Notes represented by

an Individual Certificate in accordance with Condition 14.1 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

4.2.4. Currency and Denomination

Notes will be issued in the Specified Currency. Each Note will be issued in the Specified Denomination.

The aggregate Nominal Amount, Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement (Notes).

4.2.5. Recourse to the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund

The holders of Notes that are not listed on the JSE will have no recourse against the JSE, the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund, as applicable. Claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as applicable, may only be made in respect of the trading of Notes listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the JSE. Any claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as applicable, may only be made in accordance with the rules of the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be. Unlisted Notes are not regulated by the JSE.

5. **TITLE**

5.1. Registered Notes issued in certificated form

- 5.1.1. Each holder of Registered Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Registered Notes.
- 5.1.2. Title to Registered Notes issued in certificated form will pass upon registration of transfer in the Register in accordance with Condition 16.2 (*Transfer of Registered Notes represented by Individual Certificates*).
- 5.1.3. The Issuer and the Issuer Agent shall recognise a holder of Registered Notes represented by an Individual Certificate as the sole and absolute owner of the Registered Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Registered Note may be subject.

5.2. Registered Notes issued in uncertificated form

- 5.2.1. The registered holders of each Tranche of Registered Notes which is issued in uncertificated form will be the Persons recorded in the Uncertificated Securities Register as the registered holders of such Notes.
- 5.2.2. Title to Registered Notes issued in uncertificated form will pass upon registration of transfer in the Register in accordance with Condition 16.1 (*Transfer of title or Beneficial Interests in uncertificated Registered Notes*).
- 5.2.3. Each Person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of uncertificated Registered Notes will be treated by the Issuer, the Issuer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such uncertificated Registered Notes for all purposes.

5.3. Registered Notes held in the CSD

- 5.3.1. While a Tranche of Registered Notes is held in its entirety in the CSD, each Person (including Participants and, where applicable, clients of Participants) recorded in the Uncertificated Securities Register will be named as the registered Noteholder of the portion of that Tranche of uncertificated Registered Notes so registered in the Person's name in accordance with the Applicable Procedures.
- 5.3.2. Where a Central Securities Account or Securities Account is in the name of a Participant (or its nominee), but is for the benefit of such Participant's client, such Participant is required to maintain Securities Accounts for its clients. Beneficial Interests which are held by clients of Participants will be held indirectly through Participants (or their nominee), and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.
- 5.3.3. In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular outstanding Nominal Amount of Registered Notes, a certificate, statement or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate outstanding Nominal Amount of such

Registered Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest.

- 5.3.4. Title or Beneficial Interests in Uncertificated Notes may be transferred only in accordance with the Applicable Procedures as contemplated in Condition 16.1 (*Transfer of title or Beneficial Interests in uncertificated Registered Notes*). Such transfers will be recorded in accordance with the Applicable Procedures.
- 5.3.5. Any reference in the Note Terms and Conditions to the relevant Participant shall, in respect of an Uncertificated Note or a Beneficial Interest therein, be a reference to the Participant appointed to act as such by the holder of such Uncertificated Note or Beneficial Interest therein.

6. STATUS OF NOTES, WRITE OFF AND CONVERSION OF SUBORDINATED CAPITAL NOTES

6.1. Status of Senior Notes

- 6.1.1. *Application:* This Condition 6.1 (*Status of Senior Notes*) applies only to Senior Notes.
- 6.1.2. *Status of Senior Notes:* Unless otherwise specified in the Applicable Pricing Supplement (Notes), the Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 7 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and, subject to Condition 7 (*Negative Pledge*) and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing, save for such obligations as may be preferred by provisions of law that are both mandatory from time to time outstanding and of general application.

6.2. Status of Subordinated Notes that are not Subordinated Capital Notes

- 6.2.1. *Application:* This Condition 6.2 (*Status of Subordinated Notes that are not Subordinated Capital Notes*) applies only to Subordinated Notes that are not Subordinated Capital Notes.
- 6.2.2. *Status of Subordinated Notes that are not Subordinated Capital Notes:* Subordinated Notes that are not Subordinated Capital Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other Subordinated Indebtedness, save for those which have been accorded

preferential rights by law, or as otherwise set out in the Applicable Pricing Supplement (Notes).

- 6.2.3. *Subordination*: Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, wound-up or placed under curatorship (in each case other than pursuant to a Solvent Reconstruction), the claims of the holders entitled to payment of amounts due in respect of the Subordinated Notes that are not Subordinated Capital Notes, shall be subordinated to all claims in respect of the Senior Notes and any other indebtedness of the Issuer except for other Subordinated Indebtedness. Accordingly, in any such event, and provided as aforesaid, no holder of a Subordinated Note that is not a Subordinated Capital Note shall be entitled to prove or tender to prove a claim in respect of such Subordinated Notes that are not Subordinated Capital Notes, to the extent that any other indebtedness of the Issuer which is admissible in any such dissolution, insolvency, winding-up or curatorship (other than Subordinated Indebtedness) would not be paid or discharged in full as a result of such proof, and no amount shall be eligible for setting-off or shall be payable to any or all of the Persons entitled to payment of amounts due in respect of such Subordinated Notes that are not Subordinated Capital Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.
- 6.2.4. The payment obligations of the Issuer in respect of Subordinated Notes the proceeds of which are intended to qualify as Regulatory Capital shall rank in accordance with the provisions of the Regulations Relating to Banks as set out in Conditions 6.3 (*Status of Tier 2 Notes*) and 6.4 (*Status of Additional Tier 1 Notes*), as applicable, and in the Applicable Pricing Supplement (Notes) relating to such Notes.

6.3. Status of Tier 2 Notes

- 6.3.1. *Application*: This Condition 6.3 (*Status of Tier 2 Notes*) applies only to Tier 2 Notes.
- 6.3.2. *Status of Tier 2 Notes*: The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 6.3.3 (*Subordination*), subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer

(other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Tier 2 Notes), including but not limited to subordinated obligations in the form of other Tier 2 Notes and Tier 2 Capital, whether issued before the date of issue of the Tier 2 Notes or thereafter and (iii) behind in priority to all claims of Depositors and Senior Creditors.

6.3.3. *Subordination:* The claims of Tier 2 Noteholders entitled to be paid amounts due in respect of the Tier 2 Notes (including any damages or other amounts (if payable)) are subordinated to the claims of Depositors and Senior Creditors and accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or placed under curatorship (in each case other than pursuant to a Solvent Reconstruction):

- 6.3.3.1. no Tier 2 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Tier 2 Notes in such event to the extent that the claims of the Issuer's Depositors and Senior Creditors which are admissible in any such dissolution, insolvency, winding-up or curatorship would not be paid or discharged in full as a result of such proof;
- 6.3.3.2. no other amount due under the Tier 2 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Tier 2 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Tier 2 Notes nor shall any amount due under the Tier 2 Notes be payable to any Tier 2 Noteholder until the claims of such Depositors and Senior Creditors which are admissible in any such dissolution, liquidation, winding-up or curatorship have been paid or discharged in full; and
- 6.3.3.3. subject to Applicable Law, a Tier 2 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Tier 2 Notes owed to it by the Issuer and each Tier 2 Noteholder shall, by virtue of its subscription, purchase or holding of any Tier 2 Notes, (i) be deemed to have waived all such rights of set-off and (ii) to the extent that any set-off takes place, whether by operation of law or otherwise, between (a) any amount arising out of or in connection with the Tier 2 Notes owed by the Issuer to a Tier 2 Noteholder and (b) any amount owed to the Issuer by such Tier 2 Noteholder, such Tier 2 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of the Issuer's dissolution, winding-up, liquidation or curatorship (as

the case may be), to the liquidator, curator or other relevant insolvency official of the Issuer, to be held in trust by the liquidator, curator or other relevant insolvency official of the Issuer for the benefit of the Issuer's Depositors and Senior Creditors until the claims of such Depositors and Senior Creditors which are admissible in any such dissolution, liquidation, winding-up or curatorship have been paid or discharged in full, and this undertaking will constitute a *stipulatio alteri* in favour of the Depositors and Senior Creditors.

6.4. Status of Additional Tier 1 Notes

- 6.4.1. *Application:* This Condition 6.4 (*Status of Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.
- 6.4.2. *Status of Additional Tier 1 Notes:* The Additional Tier 1 Notes constitute direct, unsecured and, in accordance with Condition 6.4.3 (*Subordination*), subordinated obligations of the Issuer and will rank (i) *pari passu* without any preference among themselves, (ii) save for those that have been accorded preferential rights by law, at least *pari passu* with all other subordinated obligations of the Issuer (other than any subordinated obligations which rank or are expressed to rank senior to the Issuer's obligations under the Additional Tier 1 Notes), including but not limited to subordinated obligations in the form of other Additional Tier 1 Notes and Additional Tier 1 Capital, whether issued before the date of issue of the Additional Tier 1 Notes or thereafter and (iii) behind in priority to all claims of Depositors, Senior Creditors and holders of Junior Debt.
- 6.4.3. *Subordination:* The claims of Additional Tier 1 Noteholders entitled to be paid amounts due in respect of the Additional Tier 1 Notes (including any damages or other amounts (if payable)) are subordinated to the claims of Depositors, Senior Creditors and holders of Junior Debt and accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or placed under curatorship (in each case other than pursuant to a Solvent Reconstruction):
 - 6.4.3.1. no Additional Tier 1 Noteholder shall be entitled to prove or tender to prove a claim in respect of the Additional Tier 1 Notes in such event to the extent that the claims of the Issuer's Depositors, Senior Creditors and holders of Junior Debt which are admissible in any

such dissolution, insolvency, winding-up or curatorship would not be paid or discharged in full as a result of such proof;

- 6.4.3.2. no other amount due under the Additional Tier 1 Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which an Additional Tier 1 Noteholder might otherwise have under the laws of any jurisdiction in respect of the Additional Tier 1 Notes nor shall any amount due under the Additional Tier 1 Notes be payable to any Additional Tier 1 Noteholder until the claims of such Depositors, Senior Creditors and holders of Junior Debt which are admissible in any such dissolution, liquidation, winding-up or curatorship have been paid or discharged in full; and
- 6.4.3.3. subject to Applicable Law, an Additional Tier 1 Noteholder may not exercise or claim any right of set-off in respect of any amount arising out of or in connection with the Additional Tier 1 Notes owed to it by the Issuer and each Additional Tier 1 Noteholder shall, by virtue of its subscription, purchase or holding of any Additional Tier 1 Notes, (i) be deemed to have waived all such rights of set-off and (ii) to the extent that any set-off takes place, whether by operation of law or otherwise, between (a) any amount arising out of or in connection with the Additional Tier 1 Notes owed by the Issuer to an Additional Tier 1 Noteholder and (b) any amount owed to the Issuer by such Additional Tier 1 Noteholder, such Additional Tier 1 Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of the Issuer's dissolution, winding-up, liquidation or curatorship (as the case may be), to the liquidator, curator or other relevant insolvency official of the Issuer, to be held in trust by the liquidator, curator or other relevant insolvency official of the Issuer for the benefit of the Issuer's Depositors, Senior Creditors and holders of Junior Debt until the claims of such Depositors, Senior Creditors and holders of Junior Debt which are admissible in any such dissolution, liquidation, winding-up or curatorship have been paid or discharged in full, and this undertaking will constitute a *stipulatio alteri* in favour of the Depositors, Senior Creditors and holders of Junior Debt.

6.5. Write Off or Conversion of Subordinated Capital Notes

- 6.5.1. The relevant Applicable Pricing Supplement (Notes) shall specify whether Conversion upon the occurrence of a Trigger Event or Write Off upon the

occurrence of a Trigger Event will apply to the Tranche of Subordinated Capital Notes issued in terms of that Applicable Pricing Supplement (Notes). If a Trigger Event occurs, then the Issuer shall, after receipt of a Relevant Authority's Trigger Event Notice in relation to that Trigger Event and in accordance with the Regulatory Capital Requirements, and if so instructed by the Relevant Authority, either Convert or Write Off, as the case may be, the relevant Tranche of Subordinated Capital Notes (or the Relevant Part thereof, as the case may be, but subject to Condition 6.7.2.2).

- 6.5.2. Subject to the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, Write Off or Conversion of Subordinated Capital Notes, as applicable, need only occur up until the point where the Issuer is deemed by the Relevant Authority to be viable again, as specified in writing by the Relevant Authority.

6.6. Notification of Trigger Event

- 6.6.1. Following receipt by the Issuer of a Relevant Authority's Trigger Event Notice notifying the Issuer that a Trigger Event has occurred, the Issuer will forthwith deliver a written notice (the "**Issuer's Trigger Event Notice**" to the Tier 2 Noteholders and Additional Tier 1 Noteholders, as applicable, in accordance with Condition 19 (*Notices*):

- 6.6.1.1. stating that the Issuer has received a Relevant Authority's Trigger Event Notice;
- 6.6.1.2. repeating the Trigger Event as set out in that Relevant Authority's Trigger Event Notice; and
- 6.6.1.3. if the Issuer is instructed by the Relevant Authority to Write Off or Convert, as applicable, stating that a Write Off and/or Conversion, as the case may be, of the relevant Subordinated Capital Notes will take place pursuant to the occurrence of that Trigger Event specified in such Relevant Authority's Trigger Event Notice.

6.6.2. If a Conversion of any Convertible Subordinated Capital Notes will take place pursuant to the occurrence of the Trigger Event specified in the relevant Relevant Authority's Trigger Event Notice, the Issuer will deliver a further written notice (the "**Issuer Conversion Price Notice**") to the Tier 2 Noteholders and Additional Tier 1 Noteholders, as applicable, in accordance with Condition 19 (*Notices*), which specifies:

6.6.2.1. the Conversion Price;

6.6.2.2. the Conversion Record Date;

6.6.2.3. the Conversion Settlement Date; and

6.6.2.4. details of the arrangements for the settlement of the Conversion,

within the time period specified in the Applicable Pricing Supplement (Notes) or failing any time period stipulated therein, as soon as the Conversion Price has been determined and such details are available. In this regard, the Issuer is required to do all things which may be necessary to enable such Conversion Price and such details to be determined as soon as is reasonably possible in the circumstances.

6.6.3. The Issuer shall forthwith, after having issued any Issuer's Trigger Event Notice or Issuer Conversion Price Notice, notify all Noteholders of the details contained in such notices in accordance with Condition 19 (*Notices*), and shall further notify (i) to the extent that there are any Uncertificated Notes outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details.

6.7. Conversion of Convertible Subordinated Capital Notes upon a Trigger Event

6.7.1. This Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) applies only to Convertible Subordinated Capital Notes and is referred to as the "Contractual Conversion Condition" in the Note Terms and Conditions.

6.7.2. If the relevant Applicable Pricing Supplement (Notes) specifies that the Contractual Conversion Condition is applicable to the relevant Series of Subordinated Capital Notes:

6.7.2.1. the Issuer will for purposes of the Conversion of such Convertible Subordinated Capital Notes, comply with Conditions 6.5 (*Write Off*)

or *Conversion of Subordinated Capital Notes*) and 6.6 (*Notification of Trigger Event*);

6.7.2.2. the Issuer shall, on the Conversion Settlement Date, subject to Condition 6.7.5 but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, purchase the rights, interest and title in and to, and obligations under the Converted Subordinated Capital Notes which shall be achieved as follows:

6.7.2.2.1. in the case of Convertible Subordinated Capital Notes represented by Individual Certificates, the rights, interest and title in and to and the obligations of such Noteholder of the Subordinated Capital Notes under the relevant certificated Convertible Subordinated Capital Notes concerned will be purchased by the Issuer from the holder thereof (as recorded in the Register on the Conversion Record Date) and, if only a Relevant Part of the Convertible Subordinated Capital Notes of such Noteholder is to be so purchased, and the aggregate Nominal Amount of the Relevant Part of such Convertible Subordinated Capital Notes is not a whole multiple of the Specified Denomination of such Notes, then the aggregate Nominal Amount of the certificated Convertible Subordinated Capital Notes of such Noteholder to be so Converted shall be rounded up so that it is equal to a whole multiple of the Specified Denomination of such Series; and

6.7.2.2.2. in the case of Convertible Subordinated Capital Notes held in uncertificated form, the Issuer will purchase the Beneficial Interests of the holders of such uncertificated Convertible Subordinated Capital Notes who hold such interests on the Conversion Record Date, on a *pro rata* basis, provided that if the aggregate Nominal Amount of the uncertificated Convertible Subordinated Capital Notes to be so purchased and Converted does not

equal a whole multiple of the Specified Denomination of such Notes, then the aggregate Nominal Amount of the uncertificated Convertible Subordinated Capital Notes to be so Converted shall be rounded up so that it is equal to a whole multiple of the Specified Denomination of such Series;

- 6.7.2.3. as consideration for the purchase of the Converted Subordinated Capital Notes, the Issuer shall, on the Conversion Settlement Date and against transfer of the relevant Noteholders' rights and obligations under the Converted Subordinated Capital Notes to the Issuer, issue to the relevant Noteholders of the Subordinated Capital Notes (as they appear, and into the relevant Securities Accounts of the Beneficial Interest holders of such Converted Subordinated Capital Notes recorded as such on the Conversion Settlement Date (or to the relevant Participant managing such Securities Account, if such Issuer Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of the Converted Subordinated Capital Notes as set out in the Register on the Conversion Record Date), the number of newly-issued Issuer Shares calculated by dividing the Conversion Amount on the Conversion Settlement Date by the Conversion Price; and
- 6.7.2.4. simultaneously with the transfer of the relevant Noteholders' rights and obligations under the Converted Subordinated Capital Notes to the Issuer, and the issuing of the Issuer Shares by the Issuer to the relevant Noteholders on the Conversion Settlement Date, the Issuer shall mandatorily and irrevocably convert the Converted Subordinated Capital Notes into the number of newly-issued Issuer Shares calculated by dividing the sum of (i) the total outstanding Nominal Amount of the Converted Subordinated Capital Notes purchased by the Issuer in accordance with Conditions 6.7.2.2 and 6.7.2.3 and (ii) any accrued but unpaid interest on such Converted Subordinated Capital Notes, by the Issuer Share Price.

Any Conversion of Convertible Subordinated Capital Notes or the Relevant Part(s) thereof in accordance with this Condition 6.7 (*Conversion of Convertible*

Subordinated Capital Notes upon a Trigger Event) will be final and binding in the absence of manifest error or fraud.

- 6.7.3. If, when calculating the number of newly-issued Issuer Shares as contemplated in Condition 6.7.2.2, the number of Issuer Shares calculated requires the issue of a fraction of a share to any Person, the number of Issuer Shares to be issued will be rounded down to the nearest whole number of Issuer Shares to ensure the issue of a whole number of shares to each Person entitled to receive same, and the relevant Noteholders of Subordinated Capital Notes or the holders of Beneficial Interests in the relevant Converted Subordinated Capital Notes shall, subject to the proviso set out in Condition 6.7.2.2, only be entitled to receive such whole number of Issuer Shares.
- 6.7.4. As soon as reasonably possible after the Conversion Settlement Date, the Issuer shall, in the manner contemplated in Condition 19 (*Notices*), deliver to the relevant Noteholders of Subordinated Capital Notes a notice from the CSD confirming that the Issuer Shares have been issued and entered in the relevant Noteholders' respective Securities Accounts.
- 6.7.5. Notwithstanding the occurrence a Trigger Event and the delivery of an Issuer's Trigger Event Notice:
 - 6.7.5.1. the Issuer shall ensure that any Conversion is implemented in such a manner that:
 - 6.7.5.1.1. Tier 2 Noteholders of any Series of Convertible Subordinated Notes that are Tier 2 Notes will be treated rateably and equally amongst themselves but subject to any requirements for rounding contemplated in this Condition 6 (*Status of Notes, Write Off and Conversion of Subordinated Capital Notes*) and the distinction between the treatment of holders of Individual Certificates and holders of Beneficial Interests in such Convertible Subordinated Notes that are Tier 2 Notes, as contemplated in Conditions 6.7.2.2 and 6.7.2.2; and
 - 6.7.5.1.2. Additional Tier 1 Noteholders of any Series of Convertible Subordinated Notes that are Additional Tier 1 Notes will be treated rateably and equally amongst themselves but subject to any

requirements for rounding contemplated in this Condition 6 (*Status of Notes, Write Off and Conversion of Subordinated Capital Notes*) and the distinction between the treatment of holders of Individual Certificates and holders of Beneficial Interests in such Convertible Subordinated Notes that are Additional Tier 1 Notes, as contemplated in Conditions 6.7.2.2 and 6.7.2.2;

- 6.7.5.2. no Tier 2 Notes to which Conversion is specified as applicable in the Applicable Pricing Supplement (Notes) may be Converted unless Additional Tier 1 Capital instruments, if any, have been completely written-off or converted, as the case may be;
- 6.7.5.3. the Conversion of Convertible Subordinated Notes that are Tier 2 Notes shall be conducted on a *pro rata* and proportionate basis with all other Tier 2 Capital of the Issuer to the extent that such other Tier 2 Capital (including but not limited to other Notes which qualify as Tier 2 Capital) is subject to being Written Off or Converted into Issuer Shares under Applicable Law and/or the applicable contractual provisions of such Tier 2 Capital (but again, subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2 and 6.7.2.2, in relation to such other Tier 2 Capital); and
- 6.7.5.4. the Conversion of Convertible Subordinated Notes that are Additional Tier 1 Notes shall be conducted on a *pro rata* and proportionate basis with all other Additional Tier 1 Capital of the Issuer to the extent that such other Additional Tier 1 Capital (including but not limited to other Notes which qualify as Additional Tier 1 Capital) is subject to being Written Off or Converted into Issuer Shares under Applicable Law and/or the applicable contractual provisions of such Additional Tier 1 Capital (but again, subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2 and 6.7.2.2, in relation to such other Additional Tier 1 Capital).
- 6.7.6. Provided the manner in which the Converted Subordinated Capital Notes (or Relevant Part(s) thereof) are Converted is in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, such Conversion pursuant to this

Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) (as read with Condition 6.9 (*No default*)) will be deemed to be full, final, unconditional and irrevocable settlement of all of the Issuer's obligations in respect of the relevant Converted Subordinated Capital Notes (or Relevant Part(s) thereof) and under no circumstances (including the Issuer once again becoming viable) shall such released obligations be reinstated.

6.7.7. Any Issuer Shares issued to Noteholders of Subordinated Capital Notes pursuant to this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) ("New Issuer Shares") shall be freely transferable and shall in all respects rank *pari passu* with, and be of the same class of shares as, all other Issuer Shares outstanding on the Conversion Settlement Date. Further, should all other issued Issuer Shares be listed on a Relevant Stock Exchange at the time New Issuer Shares are issued to Noteholders of Subordinated Capital Notes pursuant to this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), the Issuer shall procedure that such New Issuer Shares are, upon issue, likewise listed.

6.7.8. Where fewer than all of the Converted Subordinated Capital Notes in a relevant Series of Subordinated Capital Notes are Converted:

6.7.8.1. a Noteholder's rights, title and interest in, and the Issuer's obligations in respect of, those Subordinated Capital Notes in the relevant Series not Converted, will remain unaffected by the Conversion of the portion of the Convertible Subordinated Capital Notes so Converted; and

6.7.8.2. all references to "Nominal Amount" in the Note Terms and Conditions (including, without limitation, in Condition 10 (*Redemption and Purchase*)) shall be construed as references to the Nominal Amount outstanding immediately prior to the Conversion less the relevant portion of the Nominal Amount Converted in accordance with this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), and all references to "Subordinated Capital Notes" and/or a Tranche or Series of Subordinated Capital Notes in the Note Terms and Conditions (including, without limitation, in Condition 10 (*Redemption and Purchase*)) shall be construed as references to the surviving Subordinated Capital Notes or the surviving Subordinated Capital Notes in that Tranche or Series, as the case may be.

- 6.7.9. Each Noteholder of Subordinated Capital Notes, by virtue of subscribing for or acquiring a Convertible Subordinated Capital Note (and each holder of Beneficial Interests in such a Subordinated Capital Note) agrees and undertakes:
- 6.7.9.1. after the Conversion Last Day to Trade, not to transfer its Converted Subordinated Capital Notes (or Beneficial Interest therein), other than to the Issuer to give effect to the Conversion in the manner contemplated in this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), and the Register will be closed from close of business on the Conversion Last Day to Trade for further transfers of Converted Subordinated Capital Notes until the Conversion Settlement Date; and
 - 6.7.9.2. to fully, finally, irrevocably and unconditionally transfer, on the Conversion Settlement Date, its Converted Subordinated Capital Notes to the Issuer should the Issuer be obligated or otherwise required to Convert such Subordinated Capital Notes as contemplated in this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), as consideration for which it shall receive the number of newly-issued Issuer Shares calculated in the manner contemplated in Condition 6.7.2.2. In this regard, where the Converted Subordinated Capital Note is certificated and evidenced by an Individual Certificate, such Noteholder (i) undertakes to deliver the relevant Individual Certificate to the Issuer Agent by no later than 3 (three) Business Days prior to the Conversion Settlement Date and (ii) hereby (a) irrevocably authorises the Issuer Agent to effect the relevant transfer without such Individual Certificates should such Noteholder fail to deliver same and (b) indemnifies the Issuer and the Issuer Agent against damages, loss, claims and expenses which each Person may suffer as a result of the failure of such Noteholder to deliver such Individual Certificate and (iii) agrees that the Issuer Shares issued to such Noteholder shall not be released to or transferable by such Noteholder until such Individual Certificates have been delivered to the Issuer Agent.
- 6.7.10. The Issuer, by signing each Applicable Pricing Supplement (Notes) in terms of which Convertible Subordinated Capital Notes are issued, acknowledges and agrees that any Note Terms and Conditions herein and/or such

Applicable Pricing Supplement (Notes) expressly applicable to it shall be binding on it, and further agrees and undertakes, should the Issuer be obligated or otherwise required to Convert such Convertible Subordinated Capital Notes (or a Relevant Part thereof) as contemplated in this Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), to:

- 6.7.10.1. purchase, on the Conversion Settlement Date, the rights, interest and title in and to, and obligations under, the Converted Subordinated Capital Notes;
 - 6.7.10.2. deliver to the relevant Noteholder of Subordinated Capital Notes (as they appear, and into the relevant Securities Accounts of the Beneficial Interest holders of such Converted Subordinated Capital Notes recorded as such on the Conversion Record Date, or, as the case may be, to the holder of Individual Certificates in respect of Converted Subordinated Capital Notes as set out in the Register on the Conversion Record Date, but subject to Condition 6.7.9.2), the number of newly-issued Issuer Shares calculated in the manner contemplated in Conditions 6.7.2.2 and 6.7.2.3; and
 - 6.7.10.3. accept, as settlement of the Issuer's outstanding obligations under the Converted Subordinated Capital Notes, the number of newly-issued Issuer Shares calculated in the manner contemplated in Condition 6.7.2.4.
- 6.7.11. If a Trigger Event occurs and one or more "*exceptional circumstances*" as contemplated in paragraph 3.2 of Guidance Note 6 persists at such time, the Convertible Subordinated Capital Notes or the portion thereof which would otherwise be Converted shall instead, subject to Condition 6.7.5 but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, be Written Off in the manner contemplated in Condition 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*).

6.8. Write Off of Subordinated Capital Notes upon a Trigger Event

- 6.8.1. This Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*) applies only to Subordinated Capital Notes and is referred to as the "Contractual Write Off Condition" in the Note Terms and Conditions.

- 6.8.2. If the relevant Applicable Pricing Supplement (Notes) specifies that the Contractual Write Off Condition is applicable to the relevant Series of Subordinated Capital Notes, the Issuer will:
- 6.8.2.1. comply with Conditions 6.5 (*Write Off or Conversion of Subordinated Capital Notes*) and 6.6 (*Notification of Trigger Event*); and
 - 6.8.2.2. forthwith, subject to Condition 6.8.4 but always in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, and to the extent determined by the Relevant Authority, Write Off the Subordinated Capital Notes or Relevant Part(s) thereof identified by the Relevant Authority. Any Write Off of Subordinated Capital Notes or Relevant Part(s) thereof in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*) will be final and binding.
- 6.8.3. Any Subordinated Capital Notes Written Off in accordance with Condition 6.8.2 will promptly be cancelled in the Register, and each Noteholder of Subordinated Capital Notes hereby agrees to the cancellation and acknowledges that, where the Subordinated Capital Note is certificated and evidenced by an Individual Certificate, such cancellation will occur without such Noteholder having to deliver the relevant Individual Certificate to the Issuer.
- 6.8.4. Notwithstanding the occurrence a Trigger Event and the delivery of an Issuer's Trigger Event Notice:
- 6.8.4.1. the Issuer shall ensure that any Write Off is implemented in such a manner that:
 - 6.8.4.1.1. Tier 2 Noteholders of any Series of Subordinated Notes that are Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement (Notes) will be treated rateably and equally amongst themselves; and
 - 6.8.4.1.2. Additional Tier 1 Noteholders of any Series of Subordinated Notes that are Additional Tier 1 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement (Notes) will be treated rateably and equally amongst themselves;

- 6.8.4.2. no Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement (Notes) may be Written Off unless Additional Tier 1 Capital instruments, if any, have been completely written-off or converted, as the case may be;
- 6.8.4.3. the Write Off of Subordinated Notes that are Tier 2 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement (Notes) shall be conducted on a *pro rata* and proportionate basis with all other Tier 2 Capital of the Issuer to the extent that such other Tier 2 Capital (including but not limited to other Notes which qualify as Tier 2 Capital) is subject to being Written Off or Converted into Issuer Shares under Applicable Law and/or the applicable contractual provisions of such Tier 2 Capital (subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2 and 6.7.2.2, in relation to such other Tier 2 Capital); and
- 6.8.4.4. the Write Off of Subordinated Notes that are Additional Tier 1 Notes to which Write Off is specified as applicable in the Applicable Pricing Supplement (Notes) shall be conducted on a *pro rata* and proportionate basis with all other Additional Tier 1 Capital of the Issuer to the extent that such other Additional Tier 1 Capital (including but not limited to other Notes which qualify as Additional Tier 1 Capital) is subject to being Written Off or Converted into Issuer Shares under Applicable Law and/or the applicable contractual provisions of such Additional Tier 1 Capital (subject to any requirements for rounding or other distinctions, as contemplated in Conditions 6.7.2.2 and 6.7.2.2, in relation to such other Additional Tier 1 Capital).
- 6.8.5. Provided the manner in which the Subordinated Capital Notes (or Relevant Part(s) thereof) are Written Off is in accordance with Applicable Law, the Regulatory Capital Requirements and the written instructions received from the Relevant Authority, such Write Off pursuant to this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*) (as read with Condition 6.9 (*No default*)) will be deemed to be full, final, unconditional and irrevocable settlement of all of the Issuer's obligations in respect of the relevant Subordinated Capital Notes (or Relevant Part(s) thereof) and under no circumstances (including the Issuer once again becoming viable) shall such released obligations be reinstated. For the avoidance of doubt, the Issuer shall

not be obliged to pay compensation in any form to the Noteholders of Subordinated Capital Notes following a Write Off of such Subordinated Capital Notes in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*).

6.8.6. Where only a Relevant Part of a Subordinated Capital Note is Written Off (and such Subordinated Capital Note is therefore only partly Written Off):

6.8.6.1. a Noteholder's rights, title and interest in, and the Issuer's obligations in respect of, that portion of such Noteholder's Subordinated Capital Notes not Written off, will remain unaffected by the Writing Off of such Relevant Part; and

6.8.6.2. all references to "Nominal Amount" in the Note Terms and Conditions (including, without limitation, in Condition 10 (*Redemption and Purchase*)) shall be construed as references to the Nominal Amount outstanding immediately prior to the Write Off less the relevant portion of the Nominal Amount Written Off in accordance with this Condition 6.8 (*Write Off of Convertible Subordinated Capital Notes upon a Trigger Event*), and all references to "Subordinated Capital Notes" and/or a Tranche or Series of Subordinated Capital Notes in the Note Terms and Conditions (including, without limitation, in Condition 10 (*Redemption and Purchase*)) shall be construed as references to the surviving Subordinated Capital Notes or the surviving Subordinated Capital Notes in that Tranche or Series, as the case may be.

6.9. No default

For the avoidance of doubt and notwithstanding anything to the contrary in the Note Terms and Conditions:

6.9.1. none of the Write Off or Conversion, or the failure by the Issuer to pay any amounts Written Off or Converted which would have been payable to the relevant Noteholder of Subordinated Capital Notes but for the Write Off or Conversion, will amount to a breach of the Issuer's obligations under the Note Terms and Conditions and/or constitute an Event of Default under the Note Terms and Conditions, and the relevant Noteholders of Subordinated Capital Notes will have no claims of whatsoever nature against the Issuer as a result of a Write Off or Conversion;

- 6.9.2. no lawful actions of whatsoever nature in connection with and/or as a result of the occurrence of a Trigger Event taken by the Issuer in accordance with, and/or to give effect to, the Regulatory Capital Requirements and any other Applicable Law, regulation or guidance note, circular or directive issued by the Relevant Authority and/or written instructions received from the Relevant Authority will amount to a breach of the Issuer's obligations under the Note Terms and Conditions and/or constitute an Event of Default under the Note Terms and Conditions or entitle any Noteholder of Subordinated Capital Notes to avoid Write Off or Conversion, as the case may be, of the relevant Subordinated Capital Notes pursuant to a Relevant Authority's Trigger Event Notice requiring such Write Off or Conversion;
- 6.9.3. no other delay by the Issuer in meeting its obligations under Conditions 6.6 (*Notification of Trigger Event*), 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) or 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*) will constitute an Event of Default under the Note Terms and Conditions or entitle any Noteholder of Subordinated Capital Notes to avoid Write Off or Conversion, as the case may be, of the relevant Subordinated Capital Notes pursuant to a Relevant Authority's Trigger Event Notice requiring such Write Off or Conversion;
- 6.9.4. without limiting the generality of the foregoing provisions, if Issuer Shares are not issued and delivered in accordance with the provisions of Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*), the only remedy the relevant Noteholders of the Convertible Subordinated Capital Notes will have against the Issuer shall be to apply to a competent court to obtain an order requiring the Issuer to issue and deliver such Issuer Shares as contemplated in and subject to Condition 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*); and
- 6.9.5. any conversion or write off of other instruments of the Issuer which constitute Regulatory Capital in accordance with the Regulatory Capital Requirements and any other Applicable Law, regulation, guidance note, circular or directive issued by the Relevant Authority and/or written instructions received from the Relevant Authority shall likewise not amount to a breach of the Issuer's obligations under the Note Terms and Conditions and/or constitute an Event of Default under the Note Terms and Conditions.

6.10. Disapplication of Contractual Conversion Condition or Contractual Write Off Condition

6.10.1. This Condition 6.10 (*Disapplication of Contractual Conversion Condition or Contractual Write Off Condition*) applies only to Subordinated Capital Notes.

6.10.2. If a Statutory Loss Absorption Regime is implemented in South Africa and the Tier 2 Notes are subject to such Statutory Loss Absorption Regime upon the occurrence of a Non-Viability Event, then the Issuer shall have the option at any time by written notice (the "Amendment Notice") to the Issuer Agent, the Trustee and the Tier 2 Noteholders, to elect that that the Non-Viability Loss Absorption Condition shall cease to apply and that the Statutory Loss Absorption Regime will apply to the Tier 2 Notes from the date specified in the Amendment Notice (the "Amendment Date"), being a date no earlier than the date on which the Statutory Loss Absorption Regime takes effect (the "Amendment Option"); provided that:

6.10.2.1. if the Issuer does not exercise the Amendment Option or does so exercise the Amendment Option, and, in each case, this exercise or non-exercise results in the Tier 2 Notes being fully or partially excluded from the Tier 2 Capital of the Issuer on a solo and/or consolidated basis), then such exclusion shall not constitute a Capital Disqualification Event giving rise to the right to redeem the Tier 2 Notes early (although this limited exclusion is without prejudice to any other rights the Issuer may have should a different Capital Disqualification Event occur or should the exclusion apply regardless of the exercise or non-exercise of the Amendment Option); and

6.10.2.2. a mandatory application of the Statutory Loss Absorption Regime to the Tier 2 Notes which results in the Tier 2 Notes being fully or partially excluded from the Tier 2 Capital of the Issuer on a solo and/or consolidated basis shall be a Capital Disqualification Event.

If:

6.10.2.3. the Issuer exercises the Amendment Option; or

6.10.2.4. the Statutory Loss Absorption Regime is applied mandatorily to the Tier 2 Notes under Applicable Law,

the Non-Viability Loss Absorption Condition will (in the case of 6.10.2.4 above, only to the extent required by the Statutory Loss

Absorption Regime) cease to apply and the Tier 2 Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that the Tier 2 Notes continue to qualify as Tier 2 Capital with effect from (in the case of 6.10.2.3 above) the Amendment Date and (in the case of 6.10.2.4 above) the date on which the Statutory Loss Absorption Regime takes effect. If the Amendment Option is not exercised by the Issuer, (provided that the Statutory Loss Absorption Regime is not applied mandatorily to the Tier 2 Notes) then the Tier 2 Notes will not be subject to the Statutory Loss Absorption Regime and the Non-Viability Loss Absorption Condition will continue to apply to the Tier 2 Notes.

- 6.10.3. For the avoidance of doubt, if a Trigger Event occurs on or after the date on which the Contractual Conversion Condition or Contractual Write Off Condition, as applicable, is disapplied, the Relevant Authority or the Issuer following written instructions from the Relevant Authority, may take such action in respect of the Subordinated Capital Notes as is required or permitted by such Statutory Loss Absorption Regime.

6.11. Regulatory Capital Requirements and Additional Conditions

In order for the proceeds of the issuance of Subordinated Notes to qualify as Regulatory Capital, Subordinated Notes must comply with the applicable Regulatory Capital Requirements including any Additional Conditions prescribed by the Relevant Authority in respect of a particular Tranche of Subordinated Notes. The Issuer will specify in the Applicable Pricing Supplement (Notes) whether any issue of Subordinated Notes is an issue of Tier 2 Notes the proceeds of which are intended to qualify as Tier 2 Capital or an issue of Additional Tier 1 Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital. Any Additional Conditions prescribed by the Relevant Authority in respect of Subordinated Capital Notes will be specified in the Applicable Pricing Supplement (Notes) or a supplement to the Programme Memorandum.

6.12. Covenants

Whilst any Convertible Subordinated Capital Note remains Outstanding, the Issuer shall, save with the approval of an Extraordinary Resolution of the Noteholders of the Convertible Subordinated Capital Notes:

- 6.12.1. not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on a Conversion, Issuer Shares could not, under any Applicable Law then in effect, be legally issued as fully paid;
- 6.12.2. to the extent that it is within the Issuer's control and/or power to do so, at all times keep available for issue, free from pre-emptive or other preferential rights, a sufficient number of Issuer Shares, and ensure that the Issuer at all times keeps available for issue, free from pre-emptive or other preferential rights, a sufficient number of Issuer Shares, to enable Conversion of the Convertible Subordinated Capital Notes, and all other rights of subscription and exchange for Issuer Shares, to be satisfied in full; and
- 6.12.3. where the provisions of this Condition 6 (*Status of Notes, Write Off and Conversion of Subordinated Capital Notes*) or any Applicable Pricing Supplement (Notes) relating to Convertible Subordinated Capital Notes require or provide for a determination by an Independent Financial Advisor, the Issuer shall use all reasonable endeavours to promptly appoint such Person for such purpose.

7. **NEGATIVE PLEDGE**

- 7.1. This Condition 7 shall apply only to Senior Notes.
- 7.2. For as long as any Senior Notes remain Outstanding, the Issuer undertakes not to create or permit the creation of any Encumbrance (as defined below) over any of its present or future assets or revenues to secure any present or future Relevant Debt (as defined below) without at the same time securing all Senior Notes equally and rateably with such Relevant Debt or providing such other security as may be approved by Extraordinary Resolution of the holders of those Senior Notes, unless the provision of any such security is waived by an Extraordinary Resolution of the holders of those Senior Notes. The Issuer shall be entitled but not obliged, to form, or procure the formation of, one or more special purpose vehicle companies, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

7.3. For the purposes of this Condition 7:

- 7.3.1. **“Asset-Backed Finance Transaction”** means asset-backed transactions implemented in accordance with normal market practice, including but not limited to repackaging transactions effected in compliance with the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of *“the business of a bank”* in the Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994, or the applicable replacement or successor regulations;
- 7.3.2. **“Encumbrance”** means any mortgage, pledge, hypothecation, assignment, cession-*in-securitatem debiti*, deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of security to a creditor but excluding statutory preferences and any security interest arising by operation of law, any Encumbrance on or with respect to the receivables of the Issuer which is created pursuant to any securitisation scheme, Asset-Backed Finance Transaction or like arrangement or any Encumbrance of the Issuer created in the ordinary course of business or any Encumbrance created over any asset acquired, developed or constructed by the Issuer providing that the Relevant Debt so secured shall not exceed the *bona fide* arm's length market value of such asset or the cost of such acquisition, development or construction (including all interest and other finance charges, any adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) when such market value or cost both apply, the higher of the two; and
- 7.3.3. **“Relevant Debt”** means any present or future indebtedness of the Issuer in the form of, or represented by any bond, note, bill, debenture issued by the Issuer and listed on a financial or stock exchange but excluding any option or warrant in respect of any share or index or any written acknowledgement of indebtedness issued by the Issuer to the SARB.

8. INTEREST PAYMENTS ON ADDITIONAL TIER 1 NOTES

This Condition 8 (*Interest Payments on Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes.

8.1. Non-payment of interest

- 8.1.1. If the Issuer elects not to pay, or is obligated to elect not to pay, as the case may be, the relevant Interest Amount on the relevant Interest Payment Date in accordance with this Condition 8.1 (*Non-payment of interest*), the Issuer shall have full access to the relevant Interest Amount (or the relevant portion thereof) to meet any relevant obligation as it falls due.
- 8.1.2. Subject to Condition 8.1.4 (which imposes an obligation on the Issuer to elect not to pay the relevant Interest Amount on the relevant Interest Payment Date under the circumstances described in that Condition), the Issuer shall at all times have full discretion as to whether or not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, and the Issuer may at any time elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date. If the Issuer elects not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date, it shall give notice of such election to the Additional Tier 1 Noteholders in accordance with Condition 19 (*Notices*) and to the Issuer Agent on or prior to the relevant Interest Payment Date.
- 8.1.3. Interest payments on the Additional Tier 1 Notes will not be cumulative.
- 8.1.4. The Issuer shall elect not to pay the relevant Interest Amount on the relevant Interest Payment Date if it is in breach of the Regulatory Capital Requirements on the Business Day prior to such Interest Payment Date or would be in breach of the Regulatory Capital Requirements if the relevant Interest Amount (or any portion thereof) were paid on such Interest Payment Date. If the Issuer is obligated to elect not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date pursuant to this Condition 8.1.4, it shall give notice of such fact to the Noteholders in accordance with Condition 19 (*Notices*) and to the Issuer Agent on or prior to the relevant Interest Payment Date, and to the Relevant Authority.
- 8.1.5. If the Issuer elects (or is obligated to elect) not to pay the relevant Interest Amount (or any portion thereof) on the relevant Interest Payment Date in accordance with this Condition 8.1 (*Non-payment of interest*), then (i) the obligation that the Issuer would have had in the absence of such election to pay

the relevant Interest Amount to the Additional Tier 1 Notes on the relevant Interest Payment Date shall be extinguished in its entirety, (ii) any failure to pay such Interest Amount shall not constitute a default by the Issuer or any other breach of obligations under the Additional Tier 1 Notes or for any other purposes, and (iii) an Additional Tier 1 Noteholder will have no claim in respect of any such non-payment.

8.2. Restriction following non-payment of interest on Additional Tier 1 Notes

If, on any Interest Payment Date (the “**Relevant Interest Payment Date**”) the Interest Amount in respect of the Additional Tier 1 Notes shall not have been paid in full pursuant to Condition 8.1 (*Non-payment of interest*), then from such Relevant Interest Payment Date until the date on which the Issuer next pays in full the Interest Amount due and payable on any succeeding Interest Payment Date on all outstanding Additional Tier 1 Notes, that the Issuer (and the Issuer shall procure that no member of the Investec Limited Restricted Group shall):

8.2.1. declare or pay a distribution or dividend or pay any interest on Junior Securities other than:

8.2.1.1. an instrument under the terms of which the Issuer or other member of the Investec Limited Restricted Group must declare or pay a distribution or dividend or pay interest before such Relevant Interest Payment Date; or

8.2.1.2. any class of preference shares issued by any company in the Investec Limited Restricted Group (including the Issuer), (i) the terms of which do not allow the board of directors of that company to cancel, defer, pass or eliminate any distribution or dividend payment at its discretion and (ii) the proceeds of which preference shares do not qualify on issue for inclusion in the Tier 2 Capital, Additional Tier 1 Capital or Common Equity Tier 1 Capital of that company; or

8.2.1.3. intra-group dividends on any Junior Securities between companies in the Investec Limited Restricted Group which are wholly-owned subsidiaries and to companies in the Investec Limited Restricted Group which are holding companies, which can be paid at any time; provided that intra-group dividends may not be declared or paid on Issuer Shares the proceeds of which, in each instance, qualify (or are deemed under the Regulatory Capital Requirements to qualify)

as Common Equity Tier 1 Capital except to the extent that such intra-group dividends are required to recapitalise the Issuer]; or

- 8.2.2. redeem, purchase, reduce or otherwise acquire any Junior Securities or any securities of any of its subsidiary undertakings benefiting from a guarantee from any member of the Investec Limited Restricted Group ranking (or deemed under the Regulatory Capital Requirements to rank), as to the right of repayment of principal (in the case of such securities), or as to the payment of sums under any such guarantee (in the case of any such guarantee), as the case may be, junior to the Additional Tier 1 Notes.

9. INTEREST

If the Applicable Pricing Supplement (Notes) so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Applicable Pricing Supplement (Notes) and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement (Notes). The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Applicable Pricing Supplement (Notes). An announcement will be made on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

9.1. Interest on Fixed Rate Notes

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

9.1.1. Accrual of Interest

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the Applicable Redemption Date unless, upon due presentation, payment of the Applicable Redemption Amount is improperly withheld or refused, in which case it will bear interest in accordance with Condition 9.6 (*Accrual of Interest*).

9.1.2. Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

9.1.3. Calculation of Interest Amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount, provided that:

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

9.2. Interest on Floating Rate Notes and Indexed Notes

9.2.1. Accrual of Interest

The Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the Applicable Redemption Date unless, upon due presentation, payment of the Applicable Redemption Amount is improperly withheld or refused, in which case it will bear interest in accordance with Condition 9.6 (*Accrual of Interest*).

9.2.2. Floating Interest Rate

The Floating Interest Rate which is applicable to a Tranche of Floating Rate Notes for an Interest Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination or on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement (Notes).

9.2.3. ISDA Determination including fallback provisions

If ISDA Determination is specified in the Applicable Pricing Supplement (Notes) as the manner in which the Interest Rate(s) is/are to be determined, the Interest

Rate applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Issuer Agent under an interest rate swap transaction if that Issuer Agent were acting as Issuer Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

“Floating Rate”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those expressions in the ISDA Definitions and “JIBAR” means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFEX page at or about 11h00 (South Africa time) on the relevant date (or any successor rate).

9.2.4. Screen Rate Determination including fallback provisions

If Screen Rate Determination is specified in the Applicable Pricing Supplement (Notes) as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Issuer Agent on the following basis:

- 9.2.4.1. if the Reference Rate is a composite quotation or customarily supplied by one entity, the Issuer Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Rate Determination Date); or
- 9.2.4.2. in any other case, the Issuer Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Reference Rates which

appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Rate Determination Date;

9.2.4.3. if, in the case of Condition 9.2.4.1, such rate does not appear on that page or, in the case of Condition 9.2.4.2, fewer than 2 (two) such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer Agent will:

9.2.4.3.1. request the principal Johannesburg office of each of the Reference Banks to provide the Issuer Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South Africa time) on the Interest Rate Determination Date in question; and

9.2.4.3.2. determine the arithmetic mean (rounded as provided above) of such quotations; and

9.2.4.4. if fewer than 3 (three) such offered quotations are provided as requested, the Issuer Agent will determine the arithmetic mean of the rates (rounded as provided above) (being the nearest Reference Rate, as determined by the Issuer Agent) quoted by major banks in the Johannesburg inter-bank market, selected by the Issuer Agent, at approximately 12h00 (South Africa time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading banks in the Johannesburg inter-bank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time;

(and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Issuer Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

9.2.5. Indexed Interest

If the Indexed Interest Note provisions are specified in the Applicable Pricing Supplement (Notes) as being applicable, the Interest Rate(s) applicable to the

Notes for each Interest Period will be determined in accordance with the manner specified in the Applicable Pricing Supplement (Notes).

9.2.6. Maximum and/or Minimum Interest Rate

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

9.2.7. Determination of Floating Interest Rate and Calculation of Interest Amount

The Issuer Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Interest Rate is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Interest Rate for such Interest Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount.

9.2.8. Calculation of Other Amounts

If the Applicable Pricing Supplement (Notes) specifies that any other amount is to be calculated by the Issuer Agent, the Issuer Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Issuer Agent in the manner specified in the Applicable Pricing Supplement (Notes).

9.2.9. Publication

9.2.9.1. The Issuer Agent will cause each Interest Rate and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s), to be notified to the Issuer, the Issuer Agent, any Financial Exchange on which the relevant Floating Rate Notes or Indexed Notes, as the case may be, are for the time being listed and, in the case of uncertificated Floating Rate

Notes or Indexed Notes, the CSD, as soon as practicable after their determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later than (i) where the Interest Rate is determined with reference to the Prime Rate, the last day of the relevant Interest Period; (ii) in respect of Indexed Notes, the date specified in the Applicable Pricing Supplement (Notes), and (iii) in all other circumstances, the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 19 (*Notices*).

- 9.2.9.2. The Issuer Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer and to the Noteholders in accordance with Condition 19 (*Notices*) and, if the relevant Tranche of Notes is listed on a Financial Exchange, any Financial Exchange on which the relevant Notes are for the time being listed and the CSD. If the Calculation Amount is less than the minimum Specified Denomination, the Issuer Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and Interest Amount in respect of a Note having the minimum Specified Denomination.

9.2.10. Notifications etc. to be final

All notifications, communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Condition 9.2 (*Interest on Floating Notes and Indexed Notes*) by the Issuer Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Issuer Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

9.3. Interest on Mixed Rate Notes

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement (Notes). During each such applicable period, the Interest Rate on the Mixed

Rate Notes shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

9.4. Interest on Partly Paid Notes

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

9.5. Interest on Instalment Notes

In the case of Instalment Notes, interest will accrue on the amount outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement (Notes).

9.6. Accrual of Interest

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

- 9.6.1. the date on which all amounts due in respect of such Note have been paid; or
- 9.6.2. in respect of Uncertificated Notes, the date on which the full amount of the monies payable has been received by the Issuer Agent and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*).

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Issuer Agent shall follow the procedure contemplated in Condition 9.2.4.3 and/or 9.2.4.4 to ascertain a rate.

9.7. Business Day Convention

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

- 9.7.1. the "**Floating Rate Business Day Convention**", such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 9.2 (*Interest on Floating Rate Notes*), be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement (Notes) after the preceding applicable Interest Payment Date (or other date) has occurred; or
- 9.7.2. the "**Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 9.7.3. the "**Modified Following Business Day Convention**", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 9.7.4. the "**Preceding Business Day Convention**", such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

Where an Interest Payment Date is postponed or brought forward, the Interest Period in respect of a Floating Rate Note shall be extended or shortened, as the case may be and calculated until but excluding such postponed or brought forwarded Interest Payment Date, as the case may be. Accordingly interest shall be calculated on such extended or shortened Interest Period, as the case may be.

The Interest Period in respect of a Fixed Rate Note shall not be extended or shortened if an Interest Payment Date is postponed or brought forward. Accordingly interest shall be calculated as per the original Interest Period.

10. REDEMPTION AND PURCHASE

10.1. Scheduled Redemption

- 10.1.1. Unless previously redeemed or purchased and cancelled as specified below (and subject, in the case of Tier 2 Notes, to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) or as otherwise specified in the Note Terms and Conditions), the Notes (other than Additional Tier 1 Notes) will be redeemed at the Final Redemption Amount, or determined in the manner specified in, the Applicable Pricing Supplement (Notes), on the Maturity Date, subject as provided in Condition 11 (*Payments*).
- 10.1.2. A Tranche of Additional Tier 1 Notes must be issued without a Maturity Date and (without prejudice to the provisions of Condition 14.4 (*Additional Tier 1 Notes*)):
 - 10.1.2.1. shall only be redeemed, at the aggregate outstanding Nominal Amount of that Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer, subject to Condition 6.4 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.4.3 (*Subordination*)); and
 - 10.1.2.2. are only redeemable or may only be redeemed, purchased or cancelled prior to the winding-up or liquidation of the Issuer or modified, substituted or varied in accordance with this Condition 10 (*Redemption and purchase*), subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and Condition 6.4 (*Status of Additional Tier 1 Notes*) (and specifically Condition 6.4.3 (*Subordination*)).

10.2. Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law

10.2.1. Subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) in the case of Subordinated Capital Notes, if so specified in the Applicable Pricing Supplement (Notes), the Issuer may redeem the Notes of any Tranche of Notes in whole, but not in part:

10.2.1.1. at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the Applicable Pricing Supplement (Notes) as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

10.2.1.2. on any Interest Payment Date (if the Floating Rate Note Provisions or the Indexed Note provisions are specified in the Applicable Pricing Supplement (Notes) as being applicable and are applicable at the time of redemption),

on giving not less than 30 (thirty) nor more than 60 (sixty) days^{*} (or such other notice period specified in the Applicable Pricing Supplement (Notes)) notice to the Noteholders and to the Issuer Agent (which notice shall be irrevocable) in accordance with Condition 19 (*Notices*), at their Early Redemption Amount together with interest (if any) to the date fixed for redemption, following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law, provided, however, that no such notice of redemption shall be given earlier than:

10.2.1.3. where the Notes may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be; or

10.2.1.4. where the Notes may be redeemed only on an Interest Payment Date, 60 (sixty) days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Notes then due) or would not be entitled (or such entitlement

is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be.

- 10.2.2. Prior to the publication of any notice of redemption pursuant to this Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law*), the Issuer shall deliver to the Issuer Agent (i) a certificate signed by 2 (two) authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal or tax advisers (as appropriate) of recognised standing to the effect that a Tax Event (Gross up), Tax Event (Deductibility) and/or Change in Law, as the case may be, has occurred. Upon the expiry of any such notice as is referred to in this Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law*).

10.3. Early Redemption at the option of the Issuer

- 10.3.1. Subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) in the case of Subordinated Capital Notes, if the Issuer is specified in the Applicable Pricing Supplement (Notes) as having an option to redeem, the Issuer may, having given:

10.3.1.1. not less than 30 (thirty) and not more than 60 (sixty) days' (or such other notice period specified in the Applicable Pricing Supplement (Notes)) notice to the Noteholders in accordance with Condition 19 (*Notices*); and

10.3.1.2. not less than 7 (seven) days before giving the notice referred to in Condition 10.3.1.1, notice to the Issuer Agent,

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

10.3.2. Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement (Notes), if applicable. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemable Notes**") will be selected:

10.3.2.1. in the case of Redeemable Notes represented by Individual Certificates, individually by lot; and

10.3.2.2. in the case of Redeemable Notes issued in uncertificated form, in accordance with the Applicable Procedures,

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

10.3.3. In the case of Redeemable Notes represented by Individual Certificates, a list of the serial numbers of such Individual Certificates will be published in accordance with Condition 19 (*Notices*) not less than 15 (fifteen) days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemable Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemable Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes Outstanding, in each case on the Selection Date, provided that such first-mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemable Notes issued in uncertificated form shall be equal to the balance of the Redeemable Notes. No exchange of Beneficial Interests in Uncertificated Notes for Individual Certificates will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 10.3 (*Early Redemption at the option of the Issuer*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 (*Notices*) at least 5 (five) days prior to the Selection Date.

10.3.4. Holders of Redeemable Notes shall surrender the Individual Certificates in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates is redeemed, the Issuer Agent shall deliver new Individual Certificates to such Noteholders in respect of the balance of the Notes.

10.4. Early Redemption at the option of Noteholders of Senior Notes

- 10.4.1. If the Noteholders of Senior Notes are specified in the Applicable Pricing Supplement (Notes) as having an option to put any Senior Notes, the Issuer shall, at the option of the Noteholders of such Tranche of Senior Notes, redeem the Senior Notes on the Optional Redemption Date(s) specified in the relevant Put Notice or in the Applicable Pricing Supplement (Notes), as the case may be, at the relevant Optional Redemption Amount together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10.4 (*Early Redemption at the option of Noteholders of Senior Notes*), the Noteholders of such Senior Notes must, not less than 30 (thirty) nor more than 60 (sixty) days before the relevant Optional Redemption Date(s), surrender the Individual Certificates (if any) relating to such Senior Notes with the Issuer Agent in accordance with Condition 19 (*Notices*), together with a duly completed Put Notice (which Put Notice shall, in respect of Notes represented by an Individual Certificate, specify a bank account in South Africa for the purposes of payment of the Optional Redemption Amount to the holder of such Individual Certificate). The redemption amount specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the Applicable Pricing Supplement (Notes), if applicable.
- 10.4.2. The redemption of Senior Notes issued in uncertificated form shall take place in accordance with the Applicable Procedures.
- 10.4.3. The delivery of Put Notices shall be required to take place during normal office hours of the Issuer Agent. *Pro forma* Put Notices shall be available from the Specified Office of the Issuer.
- 10.4.4. Any Put Notice given by a holder of any Senior Note pursuant to this Condition 10.4 (*Early Redemption at the option of Noteholders of Senior Notes*) shall be irrevocable except where, after giving the notice but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Issuer Agent delivered at least 1 (one) Business Day prior to the Optional Redemption Date, to withdraw the notice given pursuant to this Condition 10.4.4 and instead to declare such Senior Note forthwith due and payable pursuant to Condition 14 (*Events of Default*).

- 10.4.5. The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.

10.5. Redemption of Subordinated Capital Notes for Regulatory Capital reasons

- 10.5.1. Subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and if so specified in the Applicable Pricing Supplement (Notes), the Issuer may redeem the Notes of any Series of Subordinated Capital Notes in whole, but not in part:

10.5.1.1. at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the relevant Applicable Pricing Supplement (Notes) as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

10.5.1.2. on any Interest Payment Date (if the Floating Rate Note provisions or the Indexed Note provisions are specified in the relevant Applicable Pricing Supplement (Notes) as being applicable and are applicable at the time of redemption),

on giving not less than 30 (thirty) nor more than 60 (sixty) days' (or such other notice period specified in the Applicable Pricing Supplement (Notes)) notice prior to Noteholders and to the Issuer Agent (which notice shall be irrevocable) in accordance with Condition 19 (*Notices*), at their Early Redemption Amount together with interest accrued (if any) to the date fixed for redemption, if a Regulatory Capital Event occurs and is continuing.

- 10.5.2. Prior to the publication of any notice of redemption pursuant to this Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*), the Issuer shall deliver to the Issuer Agent a certificate signed by 2 (two) authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. Upon the expiry of any such notice as is referred to in this Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*).

10.6. Early Redemption upon the occurrence of an Event of Default

Upon the occurrence of an Event of Default and receipt by the Issuer of a written notice declaring Notes held by the relevant Noteholder to be forthwith due and payable in accordance with Condition 14 (*Events of Default*), such Notes shall, subject to Conditions 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and 14 (*Events of Default*), and, in the case of Subordinated Capital Notes, subject to the applicable Regulatory Capital Requirements (including such Additional Conditions (if any) as are prescribed by the Relevant Authority in respect of a Tranche of Subordinated Capital Notes), become forthwith due and payable at the Early Redemption Amount in the manner set out in Condition 10.9 (*Early Redemption Amounts*), together with interest (if any) accrued to (but excluding) the date of payment, in accordance with Condition 14 (*Events of Default*).

10.7. Substitution or variation

10.7.1. Where "Substitution or Variation" for Subordinated Capital Notes is specified in the Applicable Pricing Supplement (Notes) as being applicable, and a Tax Event (Gross up) or Tax Event (Deductibility) as contemplated in Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up), Tax Event (Deductibility) or Change in Law*) or a Regulatory Capital Event as contemplated in Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*) and/or, if specified in the Applicable Pricing Supplement (Notes), a Change in Law as contemplated in Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross up), Tax Event (Deductibility) or Change in Law*), has occurred and is continuing, then the Issuer may, instead of giving notice to redeem, subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders in accordance with Condition 19 (*Notices*), the Issuer Agent (which notices shall be irrevocable), but without any requirement for the consent or approval of the Noteholders, at any time:

10.7.1.1. in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Tier 2 Capital, substitute all (but not only some) of the Tier 2 Notes in a Series for, or vary the terms of such Tier 2 Notes in that Series such that they remain, or as appropriate, become, Qualifying Tier 2 Securities; and

10.7.1.2. in the case of Subordinated Capital Notes the proceeds of which are intended to qualify as Additional Tier 1 Capital, substitute all (but not only some) of the Additional Tier 1 Notes in a Series for, or vary the terms of such Additional Tier 1 Notes in that Series such that they remain, or as appropriate, become, Qualifying Additional Tier 1 Securities or Qualifying Tier 2 Securities.

10.7.2. Upon the expiry of the notice contemplated in Condition 10.7.1, the Issuer shall either vary the terms of or substitute the relevant Subordinated Capital Notes in accordance with this Condition 10.7 (*Substitution or variation*). The Issuer shall, in connection with any substitution or variation of a Tranche of Subordinated Capital Notes that is listed on a Financial Exchange in accordance with this Condition 10.7 (*Substitution or variation*), comply with the relevant debt listings requirements of such Financial Exchange.

10.8. Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes

10.8.1. Notwithstanding any other provisions of this Condition 10 (*Redemption and purchase*) and subject as provided below, for so long as the applicable Regulatory Capital Requirements so require (i) Tier 2 Notes (which at the time of redemption, purchase, cancellation, modification, substitution or variation constitute Tier 2 Capital) may only be redeemed, purchased or cancelled (in each case, in whole or in part) prior to the Maturity Date, or modified, substituted or varied pursuant to Condition 10.7 (*Substitution or variation*) and (ii) Additional Tier 1 Notes (which at the time of redemption purchase, cancellation, modification, substitution or variation constitute Additional Tier 1 Capital) may only be redeemed, purchased, cancelled (in each case, in whole or in part), modified, substituted or varied pursuant to Condition 10.7 (*Substitution or variation*), at the option of the Issuer, and only if:

10.8.1.1. the Issuer has notified the Relevant Authority of, and the Relevant Authority has consented in writing to, such redemption, purchase, cancellation, modification, substitution or variation, as the case may be, subject to such conditions (if any) as the Relevant Authority may deem appropriate (in any case, only if and to the extent that such notification or consent is required in terms of the Regulatory Capital Requirements) (subject to any prescribed notice periods with which the Issuer may need to comply, if any, in the Regulatory Capital Requirements);

- 10.8.1.2. the redemption, purchase, cancellation, modification, substitution or variation, as the case may be, of the Subordinated Capital Notes is not prohibited by the Regulatory Capital Requirements (including any prohibitions on redemption prior to the lapsing of a minimum initial period of issue in the Regulatory Capital Requirements);
 - 10.8.1.3. in the case of redemption, purchase or cancellation, as the case may be, unless the Relevant Authority is satisfied that the Issuer is duly capitalised above the minimum capital requirements after the redemption, purchase or cancellation, the Issuer concurrently replaces the Subordinated Capital Notes being redeemed, purchased or cancelled with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of the Issuer; and
 - 10.8.1.4. both at the time when the notice of redemption, modification, substitution or variation is given and immediately following such redemption, modification, substitution or variation, as the case may be, the Issuer is or will be, as the case may be, in compliance with its capital adequacy requirements as provided in the Regulatory Capital Requirements (except to the extent that the Relevant Authority no longer so requires), as confirmed by the Relevant Authority.
- 10.8.2. Subject to the applicable Regulatory Capital Requirements, Tier 2 Notes may be redeemed at maturity, provided that, for so long as is required by the Regulatory Capital Requirements, Tier 2 Notes shall have a minimum Maturity Period of 5 (five) years and 1 (one) day and accordingly, the Maturity Date specified pursuant to Condition 10.1 (*Scheduled Redemption*) shall comply with this requirement.
- 10.8.3. If so specified in the Applicable Pricing Supplement (Notes), this Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) will not apply in respect of the redemption of Subordinated Capital Notes upon the occurrence of a Regulatory Capital Event in accordance with Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*).
- 10.8.4. For the avoidance of doubt, references in this Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) to purchase and/or cancellation do not

contemplate any purchases and/or cancellation required to give effect to a Conversion or Write Off of Subordinated Capital Notes, as the case may be, in accordance with Condition 6 (*Status of Notes, Write Off and Conversion of Subordinated Capital Notes*).

10.9. Early Redemption Amounts

10.9.1. For the purpose of Condition 10.2 (*Redemption following the occurrence of a Tax Event and/or Change in Law*), 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*) and Condition 14 (*Events of Default*) (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

10.9.1.1. in the case of Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or

10.9.1.2. in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the Applicable Pricing Supplement (Notes)), at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement (Notes), at their Nominal Amount; or

10.9.1.3. in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of:

10.9.1.3.1. the Reference Price; and

10.9.1.3.2. the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Note becomes due and payable, or such other amount as is specified in the Applicable Pricing Supplement (Notes).

10.9.2. Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty-five), or such other calculation basis as may be specified in the Applicable Pricing Supplement (Notes).

10.10. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 10.9 (*Early Redemption Amounts*).

10.11. Partly Paid Notes

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 10 (*Redemption and Purchase*) and the Applicable Pricing Supplement (Notes).

10.12. Exchangeable Notes

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement (Notes). Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable Pricing Supplement (Notes) as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner specified in the Applicable Pricing Supplement (Notes) shall constitute the *in specie* redemption in full of such Notes.

10.13. Purchases

Subject to Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) and the Regulatory Capital Requirements in the case of Subordinated Capital Notes, the Issuer or any of its subsidiaries or any subsidiaries of its holding company may at any time purchase Notes at any price in the open market or otherwise. No proscribed entity referred to in the Regulatory Capital Requirements may purchase, acquire or hold any Subordinated Capital Notes. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions in any Applicable Law, including the Regulatory Capital Requirements) be held, resold or, at the option of the Issuer, cancelled. The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it.

10.14. Cancellation

All Notes which are redeemed or, subject to Condition 10.13 (*Purchases*), purchased by the Issuer or any of its subsidiaries or any subsidiaries of its holding company and, at its election but subject to Applicable Law, cancelled, shall forthwith be cancelled and may not be

reissued or resold. Where only a portion of Notes represented by an Individual Certificate is cancelled, the Issuer Agent shall deliver an Individual Certificate to such Noteholder in respect of the balance of the Notes.

10.15. Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Condition 10 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 14 (*Events of Default*), is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.9.1, as though the references therein to the Applicable Redemption Date or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) where relevant, 5 (five) days after the date on which the full amount of the monies payable has been received by the CSD, and notice to that effect has been given to the Noteholders in accordance with Condition 19 (*Notices*).

10.16. Applicable Procedures

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Financial Markets Act.

11. PAYMENTS

11.1. General

- 11.1.1. Where any amounts are due and payable under the Senior Notes, such amounts shall be settled in full before any amounts are paid under the Subordinated Notes. Where any amounts are due and payable under the Tier 2 Notes, such amounts shall be settled in full before any amounts are paid under the Additional Tier 1 Notes.
- 11.1.2. Only Noteholders named in the Register at 17h00 (South Africa time) on the relevant Last Day to Register shall be entitled to payment of amounts due and payable in respect of Registered Notes.
- 11.1.3. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Issuer Agent on behalf of the Issuer on the terms and conditions of the Issuer Agency Agreement and this Condition 11 (*Payments*).

- 11.1.4. Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*).

11.2. Payments – Registered Notes

11.2.1. Registered Notes issued in uncertificated form

- 11.2.1.1. Payments of principal and/or interest in respect of uncertificated Registered Notes will be made, by the Issuer Agent, on behalf of the Issuer, to the CSD (to the bank account of the CSD) and/or the Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to the CSD and/or the Participants, in respect of each amount so paid.
- 11.2.1.2. Following payment to the CSD of amounts due and payable in respect of Uncertificated Notes which are held in the CSD, the relevant funds will be transferred by the CSD to the Participants, for the registered Noteholders and the holders of Beneficial Interest in such Notes in accordance with the Applicable Procedures.
- 11.2.1.3. Each of the Persons reflected in the records of the CSD or the relevant Participant, as the case may be, will look solely to the CSD or the relevant Participants, as the case may be, for such Person's share of each payment so made by the Issuer Agent, on behalf of the Issuer, to or for the order of the CSD or the relevant Participant, as the case may be.
- 11.2.1.4. Neither the Issuer Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Uncertificated Notes or Beneficial Interests in Uncertificated Notes or for maintaining, supervising or reviewing any records relating thereto.
- 11.2.1.5. Payments of amounts due and payable in respect of Uncertificated Notes in accordance with the Applicable Procedures will be recorded by the CSD, distinguishing between interest and principal, and such record of payments by the CSD, or the Participants, as the case may be, will be *prima facie* proof of such payments.

11.2.2. Registered Notes issued in certificated form

- 11.2.2.1. Payments of principal and/or interest in respect of any Registered Note which is represented by an Individual Certificate shall be made to the registered Noteholder of such Registered Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement (Notes)). Such payments will be made to the bank account of the Person named as the registered Noteholder of such certificated Registered Notes in the Register or, in the case of joint registered Noteholders, according to the method referred to in Condition 11.3 (*Method of Payment*).
- 11.2.2.2. In addition to the above, in the case of a partial final redemption payment, the holder of the Individual Certificate shall be required to surrender such Individual Certificate in accordance with Condition 11.4 (*Presentation of Notes and surrender of Individual Certificates*).

11.3. Method of Payment

- 11.3.1. Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.
- 11.3.2. If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding Condition (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder of Registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.
- 11.3.3. Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Registered Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither

the Issuer nor the Issuer Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 11.3 (*Method of Payment*).

- 11.3.4. In the case of joint Noteholders of Registered Notes, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes, notwithstanding any notice (express or otherwise) which the Issuer and the Issuer Agent may have of the right, title, interest or claim of any other person to or in any such Registered Notes.
- 11.3.5. Neither the Issuer nor the Issuer Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into the bank accounts referred to above, in accordance with this Condition 11.3 (*Method of Payment*), shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Registered Notes and the applicable Note Terms and Conditions.
- 11.3.6. Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 12 (*Taxation*).

11.4. Presentation of Notes and Surrender of Individual Certificates

- 11.4.1. Payment of principal in respect of any Registered Note(s) which is/are to be redeemed (or partly redeemed) and which is/are represented by Individual Certificate(s) shall be made to the Noteholder(s) of such Registered Note(s) only if, at least 10 (ten) days prior to the date on which the relevant Tranche of Notes is redeemed (or partially redeemed), such Individual Certificate(s) shall have been surrendered to the Issuer Agent at its Specified Office. This will enable the Issuer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Individual Certificate.
- 11.4.2. If the relevant Individual Certificate is not surrendered to the Issuer Agent at its Specified Office as stated in Condition 11.4.1, the amount of principal payable to the Noteholder of the Registered Note(s) represented by that Individual Certificate shall be retained by the Issuer Agent for such Noteholder, at the latter's risk, until such Individual Certificate shall have been surrendered to the Issuer Agent at its Specified Office, and such Noteholder will not be entitled to

any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.

- 11.4.3. The Issuer shall not be obliged to make or cause to be made any payment in respect of the final redemption of a Registered Note until at least 10 (ten) days have passed since the date on which the Individual Certificate in respect of the Note to be redeemed has been surrendered to the Issuer Agent.
- 11.4.4. Documents required to be presented and/or surrendered to the Issuer Agent in accordance with these Note Terms and Conditions shall be so presented and/or surrendered at the office of the Issuer Agent specified in the Applicable Pricing Supplement (Notes).
- 11.4.5. Holders of Uncertificated Notes are not required to present and/or surrender any documents of title.

11.5. Payment Day

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

11.6. Interpretation of principal and interest

- 11.6.1. Any reference in these Note Terms and Conditions to principal in respect of the Notes shall include, as applicable:
 - 11.6.1.1. any additional amounts which may be payable with respect to principal under Condition 12 (*Taxation*);
 - 11.6.1.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
 - 11.6.1.3. the Optional Redemption Amount(s) (if any) of the Notes;
 - 11.6.1.4. in relation to Instalment Notes, the Instalment Amounts;
 - 11.6.1.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 10.9 (*Early Redemption Amounts*)); and

11.6.1.6. any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

11.6.2. Any reference in these Note Terms and Conditions to interest in respect of the Notes shall include, as applicable, any additional amounts which may be payable with respect to interest under Condition 12 (*Taxation*).

12. TAXATION

12.1. A Noteholder whose Notes are redeemed shall pay all Taxes payable in connection with the payment of the Interest Amount, or the redemption of such Notes and/or the payment of the Final Redemption Amount and/or the Optional Redemption Amount and/or the Early Redemption Amount as a result of such redemption. The Issuer is not liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Note.

12.2. All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future Taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by Applicable Law.

12.3. In such event, the Issuer will, subject to the Issuer's right to redeem such Notes in terms of Condition 10.2 (*Redemption following the occurrence of a Tax Event (Gross Up) or Tax Event (Deductibility) or Change in Law*), pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

12.3.1. held by or on behalf of a Noteholder, who is liable for such Taxes or duties in respect of such Note by reason of the Noteholder's having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

12.3.2. held by or on behalf of a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature imposed by the South African revenue authorities in force from time to time, including, without limitation, by making a declaration of non-residence or other similar claim for

exemption to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

- 12.3.3. held by or on behalf of a Noteholder who could lawfully reduce (but has not so reduced) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature imposed by the South African revenue authorities in force from time to time, including, without limitation, by making a declaration of non-residence or other similar claim for the reduction to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder), provided that this exceptions shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced; or
- 12.3.4. held by or on behalf of a Noteholder to the extent that such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of the application of any tax treaty or non-South African tax laws applicable to such Noteholder, whether by way of a Tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed and in these circumstances the additional amount shall only be payable to the extent that such amount could not be so reduced; or
- 12.3.5. where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the income or taxable income (as defined in section 1 of the Income Tax Act) or capital gain (as contemplated in paragraph 3 of Schedule 8 to the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 12.3.6. more than 30 (thirty) days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th (thirtieth) day; or
- 12.3.7. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of disputers or alleged tax defaulters; or
- 12.3.8. if such withholding or deduction arises in terms of the US Foreign Account Tax Compliance Act ("FATCA") or the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor legislation or provisions), any regulations or agreements thereunder, official interpretations

thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA and/or the aforementioned rules; or

12.3.9. where any combination of the scenarios or occurrences contemplated in Condition 12.3.1 to 12.3.8 occurs.

12.4. If the Issuer becomes subject generally at any time to any taxing jurisdiction, authority or agency other than or in addition to South Africa, references in this Condition 12 (*Taxation*) and in the definitions of “Tax Event (Deductibility)”, “Tax Event (Gross up)”, “Tax Law Change” and “Taxes” shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency.

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

13. **PRESCRIPTION**

The Notes will prescribe unless presented for payment of principal and interest within a period of 3 (three) years after the Relevant Date, save that any Individual Certificate constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the Prescription Act, 1969 (as amended from time to time) will prescribe unless presented for payment of principal and interest within a period of 6 (six) years from the Relevant Date.

14. **EVENTS OF DEFAULT**

14.1. Senior Notes

14.1.1. Subject to Condition 6.9 (*No default*), an Event of Default in relation to Senior Notes shall arise if any one or more of the following events shall have occurred and be continuing:

14.1.1.1. the Issuer fails to pay any amount due and payable in respect of any of the Senior Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date; or

- 14.1.1.2. the Issuer fails to perform or observe any of its other obligations under any of the Senior Notes and such failure has continued for the period of 30 (thirty) calendar days following the service of the Issuer of a written notice requiring that breach to be remedied. (For these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- 14.1.1.3. the Issuer fails to obtain any consent, license, approval or authorisation now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme or any such consent, license, approval or authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Senior Notes or the Programme, and such failure or cessation continues for more than 10 (ten) Business Days after the Issuer becomes aware of such event; or
- 14.1.1.4. the granting of an order by any competent court or authority for the liquidation, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that (i) no liquidation, curatorship, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the Investec Limited Group or (ii) the liquidation, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement the terms of which were approved by Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up or dissolution; or
- 14.1.1.5. in respect of any Financial Indebtedness of the Issuer:
 - 14.1.1.5.1. any such Financial Indebtedness is not paid when due or within any originally applicable grace period;
 - 14.1.1.5.2. any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided that no event of

default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or

- 14.1.1.5.3. the Issuer fails to pay when due any amount payable by it under any guarantee of any Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in Condition 14.1.1.5.1 and/or Condition 14.1.1.5.2 and/or the amount payable under any guarantee referred to in Condition 14.1.1.5.3 individually or in the aggregate exceeds 5% (five percent) of the total assets of the Issuer as published in its latest audited financial statements (or its equivalent in any other currency or currencies).

- 14.1.2. Upon the happening of such an Event of Default, then any holder of Senior Notes may, by written notice to the Issuer as its Specified Office, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by such Noteholder to be forthwith due and payable whereupon those Senior Notes shall become forthwith due and payable at:

- 14.1.2.1. the Early Redemption Amount, together with accrued interest (if any) to the date of payment; or

- 14.1.2.2. as specified in the Applicable Pricing Supplement (Notes),

provided that no such action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.

14.2. Subordinated Notes (that are not Subordinated Capital Notes)

An Event of Default in relation to Subordinated Notes (that are not Subordinated Capital Notes) shall arise if any one or more of the events contemplated in Condition 14.1.1.1 or 14.1.1.4 shall have occurred and be continuing. Upon the happening of such an Event of Default, any holder of Subordinated Notes (that are not Subordinated Capital Notes) may, by written notice to the Issuer at its registered office, effective upon the date of receipt thereof by the Issuer, declare the Subordinated Notes (that are not Subordinated Capital Notes) held by such holder to be forthwith due and payable whereupon those Subordinated Notes (that are not Subordinated Capital Notes) shall become forthwith due and payable at the Early Redemption Amount together with accrued interest (if any) to the date of payment.

14.3. Tier 2 Notes

14.3.1. This Condition 14.3 (*Tier 2 Notes*) applies only to Tier 2 Notes, is only for the benefit of Tier 2 Noteholders and is subject to Condition 6.9 (*No default*).

14.3.2. Notwithstanding any of the provisions below in this Condition 14.3 (*Tier 2 Notes*), the remedies available to Tier 2 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings. If the Issuer fails to pay any amount due and payable in respect of any Series of Tier 2 Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied (unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date), any Tier 2 Noteholder of that Series may, subject to Condition 6.3 (*Status of Tier 2 Notes*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; provided that no action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.

14.3.3. If an order is made or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), each Tier 2 Noteholder may, by written notice to the Issuer as its Specified Office, effective upon the date of receipt thereof by the Issuer, declare the Tier 2 Notes held by such Tier 2 Noteholder to be forthwith due and payable whereupon those Tier 2 Notes shall become forthwith due and payable at:

14.3.3.1. the Early Redemption Amount, together with accrued interest (if any) to the date of payment; or

14.3.3.2. as specified in the Applicable Pricing Supplement (Notes),

in each case subject to Condition 6.3 (*Status of Tier 2 Notes*) (and specifically Condition 6.3.3 (*Subordination*)), provided that no such action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment

in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.

- 14.3.4. Without prejudice to Conditions 14.3.2 and 14.3.3, if the Issuer breaches any of its obligations under the Tier 2 Notes (other than any payment obligation arising out of or in connection with the Tier 2 Notes, including but not limited to in respect of the payment of principal or interest on such Tier 2 Notes), then each Tier 2 Noteholder may, at its discretion and without further notice, but subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Tier 2 Notes earlier than the same would otherwise have been payable by it.
- 14.3.5. The rights of the holder of a Tier 2 Note shall be subject to any Condition which requires such Tier 2 Note to either be Written Off or Converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of Tier 2 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Relevant Authority in respect of a Tranche of Tier 2 Notes) and as further contemplated in Conditions 6.5 (*Write Off or Conversion of Subordinated Notes*) to 6.11 (*Regulatory Capital Requirements and Additional Conditions*).

14.4. Additional Tier 1 Notes

- 14.4.1. This Condition 14.4 (*Additional Tier 1 Notes*) applies only to Additional Tier 1 Notes, is only for the benefit of Additional Tier 1 Noteholders and is subject to Condition 6.9 (*No default*).
- 14.4.2. Notwithstanding any of the provisions below in this Condition 14.4 (*Additional Tier 1 Notes*):
 - 14.4.2.1. the remedies available to Additional Tier 1 Noteholders in circumstances where payment of principal or interest (as the case may be) has become due and payable, but remains unpaid, are limited to the right to institute winding-up proceedings; and
 - 14.4.2.2. payment of any Interest Amount in respect of Additional Tier 1 Notes will not be due if the Issuer has elected or is obliged to elect

not to pay that Interest Amount (or any portion thereof) pursuant to Condition 8.1 (*Non-payment of interest*).

- 14.4.3. If the Issuer fails to pay any amount falling due in respect of any Series of Additional Tier 1 Notes and the failure to pay has continued for more than 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied (unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date), any Additional Tier 1 Noteholder of that Series may, subject to Condition 6.4 (*Status of Additional Tier 1 Notes*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer, but may not take any other action in respect of that default; provided that no action may be taken by an Additional Tier 1 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such Applicable Law or order, the Issuer will not be in default if it acts on the advice given to it by independent legal advisers of recognised standing during the aforementioned grace period.
- 14.4.4. Without prejudice to Conditions 14.4.2 and 14.4.3, if the Issuer breaches any of its obligations under the Additional Tier 1 Notes (other than any payment obligation arising out of or in connection with the Additional Tier 1 Notes, including but not limited to in respect of the payment of principal or interest on such Additional Tier 1 Notes), then each Additional Tier 1 Noteholder may, at its discretion and without further notice, but subject to the Regulatory Capital Requirements, bring such proceedings as it may think fit to enforce the obligation in question, provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Additional Tier 1 Notes earlier than the same would otherwise have been payable by it.
- 14.4.5. The rights of the holder of an Additional Tier 1 Note shall be subject to any Condition which requires such Additional Tier 1 Note to either be Written Off or Converted upon the occurrence of a Trigger Event in accordance with the applicable Regulatory Capital Requirements in respect of Additional Tier 1 Notes (and subject further to the Regulatory Capital Requirements, including such Additional Conditions (if any) as are prescribed by the Relevant Authority in respect of a Tranche of Additional Tier 1 Notes) and as further contemplated

in Conditions 6.5 (*Write Off or Conversion of Subordinated Notes*) to 6.11 (*Regulatory Capital Requirements and Additional Conditions*).

- 14.5. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notifying all Noteholders in accordance with Condition 19 (*Notices*), and shall further notify (i) to the extent that there are any Uncertificated Notes outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details.

15. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

15.1. Exchange of Beneficial Interests

- 15.1.1. The holder of Uncertificated Notes or a Beneficial Interest therein may, in terms of the Applicable Procedures and in accordance with section 34(e) of the Financial Markets Act, read together with, section 54 of the Companies Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such holding be exchanged for Notes in definitive form represented by an Individual Certificate (the "Exchange Notice"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Uncertificated Notes or Beneficial Interest therein and (ii) the day on which such holding is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given (the "Exchange Date").
- 15.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Issuer Agent that it is required to exchange such Uncertificated Notes or Beneficial Interest therein for Notes represented by an Individual Certificate. The Issuer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the Participant acting on behalf of the holder of the Beneficial Interest being converted, at the Specified Office of the Issuer Agent; provided that joint holders of an Uncertificated Note or Beneficial Interest therein shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.

- 15.1.3. In the case of the exchange of an Uncertificated Note or Beneficial Interest therein:
- 15.1.3.1. the CSD shall, prior to the Exchange Date, surrender (through the CSD system) such Uncertificated Notes to the Issuer Agent at its Specified Office;
 - 15.1.3.2. the Issuer Agent will obtain the release of such Uncertificated Notes from the CSD in accordance with the Applicable Procedures; and
 - 15.1.3.3. an Individual Certificate shall, in relation to an interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Issuer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.
- 15.1.4. Subject always to Applicable Laws and the Applicable Procedures, upon the replacement of an Uncertificated Note or Beneficial Interest therein with Notes in definitive form represented by an Individual Certificate in accordance with this Condition 15 (*Exchange of Beneficial Interests and replacement of Individual Certificates*), such Notes (now represented by an Individual Certificate) will no longer be held in the CSD and will cease to be capable of being traded on the Financial Exchanges. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

15.2. Replacement

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

15.3. Death and sequestration or liquidation of Noteholder

Any Person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 15.3 (*Death and Sequestration or liquidation of Noteholder*) or of his title as the Issuer and the Issuer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 15.3 (*Death and Sequestration or liquidation of Noteholder*) and Condition 16 (*Transfer of Notes*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or shall duly transfer the Notes.

15.4. Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and any and all governmental charges or insurance charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other Persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

16. **TRANSFER OF NOTES**

16.1. Transfer of title or Beneficial Interests in uncertificated Registered Notes

- 16.1.1. Title to Uncertificated Notes will pass on transfer thereof by electronic book entry in the Central Securities Accounts maintained by the CSD in accordance with the Financial Markets Act and the Applicable Procedures.
- 16.1.2. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the Securities Accounts maintained by the Participants for their clients (and in the Central Securities Account, where applicable), in accordance with the Applicable Procedures.
- 16.1.3. Such transfers will be recorded in accordance with the Applicable Procedures.

16.2. Transfer of Registered Notes represented by Individual Certificates

- 16.2.1. In order for any transfer of Registered Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
- 16.2.1.1. the transfer of such Registered Notes must be embodied in a Transfer Form;
 - 16.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Registered Notes and the transferee, or any authorised representatives of that registered Noteholder or transferee; and
 - 16.2.1.3. the Transfer Form must be delivered to the Issuer Agent at its Specified Office together with the Individual Certificate representing such Registered Notes for cancellation.
- 16.2.2. Registered Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 16.2.3. Subject to this Condition 16.2 (*Transfer of Registered Notes represented by Individual Certificates*), the Issuer Agent will, within 5 (five) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Law and/or Applicable Procedures), record the transfer of Registered Notes represented by an Individual Certificate (or the relevant portion of such Registered Notes) in the Register, and authenticate and deliver to the transferee at the Issuer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Registered Notes transferred reflecting the Nominal Amount Outstanding of the Registered Notes transferred.
- 16.2.4. Where a Noteholder has transferred a portion only of Registered Notes represented by an Individual Certificate, the Issuer Agent will authenticate and deliver to such Noteholder at the Issuer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Individual Certificate representing the balance of the Registered Notes held by such Noteholder.
- 16.2.5. The transferor of any Registered Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

- 16.2.6. Before any transfer of Registered Notes represented by an Individual Certificate is registered in the Register, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Issuer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 16.2.7. No transfer of any Registered Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 17 (*Register*).
- 16.2.8. If a transfer of any Registered Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Issuer Agent.
- 16.2.9. In the event of a partial redemption of Notes under Condition 10.3 (*Early Redemption at the Option of the Issuer*), the Issuer Agent shall not be required in terms of Condition 10.3 (*Early Redemption at the option of the Issuer*), to register the transfer of any Notes during the period beginning on the 10th (tenth) day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

17. REGISTER

- 17.1. The Register shall be kept at the Specified Office of the Issuer Agent or such other Person as may be appointed for the time being by the Issuer to maintain the Register (or in respect of the Uncertificated Securities Register, be kept, administered and maintained by a Participant, or the CSD, as determined in accordance with the Applicable Procedures). The Register shall reflect the number of Registered Notes issued and Outstanding and the date upon which each of the Noteholders was registered as such. The Register shall contain the name, address, and bank account details of the Noteholders of Registered Notes. The Register shall set out the Nominal Amount of the Notes issued to such Noteholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of any Notes. The Register shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any Person authorised in writing by any Noteholder. The Issuer Agent shall not be obliged to record any transfer while the Register is closed. The Issuer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject. The Register shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Notes, as the case may be.

- 17.2. The Issuer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of an Individual Certificate of which it is notified in accordance with these Note Terms and Conditions.
- 17.3. Except as provided for in these Note Terms and Conditions or as required by law, in respect of Registered Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

18. ISSUER AGENT

- 18.1. Any third party appointed by the Issuer as Issuer Agent shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 18.2. If the Issuer elects to appoint another entity (not being the Issuer) as Issuer Agent, that other entity, on execution of an appropriate agency agreement or an appropriate accession letter to the Issuer Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders in the manner set out in Condition 19 (*Notices*) of any such appointment and, if any Notes are listed on the JSE, the Issuer shall notify the JSE of any such appointment.
- 18.3. The Issuer is entitled to vary or terminate the appointment of the Issuer Agent and/or appoint additional or other agents and/or approve any change in the Specified Office through which any such agent acts, provided that there will at all times be a Issuer Agent with an office in such place as may be required by the Applicable Procedures.

19. NOTICES

19.1. Notice by the Issuer

- 19.1.1. Subject to Condition 19.1.3, all notices to Noteholders in respect of Registered Notes shall be sent by registered mail or delivered by hand to their addresses appearing in the Register. Any such notice shall be deemed to have been given on the 7th (seventh) day after the day on which it is mailed and on the day of delivery if delivered.
- 19.1.2. In the event of there being any Individual Certificates in issue, notices to such Noteholders shall be published:
 - 19.1.2.1. in an English language daily newspaper of general circulation in South Africa; and

19.1.2.2. for so long as the Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Financial Exchange is situated or any electronic news service of general distribution,

and any such notices shall be deemed to have been given on the date of first publication.

19.1.3. For as long as any of the Notes are issued in uncertificated form and are held in their entirety in the CSD, all notices in respect of such Notes shall be by way of delivery by the Issuer to the CSD, the Participants and the JSE or such other Financial Exchange on which the Notes are listed for communication by them to holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice shall be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD.

19.2. Notice by the Noteholders

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

19.3. Notice in relation to Notes listed on the JSE

In addition to the provisions of Conditions 19.1 and 19.2, for so long as any Notes are listed on the JSE, all notices in respect of such JSE-listed Notes, shall be made by way of an announcement on SENS.

20. **MEETINGS OF NOTEHOLDERS**

20.1. Convening of meetings

The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10% (ten percent) of the aggregate Nominal Amount of all Notes or Notes in that

Series, as the case may be, for the time being Outstanding (a “**requisition notice**”). Should the Issuer fail to requisition a meeting within 30 (thirty) days of such a requisition notice being delivered to the Specified Office of the Issuer, the Noteholders requesting such a meeting may convene such meeting by written notice to the Issuer and the relevant Noteholders to which such meeting applies in accordance with Condition 19 (*Notices*). A meeting so convened must be held within 90 (ninety) days from the date of the requisition notice and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer.

20.2. Notice

20.2.1. Unless the holders of at least 90% (ninety percent) of the aggregate Nominal Amount of the Notes outstanding or relevant Series of Notes outstanding, as the case may be, agree in writing to a shorter period, at least 21 (twenty one) days’ prior written notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) specifying the date, time and place of the meeting shall be given to the Noteholders and the Issuer Agent (with a copy to the Issuer). Every such meeting shall be held at such time and place as the Issuer Agent may approve. The notice shall set out the nature of the business for which the meeting is to be held, the full text of any resolutions to be proposed and shall state that a Noteholder may appoint a proxy (as defined below) by delivering a form of proxy (as defined below) to the Specified Office of the Issuer Agent by no later than 24 (twenty-four) hours before the time fixed for the meeting.

20.2.2. A requisition notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 20.1 (*Convening of meetings*) may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a requisition notice will be delivered to the Specified Office of the Issuer.

20.3. Proxy

20.3.1. A Noteholder may by an instrument in writing (a “**form of proxy**”) signed by the Noteholder or, in the case of a juristic person, signed on its behalf by an attorney or a duly authorised officer of the juristic person, appoint any Person (a “**proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders. A Person appointed to act as proxy need not be a Noteholder.

20.3.2. Any Noteholder which is a juristic person may by resolution of its directors or other governing body authorise any Person to act as its Representative in connection with any meeting or proposed meeting of the Noteholders.

20.3.3. Any proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder.

20.4. Chairperson

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairperson subject to the remaining provisions of this Condition 20 (*Meetings of Noteholders*). Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 30 (thirty) days of the requisition, then the chairperson of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in Person, by Representative or by proxy. The chairman of an adjourned meeting need not be the same Person as was chairman of the original meeting.

20.5. Quorum

20.5.1. At any such meeting one or more Noteholders present in Person, by Representative or by proxy, holding in aggregate not less than 30 (thirty) percent of the Nominal Amount of Notes held by the applicable Class of Noteholders for the time being Outstanding, shall form a quorum for the consideration of an Ordinary Resolution.

20.5.2. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more Noteholders of that Class of Noteholders present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority in Nominal Amount of the Notes held by the applicable Class of Noteholders for the time being Outstanding.

20.5.3. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

20.5.4. If within 30 (thirty) minutes after the time fixed for any such meeting a quorum is not present, then:

20.5.4.1. in the case of a meeting requested by Noteholders, it shall be dissolved; or

20.5.4.2. in the case of any other meeting, it shall be adjourned for such period (which shall be not less than 14 (fourteen) days and not more than 21 (twenty-one) days and to such time and place as the chairperson determines and approved by the Issuer Agent; provided, however, that the meeting shall be dissolved if the Issuer so decides.

20.6. Adjournment of meetings

20.6.1. Subject to the provisions of this Condition 20 (*Meetings of Noteholders*), the chairperson may, with the consent of (and shall if directed by) any Noteholders, adjourn a meeting of Noteholders or a Class of Noteholders from time to time and from place to place.

20.6.2. No business shall be transacted at any adjourned meeting except business left unfinished, and which might lawfully have been transacted, at the meeting from which adjournment took place.

20.7. Notice following adjournment

20.7.1. Condition 20.2 (*Notice*) shall apply to any meeting which is to be resumed after adjournment for want of a quorum save that:

20.7.1.1. 7 (seven) days' notice (exclusive of the day on which the notice is given and of the day on which the relevant meeting is to be held) shall be sufficient; and

20.7.1.2. the notice shall state that that one or more Noteholders present in Person, by Representative or by proxy whatever the Nominal Amount of the Notes held or represented by them will form a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

20.7.2. It shall not be necessary to give notice of the resumption of a meeting which has been adjourned for any other reason.

20.8. Participation

The following may attend and speak at a meeting:

- 20.8.1. Noteholders present, by Representative or by proxy provided that no such Person shall be entitled to attend and speak (or vote) unless he provides proof acceptable to the Issuer that he is a Noteholder, its Representative or proxy if so required by the Issuer to do so;
- 20.8.2. any officer or duly appointed representative of the Issuer and every other Person authorised in writing by the provided that such Person shall not be entitled to vote, other than as a proxy or Representative;
- 20.8.3. the legal counsel to the Issuer;
- 20.8.4. the Issuer Agent;
- 20.8.5. any other Person approved by the Noteholders at such meeting; and
- 20.8.6. every director or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or Representative.

20.9. Show of hands

Except where otherwise provided, every resolution proposed to be passed at a meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the chairperson's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

20.10. Poll

A demand for a poll shall be valid if it is made by the chairperson, the Issuer or one or more Noteholders present, by Representative or by proxy (whatever the Nominal Amount of Notes held or represented by them). The poll may be taken immediately or after such adjournment as the chairperson directs, but any poll demanded on the election of the chairperson or on any question of adjournment shall be taken at the meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant meeting for any other business as the chairperson directs.

20.11. Votes

- 20.11.1. Every Noteholder present in Person, by Representative or by proxy and who provided proof acceptable to the Issuer of his entitlement to vote, if so required by the Issuer, shall have one vote per Specified Denomination (or the nearest rounded off multiple thereof) of the relevant Series of Notes Outstanding held or represented by him.
- 20.11.2. The holders of Beneficial Interests in Notes must vote in accordance with the Applicable Procedures. Notwithstanding any other provision contained in this Condition 20 (*Meetings of Noteholders*), the Noteholder in respect of Uncertificated Notes shall vote on behalf of holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.
- 20.11.3. In the case of a voting tie, the chairperson shall have a casting vote.
- 20.11.4. Unless the form of proxy states otherwise, a Representative or proxy shall not be obliged to exercise all the votes which he is entitled or cast all the votes which he exercises in the same way.

20.12. Validity of votes by proxies

Any vote by a proxy in accordance with the form of proxy shall be valid even if such form of proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer Agent or the Issuer at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 (twenty four) hours before the time fixed for the relevant meeting. Unless revoked, any appointment of a proxy under a form of proxy in relation to a meeting shall remain in force in relation to any resumption of such meeting following an adjournment.

20.13. Powers

- 20.13.1. A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Note Terms and Conditions:
 - 20.13.1.1. by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Note Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Note Terms and Conditions or imposing obligations on the Issuer not imposed or

contemplated by the Note Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Note Terms and Conditions); and

20.13.1.2. by Extraordinary Resolution:

20.13.1.2.1. to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Noteholders or any of them; or

20.13.1.2.2. assent to any modification of the provisions contained in the Note Terms and Conditions which shall be proposed by the Issuer.

20.13.2. Unless other specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

20.14. Binding effect of resolutions

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting (or whether or not they signed any written resolution, as the case may be), and each Noteholder shall be bound to give effect thereto.

20.15. Notice of the result of voting on any resolution

Notice of the result of the voting on any resolution (including any Extraordinary Resolution) duly considered by the Noteholders shall be given to the Noteholders within 14 (fourteen) days of the conclusion of the meeting in accordance with Condition 19 (*Notices*). Non-publication shall not invalidate any such resolution.

20.16. Minutes

Minutes shall be made of all resolutions and proceedings of meetings by the Issuer Agent and duly entered in books to be provided by the Issuer for that purpose. The chairperson shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

21. MODIFICATION

- 21.1. Subject to the Companies Act, any regulations promulgated under the Companies Act, the debt listings requirements of the JSE and the debt listings requirements of any other applicable Financial Exchange, as the case may be, the Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Note Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued.
- 21.2. Upon making any modification of the Note Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law as contemplated in Condition 21.1 above, the Issuer will submit the amended Note Terms and Conditions to the JSE immediately upon finalising such amendments. Thereafter, the Issuer will release an announcement on SENS, providing a summary of the amendments made, and information regarding where the amended Note Terms and Conditions will be available for inspection.
- 21.3. Save as provided in Condition 21.1, no amendment, variation or modification of these Note Terms and Conditions may be effected unless:
 - 21.3.1. in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Noteholders holding not less than 66.67% (sixty six point six seven percent) in Nominal Amount, of the Notes in that Series for the time being Outstanding; or
 - 21.3.2. sanctioned by an Extraordinary Resolution of the relevant Class of Noteholders, provided that no such amendment, variation or modification shall be of any force or effect unless notice of the intention to make such amendment, variation or modification shall have been given to all of the relevant Class of Noteholders in terms of Condition 19 (*Notices*).
- 21.4. The Issuer shall be obliged to first obtain approval from the JSE prior to seeking the approval of the relevant Noteholders as contemplated in Condition 21.2, or otherwise making any other modification of the Note Terms and Conditions applicable to Subordinated Capital Notes pursuant to Condition 10.7 (*Substitution or variation*).
- 21.5. The Issuer shall effect any modification of the Terms and Conditions, which is not of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law strictly in accordance with the JSE Debt Listings Requirements in force from time to time.

- 21.6. Any modification of the Note Terms and Conditions applicable to Subordinated Capital Notes in accordance with Condition 10.7 (*Substitution or variation*) or this Condition 21 (*Modification*) is subject, if and to the extent that such consent is required under the Regulatory Capital Requirements, to the Issuer obtaining the consent of the Relevant Authority.
- 21.7. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable after making such modification.
- 21.8. For the avoidance of doubt:
- 21.8.1. the provision of any rights of security to or for the benefit of any Class of Noteholders in accordance with Condition 7 (*Negative Pledge*) or the exercise by the Issuer of its rights under Condition 18 (*Issuer Agent*) shall not constitute a modification of these Note Terms and Conditions; and
 - 21.8.2. it is recorded that the Applicable Pricing Supplement (Notes) in relation to any Tranche of Notes may specify any other terms and conditions which shall, to the extent so specified or the extent inconsistent with the Note Terms and Conditions, amend, replace or modify the Note Terms and Conditions for purposes of such Tranche of Notes. The issuing of any Applicable Pricing Supplement (Notes) shall not constitute an amendment of these Note Terms and Conditions requiring the approval of the JSE.

22. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the “**Additional Notes**”) having terms and conditions which are identical as any of the other Notes already issued under the Programme (the “**Existing Notes**”) or the same in all respects save for their respective Interest Commencement Dates, Issue Prices, Issue Dates and aggregate Nominal Amounts, so that the Additional Notes shall be (i) consolidated to form a single Series with the Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

23. GOVERNING LAW

Unless otherwise specified in the Applicable Pricing Supplement (Notes), the provisions of the Note Terms and Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

SIGNED at Sandton on this 15th day of November 2017

For: **INVESTEC LIMITED**

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

PRO FORMA APPLICABLE PRICING SUPPLEMENT (NOTES)

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



INVESTEC LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1925/002833/06)

**Issue of [aggregate Nominal Amount of Tranche] [Title of Notes]
under its ZAR15,000,000,000 Domestic Medium Term Note and Preference Share Programme
[Stock Code]**

This document constitutes the Applicable Pricing Supplement (Notes) relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Terms and Conditions**”) set forth in the Programme Memorandum dated 15 November 2017 (the “**Programme Memorandum**”), as updated and amended from time to time. This Applicable Pricing Supplement (Notes) must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement (Notes) and the Programme Memorandum, the provisions of this Applicable Pricing Supplement (Notes) shall prevail.

PARTIES

1.	Issuer	Investec Limited
2.	Specified Office	[...]
3.	If non-syndicated, Dealer(s)	[...]
4.	If syndicated, Managers	[...]
5.	Debt Sponsor	[...]
6.	Issuer Agent	[...]

7.	Specified Office	[...]
8.	Stabilising manager (if any)	[...]
9.	Specified Office	[...]

PROVISIONS RELATING TO THE NOTES

10.	Status of Notes	[Senior Note (see Condition 6.1 (<i>Status of Senior Notes</i>))/Subordinated Note that is not a Subordinated Capital Note (see Condition 6.2 (<i>Status of Subordinated Notes that are not Subordinated Capital Notes</i>))/Tier 2 Note (see Condition 6.3 (<i>Status of Tier 2 Notes</i>))/Additional Tier 1 Note (see Condition 6.4 (<i>Status of Additional Tier 1 Notes</i>))] [Secured/Unsecured] ¹
		[In accordance with the Regulatory Capital Requirements, the [Tier 2 Notes/Additional Tier 1 Notes] will be subject to [Write Off/Conversion] if a Trigger Event occurs in relation to the Issuer.]
	(i) Series Number	[...]
	(ii) Tranche Number	[...]
11.	Aggregate Nominal Amount of Tranche	[...]
12.	Aggregate Nominal Amount of Notes Outstanding as at the Issue Date	[..., excluding this Tranche of Notes but including all other Notes issued on the Issue Date.]
13.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Indexed/Partly Paid/Instalment/other] Notes
14.	Form of Notes	[Listed/Unlisted] [Registered Notes: [The Notes in this Tranche are issued in certificated form/The Notes in this Tranche are issued in uncertificated form in the CSD]]
15.	Automatic/Optional conversion from one Interest/ Payment Basis to another	[insert details including date for conversion]
16.	Issue Date	[...]

¹ The Regulatory Capital Requirements require that Subordinated Capital Notes be unsecured.

17.	Business Centre	[...]
18.	Additional Business Centre	[...]
19.	Nominal Amount	[...] per Note
20.	Specified Denomination	[...] per Note
21.	Calculation Amount	[...] per Note
22.	Issue Price	[...] per Note
23.	Interest Commencement Date	[...]
24.	Maturity Date	[...]/[Subject to the section titled " <i>Provisions regarding Redemption/Maturity</i> " below, this Tranche of Additional Tier 1 Notes shall only be redeemed, at the aggregate outstanding Nominal Amount of this Tranche plus accrued interest (if any), on a winding-up (other than pursuant to a Solvent Reconstruction) or liquidation of the Issuer, subject to Condition 6.4 (<i>Status of Additional Tier 1 Notes</i>) (and specifically Condition 6.4.3 (<i>Subordination</i>)).] ²
25.	Maturity Period	[...]³/N/A.
26.	Specified Currency	[...]
27.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/ Preceding Business Day/other convention – insert details]
28.	Final Redemption Amount	[...]/[The [aggregate outstanding] Nominal Amount (plus accrued interest, if any, to the Maturity Date).] ⁴ [See item 24 above.] ⁵
29.	Books Closed Period(s)	The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Applicable

² This is only applicable to Additional Tier 1 Notes.

³ Subject to the applicable Regulatory Capital Requirements, a Tranche of Tier 2 Notes must have a minimum Maturity Period of 5 (five) years and 1 (one) day.

⁴ This is only applicable to Tier 2 Notes.

⁵ This is only applicable to Additional Tier 1 Notes.

		Redemption Date, or [...] days prior to any Payment Day;
30.	Last Day to Register	[...], [...], [...] and, [...], or the last day immediately preceding the commencement of the Books Closed Period
31.	Provisions applicable to Subordinated Capital Notes	[Applicable]/[N/A] <i>(Specify Additional Conditions (if any) prescribed by the Relevant Authority and those of the applicable Regulatory Capital Requirements (if any) which are not set out in the Note Terms and Conditions.)</i>
32.	FIXED RATE NOTES	<i>[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements.]</i>
	(i) Issuer election not to pay interest	[Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 32 is subject in all respects to Condition 8 (<i>Interest Payments on Additional Tier 1 Notes</i>).] ⁶
	(ii) Payment of Interest Amount	
	(a) Interest Rate(s)	[...] percent per annum [payable [annually/ semi-annually/quarterly/monthly/other (<i>specify</i>)] in arrear]
1	(b) Interest Payment Date(s)	[...] in each year [adjusted in accordance with [<i>specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"</i>]/[not adjusted]
	(c) Fixed Coupon Amount[(s)]	[•] per Calculation Amount
	(d) Initial Broken Amount	[...]
	(e) Final Broken Amount	[...] percent per annum
	(f) Interest Step-Up Date	[...]
	(g) Day Count Fraction	[Actual/365] [Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)]

⁶ This is only applicable to Additional Tier 1 Notes.

		[Actual/360] [30/360] [30E/360] [Eurobond Basis]
	(h) Any other terms relating to the particular method of calculating interest	[...]
33.	FLOATING RATE NOTES	<i>[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]</i>
	(i) Issuer election not to pay interest	[Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 33 is subject in all respects to Condition 8 (<i>Interest Payments on Additional Tier 1 Notes</i>).] ⁷
	(ii) Payment of Interest Amount	[...]
	(a) Interest Rate(s)	[...]
	(b) Interest Payment Date(s)	[...] with the first Interest Payment Date being [●]
	(c) Any other terms relating to the particular method of calculating interest	[...]
	(d) Interest Step-Up Date	[...]
	(e) Definition of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>))	[...]
	(f) Minimum Interest Rate	[...] percent
	(g) Maximum Interest Rate	[...] percent
	(h) Day Count Fraction	[Actual/365] [Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [Eurobond Basis]
	(i) Other terms relating to the method of calculating interest	[...]

⁷ This is only applicable to Additional Tier 1 Notes.

(e.g.: day count fraction,
 rounding up provision, if
 different from Condition 9.2
*(Interest on Floating Rate
 Notes and Indexed Notes)*)

- | | |
|--|--|
| (iii) Manner in which the Interest Rate is to be determined | [ISDA Determination/Screen Rate determined Determination/other (insert details)] |
| (iv) Margin | [...] |
| (v) If ISDA Determination | |
| (a) Floating Rate | [...] |
| (b) Floating Rate Option | [...] |
| (c) Designated Maturity | [...] |
| (d) Reset Date(s) | [...] |
| (e) ISDA Definitions to apply | [...] |
| (vi) If Screen Rate Determination | |
| (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | [...] |
| (b) Interest Rate Determination Date(s) | [...] |
| (c) Relevant Screen page and Reference Code | [...] |
| (d) Relevant Time | [...] |
| (vii) If Interest Rate to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Interest | [...] |

36.	INSTALMENT NOTES	<i>[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]</i>
	(i) Instalment Dates	[...]
	(ii) Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes)	[...]
37.	MIXED RATE NOTES	<i>[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]</i>
	(i) Issuer election not to pay interest	[Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 37 is subject in all respects to Condition 8 (<i>Interest Payments on Additional Tier 1 Notes</i>).] ⁸
	(ii) Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:	
	(a) Fixed Rate Notes	[...]
	(b) Floating Rate Notes	[...]
	(c) Indexed Notes	[...]
	(d) Other Notes	[...]
	(iii) The Interest Rate and other pertinent details are set out under the headings relating to the applicable forms of Notes	
38.	INDEXED NOTES	<i>[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]</i>
	(i) Issuer election not to pay interest	[Not applicable]/[Applicable. In the case of a Tranche of Additional Tier 1 Notes, this item 38 is subject in all respects to Condition 8 (<i>Interest Payments on Additional</i>

⁸ This is only applicable to Additional Tier 1 Notes.

Tier 1 Notes].⁹

(ii)

- | | | |
|-----|--|--|
| (a) | Type of Indexed Notes | [Indexed Interest/Indexed Redemption Amount] Notes |
| (b) | Index/Formula by reference to which Interest Rate/Interest Amount/Final Redemption Amount (delete as applicable) is to be determined | [...] |
| (c) | Manner in which the Interest Rate/Interest Amount/Final Redemption Amount (delete as applicable) is to be determined | [...] |
| (d) | Interest Period(s) | [...] |
| (e) | Interest Payment Date(s) | [...] |
| (f) | If different from the Issuer Agent, agent responsible for calculating amount of principal and interest | [[Name] shall be the Issuer Agent (<i>no need to specify if the Issuer Agent is to perform this function</i>)] [Please note: If the performance of an instrument to be listed on the Interest Rate Market of the JSE relates to the performance of an index and/or the calculation thereof, the index Issuer Agent for Debt Securities must be registered as such with the JSE – paragraph 4.11(j) of the JSE debt listings requirements.] |
| (g) | Provisions where calculation by reference to Index and/or Formula is impossible or impracticable | [...] |
| (h) | Minimum Interest Rate | [...] |
| (i) | Maximum Interest Rate | [...] |

⁹ This is only applicable to Additional Tier 1 Notes.

- (j) Other terms relating to the calculation of the Interest Rate (e.g. Day Count Fraction, rounding up provisions)

[...] [Please note: Additional JSE requirements may be applicable if Index-Linked Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE debt listings requirements.]

39. **EXCHANGEABLE NOTES**

[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]

- (i) Mandatory Exchange applicable?

[Yes/No]

- (ii) Noteholders' Exchange Right applicable?

[Yes/No]

- (iii) Exchange Securities

[...]

- (iv) Manner of determining Exchange Price

[...]

- (v) Exchange Period

[...]

- (vi) Other

[...]

40. **OTHER NOTES**

[Subject, in the case of Subordinated Capital Notes, to the applicable Regulatory Capital Requirements]

Relevant description and any additional Terms and Conditions relating to such Notes

[...]

PROVISIONS REGARDING REDEMPTION/MATURITY

41. Prior consent of the Relevant Authority required for any redemption (in the case of Tier 2 Notes, prior to the Maturity Date)

[Yes/Yes, save for redemption of Subordinated Capital Notes for Regulatory Capital reasons as contemplated in Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*). Condition 10.8 (*Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes*) is not applicable to the redemption of this Tranche of Notes upon the occurrence of a Regulatory

	Event, pursuant to Condition 10.8.3./No. ^{10]}
42.	<p>Redemption at the option of the Issuer: if yes:</p> <p>[Yes/Yes, subject to the applicable Regulatory Capital Requirements and Condition 10.8 (<i>Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes</i>)/No]</p> <p>(i) Optional Redemption Date(s) [..., subject to the applicable Regulatory Capital Requirements.]</p> <p>(ii) Optional Redemption Amount(s) [...] and method, if any, of calculation of such amount</p> <p>(iii) Minimum period of notice (if different from Condition 10.3 (<i>Redemption at the option of the Issuer</i>)) [...]</p> <p>(iv) Redeemable in part. [Yes/No]</p> <p>If yes:</p> <p>Minimum Redemption Amount(s) [...]</p> <p>Higher Redemption Amount(s) [...]</p> <p>(v) Other terms applicable on Redemption [...]</p>
43.	<p>Redemption at the Option of Noteholders of Senior Notes: if yes: [Yes/No]¹¹</p> <p>(i) Optional Redemption Date(s) [...]</p> <p>(ii) Optional Redemption Amount(s) [...] and method of calculation?</p> <p>(iii) Minimum period of notice (if [...]</p>

¹⁰ No such consent will be required in the case of Senior Notes.

¹¹ This right is only applicable to Senior Notes.

different from Condition 10.4
*(Redemption at the option of
 Noteholders of Senior Notes)*

- | | | |
|------|---------------------------------------|----------|
| (iv) | Redeemable in part. | [Yes/No] |
| | If yes: | |
| | Minimum Redemption Amount(s) | [...] |
| | Higher Redemption Amount(s) | [...] |
| (v) | Other terms applicable on Redemption | [...] |
| (vi) | Attach <i>pro forma</i> Put Notice(s) | |
44. Early Redemption Amount(s) payable on redemption following the occurrence of a Tax Event (Gross up), Tax Event (Deductibility) and/or Change in Law, if yes:
- | | | |
|-------|---|-------|
| (i) | Amount payable; or | [...] |
| (ii) | Method of calculation of amount payable (if required or if different from that set out in Condition 10.9 <i>(Early Redemption Amounts)</i>) | [...] |
| (iii) | Minimum period of notice (if different from Condition 10.2 <i>(Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) and/or Change in Law)</i>) | [...] |
- [Yes/Yes, subject to the applicable Regulatory Capital Requirements and Condition 10.8 *(Conditions to redemption, purchase, cancellation, modification, substitution or variation of Subordinated Capital Notes)*/No]

45. Early Redemption Amount(s) payable on redemption of Subordinated Capital Notes for Regulatory Capital reasons¹²
- (i) Amount payable; or
 - (ii) Method of calculation of amount payable or if different from that set out in Condition 10.9 (*Early Redemption Amounts*))
 - (iii) Minimum period of notice (if different from Condition 10.5 (*Redemption of Subordinated Capital Notes for Regulatory Capital reasons*))
46. Early Redemption Amount(s) payable on redemption on Event of Default (if required), if yes: [Yes/No]
- (i) Amount payable; or [...]
 - (ii) Method of calculation of amount payable (if required or if different from that set out in Condition 10.9 (*Early Redemption Amounts*)) [...]

TRIGGER EVENT¹³

47. Contractual Conversion Condition [Applicable. See Conditions 6.5 (*Write Off or Conversion of Subordinated Capital Notes*) to 6.7 (*Conversion of Convertible Subordinated Capital Notes upon a Trigger Event*) and 6.9 (*No default*) to 6.11 (*Regulatory Capital Requirements and Additional Conditions*)/Not applicable.]
48. If applicable:
- (i) Conversion Price [Determined in the manner set out in Annex "B" to this

¹² This right is only applicable to Subordinated Capital Notes.

¹³ These items are only applicable to Subordinated Capital Notes.

Applicable Pricing Supplement (Notes).]

- | | | |
|-------|--|---|
| (ii) | Conversion Record Date (if different from the Note Terms and Conditions) | [...] |
| (iii) | Conversion Settlement Date (if different from the Note Terms and Conditions) | [...] |
| (iv) | Time period for the delivery of the Issuer Conversion Price Notice (if different from the Note Terms and conditions) | [...] |
| (v) | Other | [Notwithstanding Condition 6.7.2.3 of the Note Terms and Conditions, the aggregate Fair Market Value of the newly-issued Issuer Shares shall not exceed the total aggregate Conversion Amount on the Conversion Settlement Date.] |
49. Contractual Write Off Condition
- [Applicable. See Conditions 6.5 (*Write Off or Conversion of Subordinated Capital Notes*), 6.6 (*Notification of Trigger Event*) and 6.8 (*Write Off of Subordinated Capital Notes upon a Trigger Event*) to 6.11 (*Regulatory Capital Requirements and Additional Conditions*)/Not applicable.]

GENERAL

- | | | |
|-----|--|------------------------------|
| 50. | Substitution and variation for Subordinated Capital Notes | [Applicable/Not applicable.] |
| 51. | Substitution and variation for Subordinated Capital Notes upon a Change in Law | [Applicable/Not applicable.] |
| 52. | Amendment Option to disapply the Contractual Conversion Condition for Subordinated Capital Notes pursuant to Condition 6.10 (<i>Disapplication of Contractual Conversion Condition or Contractual Write Off Condition</i>) | [Applicable/Not applicable.] |

53.	Amendment Option to disapply the Contractual Write Off Condition for Subordinated Capital Notes pursuant to Condition 6.10 (<i>Disapplication of Contractual Conversion Condition or Contractual Write Off Condition</i>)	[Applicable/Not applicable.]
54.	Aggregate Nominal Amount of Notes Outstanding and aggregate Calculation Amount of Programme Preference Shares as at the Issue Date	<p>[..., excluding this Tranche of Notes but including all other Notes issued on the Issue Date.]</p> <p>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 Nominal Amount of this Tranche of Notes (when issued), will not exceed the Programme Amount.</p>
55.	Financial Exchange	[...]
56.	ISIN No.	[...]
57.	Stock Code	[...]
58.	Additional selling restrictions	[...]/[See Condition 10.13 (<i>Purchases</i>).] ¹⁴
	(i) Financial Exchange	[...]
	(ii) Relevant sub-market of the Financial Exchange	[...]
59.	Provisions relating to stabilisation	[...]
60.	Method of distribution	[Private Placement/Auction/Bookbuild]
61.	Credit Rating assigned to [Issuer] / [Notes] as at the Issue Date (if any)	See Annex "A" (<i>Applicable Credit Ratings</i>).

¹⁴ This restriction applies to Subordinated Capital Notes only.

62.	Governing law (if the laws of South Africa are not applicable)	[...]
63.	Other Banking Jurisdiction	[...]
64.	Use of proceeds	[...]/[As at the Issue Date, the proceed of the issue of this Tranche ranks as [Tier 2 Capital]/[Additional Tier 1 Capital].]
65.	Surrendering of Individual Certificates	[...] days after the date on which the Individual Certificate in respect of the Note to be redeemed has been surrendered to the Issuer.
66.	Reference Banks	[...]
67.	Other provisions	[Other Events of Default in addition to the Events of Default referred to in Condition 14 (Events of Default)] [Other provisions]/[Covenants]

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

1. Paragraph 3(5)(a)

The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the **[Issuer]**.

2. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

3. Paragraph 3(5)(c)

The auditor of the Issuer is **[insert]**.

4. Paragraph 3(5)(d)

As at the date of this issue:

- (j) the Issuer has **[not issued]/[issued ZAR●,000,000,000]** Commercial Paper (as defined in the Commercial Paper Regulations); and

(iii) the Issuer estimates that it may issue [ZAR●,000,000,000] of Commercial Paper during the current financial year, ending [date].

5. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and this Applicable Pricing Supplement (Notes).

6. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

7. Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted].

8. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its [general corporate purposes/funding of its business operations/other].

9. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured.

10. Paragraph 3(5)(j)

[Insert], the statutory auditors of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement (Notes). To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement (Notes) is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement (Notes) contains all information required by law and the applicable debt listings requirements of the JSE.

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

SIGNED at _____ on this _____ day of _____ 2017

For: **INVESTEC LIMITED**

Signature:

who warrants that he / she is duly authorised thereto

Name:

Capacity:

Signature:

who warrants that he / she is duly authorised thereto

Name:

Capacity:

[SIGNED at _____ on this _____ day of _____
2017]¹⁵

For: **INVESTEC LIMITED**

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

¹⁵ To be retained only where Convertible Subordinated Capital Notes are issued.

ANNEX "A"

APPLICABLE CREDIT RATINGS

1. Issuer

The Issuer has been rated as follows:

Rating Agency	Rating	Rating Date	Rating Expiry / Renewal Date
S&P			
Moody's			
[Other]			

2. Notes

This Tranche of Notes [has been] [will not be] rated [as follows:][.]

Rating Agency	Rating	Rating Date	Rating Expiry / Renewal Date
S&P			
Moody's			
[Other]			

PROGRAMME PREFERENCE SHARE TERMS AND CONDITIONS

*The following are the terms and conditions of the Programme Preference Shares (the “**Programme Preference Share Terms and Conditions**”) to be issued by the Issuer pursuant to this Programme Memorandum, which Programme Preference Share Terms and Conditions will be incorporated by reference into each Programme Preference Share. Programme Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Programme Preference Shares. Before the Issuer issues any Tranche of Programme Preference Shares, the Issuer shall complete and sign the Applicable Pricing Supplement (Preference Shares), based on the Pro Forma Applicable Pricing Supplement (Preference Shares) included in Programme Memorandum, setting out the details of such Programme Preference Shares.*

The Applicable Pricing Supplement (Preference Shares) in relation to any Tranche of Programme Preference Shares may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Programme Preference Share Terms and Conditions, replace or modify the following Programme Preference Share Terms and Conditions for the purpose of such Tranche of Programme Preference Shares. If there is any conflict or inconsistency between the provisions set out in the Applicable Pricing Supplement (Preference Shares) and the provisions set out in these Programme Preference Share Terms and Conditions, then the provisions in the Applicable Pricing Supplement (Preference Shares) will prevail.

Any reference in these Programme Preference Share Terms and Conditions to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation at the Programme Date, as amended or substituted from time to time.

1. DEFINITIONS AND INTERPRETATION

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

“2013 Programme Memorandum” the programme memorandum dated 4 September 2013 issued by the Issuer in relation to the Programme, which applies to all Notes and Programme Preference Shares issued under the Programme between 4 September 2013 and the Programme Date and which in respect of any such Notes and Programme Preference Shares superseded and replaced in its entirety the programme memorandum dated 12 February 2003 issued by

	the Issuer in relation to the Programme;
“Accumulated Preference Dividends”	has the meaning specified in Condition 7.6.1 (<i>Accumulated Preference Dividends</i>);
“Additional Business Centre(s)”	in relation to a Tranche of Programme Preference Shares, the city or cities specified as such in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
“Additional Conditions”	in relation to any issue of Programme Preference Shares the proceeds of which are intended to qualify as Regulatory Capital, such conditions (in addition to the conditions specified in the applicable Regulatory Capital Requirements) as may be prescribed by the Relevant Authority for the proceeds of the issuance of such Programme Preference Shares to qualify as Regulatory Capital at the time of such issue pursuant to the approval granted by the Relevant Authority for the issue of such Programme Preference Shares, as specified in the Applicable Pricing Supplement (Preference Shares);
“Adjustment Notice”	has the meaning ascribed thereto in Condition 7.1.1;
“Affiliate”	[•]
“Applicable Law”	in relation to a Person, any law (including statutory, common or customary law), statute, constitution, decree, treaty, regulation, judgment, directive, code of practice, guidance note, circular, by-law, order, other legislative measure, requirement, request or guideline (whether or not having the force of law but, if not having the force of law, is generally complied with by the person to whom it is addressed or applied) of any government, supranational, local government, statutory or regulatory or self-regulatory or similar body or authority or court, compliance with which is mandatory for that Person;
“Applicable Pricing Supplement (Preference Shares)”	the pricing supplement relating to a Tranche of Programme Preference Shares, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Programme Preference Shares, based upon the <i>pro forma</i> Applicable Pricing Supplement (Preference Shares) which is attached as Annex A to these Programme Preference Share Terms and Conditions and headed “ <i>Pro Forma Applicable</i>

Pricing Supplement (Preference Shares)";

"Applicable Procedures"	the rules, debt listings requirements and operating procedures from time to time of the CSD, Participants, Issuer Agents, JSE and/or any Financial Exchange, as the case may be;
"Applicable Redemption Amount"	in relation to a Tranche of Redeemable Programme Preference Shares, the Final Redemption Amount, the Optional Redemption Amount, the Early Redemption Amount or such other amount in the nature of a redemption amount, as appropriate, as may be specified in, or determined in accordance with the provisions of, the relevant Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Applicable Redemption Date"	in relation to a Tranche of Redeemable Programme Preference Shares, the Final Redemption Date or the relevant Early Redemption Date, as applicable;
"Arranger"	Investec Bank Limited, or such other entity as may be appointed by the Issuer as arranger, as specified in the Applicable Pricing Supplement (Preference Shares);
"Authorising Resolution"	in respect of each Tranche of Programme Preference Shares, a resolution of the Board (i) determining the preferences, rights, limitations and other terms of that Tranche of Programme Preference Shares in accordance with section 36(3)(d) of the Companies Act (being the terms set out in these Programme Preference Share Terms and Conditions as amended and/or supplemented by the Applicable Pricing Supplement (Preference Shares) relating to such Tranche) and (ii) authorising the issue of that Tranche of Programme Preference Shares;
"Banks Act"	the Banks Act, 1990;
"Beneficial Interest"	in relation to a Tranche of Programme Preference Shares which is held in the CSD, the beneficial interest as a co-owner of an undivided share of all of the uncertificated Programme Preference Shares in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of

Programme Preference Shares in that Tranche, is determined by reference to the proportion that the aggregate Calculation Amount of such number of Programme Preference Shares bears to the aggregate Calculation Amount of all of the Programme Preference Shares in that Tranche, as provided for in section 37(3) of the Financial Markets Act;

"BESA Guarantee Fund Trust"

the guarantee fund established and operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(1)(w) of the Financial Markets Act or any successor fund;

"Board"

the board of directors of the Issuer from time to time;

"Books Closed Period"

in relation to a Tranche of Programme Preference Shares, the period, as specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche, commencing after the Last Day to Register, during which transfers of that Tranche of Programme Preference Shares will not be registered, or such other shorter period as the Issuer may decide to determine those Programme Preference Shareholders entitled to receive dividends or redemption monies;

"Business Day"

a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement (Preference Shares) save that if the Specified Currency is not ZAR, **"Business Day"** shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement (Preference Shares) so provides, **"Business Day"** shall include a Saturday;

"Calculation Amount"

in relation to a Tranche of Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing

	Supplement (Preference Shares) relating to that Tranche;
"Central Securities Account"	shall bear the meaning ascribed thereto in the Financial Markets Act;
"Class"	a Tranche of Programme Preference Shares together with any further Tranche or Tranches of Programme Preference Shares which are (i) expressed in the Authorising Resolution to form part of the same Class as another Tranche of Programme Preference Shares, and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Dividend Commencement Dates and/or Issue Prices;
"Class of Programme Preference Shareholder(s)"	the holders of a Class of Programme Preference Shares or, where appropriate, the holders of different Classes of Programme Preference Shares;
"Companies Act"	the Companies Act, 2008;
"Companies Regulations"	The Companies Regulations, 2011 promulgated under section 223 of the Companies Act (published on 26 April 2011 in Government Notice R351 on Government Gazette 34239), as such Regulations may be amended, supplement or replaced from time to time;
"CSD"	Strate Proprietary Limited (Registration number 1998/022242/07), or its nominee, being a registered central securities depository operating in terms of the Financial Markets Act (or any successor legislation thereto), and any reference to "CSD" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act, or any additional or alternate depository approved by the Issuer;
"Day Count Fraction"	in respect of the calculation of an amount for any period of time (the " Calculation Period "), such day count fraction as may be specified in these Programme Preference Share Terms and Conditions or the Applicable Pricing Supplement (Preference Shares): <ul style="list-style-type: none"> (i) if "Actual/Actual (ICMA)" is so specified, means:

- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty five) (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 (three hundred and sixty six) and (ii) the actual number of days in that portion of the Calculation Period falling in a non leap year divided by 365 (three hundred and sixty five));
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (three hundred and sixty five);
- (iv) “**Actual/360**” is so specified, means the number of days in the Calculation Period divided by 360 (three hundred and

sixty);

- (v) if **"30/360"** is so specified, means the number of days in the Calculation Period divided by 360 (three hundred and sixty) (the number of days to be calculated on the basis of a year of 360 (three hundred and sixty) days with 12 (twelve) 30 (thirty) day months (unless (i) the last day of the Calculation Period is the 31st (thirty first) day of a month but the first day of the Calculation Period is a day other than the 30th (thirtieth) or 31st (thirty first) day of a month, in which case the month that included the last day shall not be considered to be shortened to a 30 (thirty) day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 (thirty) day month)); and
- (vi) if **"30E/360"** or **"Eurobond Basis"** is so specified means, the number of days in the Calculation Period divided by 360 (three hundred and sixty) (the number of days to be calculated on the basis of a year of 360 (three hundred and sixty) days with 12 (twelve) 30 (thirty) day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30 (thirty) day month;

"Dealer(s)"

the Issuer and/or any other additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer, as indicated in the Applicable Pricing Supplement (Preference Shares);

"Debt Sponsor"

Investec Bank Limited, unless the Issuer elects to appoint another entity as a debt sponsor, in which event that other entity will act as a debt sponsor, as specified in the Applicable Pricing Supplement (Preference Shares); provided that the Issuer shall maintain the appointment of at least one debt

sponsor until such time as the Programme is deregistered from the JSE;

“Deliver”

deliver in the manner in which the Issuer is entitled to give notice or deliver documents in accordance with Conditions 19 (*Notices*), the Companies Act and the Companies Regulations, and shall, where permitted by the Companies Act and the applicable debt listings requirements of the JSE, include delivery of an abridged document together with instructions as to how the recipient may obtain an unabridged version of such document;

“Designated Maturity”

in relation to a Tranche of Floating Rate Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

“Dividend Amount”

in relation to a Tranche of Programme Preference Shares and a Dividend Period, the amount of dividend payable on the Calculation Amount of each Programme Preference Share in that Tranche, on each Dividend Payment Date in respect of such Dividend Period, determined by the Issuer Agent in accordance with Condition 7 (*Dividend Rights of the Programme Preference Shares*);

“Dividend Commencement Date”

in relation to a Tranche of Programme Preference Shares, the first date from which dividends on such Tranche will accrue, as specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

“Dividend Payment Date”

in respect of a Tranche of Programme Preference Shares, the date(s) specified in the Applicable Pricing Supplement (Preference Shares) or if no express such date(s) is/are specified in the Applicable Pricing Supplement (Preference Shares), the last day of the Dividend Period commencing on the preceding Dividend Payment Date, or, in the case of the first Dividend Payment Date, commencing on the Dividend Commencement Date;

“Dividend Period”

each successive period beginning on (and including) a Dividend Payment Date and ending on (but excluding) the

following Dividend Payment Date; provided that the first Dividend Period shall begin on (and include) the Dividend Commencement Date and, in respect of any Redeemable Programme Preference Share, the last Dividend Period in respect of such Programme Preference Share shall end on (but exclude) the Applicable Redemption Date;

"Dividend Rate"

in respect of a Tranche of Programme Preference Shares, the dividend rate(s) specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Dividend Rate Determination Date"

in respect of a Tranche of Programme Preference Shares, the date(s) specified in the Applicable Pricing Supplement (Preference Shares);

"Dividends Tax"

"*dividends tax*" as contemplated in Part VIII of Chapter 2 of the Income Tax Act;

"Dividends Tax Rate"

the rate at which the Dividends Tax is levied under the Income Tax Act from time to time;

"Early Redemption Amount"

in respect of any Redeemable Programme Preference Share, the amount at which such Programme Preference Share will be redeemed by the Issuer pursuant to the provisions of Conditions 10.2 (*Early Redemption following a Regulatory Event*) and/or Condition 10.4 (*Early Redemption following a Redemption Event*), determined in accordance with Condition 10.5 (*Early Redemption Amounts*) or as set out in the Applicable Pricing Supplement (Preference Shares);

"Early Redemption Date"

in relation to a Tranche of Redeemable Programme Preference Shares:

- (i) the date on which the Issuer elects to redeem that Tranche of Programme Preference Shares as contemplated in Condition 10.2 (*Early Redemption following a Regulatory Event*); or
- (ii) the Optional Redemption Date on which the Issuer elects to exercise its right to redeem that Tranche of Redeemable Programme Preference Shares in accordance with Condition 10.3 (*Early Redemption at the*

option of the Issuer), if applicable; or

- (iii) the date on which the Issuer is obliged to redeem that Tranche of Programme Preference Shares in accordance with Condition 10.4 (*Early Redemption following a Redemption Event*);

“Exchange Control Regulations” the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;

“Extraordinary Resolution” (i) a resolution passed at a meeting (duly convened) of the Programme Preference Shareholders or relevant Class of Programme Preference Shareholders, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point six seven percent) of the persons voting thereat upon a show of hands or if a poll is duly demanded then by a majority consisting of not less than 66.67% (sixty-six point six seven percent) of the votes given on such poll by Programme Preference Shareholders or the relevant Class of Programme Preference Shareholders present in person or by proxy; provided that, if and for so long as the Programme and/or any Programme Preference Shares issued thereunder are registered with and/or listed on the JSE, and then only to the extent required by the applicable debt listings requirements of the JSE, where a resolution (and where such resolution forms part of a composite resolution, in relation to that specific resolution only) relates to an amendment to the Programme Preference Share Terms and Conditions (other than an amendment contemplated in Condition 22.1), such resolution will need to be approved by Programme Preference Shareholders or Programme Preference Shareholders of the relevant Class of Programme Preference Shares, as the case may be, representing not less than 66.67% (sixty-six point six seven percent) (or such higher amount as may be prescribed by the applicable debt listings requirements of the JSE from time to time) of the value of all Programme Preference Shares or Programme Preference Shares in that Class (**“relevant Programme Preference**

Shareholders"), as the case may be ("**relevant Programme Preference Shares**") (being determined with reference to the aggregate outstanding Calculation Amount of the Programme Preference Shares Outstanding held by such relevant Programme Preference Shareholders as it bears to the aggregate outstanding Calculation Amount of all of the relevant Programme Preference Shares Outstanding), notwithstanding that the meeting of relevant Programme Preference Shareholders may otherwise be duly convened or quorated and that other matters (including other Extraordinary Resolutions) may otherwise validly be considered and approved at such meeting; and

- (ii) a resolution passed other than at a meeting (duly convened) of the Programme Preference Shareholders or relevant Class of Programme Preference Shareholders, as the case may be ("**relevant Programme Preference Shareholders**"), in respect of which relevant Programme Preference Shareholders representing not less than 66.67% (sixty-six point six seven percent) of the value of all Programme Preference Shares or Programme Preference Shares in that Class, as the case may be ("**relevant Programme Preference Shares**") (being determined with reference to the aggregate outstanding Calculation Amount of the Programme Preference Shares Outstanding held by such relevant Programme Preference Shareholders as it bears to the aggregate outstanding Calculation Amount of all of the relevant Programme Preference Shares Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days from the date the resolution is submitted to the relevant Programme Preference Shareholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Programme Preference Shareholders, provided that notice shall have been given to all relevant Programme Preference Shareholders in terms of Condition 19 (*Notices*); provided that where

(a) a resolution (and where such resolution forms part of a composite resolution, in relation to that specific resolution only) relates to an amendment to the Programme Preference Share Terms and Conditions (other than an amendment contemplated in Condition 22.1), (b) the Programme and/or any Programme Preference Shares issued thereunder are registered with and/or listed on the JSE and (c) a higher amount is prescribed by the applicable debt listings requirements of the JSE in relation to amendments to the Programme Preference Share Terms and Conditions, the resolution will need to be passed by relevant Programme Preference Shareholders representing not less than such higher percentage of the value of the relevant Programme Preference Shares;

"Final Broken Amount"

in relation to a Tranche of Programme Preference Shares, the final broken amount specified as such in the Applicable Pricing Supplement (Preference Shares);

"Final Redemption Amount"

in relation to a Tranche of Redeemable Programme Preference Share, the amount payable in respect of each Programme Preference Share in the Tranche upon final redemption thereof, as specified in, or determined in the manner specified in, the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Final Redemption Date"

in relation to a Tranche of Redeemable Programme Preference Shares, the date specified as such in the Applicable Pricing Supplement (Preference Shares);

"Financial Exchange"

the JSE or its successor and/or such other or further financial exchange(s) as may be selected by the Issuer and the relevant Dealer, subject to Applicable Law;

"Financial Indebtedness"

any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;

- (ii) amount raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with the Applicable Law and generally accepted accounting principles, be treated as finance and capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 (ninety) days; and

amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Financial Markets Act"

the Financial Markets Act, 2012;

"Fixed Dividend Amount"

the fixed dividend amount specified as such in the Applicable Pricing Supplement (Preference Shares);

"Fixed Rate Programme Preference Shares"

Programme Preference Shares which will bear dividends at a fixed dividend rate, as specified in the Applicable Pricing Supplement (Preference Shares) and more fully described in Condition 7.2 (*Dividend on Fixed Rate Programme Preference Shares*);

"Floating Rate Programme Preference Shares"

Programme Preference Shares which will bear dividends at a floating dividend rate, as specified in the Applicable Pricing Supplement (Preference Shares) and more fully described in Condition 7.3 (*Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares*);

"Hedging Transaction"

any transaction or trading position entered into or held by the Issuer and/or any of its Affiliates to hedge, directly or indirectly, the Issuer's obligations or positions (whether in whole or in part) in respect of the Programme Preference Shares;

"Higher Redemption Amount"

in relation to a Tranche of Redeemable Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche relating to that Tranche;

"Income Tax Act"	the Income Tax Act, 1962;
"Increased Costs"	<p>(i) a reduction in the Issuer's or its holding company's return on capital;</p> <p>(ii) an additional or increased cost, liability or expense to the Issuer or its holding company; and/or</p> <p>(iii) an increase of any amount payable by the Issuer under the Programme Preference Shares,</p> <p>which is incurred or suffered by the Issuer or its holding company, as the case may be, as a consequence of issuing and/or maintaining in issue, or in performing its obligations under any Programme Preference Shares;</p>
"Indexed Dividend Amount Programme Preference Shares"	Programme Preference Shares in respect of which the Preference Dividend is calculated by reference to such index and/or formula as specified in the Applicable Pricing Supplement (Preference Shares);
"Indexed Programme Preference Shares"	an Indexed Dividend Amount Programme Preference Share and/or an Indexed Redemption Amount Programme Preference Share, as applicable;
"Indexed Redemption Amount Programme Preference Shares"	Programme Preference Shares in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as specified in the Applicable Pricing Supplement (Preference Shares);
"Individual Certificate"	a Programme Preference Share in the definitive registered form of a single certificate and a certificate exchanged for an uncertificated Programme Preference Share or a Beneficial Interest therein in accordance with Condition 15 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>) and any further certificate issued in consequence of a transfer thereof;
"Initial Broken Amount"	in relation to a Tranche of Programme Preference Shares, the initial broken amount specified as such in the Applicable Pricing Supplement (Preference Shares);

"Investec Bank Limited"	Investec Bank Limited, (registration number 1969/004763/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
"Investec Limited Group"	the Issuer and any of its respective subsidiaries;
"ISDA Definitions"	the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association Inc. (as amended, supplemented, revised or republished from time to time), or as specified in the Applicable Pricing Supplement (Preference Shares);
"Issue Date"	in relation to a Tranche of Programme Preference Shares, the date specified as such in the Applicable Pricing Supplement (Preference Shares), being the date upon which such Tranche of Programme Preference Shares is issued by the Issuer;
"Issue Price"	in relation to a Tranche of Programme Preference Shares, the price specified as such in the Applicable Pricing Supplement (Preference Shares), being the consideration for which the each Programme Preference Share in that Tranche is issued by the Issuer;
"Issuer"	Investec Limited (registration number 1925/002833/06), a public company with limited liability and a registered "controlling company" duly incorporated in accordance with the company and banking laws of South Africa;
"Issuer Agent"	Investec Bank Limited, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Issuer Agent in respect of that Tranche or Series of Notes;
"Issuer Agency Agreement"	the issuer agency agreement dated on or about 15 November 2017 entered into between the Issuer and the Issuer Agent;
"JSE"	JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa, licensed as an exchange under the Financial Markets

	Act;
"JSE Guarantee Fund"	the guarantee fund established and operated by the JSE as a separate guarantee fund in terms of the rules of the JSE as required by sections 8(1)(h) and 17(1)(w) of the Financial Markets Act or any successor fund;
"Last Day to Register"	with respect to a particular Class of Programme Preference Shares (as specified in the Applicable Pricing Supplement (Preference Shares)), the last date or dates preceding a Books Closed Period on which the Issuer Agent will accept Transfer Forms and record the transfer of Programme Preference Shares in the Register for that particular Class of Programme Preference Shares and whereafter, the Register is closed for further transfers or entries until the Payment Day and in the case of Programme Preference Shares listed on the JSE, shall mean " <i>Last Day to Trade</i> " as set out in the relevant debt listings requirements of the JSE;
"Margin"	in relation to a Tranche of Floating Rate Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Maximum Redemption Amount"	in relation to a Tranche of Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Minimum Redemption Amount"	in relation to a Tranche of Redeemable Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Mixed Rate Programme Preference Shares"	Programme Preference Shares which will bear dividends over respective periods at differing dividend rates applicable to any combination of Fixed Rate Programme Preference Shares, Floating Rate Programme Preference Shares or Indexed Programme Preference Shares, each as specified in the Applicable Pricing Supplement (Preference Shares) and as more fully described in Condition 7.4 (<i>Dividends on Mixed Rate Programme Preference Shares</i>);

"Memorandum of Incorporation"	the memorandum of incorporation of the Issuer, including its annexures and/or schedules, as the case may be;
"Non-Redeemable Programme Preference Shares"	a Programme Preference Share which is expressed to be non-redeemable in accordance with the Issuer's Memorandum of Incorporation and as specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Note Terms and Conditions"	the terms and conditions of the Notes as set out in the section of the Programme Memorandum headed " <i>Note Terms and Conditions</i> ";
"Notes"	the notes issued or to be issued by the Issuer under the Programme from time to time;
"Optional Redemption Amount"	in relation to a Tranche of Redeemable Programme Preference Shares, the Calculation Amount of a Redeemable Programme Preference Share together with the accrued but unpaid Preference Dividends and any other amount due and payable but unpaid by the Issuer on the Optional Redemption Date on that Redeemable Programme Share in accordance with the Programme Preference Share Terms and Conditions at that time, or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Optional Redemption Date(s)"	in relation to a Tranche of Redeemable Programme Preference Shares, the date(s) specified as such in the Applicable Pricing Supplement (Preference Shares) in relation to that Tranche pursuant to which the Issuer is specified as having an option to redeem the Redeemable Programme Preference Shares in that Tranche in accordance with Condition 10.3 (<i>Early Redemption at the option of the Issuer</i>). If no such date(s) is/are specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche, the Optional Redemption Date(s) shall be the Dividend Payment Date(s);
"Ordinary Resolution"	(i) a resolution passed at a meeting (duly convened) of the Programme Preference Shareholders or relevant Class of Programme Preference Shareholders, as the case may be, upon a show of hands, by a majority consisting of

more than 50% (fifty percent) of the value of the Programme Preference Shares held by the Programme Preference Shareholders or relevant Class of Programme Preference Shareholders, as the case may be, present in person and voting at such meeting, or, if a poll is duly demanded, a majority consisting of more than 50% (fifty percent) of the votes cast at such poll by Programme Preference Shareholders or Programme Preference Shareholders of the relevant Class of Programme Preference Shares, as the case may be, present in person or by proxy; and

- (ii) a resolution passed other than at a meeting (duly convened) of the Programme Preference Shareholders or relevant Class of Programme Preference Shareholders, as the case may be (**"relevant Programme Preference Shareholders"**), in respect of which relevant Programme Preference Shareholders representing more than 50% (fifty percent) of the value of all Programme Preference Shares or Programme Preference Shares in that Class, as the case may be (**"relevant Programme Preference Shares"**) (being determined with reference to the aggregate outstanding Calculation Amount of the Programme Preference Shares Outstanding held by such relevant Programme Preference Shareholders as it bears to the aggregate outstanding Calculation Amount of all of the relevant Programme Preference Shares Outstanding), voted in favour by signing in writing a resolution in counterparts. Where the requisite approval is obtained within 20 (twenty) Business Days from the date the resolution is submitted to the relevant Programme Preference Shareholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of the relevant Programme Preference Shareholders, provided that notice shall have been given to all relevant Programme Preference Shareholders in terms of Condition 19 (*Notices*);

"Participants"

a person that holds in custody and administers securities or an interest in securities and that has been accepted by the CSD

as a participant in terms of the Financial Markets Act;

"Payment Day"	any day which is a Business Day and upon which a payment is due by the Issuer in respect of a Tranche of Programme Preference Shares;
"Penalty Dividend Rate"	in relation to a Tranche of Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Penalty Preference Dividends"	the cumulative cash dividends which are payable in respect of the Programme Preference Shares in accordance with the Programme Preference Share Terms and Conditions and the relevant Applicable Pricing Supplement (Preference Shares);
"Person"	any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;
"Preference Dividend"	any Scheduled Preference Dividends, Accumulated Preference Dividends and Penalty Preference Dividends;
"Previous Programme Memoranda"	the programme memorandum dated 12 February 2003 issued by the Issuer in relation to the Programme and the 2013 Programme Memorandum;
"Prime Rate"	the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365 (three hundred and sixty-five) day year (irrespective of whether or not the year is a leap year)) from time to time of Investec Bank Limited as being its prime overdraft rate as certified by any authorised official of such bank, whose appointment, designation or authority need not be proved;
"Programme"	Investec Limited ZAR15,000,000,000 Domestic Medium Term Note and Preference Share Programme;
"Programme Amount"	the maximum 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) that, considered together, may be issued under the Programme at any one point in time being as at the Programme Date, ZAR15,000,000,000 (or its equivalent in other currencies) or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Law and the programme agreement (if any) relating to the Programme as set out in the section of the Programme Memorandum headed "*General Description of the Programme*";

"Programme Date"

15 November 2017;

"Programme Memorandum"

this programme memorandum dated 15 November 2017 which will apply to all Notes and Programme Preference Shares issued under the Programme on or after the Programme Date, and which in respect of any such Notes and Programme Preference Shares, supersedes and replaces the 2013 Programme Memorandum in its entirety;

"Programme Preference Shareholders"

the holders of the Programme Preference Shares (as recorded in the Register);

"Programme Preference Shares"

the preference shares issued or to be issued by the Issuer under the Programme pursuant to the Programme Memorandum, which may be Redeemable Programme Preference Shares or Non-Redeemable Programme Preference Shares;

"Rating"

in relation to the Issuer, the Programme or a Tranche of Programme Preference Shares, as the case may be, the rating assigned to the Issuer, the Programme or that Tranche of Programme Preference Shares, as the case may be, by any Rating Agency, as specified in the Applicable Pricing Supplement (Preference Shares);

"Rating Agency"

such rating agency(ies) (registered in terms of section 5(1) of the Credit Rating Services Act, 2012) as may be appointed by the Issuer for the purpose of rating the Issuer, the Programme and/or a Tranche of Programme Preference Shares, as the

case may be, and as specified in the Applicable Pricing Supplement (Preference Shares);

"Redeemable Programme Preference Shares"

a Programme Preference Share which is expressed to be redeemable in accordance with the Issuer's Memorandum of Incorporation and as specified in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Redemption Event"

a redemption event as set out in Condition 14 (*Redemption Events*);

"Reference Banks"

in relation to a Tranche of Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Reference Rate"

in relation to a Tranche of Floating Rate Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Register"

the register of Programme Preference Shareholders maintained by the Issuer Agent in terms of Condition 17 (*Register*) and the agency agreement (if any), of which any Uncertificated Securities Register (which is administered and maintained by a Participant or the CSD, as determined in accordance with the Applicable Procedures) forms part;

"Registrar of Banks"

the Registrar of Banks designated under section 4 of the Banks Act;

"Regular Period"

- (i) in the case of Programme Preference Shares where dividend is scheduled to be paid only by means of regular payments, each period from and including the Dividend Commencement Date to but excluding the first Dividend Payment Date and each successive period from and including one Dividend Payment Date to but excluding the next Dividend Payment Date;
- (ii) in the case of Programme Preference Shares where, apart from the first Dividend Period, dividend is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any

year to, but excluding the next Regular Date, where “*Regular Date*” means the day and month (but not the year) on which any Dividend Payment Date falls; and

- (iii) in the case of Programme Preference Shares where, apart from one Dividend Period other than the first Dividend Period, dividend is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to, but excluding the next Regular Date, where “*Regular Date*” means the day and the month (but not the year) on which any Dividend Payment Date falls other than the Dividend Payment Date falling at the end of the irregular Dividend Period;

“Regulations Relating to Banks”	the Regulations promulgated under section 90 of the Banks Act (published on 12 December 2012 in Government Gazette 35950) (as amended by Government Notice R261 in Government Gazette 38616 of 27 March 2015, Government Notice R309 in Government Gazette 38682 of 10 April 2015 and Government Notice R297 in Government Gazette 40002 of 20 May 2016), as such Regulations may be amended, supplemented or replaced from time to time, and any other prevailing capital adequacy regulations promulgated under the Banks Act and applicable to the Issuer, as such regulations may be amended, supplemented or replaced from time to time;
“Regulatory Capital”	as applicable, “ <i>additional tier 1 capital</i> ” or “ <i>tier 2 capital</i> ”, each as defined in the Banks Act;
“Regulatory Capital Requirements”	at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa (and, if applicable, to the controlling companies of such banks) (including any rules and Additional Conditions applicable specifically to the Issuer as prescribed by the Relevant Authority);
“Regulatory Event”	in relation to a Class of Programme Preference Shares:

- (i) any implementation, introduction, abolition, withdrawal, or variation of any Applicable Law or regulation (including, without limitation, any tax law); or
- (ii) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including any action taken by a taxing authority),

as a result of which the Issuer determines, in good faith, that it will incur an Increased Cost in performing its obligations under such Programme Preference Shares, including without limitation:

- (i) any change in the debt listings requirements of the applicable Financial Exchange;
- (ii) any change in the Exchange Control Regulations;
- (iii) any change in the Income Tax Act or any other legislation which (i) imposes any taxation of any nature whatsoever on the Issuer, in relation to the Programme Preference Shares, in South Africa; or (ii) in any other way impacts adversely on the Programme Preference Shares;
- (iv) any change in the Banks Act and/or the Regulations Relating to Banks; or
- (v) any change in the Companies Act and any other legislation which deals with companies generally;

“Relevant Authority”

the Registrar of Banks in terms of the Banks Act and any successor or replacement thereto, or any authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the responsibility of making decisions relating to the declaration of a bank as being non-viable with the effect (as contemplated in the Regulations Relating to Banks) of triggering loss absorption within the relevant capital instruments and/or shares;

“Relevant Date”

in respect of any payment relating to a Tranche of Programme Preference Shares, the date on which such payment first

becomes due, except that, in relation to monies payable to the CSD in accordance with these Programme Preference Share Terms and Conditions, it means the first date on which:

- (i) the full amount of such monies have been received by the CSD;
- (ii) such monies are available for payment to the holders of Beneficial Interests; and
- (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;

"Relevant Screen Page"

the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement (Preference Shares), or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time"

in relation to a Tranche of Floating Rate Programme Preference Shares, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;

"Representative"

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

"Round Robin Resolution"

- (i) where a particular matter needs to be approved by way of an Ordinary Resolution, a resolution contemplated in paragraph (ii) of the definition of "Ordinary Resolution"; and
- (ii) where a particular matter needs to be approved by way of

an Extraordinary Resolution, a resolution contemplated in paragraph (ii) of the definition of "Extraordinary Resolution";

"SARB"	means the South African Reserve Bank, or the relevant replacement or successor regulator;
"Scheduled Preference Dividend"	the cumulative or non-cumulative (as specified in the Applicable Pricing Supplement (Preference Shares)) cash dividends which are payable in respect of a Programme Preference Share (whether it be a Fixed Rate Programme Preference Share, Floating Rate Programme Preference Share, Mixed Rate Programme Preference Shares, Indexed Programme Preference Share or such other type of Programme Preference Share determined by the Issuer and the relevant Dealer and specified in the Applicable Pricing Supplement (Preference Shares)) in accordance with the Programme Preference Share Terms and Conditions and the relevant Applicable Pricing Supplement (Preference Shares);
"Securities Account"	shall bear the meaning ascribed thereto in the Financial Markets Act;
"SENS"	the Stock Exchange News Services established by the JSE;
"South Africa"	the Republic of South Africa;
"Specified Currency"	in relation to a Tranche of Programme Preference Shares, subject to Applicable Laws and in the case of Programme Preference Shares listed on the JSE, subject to the rules and applicable debt listings requirements of the JSE, has the meaning ascribed thereto in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche;
"Specified Office"	in relation to each of the Issuer, the Issuer Agent and the stabilising manager (if any), the address of the office in respect of such entity as specified in the Applicable Pricing Supplement (Preference Shares), or such other address as is notified by such entity (or where applicable, a successor to such entity) to the Programme Preference Shareholders in

	accordance with Condition 19 (<i>Notices</i>);
"Special Resolution"	a resolution adopted with the support of at least 75% (seventy five percent) by the voting rights exercised on that resolution;
"Taxes"	all present and future taxes, duties, imposts, levies, charges, fees withholdings or deductions of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" will be construed accordingly;
"Tranche"	in relation to any particular Class of Programme Preference Shares, all Programme Preference Shares which are identical in all respects (including as to listing);
"Transfer Form"	the written form for the transfer of a Programme Preference Share represented by an Individual Certificate, in the form approved by the Issuer Agent and signed by the transferor and transferee;
"Uncertificated Securities Register"	the register of uncertificated securities administered and maintained by the Participant or the CSD, as determined in accordance with the Applicable Procedures, and which forms part of the Register;
"Unredeemed Programme Preference Shares"	at any time, any Redeemable Programme Preference Shares which have not been redeemed by the Issuer at that time in accordance with the Programme Preference Share Terms and Conditions;
"Unwind Costs"	in respect of any Tranche of Programme Preference Shares in which <i>"Hedge Unwind Adjustment"</i> is specified in the Applicable Pricing Supplement (Preference Shares) as being applicable, the amount specified or, if <i>"Standard Unwind Costs"</i> are specified in the Applicable Pricing Supplement (Preference Shares), an amount determined by the Issuer Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), Tax and duties incurred by the Issuer in

connection with the redemption of the Programme Preference Shares and the related termination, settlement or re-establishment of any Hedging Transaction following an early redemption of the Programme Preference Shares in accordance with the provisions of Conditions 10.2 (*Early Redemption following a Regulatory Event*) and/or Condition 10.4 (*Early Redemption following a Redemption Event*);

"ZAR"

the lawful currency of South Africa, being South African Rand, or any successor currency; and

"ZAR-JIBAR-SAFEX"

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEY Page as at 12h00, Johannesburg time on the relevant date, or any successor rate.

2. INTERPRETATION

2.1. In these Programme Preference Share Terms and Conditions:

2.1.1. if an expression is stated in Condition 1 (*Definitions*) to have the meaning given in the Applicable Pricing Supplement (Preference Shares), but the Applicable Pricing Supplement (Preference Shares) gives no such meaning or specifies that such expression is "*not applicable*" then such expression is not applicable to the relevant Tranche of Programme Preference Shares;

2.1.2. any reference to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time; and

2.1.3. any reference to "*Currency*" or "*currency*" means the lawful currency from time to time of a country.

2.2. Unless inconsistent with the context or save where the contrary is expressly specified in the Programme Preference Share Terms and Conditions:

2.2.1. references to any Condition are to that Condition of the Programme Preference Share Terms and Conditions;

2.2.2. words denoting the singular only will include the plural also and *vice versa*, words denoting one gender

- 2.2.3. only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;
 - 2.2.4. a “subsidiary”, “wholly-owned subsidiary” or “holding company” shall be interpreted in accordance with section 1 of the Companies Act;
 - 2.2.5. the use of the word “*including*” followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to “*including*” and “*in particular*” will not be construed restrictively but will mean “*including, without prejudice to the generality of the foregoing*” and “*in particular, but without prejudice to the generality of the foregoing*” respectively;
 - 2.2.6. any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;
 - 2.2.7. where any number of days is to be calculated from a particular day, such number shall be calculated as inclusive of the first day and exclusive of the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day.
- 2.3. If any provision in a definition in the Programme Preference Share Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Programme Preference Share Terms and Conditions.
 - 2.4. Headings and sub-headings in the Programme Preference Share Terms and Conditions are inserted for convenience only.
 - 2.5. Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Programme Preference Share Terms and Conditions.
 - 2.6. The rule of construction that, in the event of ambiguity, a contract shall be interpreted against the party responsible for the drafting thereof shall not be applied in the interpretation of the Programme Preference Share Terms and Conditions.

3. **ISSUE**

- 3.1. The Issuer may, at any time and from time to time (without the consent of any Programme Preference Shareholder), subject to the provisions of the applicable Authorising Resolution and the prior written approval of the Relevant Authority (if and to the extent required by Applicable Law), issue one or more Tranche(s) of Programme Preference Shares pursuant to the Programme; provided that the aggregate outstanding Nominal Amount (including Notes issued under the Programme pursuant to the Previous Programme Memoranda) (as defined in the Note Terms and Conditions) of all of the Notes and the aggregate Calculation Amount of all the Programme Preference Shares (including Programme Preference Shares issued under the Programme pursuant to the 2013 Programme Memorandum) issued under the Programme from time to time does not exceed the Programme Amount.
- 3.2. Programme Preference Shares will be issued in individual Tranches which, together with other Tranches, may form a Class of Programme Preference Shares. A Tranche of Programme Preference Shares will be issued on, and subject to, the applicable Programme Preference Share Terms and Conditions as determined by the Board from time to time at the time of issuance in accordance with section 36(3)(d) of the Companies Act pursuant to the applicable Authorising Resolution; provided that, the Programme Preference Shares in all cases shall be subject to these Programme Preference Share Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Programme Preference Shares set out in the Applicable Pricing Supplement (Preference Shares) relating to that Tranche of Programme Preference Shares.
- 3.3. The applicable Programme Preference Share Terms and Conditions of a Tranche of Programme Preference Shares are incorporated by reference into the Individual Certificate(s) (if any) representing the Programme Preference Shares in that Tranche. The Applicable Pricing Supplement (Preference Shares) relating to a Tranche of Programme Preference Shares issued in certificated form will be attached to the Individual Certificate(s) representing the Programme Preference Shares in that Tranche.
- 3.4. Copies of the Applicable Pricing Supplements (Preference Shares) and Authorising Resolutions are available for inspection at the Specified Office of the Issuer.

4. **FORM**

4.1. General

- 4.1.1. A Tranche of Programme Preference Shares may be issued in the form of listed or unlisted Programme Preference Shares as specified in the Applicable Pricing Supplement (Preference Shares).

4.1.2. A Tranche of Programme Preference Shares may be listed on the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer, subject to any Applicable Law. Unlisted Programme Preference Shares may also be issued under the Programme. Unlisted Programme Preference Shares are not regulated by the JSE. The Applicable Pricing Supplement (Preference Shares) will specify whether or not a Tranche of Programme Preference Shares will be listed, on which Financial Exchange(s) they are to be listed (if applicable) and, if such Tranche of Programme Preference Shares is to be listed on the JSE, the relevant platform or sub-market of the JSE on which such Tranche of Programme Preference Shares is to be listed.

4.2. Registered Programme Preference Shares

A Tranche of Programme Preference Shares will be represented by (i) Individual Certificates, as contemplated in Condition 4.2.1 (*Programme Preference Shares issued in certificated form*), or (ii) no Individual Certificates and held in uncertificated form in the CSD, as contemplated in Condition 4.2.2 (*Programme Preference Shares issued in uncertificated form*), as specified in the Applicable Pricing Supplement (Preference Shares). The CSD will hold the Programme Preference Shares subject to the Financial Markets Act and the Applicable Procedures.

4.2.1. Programme Preference Shares issued in certificated form

Each Tranche of Programme Preference Shares may, subject to Applicable Law and the Applicable Procedures, be issued in certificated form.

All Programme Preference Shares issued in certificated form will be represented by Individual Certificates and a Register of Programme Preference Shareholders will be maintained. A registered Programme Preference Share which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

4.2.2. Programme Preference Shares issued in uncertificated form

A Tranche of Programme Preference Shares which is listed on the JSE must, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Programme Preference Shares issued in uncertificated form will (i) be held in the CSD and (ii) not be represented by any certificate or written instrument.

4.2.3. Beneficial Interests in Programme Preference Shares held in the CSD

A Tranche of registered Programme Preference Shares which is listed on the JSE will be issued in uncertificated form and held in the CSD. A Tranche of uncertificated unlisted registered Programme Preference Shares may also be held in the CSD.

The CSD will hold Programme Preference Shares issued in uncertificated form subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Programme Preference Shares held in the CSD will be paid to the CSD and all rights to be exercised in respect of Programme Preference Shares may be exercised only, in each case, in accordance with the Applicable Procedures.

A holder of an uncertificated registered Programme Preference Share or Beneficial Interest therein shall only be entitled to exchange such holding for Programme Preference Shares represented by an Individual Certificate in accordance with Condition 15 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

4.2.4. Final Redemption Amount and Specified Currency

Programme Preference Shares will be issued in the Specified Currency.

The Final Redemption Amount and Specified Currency of a Tranche of Redeemable Programme Preference Shares will be specified in the Applicable Pricing Supplement (Preference Shares).

4.2.5. Recourse to the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund

The holders of Programme Preference Shares that are not listed on the JSE will have no recourse against the JSE, the BESA Guarantee Fund Trust and/or the JSE Guarantee Fund, as applicable. Claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as applicable, may only be made in respect of the trading of Programme Preference Shares listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Programme Preference Shares listed on the JSE. Any claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as applicable, may only be made in accordance with the rules of the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be.

Unlisted Programme Preference Shares are not regulated by the JSE.

4.3. Programme Preference Shares

Each Tranche of Programme Preference Shares will, subject to Condition 25 (*Programme Preference Shares and the Companies Act*):

- 4.3.1. be redeemable or non-redeemable Programme Preference Shares as specified in the Applicable Pricing Supplement (Preference Shares);
- 4.3.2. in relation to a Tranche of Redeemable Programme Preference Shares, be redeemable and be issued with an Applicable Redemption Date which falls more than 3 (three) years after the Issue Date, as indicated in the Applicable Pricing Supplement (Preference Shares);
- 4.3.3. if such Tranche of Programme Preference Shares is specified to be listed on the JSE in the Applicable Pricing Supplement (Preference Shares), be issued as fully paid up shares in the Issuer;
- 4.3.4. be issued in accordance with the Companies Act and the Issuer's Memorandum of Incorporation;
- 4.3.5. be issued at such Issue Price as is specified in the Applicable Pricing Supplement (Preference Shares);
- 4.3.6. be a Fixed Rate Programme Preference Share, a Floating Rate Programme Preference Share, a Mixed Rate Programme Preference Share or an Indexed Programme Preference Share, or such combination of any of the foregoing, or such other type of Programme Preference Share, as may be determined by the Issuer (subject to the provisions of the applicable Authorising Resolution) and specified in the Applicable Pricing Supplement (Preference Shares);
- 4.3.7. be cumulative or non-cumulative, non-participating Programme Preference Shares as specified in the Applicable Pricing Supplement (Preference Shares); and
- 4.3.8. have the status set out in Condition 6 (*Status of Programme Preference Shares*).

5. TITLE

5.1. Programme Preference Shares issued in certificated form

- 5.1.1. Each holder of Programme Preference Shares represented by an Individual Certificate will be named in the Register as the registered holder of such Programme Preference Shares.
- 5.1.2. Title to Programme Preference Shares represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 16.2 (*Transfer of Programme Preference Shares represented by Individual Certificates*).
- 5.1.3. The Issuer and the Issuer Agent shall recognise a holder of Programme Preference Shares represented by an Individual Certificate as the sole and absolute owner of the Programme Preference Shares registered in that Programme Preference Shareholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and neither the Issuer nor the Issuer Agent shall be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Programme Preference Share may be subject.

5.2. Programme Preference Shares issued in uncertificated form

- 5.2.1. The registered holders of each Tranche of Programme Preference Shares which is issued in uncertificated form will be the Persons recorded in the Uncertificated Securities Register as the registered holders of such Programme Preference Shares.
- 5.2.2. Title to Programme Preference Shares issued in uncertificated form will pass upon registration of transfer in the Register in accordance with Condition 16.1 (*Transfer of title or Beneficial Interests in uncertificated Programme Preference Shares*).
- 5.2.3. Each Person recorded in the Uncertificated Securities Register as a registered holder of a particular Tranche of uncertificated Programme Preference Shares issued will be treated by the Issuer, the Issuer Agent and the relevant Participant as the holder of that aggregate Calculation Amount of such uncertificated Registered Programme Preference Shares for all purposes.

5.3. Programme Preference Shares held in the CSD

- 5.3.1. While a Tranche of Programme Preference Shares is held in its entirety in the CSD, each Person (including Participants and, where applicable, clients of Participants) recorded in the Uncertificated Securities Register will be named as the registered Programme Preference Shareholder of the portion of that Tranche of uncertificated Programme Preference Shares so registered in the Person's name in accordance with the Applicable Procedures.
- 5.3.2. Where a Central Securities Account or Securities Account is in the name of a Participant (or its nominee), but is for the benefit of such Participant's client, such Participant is required to maintain Securities Accounts for its clients. Beneficial Interests which are held by clients of Participants will be held indirectly through Participants (or their nominee), and such Participants will hold such Beneficial Interests, on behalf of such clients, through the Securities Accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Programme Preference Shares held by them in the CSD only through their Participants.
- 5.3.3. In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular number of Programme Preference Shares, a certificate, statement or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate number of such Programme Preference Shares and the aggregate Calculation Amount standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest.
- 5.3.4. Title or Beneficial Interests in Programme Preference Shares may be transferred only in accordance with the Applicable Procedures as contemplated in Condition 16.1 (*Transfer of title or Beneficial Interests in uncertificated Programme Preference Shares*). Such transfers will be recorded in accordance with the Applicable Procedures.
- 5.3.5. Any reference in the Programme Preference Share Terms and Conditions to the relevant Participant shall, in respect of an uncertificated Programme Preference Share or a Beneficial Interest therein, be a reference to the Participant appointed to act as such by the holder of such uncertificated Programme Preference Share or Beneficial Interest therein.

6. STATUS OF PROGRAMME PREFERENCE SHARES

6.1. Ranking

Each Programme Preference Share will rank as regards to the payment of dividends and a return of capital on the winding-up of the Issuer in accordance with the Issuer's Memorandum of Incorporation.

6.2. Regulatory Capital Requirements and Additional Conditions

In order for the proceeds of the issuance of Programme Preference Shares to qualify as Regulatory Capital, such Programme Preference Shares must comply with the applicable Regulatory Capital Requirements including any Additional Conditions prescribed by the Relevant Authority in respect of a Tranche of Programme Preference Shares in the proceeds of which are intended to qualify as Regulatory Capital. The Issuer will specify in the relevant Applicable Pricing Supplement (Preference Shares) whether any issue of Programme Preference Shares is an issue of Programme Preference Shares the proceeds of which are intended to qualify as Regulatory Capital.

7. DIVIDEND RIGHTS OF THE PROGRAMME PREFERENCE SHARES

7.1. Right to Preference Dividends

7.1.1. Subject to Condition 7.1.2, each Tranche of Programme Preference Shares will confer on the Programme Preference Shareholders of that Tranche of Programme Preference Shares a right to receive, in priority to any payments of dividends to the holders of any lower ranking shares in the Issuer, a cumulative or non-cumulative (as specified in the Applicable Pricing Supplement (Preference Shares)) preferential cash dividend, determined and payable in accordance with this Condition 7 (*Dividend Rights of the Programme Preference Shares*) and the Applicable Pricing Supplement (Preference Shares).

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

7.2. Dividend on Fixed Rate Programme Preference Shares

7.2.1. Accrual of Dividend

Each Fixed Rate Programme Preference Share will have associated with it the right of the holder of such Fixed Rate Programme Preference Share to receive a cumulative or non-cumulative (as specified in the Applicable Pricing Supplement (Preference Shares)) preferential cash dividend during each Dividend Period commencing on (and including) the Dividend Commencement Date to (but excluding), if applicable, the Applicable Redemption Date in an amount calculated in accordance with this Condition 7.2 (*Dividend on Fixed Rate Programme Preference Shares*). Subject to Condition 7.8 (*Business Day Convention*), such dividend shall fall due for payment in arrear on each Dividend Payment Date and, if applicable, on the Applicable Redemption Date (if the Applicable Redemption Date does not fall on a Dividend Payment Date).

7.2.2. Fixed Dividend Amount

The dividend payable in respect of each Fixed Rate Programme Preference Share for any Dividend Period shall be the relevant Fixed Dividend Amount.

7.2.3. Calculation of Dividend Amounts

Unless otherwise specified in the Applicable Pricing Supplement (Preference Shares), the dividend payable in respect of each Fixed Rate Programme Preference Share for any period for which a Fixed Dividend Amount is not specified shall be calculated by applying the Dividend Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards), provided that:

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

7.3. Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares

7.3.1. Accrual of Dividend

Each Floating Rate Programme Preference Share and each Indexed Programme Preference Share will have associated with it the right of the holder of such Floating Rate Programme Preference Share and each Indexed Programme Preference Share to receive a cumulative or non-cumulative (as specified in the Applicable Pricing Supplement (Preference Shares)) preferential cash dividend during each Dividend Period commencing on (and including) the Dividend Commencement Date to (but excluding), if applicable, the Applicable Redemption Date in an amount calculated in accordance with this Condition 7.3 (*Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares*). Subject to Condition 7.8 (*Business Day Convention*), such dividend shall fall due for payment in arrear on each Dividend Payment Date and, if applicable, on the Applicable Redemption Date (if the Applicable Redemption Date does not fall on a Dividend Payment Date).

7.3.2. Dividend Rate in respect of Floating Rate Programme Preference Shares

The Dividend Rate which is applicable to a Tranche of Floating Rate Programme Preference Shares for a Dividend Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination; or on such other basis as may be determined by the Issuer, all as specified in the Applicable Pricing Supplement (Preference Shares).

7.3.3. ISDA Determination including fallback provisions

If ISDA Determination is specified in the Applicable Pricing Supplement (Preference Shares) as the manner in which the Dividend Rate is to be determined, the Dividend Rate for each Dividend Period will be the sum of the Margin and the relevant ISDA Rate where "*ISDA Rate*" for a Dividend Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Issuer Agent as is specified in the Applicable Pricing Supplement (Preference Shares) under an interest rate swap transaction if that Issuer Agent were acting as Issuer Agent for that interest swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- 7.3.3.1. the Floating Rate Option is as specified in the Applicable Pricing Supplement (Preference Shares);

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

“Floating Rate”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those expressions in the ISDA Definitions and **“JIBAR”** means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFEX page at or about 11h00 (South Africa time) on the relevant date (or any successor rate).

7.3.4. Screen Rate Determination including fallback provisions

If Screen Rate Determination is specified in the Applicable Pricing Supplement (Preference Shares) as the manner in which the Dividend Rate is to be determined, the Dividend Rate applicable to the Floating Rate Programme Preference Shares for each Dividend Period will be determined by the Issuer Agent on the following basis:

- 7.3.4.1. if the Reference Rate is a composite quotation or customarily supplied by one entity, the Issuer Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Dividend Rate Determination Date); or
- 7.3.4.2. in any other case, the Issuer Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Dividend Rate Determination Date;
- 7.3.4.3. if, in the case of Condition 7.3.4.1, such rate does not appear on that page or, in the case of Condition 7.3.4.2, fewer than 2 (two) such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer Agent will:
 - 7.3.4.3.1. request the principal Johannesburg office of each of the Reference Banks to provide the Issuer Agent

with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South Africa time) on the Dividend Rate Determination Date in question; and

- 7.3.4.3.2. determine the arithmetic mean (rounded as provided above) of such quotations; and
- 7.3.4.4. if fewer than 3 (three) such offered quotations are provided as requested, the Issuer Agent will determine the arithmetic mean of the rates (rounded as provided above) (being the nearest Reference Rate, as determined by the Issuer Agent) quoted by major banks in the Johannesburg inter-bank market, selected by the Issuer Agent, at approximately 12h00 (South Africa time) on the first day of the relevant Dividend Period for deposits in the Specified Currency to leading banks in the Johannesburg inter-bank market for a period equal to the relevant Dividend Period and in an amount approximately equal to the Calculation Amount of the Programme Preference Shares of the relevant Class;

(and the Dividend Rate for such Dividend Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Issuer Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Dividend Period, the Dividend Rate applicable to the Programme Preference Shares during such Dividend Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Programme Preference Shares in respect of a preceding Dividend Period.

7.3.5. Dividend Rate in respect of Indexed Programme Preference Shares

The Dividend Rate which is applicable to a Tranche of Indexed Programme Preference Shares for each Dividend Period will be determined in the manner specified in the Applicable Pricing Supplement (Preference Shares).

7.3.6. Maximum and/or Minimum Dividend Rate

If the Applicable Pricing Supplement (Preference Shares) specifies a Maximum Dividend Rate for any Dividend Period, then the Dividend Rate for such Dividend Period shall in no event be greater than such Maximum Dividend Rate and/or if it specifies a Minimum Dividend Rate for any Dividend Period, then the

Dividend Rate for such Dividend Period shall in no event be less than such Minimum Dividend Rate.

7.3.7. Determination of Dividend Rate and calculation of Dividend Amount

The Issuer Agent, in the case of Floating Rate Programme Preference Shares will, at or as soon as practicable after each time at which the Dividend Rate is to be determined in relation to each Dividend Period, calculate the Dividend Amount payable in respect of each Floating Rate Programme Preference Share for such Dividend Period. The Dividend Amount will be calculated by applying the Dividend Rate for such Dividend Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resultant product to the nearest sub-unit being rounded upwards).

7.3.8. Calculation of Other Amounts

If the Applicable Pricing Supplement (Preference Shares) specifies that any other amount is to be calculated by the Issuer Agent, the Issuer Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Issuer Agent in the manner specified in the Applicable Pricing Supplement (Preference Shares).

7.3.9. Publication

7.3.9.1. The Issuer Agent will cause each Dividend Rate and Dividend Amount determined by it, together with the relevant Dividend Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s) to be notified to the Issuer, the Issuer Agent, any Financial Exchange on which the relevant Floating Rate Programme Preference Shares or the Indexed Programme Preference Shares, as the case may be, are for the time being listed, in the case of uncertificated Floating Rate Programme Preference Shares or Indexed Programme Preference Shares, the CSD, as soon as practicable after their determination but (in the case of each Dividend Rate, Dividend Amount and Dividend Payment Date) in any event not later than (i) where the Dividend Rate is determined with reference to the Prime Rate, the last day of the relevant Dividend Period; (ii) in respect of Indexed Programme Preference Shares, the date specified in the Applicable Pricing Supplement (Preference Shares), and (iii) in all other

circumstances, the first day of the relevant Dividend Period. Notice thereof shall also promptly be given to the Programme Preference Shareholders in accordance with Condition 19 (*Notices*).

7.3.9.2. The Issuer Agent will be entitled to recalculate any Dividend Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Dividend Period. Any such amendment will be promptly notified to the Issuer and to the Programme Preference Shareholders in accordance with Condition 19 (*Notices*) and, if the relevant Tranche of Programme Preference Shares is listed on a Financial Exchange, any Financial Exchange on which the relevant Programme Preference Shares are for the time being listed and the CSD.

7.3.10. Notifications etc. to be final

All notifications, communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Condition 7.3 (*Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares*) by the Issuer Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, and the Programme Preference Shareholders and (subject as aforesaid) no liability to any such Person will attach to the Issuer Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

7.4. Dividends on Mixed Rate Programme Preference Shares

The Dividend Rate payable from time to time on Mixed Rate Programme Preference Shares shall be the Dividend Rate payable on any combination of Fixed Rate Programme Preference Shares, Floating Rate Programme Preference Shares or Indexed Programme Preference Shares for respective periods, each as specified in the Applicable Pricing Supplement (Preference Shares). During each such applicable period, the Dividend Rate on the Mixed Rate Programme Preference Shares shall be determined and fall due for payment on the basis that and to the extent that such Mixed Rate Programme Preference Shares are Fixed Rate Programme Preference Shares, Floating Rate Programme Preference Shares or Indexed Programme Preference Shares, as the case may be.

7.5. Penalty Preference Dividends

If specified as being applicable in the Applicable Pricing Supplement (Preference Shares) and if the Issuer fails to pay a Scheduled Preference Dividend (whether declared or not) on

the relevant Dividend Payment Date, the Issuer shall, in addition to the unpaid Scheduled Preference Dividends, declare and pay the Penalty Preference Dividend to the Programme Preference Shareholder calculated at the Penalty Dividend Rate calculated with effect from the due date thereof to the earlier of the date of payment by the Issuer of such unpaid amount or the Applicable Redemption Date (if applicable).

7.6. Accumulated Preference Dividends

7.6.1. If the Preference Dividends are specified in the Applicable Pricing Supplement (Preference Shares) as being cumulative, then to the extent that all or any part of a Preference Dividend has accrued or has become payable in accordance with these Programme Preference Share Terms and Conditions, the Issuer shall be liable to pay, and the Programme Preference Shareholders shall be entitled to be paid, by no later than the Applicable Redemption Date, all Preference Dividends that have accrued or become payable in relation to the Programme Preference Shares in accordance with these Programme Preference Share Terms and Conditions and which have not been paid on the applicable Dividend Payment Dates ("**Accumulated Preference Dividends**").

7.6.2. If the Preference Dividends are specified in the Applicable Pricing Supplement (Preference Shares) as being non-cumulative, then to the extent that all or any part of a Preference Dividend has accrued or has become payable in accordance with these Programme Preference Share Terms and Conditions but is not paid by the Issuer on a relevant Dividend Payment Date, the Programme Preference Shareholders shall not be entitled to payment of such Preference Dividends thereafter.

7.7. Regulatory Event

7.7.1. If specified as being applicable in the Applicable Pricing Supplement (Preference Shares) and subject to the provisions of Condition 10.2 (*Early Redemption following a Regulatory Event*), if a Regulatory Event occurs and as a consequence of that Regulatory Event, the Issuer suffers or incurs an Increased Cost, the Issuer shall be entitled (but not obliged), by delivery of an announcement (an "**Adjustment Notice**"), in accordance with the applicable debt listings requirements of the Financial Exchange on which such Programme Preference Shares are listed (if applicable), to propose to decrease the Dividend Rate by such a margin specified by the Issuer in such Adjustment Notice as may be necessary to place the Issuer in the same position as it would have been in had the Regulatory Event not occurred in respect of the Programme Preference Shares to which the Adjustment Notice applies and/or

ensure that the Issuer will receive the same return, in either case as if the relevant Regulatory Event had not occurred, provided that the Issuer shall be required to deliver to the Programme Preference Shareholders written confirmation signed by 2 (two) authorised officers setting out the amount and the calculation of the Increased Cost and/or reduced return.

7.7.2. Upon the occurrence of a Regulatory Event and simultaneously with the delivery of an Adjustment Notice, the Issuer shall deliver a notice convening a meeting of Programme Preference Shareholder or of holders of a Class of Programme Preference Shares in accordance with Condition 21 (*Meetings of Programme Preference Shareholders*) at which meeting Programme Preference Shareholders or holders of a Class of Programme Preference Shares, as the case may be, shall be required to consider whether or not to accept the proposed decrease in the Dividend Rate as set out in the Adjustment Notice. No adjustment in the Dividend Rate in accordance with this Condition 7.7 (*Regulatory Event*) may be effected unless:

7.7.2.1. sanctioned in writing and signed by or on behalf of Programme Preference Shareholders or holders of the relevant Class of Programme Preference Shares, as the case may be, holding not less than 75% (seventy five percent) of the aggregate Calculation Amount of Programme Preference Shares in that Class; or

7.7.2.2. sanctioned by Special Resolution of the relevant Class of Programme Preference Shareholders.

7.7.3. If a decrease in the Dividend Rate is not sanctioned by the Programme Preference Shareholders or the relevant Class of Programme Preference Shareholders, the Issuer may redeem the relevant Programme Preference Shares or Class of Programme Preference Shares in accordance with Condition 10.2 (*Early Redemption following a Regulatory Event*).

7.7.4. Any Adjustment Notice delivered by the Issuer pursuant to this Condition 7.7 (*Regulatory Event*) will set out (i) the details and date of the Regulatory Event which has occurred, (ii) the Programme Preference Shares or Class of Programme Preference Shares affected by such Regulatory Event and accordingly, to which such Adjustment Notice applies, and (iii) the proposed adjusted Dividend Rate(s).

7.8. Business Day Convention

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

- 7.8.1. the "**Floating Rate Business Day Convention**", such Dividend Payment Date (or other date) shall in any case where Dividend Periods are specified in accordance with Condition 7.3 (*Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares*), be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Dividend Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Dividend Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Dividend Period in the Applicable Pricing Supplement (Preference Shares) after the preceding applicable Dividend Payment Date (or other date) has occurred; or
- 7.8.2. the "**Following Business Day Convention**", such Dividend Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 7.8.3. the "**Modified Following Business Day Convention**", such Dividend Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Dividend Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 7.8.4. the "**Preceding Business Day Convention**", such Dividend Payment Date (or other date) shall be brought forward to the first preceding Business Day.

Where a Dividend Payment Date is postponed or brought forward, the Dividend Period in respect of a Floating Rate Preference Share shall be extended or shortened, as the case may be, and calculated until but excluding such postponed or brought forwarded Dividend Payment Date, as the case may be. Accordingly Preference Dividends shall be calculated on such extended or shortened Dividend Period, as the case may be.

The Dividend Period in respect of a Fixed Rate Preference Share shall not be extended or shortened if a Dividend Payment Date is postponed or brought

forward. Accordingly Preference Dividends shall be calculated as per the original Dividend Period.

7.9. Payment of Preference Dividends

- 7.9.1. Each Preference Dividend that is due and payable shall be paid on its Dividend Payment Date in accordance with the provisions of Condition 11 (*Payments*).
- 7.9.2. The Issuer and the Board shall each comply with the requirements of section 46 of the Companies Act in respect of the declaration and payment of each Preference Dividend.

8. **ADDITIONAL AMOUNTS**

If specified in the Applicable Pricing Supplement (Preference Shares) to be applicable, should a Redemption Event occur and only as a direct result of the Redemption Event a Programme Preference Shareholder is required to pay an amount of South African income tax (calculated at the rate of normal tax payable by South African companies at the relevant time) on any Preference Dividend, the Issuer shall pay to each Programme Preference Shareholder of Programme Preference Shares in that Tranche an amount equal to such income tax (the “**Additional Amount**”), such that the affected Programme Preference Shareholder will receive after such income tax, an amount equal to that Preference Dividend, provided that:

- 8.1. the affected Programme Preference Shareholder is required to deliver to the Issuer a copy of its tax assessment showing that an amount of income tax is payable on the Preference Dividend that would not otherwise be payable other than as a result of the occurrence of the Redemption Event; and
- 8.2. the affected Programme Preference Shareholder claims the Additional Amount and delivers the assessment referred in Condition 8.1 within 1 (one) year from the occurrence of the Redemption Event.

9. **TRANSFER TAXES**

The Issuer is not liable for any Taxes that may arise as a result of the transfer of any Programme Preference Share or any Beneficial Interest therein.

10. **REDEMPTION AND PURCHASE**

A Class of Redeemable Programme Preference Shares shall be redeemed on the Final Redemption Date in accordance with Condition 10.1 (*Final Redemption Date*). If “*Early Redemption following a Regulatory Event*” and/or “*Early Redemption at the option of the Issuer*” is specified as being applicable in the Applicable Pricing Supplement (Preference Shares), a Tranche of Programme

Preference Shares may, or upon the occurrence of an Redemption Event as set out in Condition 14 (*Redemption Events*) will, be redeemed prior to the Final Redemption Date in accordance with this Condition 10 (*Redemption and Purchase*).

10.1. Final Redemption Date

Unless previously redeemed or purchased and cancelled as specified below, the Issuer shall redeem Programme Preference Shares without penalty on the Final Redemption Date at the Final Redemption Amount, or in the manner specified in the Applicable Pricing Supplement (Preference Shares), subject to Condition 11 (*Payments*).

10.2. Early Redemption following a Regulatory Event

10.2.1. If a Regulatory Event occurs and as a consequence of that Regulatory Event, the Issuer or its holding company, as the case may be, suffers or incurs an Increased Cost and to the extent the Issuer delivers an Adjustment Notice but such decrease in the Dividend Rate is not sanctioned by the relevant Class of Programme Preference Shareholders as contemplated by Condition 7.7.2, the Issuer shall be entitled (but not obliged) to redeem the relevant Programme Preference Shares of any Class of Programme Preference Shares affected by such Regulatory Event in whole, but not in part:

10.2.1.1. at any time (if neither the Floating Rate Programme Preference Share provisions nor the Indexed Programme Preference Share provisions are specified in the Applicable Pricing Supplement (Preference Shares) as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

10.2.1.2. on any Dividend Payment Date (if the Floating Rate Programme Preference Share Provisions or the Indexed Programme Preference Share provisions are specified in the Applicable Pricing Supplement (Preference Shares) as being applicable and are applicable at the time of redemption),

On giving not less than 30 (thirty) nor more than 60 (sixty) days' (or such other notice period specified in the Applicable Pricing Supplement (Preference Shares)) notice to the Programme Preference Shareholders and to the Issuer Agent (which notice shall be revocable) in accordance with Condition 19 (*Notices*), at their Early Redemption Amount together with dividends (if any) to the date fixed for redemption, provided, however, that no such notice of redemption shall be given earlier than:

10.2.1.3. where the Programme Preference Shares may be redeemed at any time, 90 (ninety) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts; or

10.2.1.4. where the Programme Preference Shares may be redeemed only on a Dividend Payment Date, 60 (sixty) days prior to the Dividend Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts.

10.2.2. Prior to the publication of any notice of redemption pursuant to this Condition 10.2 (*Early Redemption following a Regulatory Event*), the Issuer shall deliver to the Issuer Agent (i) a certificate signed by 2 (two) authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of appropriate independent advisers of recognised standing to the effect that a Regulatory Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 10.2 (*Early Redemption following a Regulatory Event*), the Issuer shall be bound to redeem the Programme Preference Shares in accordance with this Condition 10.2 (*Early Redemption following a Regulatory Event*).

10.3. Early Redemption at the option of the Issuer

10.3.1. If the Issuer is specified in the Applicable Pricing Supplement (Preference Shares) as having an option to redeem, the Issuer may, having given:

10.3.1.1. not less than 30 (thirty) and not more than 60 (sixty) days' notice to the Programme Preference Shareholders in accordance with Condition 19 (*Notices*) (or such other notice period specified in the Applicable Pricing Supplement (Preference Shares)); and

10.3.1.2. not less than 7 (seven) days before giving the notice referred to in Condition 10.3.1.1, notice to the Issuer Agent,

(both of which notices shall be revocable) redeem all or, if so specified in the Applicable Pricing Supplement (Preference Shares), some of the Unredeemed Programme Preference Shares on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement (Preference Shares) together, if appropriate, with dividends accrued up to (but excluding) the Optional Redemption Date(s).

10.3.2. Any such redemption amount must be equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement (Preference Shares), if applicable. In the case of a partial redemption of Programme Preference Shares, the Programme Preference Shares to be redeemed ("**Relevant Redeemable Programme Preference Shares**") will be selected:

10.3.2.1. in the case of Relevant Redeemable Programme Preference Shares represented by Individual Certificates, individually by lot; and

10.3.2.2. in the case of Relevant Redeemable Programme Preference Shares issued in uncertificated form, in accordance with the Applicable Procedures,

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

10.3.3. In the case of Redeemable Programme Preference Shares represented by Individual Certificates, a list of the serial numbers of such Individual Certificates will be published in accordance with Condition 19 (*Notices*) not less than 15 (fifteen) days prior to the date fixed for redemption.

10.3.4. The proportion which the aggregate Calculation Amount of Relevant Redeemable Programme Preference Shares represented by Individual Certificates bears on the Selection Date to the aggregate Calculation Amount of all Relevant Redeemable Programme Preference Shares shall be the same as the proportion which the aggregate Calculation Amount of Programme Preference Shares represented by Individual Certificates bears on the Selection Date to the aggregate Calculation Amount of the Unredeemed Programme

Preference Shares and the aggregate Calculation Amount of Relevant Redeemable Programme Preference Shares issued in uncertificated form shall be equal to the balance of the Relevant Redeemable Programme Preference Shares.

10.3.5. No exchange of Beneficial Interests in uncertificated Programme Preference Shares for Individual Certificates will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Condition 10.3 (*Early Redemption at the option of the Issuer*) and notice to that effect shall be given by the Issuer to the Programme Preference Shareholders in accordance with Condition 19 (*Notices*) at least 5 (five) days prior to the Selection Date.

10.3.6. Holders of Relevant Redeemable Programme Preference Shares shall surrender the Individual Certificates (if any) relating to the Programme Preference Shares in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Programme Preference Shares represented by such Individual Certificates (as applicable) is redeemed, the Issuer Agent shall deliver new Individual Certificates (as applicable) to such Programme Preference Shareholders in respect of the balance of the Programme Preference Shares.

10.4. Early Redemption following a Redemption Event

Upon the occurrence of a Redemption Event and receipt by the Issuer of (i) a resolution of Programme Preference Shareholders pursuant to Conditions 14.2 and 14.3, or (ii) a written notice delivered by a Programme Preference Shareholders pursuant to Condition 14.4, requiring the Programme Preference Shares held by the relevant Programme Preference Shareholder(s) to be forthwith redeemable in accordance with Condition 14 (*Redemption Events*), such Programme Preference Shares shall, subject to Condition 14 (*Redemption Events*) become forthwith redeemable at the Early Redemption Amount in the manner set out in Condition 10.5 (*Early Redemption Amounts*) or the amount as specified in the Applicable Pricing Supplement (Preference Shares), together with dividends (if any) accrued to (but excluding) the date of payment, in accordance with Condition 14 (*Redemption Events*).

10.5. Early Redemption Amounts

10.5.1. For the purpose of Condition 10.2 (*Early Redemption following a Regulatory Event*) and Condition 10.4 (*Early Redemption following a Redemption Event*)

(and otherwise as stated herein), the Programme Preference Shares will be redeemed at the Early Redemption Amount calculated as follows:

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

less, in respect of the redemption of Programme Preference Shares pursuant to Condition 10.2 (*Early Redemption following a Regulatory Event*) and only to the extent the Applicable Pricing Supplement (Preference Shares) specifies "*Hedge Unwind Adjustment*" as being applicable, Unwind Costs (if any).

- 10.5.2. Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty-five), or such other calculation basis as may be specified in the Applicable Pricing Supplement (Preference Shares).

10.6. Purchases

- 10.6.1. The Issuer or any of its subsidiaries or any subsidiaries of its holding company may, at any time, subject to the Companies Act and the Regulatory Capital Requirements, if applicable, purchase Programme Preference Shares at any price in the open market or otherwise.
- 10.6.2. The Issuer is not obliged to undertake any market making in respect of the Programme Preference Shares save to the extent required by the applicable Financial Exchange or the debt listings requirements of such Financial Exchange.

10.7. Cancellation

Where only a portion of Programme Preference Shares represented by an Individual Certificate are cancelled, the Issuer Agent shall deliver an Individual Certificate to such Programme Preference Shareholder in respect of the balance of the Programme

Preference Shares. Upon receipt of the Applicable Redemption Amount, the Programme Preference Shareholder shall have no further rights against the Issuer in respect of the Programme Preference Shares so redeemed or arising out of any subscription agreement entered into between the Issuer and that Programme Preference Shareholder in respect of such Programme Preference Shares, save as provided for in Condition 8 (*Additional Amounts*).

10.8. Cessation of Preference Dividends

To the extent applicable, each Programme Preference Share will cease to bear dividends from the Applicable Redemption Date unless, upon due presentation thereof, payment of the Applicable Redemption Amount, or any portion thereof, due and payable on the Applicable Redemption Date or payment of dividends, or any portion thereof, due and payable on a Dividend Payment Date, as the case may be, is improperly withheld or refused or such payment may not, in terms of the Companies Act, be made. In circumstances where such non-payment does not constitute a Redemption Event contemplated in Condition 14 (*Redemption Events*), dividends will continue to accrue on the outstanding amount due and payable in respect of such Programme Preference Share, at the Dividend Rate, from and including the Applicable Redemption Date or the relevant Dividend Payment Date, as the case may be, to but excluding the date on which such amounts are paid.

10.9. Applicable Procedures

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Applicable Procedures and the Financial Markets Act.

11. REDEMPTION OR PURCHASE OF PROGRAMME PREFERENCE SHARES THE PROCEEDS OF WHICH ARE INTENDED TO QUALIFY AS REGULATORY CAPITAL

Subject to the applicable Regulatory Capital Requirements, Programme Preference Shares, the proceeds of which are intended to qualify as Regulatory Capital may be redeemed or purchased and cancelled at the option of the Issuer at their Calculation Amount pursuant to this Condition 11 (*Redemption or Purchase of Programme Preference Shares the proceeds of which are intended to qualify as Regulatory Capital*) only and provided that:

- 11.1. the Issuer has notified the Relevant Authority of its intention to redeem or purchase and cancel such Programme Preference Shares at least one month (or such other period, longer or shorter, as the Relevant Authority may then require or accept) prior to the date scheduled for such redemption or such purchase and cancellation, as the case may be, and (if required pursuant to the Regulatory Capital Requirements in force at the relevant time) written approval of the same has been received from the Relevant Authority; and

- 11.2. such redemption or purchase and cancellation (as applicable) is effected in accordance with conditions (if any) approved by the Relevant Authority in writing.

12. PAYMENTS

12.1. General

- 12.1.1. Only Programme Preference Shareholders named in the Register at 17h00 (South Africa time) on the relevant Last Day to Register shall be entitled to payment of amounts due and payable in respect of Programme Preference Shares.
- 12.1.2. All payments of all amounts (whether in respect of dividends or otherwise) due and payable in respect of any Programme Preference Shares shall be made by the Issuer) or the Issuer Agent on behalf of the Issuer (where the Issuer has appointed a third party to act as Issuer Agent), as the case may be, on the terms and conditions of an agency agreement (if any) and this Condition 12.
- 12.1.3. All references in this Condition 12 to "Issuer Agent" shall be construed as references to the Issuer Agent on behalf of the Issuer (where the Issuer has appointed a third party entity to act as Issuer Agent).
- 12.1.4. Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Transfer Taxes*).

12.2. Programme Preference Shares issued in uncertificated form

- 12.2.1. Payments in respect of uncertificated Programme Preference Shares will be made, by the Issuer Agent, on behalf of the Issuer, to the CSD (to the bank account of the CSD) and/or the Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged by proper payment to the CSD and/or the Participants, in respect of each amount so paid.
- 12.2.2. Following payment to the CSD of amounts due and payable in respect of uncertificated Programme Preference Shares which are held in the CSD, the relevant funds will be transferred by the CSD to the Participants, for the registered Programme Preference Shareholders and the holders of Beneficial Interest in such Programme Preference Shares in accordance with the Applicable Procedures.
- 12.2.3. Each of the Persons reflected in the records of the CSD or the relevant Participant, as the case may be, will look solely to the CSD or the relevant

Participants, as the case may be, for such Person's share of each payment so made by the Issuer Agent, on behalf of the Issuer, to or for the order of the CSD or the relevant Participant, as the case may be.

12.2.4. Neither the Issuer Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, uncertificated Programme Preference Shares or Beneficial Interests in uncertificated Programme Preference Shares or for maintaining, supervising or reviewing any records relating thereto.

12.2.5. Payments of amounts due and payable in respect of uncertificated Programme Preference Shares in accordance with the Applicable Procedures will be recorded by the CSD, distinguishing between dividends and the Applicable Redemption Amount, and such record of payments by the CSD or the Participants, as the case may be, will be *prima facie* proof of such payments.

12.3. Programme Preference Shares issued in certificated form

12.3.1. Payments of the Applicable Redemption Amount in respect of any Programme Preference Share which is represented by an Individual Certificate shall be made to the Programme Preference Shareholder(s) of such Programme Preference Share, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement (Preference Shares)). Such payments will be made to the bank account of the Person named as the registered Programme Preference Shareholder of such certificated Programme Preference Share in the Register or, in the case of joint registered Programme Preference Shareholders, according to the method referred to in Condition 12.4 (*Method of Payment*).

12.3.2. In addition to the above, in the case of a partial final redemption payment, the holder of the Individual Certificate shall be required to surrender such Individual Certificate in accordance with Condition 12.5 (*Surrender of Individual Certificates*).

12.4. Method of Payment

12.4.1. Payments of dividends and the Applicable Redemption Amount will be made in the Specified Currency by electronic funds transfer.

12.4.2. If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding Condition (whether by reason of strike, lockout, fire, explosion, floods, riot, war,

accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Programme Preference Shareholder as set forth in the Register or, in the case of joint Programme Preference Shareholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Programme Preference Share.

- 12.4.3. Each such cheque shall be made payable to the relevant Programme Preference Shareholder or, in the case of joint Programme Preference Shareholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Issuer Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Programme Preference Shareholders for the purposes of all cheques posted in terms of this Condition 12.4 (*Method of Payment*).
- 12.4.4. In the case of joint Programme Preference Shareholders payment by electronic funds transfer will be made to the account of the Programme Preference Shareholder first named in the Register. Payment by electronic transfer to the Programme Preference Shareholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Programme Preference Shares, notwithstanding any notice (express or otherwise) which the Issuer and/or the Issuer Agent may have of the right, title, interest or claim of any other person to or in any such Programme Preference Shares.
- 12.4.5. Neither the Issuer nor the Issuer Agent shall be responsible for the loss in transmission of any such funds, and payment of any amount into the bank accounts referred to above, in accordance with this Condition 12.4 (*Method of Payment*), shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Programme Preference Shareholders under the relevant Programme Preference Shares and the applicable Programme Preference Share Terms and Conditions.
- 12.4.6. Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 9 (*Transfer Taxes*).

12.5. Surrender of Individual Certificates

- 12.5.1. Payment in respect of any Programme Preference Share(s) which is/are to be redeemed (or partly redeemed) and which is/are represented by Individual Certificate(s) shall be made to the Programme Preference Shareholder(s) of such Programme Preference Share(s) only if, at least 10 (ten) days prior to the date on which the relevant Tranche of Programme Preference Shares is redeemed (or partially redeemed), such Individual Certificate(s) shall have been surrendered to the Issuer Agent at its Specified Office. This will enable the Issuer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Individual Certificate.
- 12.5.2. If the relevant Individual Certificate is not surrendered to the Issuer Agent at its Specified Office as stated in Condition 12.5.1, the amount payable to the Programme Preference Shareholder of the Programme Preference Share(s) represented by that Individual Certificate shall be retained by the Issuer Agent for such Programme Preference Shareholder, at the latter's risk, until such Individual Certificate shall have been surrendered to the Issuer Agent at its Specified Office, and such Programme Preference Shareholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.
- 12.5.3. The Issuer shall not be obliged to make or cause to be made any payment in respect of the final redemption of a Programme Preference Share until at least 10 (ten) days have passed since the date on which the Individual Certificate (if applicable) in respect of the Programme Preference Share to be redeemed has been surrendered to the Issuer Agent.
- 12.5.4. Documents required to be presented and/or surrendered to the Issuer Agent in accordance with these Programme Preference Share Terms and Conditions shall be so presented and/or surrendered at the office of the Issuer Agent specified in the Applicable Pricing Supplement (Preference Shares).
- 12.5.5. Holders of Uncertificated Programme Preference Shares are not required to present and/or surrender any documents of title.

12.6. Payment Day

If the date for payment of any amount in respect of any Programme Preference Share is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following

Payment Day in the relevant place for payment and shall not be entitled to further dividends or other payment in respect of any such delay.

13. **PRESCRIPTION**

Subject to Condition 8 (*Additional Amounts*), any claim for payment of any amount in respect of the Programme Preference Shares and the applicable Programme Preference Share Terms and Conditions will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the applicable Programme Preference Share Terms and Conditions, provided that if payment of such amount is required, in accordance with the applicable Programme Preference Share Terms and Conditions, to be made to the CSD, any claim for payment of such amount will prescribe 3 (three) years after the date on which such amount has been received by the CSD.

14. **REDEMPTION EVENTS**

This Condition 14 (*Redemption Events*) only applies to Redeemable Programme Preference Shares.

14.1. Unless otherwise specified in the Applicable Pricing Supplement (Preference Shares), a Redemption Event in respect of a Class of Redeemable Programme Preference Shares shall arise if any one or more of the following events have occurred and be continuing:

- 14.1.1. the Issuer fails to pay any amount due under the Programme Preference Shares on its due date for payment and any such failure has continued for a period of 10 (ten) Business Days following the service on the Issuer of a written notice requiring that breach to be remedied unless such non-payment is caused by an administrative error or technical difficulties affecting the transfer of funds and is remedied within 3 (three) Business Days after the due date; or
- 14.1.2. the Issuer fails to, for any reason whatsoever, either redeem the Programme Preference Shares thereon on the Applicable Redemption Date or pay the Applicable Redemption Amount per Programme Preference Share on the date on which such payment is to be made and such failure is not remedied within 10 (ten) Business Days of receipt of written notice from any of the Programme Preference Shareholders calling upon the Issuer to remedy such failure; or
- 14.1.3. the Issuer fails to perform or observe any of its other obligations under any of the Programme Preference Shares and such failure has continued for the period of 30 (thirty) days following the service of the Issuer of a written notice requiring that breach to be remedied. (For these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

- 14.1.4. the Issuer fails to obtain any consent, license, approval or authorisation now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme or any such consent, license, approval or authorisation ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its obligations under the Programme Preference Shares or the Programme, and such failure or cessation continues for more than 10 (ten) Business Days after the Issuer becomes aware of such event; or
- 14.1.5. the granting of an order by any competent court or authority for the liquidation, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 (thirty) days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that (i) no liquidation, curatorship, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the Investec Limited Group or (ii) the liquidation, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement the terms of which were approved by Extraordinary Resolution of Programme Preference Shareholders before the date of the liquidation, winding-up or dissolution; or
- 14.1.6. in respect of any Financial Indebtedness of the Issuer:
 - 14.1.6.1. any such Financial Indebtedness is not paid when due or within any originally applicable grace period;
 - 14.1.6.2. any such Financial Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Financial Indebtedness; or
 - 14.1.6.3. the Issuer fails to pay when due any amount payable by it under any guarantee of any Financial Indebtedness;

provided that the amount of Financial Indebtedness referred to in Condition 14.1.6.1 and/or Condition 14.1.6.2 and/or the amount payable under any guarantee referred to in Condition 14.1.6.3 individually or in the aggregate exceeds 5% (five percent) of the total assets of the Issuer as reflected in its latest audited financial statements (or its equivalent in any other currency or currencies).

- 14.2. Subject to Condition 14.5, upon the occurrence of an event or circumstance contemplated in Condition 14.1 (other than an event or circumstance specified in Condition 14.1.5), the occurrence of which reasonably appears to have given rise, or is reasonably likely to give rise, to a Redemption Event, and such event or circumstance is continuing, then, if so specified in the Applicable Pricing Supplement (Preference Shares) relating to any Class of Programme Preference Shares, Programme Preference Shareholders in such Class holding not less than 10% (ten percent) of the aggregate Calculation Amount of all Unredeemed Programme Preference Shares in that Class, may, by written notice to the Issuer as its Specified Office, effective upon the date of receipt thereof by the Issuer, require the Issuer to convene a meeting of that Class of Programme Preference Shareholders within 7 (seven) days of such request for purposes of determining whether or not a Redemption Event has occurred and whether or not such Class of Programme Preference Shareholders require the Programme Preference Shares held by such Class to be redeemed prior to the Final Redemption Date in accordance with Condition 10.4 (*Redemption following the occurrence of a Redemption Event*). A quorum for such meeting shall be determined in accordance with Condition 21.5 (*Quorum*).
- 14.3. If at such duly convened and quorated meeting, Programme Preference Shareholders present, by Representative or by proxy, holding or representing in the aggregate more than 50% (fifty percent) in Calculation Amount of the Unredeemed Programme Preference Shares of that Class resolve that (i) a Redemption Event has occurred and is continuing; and (ii) the Issuer shall be required to redeem such Class of Programme Preference Shares, such Class of Programme Preference Shares shall immediately become forthwith redeemable in accordance with Condition 10.4 (*Redemption following the occurrence of a Redemption Event*).
- 14.4. Upon the occurrence of a Redemption Event specified in Condition 14.1.5 which is continuing, then, if so specified in the Applicable Pricing Supplement (Preference Shares) relating to any Class of Programme Preference Shares, any Programme Preference Shareholders in such Class may, by written notice to the Issuer as its registered office, effective upon the date of receipt thereof by the Issuer, require the Programme Preference Shares held by such Programme Preference Shareholder to be redeemed forthwith whereupon those Programme Preference Shares shall immediately become redeemable in accordance with Condition 10.4 (*Redemption following the occurrence of a Redemption Event*).
- 14.5. No action may be taken by a holder of Programme Preference Shares pursuant to Condition 14.2 if the Issuer withholds or refuses to make any such payment in order to comply with any Applicable Law or to comply with any order of a court of competent jurisdiction.

15. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

15.1. Exchange of Beneficial Interests

15.1.1. The holder of uncertificated Programme Preference Shares or a Beneficial Interest therein may, in terms of the Applicable Procedures and in accordance with section 34(e) of the Financial Markets Act, read together with, section 54 of the Companies Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such holding be exchanged for Programme Preference Shares in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the uncertificated Programme Preference Share or Beneficial Interest therein and (ii) the day on which such holding is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given (the "**Exchange Date**").

15.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Issuer Agent that it is required to exchange such uncertificated Programme Preference Share or Beneficial Interest therein for Programme Preference Shares represented by an Individual Certificate. The Issuer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the Participant acting on behalf of the holder of the Beneficial Interest being converted, at the Specified Office of the Issuer Agent; provided that joint holders of an uncertificated Programme Preference Share or Beneficial Interest therein shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.

15.1.3. In the case of the exchange of an uncertificated Programme Preference Share or Beneficial Interest therein:

15.1.3.1. the CSD shall, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Programme Preference Shares to the Issuer Agent at its Specified Office;

15.1.3.2. the Issuer Agent will obtain the release of such uncertificated Programme Preference Shares from the CSD in accordance with the Applicable Procedures; and

15.1.3.3. an Individual Certificate shall, in relation to an interest in any number of Programme Preference Shares of a particular aggregate Issue Price standing to the account of the holder thereof, represent that number of Programme Preference Shares of that aggregate Issue Price, and shall otherwise be in such form as may be agreed between the Issuer and the Issuer Agent.

15.1.4. Subject always to Applicable Laws and the Applicable Procedures, upon the replacement of an uncertificated Programme Preference Share or Beneficial Interest therein with Programme Preference Shares in definitive form represented by an Individual Certificate in accordance with this Condition 15 (*Exchange of Beneficial Interests and replacement of Individual Certificates*), such Programme Preference Shares (now represented by an Individual Certificate) will no longer be held in the CSD and will cease to be capable of being traded on the Financial Exchanges. Programme Preference Shares represented by Individual Certificates will be registered in the Register in the name of the individual Programme Preference Shareholder of such Programme Preference Shares.

15.2. Replacement

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

15.3. Death and sequestration or liquidation of Programme Preference Shareholder

Any Person becoming entitled to Programme Preference Shares in consequence of the death, sequestration or liquidation of the holder of such Programme Preference Shares may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 15.3 or of his title as the Issuer and the Issuer Agent shall require, be registered himself as the holder of such Programme Preference Shares or, subject to the Applicable Procedures, this Condition 15.3 and Condition 16 (*Transfer of Programme Preference Shares*), may transfer such Programme

Preference Shares. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Programme Preference Shares to which any Person is so entitled until such Person shall be registered as aforesaid or shall duly transfer the Programme Preference Shares.

15.4. Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and governmental charges or insurance charges that may be imposed in relation to such Individual Certificate and/or the printing, issue and delivery of such Individual Certificate shall be borne by the holder of the Programme Preference Shares represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Programme Preference Shares may be levied by other Persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

16. **TRANSFER OF PROGRAMME PREFERENCE SHARES**

16.1. Transfer of title or Beneficial Interests in uncertificated Programme Preference Shares

16.1.1. Title to uncertificated Programme Preference Shares will pass on transfer thereof by electronic book entry in the Central Securities Accounts maintained by the CSD in accordance with the Financial Markets Act and the Applicable Procedures.

16.1.2. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the Securities Accounts maintained by the Participants for their clients (and in the Central Securities Account, where applicable), in accordance with the Applicable Procedures.

16.1.3. Such transfers will be recorded in accordance with the Applicable Procedures.

16.2. Transfer of Programme Preference Shares represented by Individual Certificates

16.2.1. In order for any transfer of Programme Preference Shares represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:

16.2.1.1. the transfer of such Programme Preference Shares must be embodied in a Transfer Form;

- 16.2.1.2. the Transfer Form must be signed by the registered Programme Preference Shareholder of such Programme Preference Shares and the transferee, or any authorised representatives of that registered Programme Preference Shareholder or transferee;
 - 16.2.1.3. the Transfer Form must be delivered to the Issuer Agent at its Specified Office together with the Individual Certificate representing such Programme Preference Shares for cancellation.
- 16.2.2. Subject to this Condition 16.2, the Issuer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Law and/or Applicable Procedures), record the transfer of Programme Preference Shares represented by an Individual Certificate (or the relevant portion of such Programme Preference Shares) in the Register, and authenticate and deliver to the transferee at the Issuer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Programme Preference Shares transferred reflecting the aggregate Calculation Amount of the Programme Preference Shares transferred.
- 16.2.3. Where a Programme Preference Shareholder has transferred a portion only of Programme Preference Shares represented by an Individual Certificate, the Issuer Agent will authenticate and deliver to such Programme Preference Shareholder at the Issuer Agent's Specified Office or, at the risk of such Programme Preference Shareholder, send by mail to such address as such Programme Preference Shareholder may request, at the risk of such Programme Preference Shareholder, a new Individual Certificate representing the balance of the Programme Preference Shares held by such Programme Preference Shareholder.
- 16.2.4. The transferor of any Programme Preference Shares represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 16.2.5. Before any transfer of Programme Preference Shares represented by an Individual Certificate is registered in the Register, all relevant transfer Taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Issuer Agent may reasonably require as to the identity and title of the transferor and the transferee.

- 16.2.6. No transfer of any Programme Preference Shares represented by an Individual Certificate will be registered during the Books Closed Period.
- 16.2.7. If a transfer of any Programme Preference Shares represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Issuer Agent.
- 16.2.8. The Issuer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Programme Preference Shares transferred.

17. REGISTER

- 17.1. The Register shall be kept at the Specified Office of the Issuer Agent or such other Person as may be appointed for the time being by the Issuer to maintain the Register (or in respect of the Uncertificated Securities Register, be kept, administered and maintained by a Participant, or the CSD, as determined in accordance with the Applicable Procedures). The Register shall reflect the number of Programme Preference Shares at any given time and the date upon which each of the Programme Preference Shareholders was registered as such. The Register shall contain the name, address, and bank account details of the Programme Preference Shareholders of Programme Preference Shares. The Register shall set out the Issue Price of the Programme Preference Shares issued to such Programme Preference Shareholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of any Programme Preference Shares. The Register shall be open for inspection during the normal business hours of the Issuer to any Programme Preference Shareholder or any Person authorised in writing by any Programme Preference Shareholder. The Issuer Agent shall not be obliged to record any transfer while the Register is closed. The Issuer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Programme Preference Share may be subject. The Register shall be closed from the Last Day to Register until each payment date of the Applicable Redemption Amount (if applicable and/or dividends in respect of the Programme Preference Shares, as the case may be).
- 17.2. The Issuer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Programme Preference Shareholders of an Individual Certificate which it is notified in accordance with these Programme Preference Share Terms and Conditions.

- 17.3. Except as provided for in these Programme Preference Share Terms and Conditions or as required by law, in respect of Programme Preference Shares, the Issuer will only recognise a Programme Preference Shareholder as the owner of the Programme Preference Shares registered in that Programme Preference Shareholder's name as per the Register.

18. ISSUER AGENT

- 18.1. Any third party appointed by the Issuer as Issuer Agent shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Programme Preference Shareholders.
- 18.2. If the Issuer elects to appoint another entity (not being the Issuer) as Issuer Agent, that other entity, on execution of an appropriate agency agreement or an appropriate accession letter to any agency agreement, as the case may be, shall serve in that capacity in respect of the Programme Preference Shares. The Issuer shall notify the Programme Preference Shareholders (in the manner set out in Condition 19 (*Notices*)) of any such appointment and, if any Programme Preference Shares are listed on the JSE, the Issuer shall notify the JSE of any such appointment.
- 18.3. The Issuer is entitled to vary or terminate the appointment of the Issuer Agent and/or appoint additional or other agents and/or approve any change in the Specified Office through which any such agent acts, provided that there will at all times be an Issuer Agent with an office in such place as may be required by the Applicable Procedures.

19. NOTICES

19.1. By the Issuer

- 19.1.1. Subject to Condition 19.1.2, the Issuer may give notices, documents, records or statements or notices of availability of the foregoing by personal delivery to a Programme Preference Shareholder or holder of Beneficial Interests in a Programme Preference Share or by sending such notices, documents, records or statements or notices of availability of the foregoing prepaid through the post or by transmitting them by telegram, telex or fax or by electronic communication within the meaning of the Companies Act to such Person's last known address. A copy of any such notices and documents shall, to the extent required in terms of the Banks Act, be forwarded to the Relevant Authority.
- 19.1.2. For so long as any of the Programme Preference Shares are issued in uncertificated form and are held in their entirety in the CSD, all notices in respect of such Programme Preference Shares shall be by way of delivery by the Issuer to the CSD, the Participants and the JSE or such other Financial

Exchange on which the Programme Preference Shares are listed for communication by them to holders of Beneficial Interests in such Programme Preference Shares in accordance with the Applicable Procedures. Each such notice shall be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD.

- 19.1.3. Any Programme Preference Shareholder or holder of Beneficial Interests in a Programme Preference Share who/which has furnished an electronic address to the Issuer, by doing so:
 - 19.1.3.1. authorises the Issuer to use electronic communication to give notices, documents, records or statements or notices of availability of the foregoing to her/him/it; and
 - 19.1.3.2. confirms that same can conveniently be printed by that Programme Preference Shareholder or holder of the Beneficial Interests in such Programme Preference Share within a reasonable time and at a reasonable cost.
- 19.1.4. In the case of joint Programme Preference Shareholders, any notice given to that one of the joint Programme Preference Shareholders who is first named in the Register in respect of that Programme Preference shall be sufficient notice to all the Programme Preference Shareholders of or Persons entitled to or otherwise interested in the Programme Preference Shares.
- 19.1.5. A Programme Preference Shareholder (or his/her executor) shall be bound by every notice in respect of the Programme Preference Shares Delivered to the Person who was, at the date on which that notice was Delivered, shown in the Register or established to the satisfaction of the directors of the Issuer from time to time (as the case may be) as the Programme Preference Shareholder of that Programme Preference Share(s), notwithstanding that the Programme Preference Shareholder may then have been dead or may subsequently have died or have been or become otherwise incapable of acting in respect of the Programme Preference Shares, and notwithstanding any transfer of the Programme Preference Shares was not registered at that date. The Issuer shall not be bound to enter any Person in the Register as entitled to any Programme Preference Shares until that Person gives the Issuer an address for entry in the Register.
- 19.1.6. The Issuer shall not be bound to use any method of giving notice, documents, records or statements or notices of availability of the foregoing, contemplated

in the Companies Regulations in respect of which provision is made for deemed delivery, but if the Issuer does use such a method, the notice, document, record or statement or notice of availability of the foregoing shall be deemed to be delivered on the day determined in accordance with the Companies Regulations. In any other case, when a given number of days' (including Business Days) notice or notice extending over any period is required to be given, such number shall be calculated exclusive of the first day and any public holiday within the meaning of the Public Holidays Act, 1994 and inclusive of the last day.

- 19.1.7. As regards the signature of an electronic communication by a Programme Preference Shareholder, it shall be in such form as the Board may specify to demonstrate that the electronic communication is genuine, or failing any such specification by the Board, it shall be constituted by a Programme Preference Shareholder indicating in the electronic communication that it is that Programme Preference Shareholder's intention to use the electronic communication as the medium to indicate that Programme Preference Shareholder's approval of the information in, or that Programme Preference Shareholder's signature of the document in or attached to, the electronic communication which contains the name of the Programme Preference Shareholder sending it in the body of the electronic communication.

19.2. Notice by the Programme Preference Shareholders

A notice to be given by any Programme Preference Shareholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the office of the Issuer Agent specified in the Applicable Pricing Supplement (Preference Shares). For so long as any of the Programme Preference Shares are issued in uncertificated form, notice may be given by any holder of a Beneficial Interest in such Programme Preference Shares to the Issuer via the relevant Issuer Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Issuer Agent may approve for this purpose. Such notices shall be deemed to have been received by the issuer on the date and at the time determined in accordance with Table CR3 in the Companies Regulations.

19.3. Notice in relation to Programme Preference Shares listed on the JSE

In addition to the provisions of Conditions 19.1 and 19.2, for so long as any Programme Preference Shares are listed on the JSE all notices in respect of such JSE-listed Programme Preference Shares, shall be made by way of an announcement on SENS.

20. VOTING RIGHTS

- 20.1. No Programme Preference Share shall have associated with it any general voting right at any shareholders meeting of the Issuer other than an irrevocable right of the Programme Preference Shareholders of any Class of Programme Preference Shares to vote on any proposal to amend the Programme Preference Share Terms and Conditions associated with that Class of Programme Preference Shares.
- 20.2. Provided that where any amendment to the Programme Preference Share Terms and Conditions is a proposed amendment to the Programme Preference Share Terms and Conditions and/or the Issuer's Memorandum of Incorporation which affects or relates to all Programme Preference Shares in issue under the Programme at that time, then such amendment shall not be effective unless it is approved by Special Resolution of all Programme Preference Shareholders and for such purpose all of the holders of Programme Preference Shares shall be treated as a single class and each Programme Preference Share shall have associated with it one general voting right for the purposes of such Special Resolution. Where any proposed amendment to the Programme Preference Share Terms and Conditions is a proposed amendment to the Programme Preference Share Terms and Conditions or the Issuer's Memorandum of Incorporation, which affects or relates to a Class of Programme Preference Shareholders only, then such amendment shall not be effective unless it is approved by Special Resolution of the affected Class of Programme Preference Shareholders.

21. MEETINGS OF PROGRAMME PREFERENCE SHAREHOLDERS

21.1. Convening of meetings

The Board may at any time convene a meeting of all Programme Preference Shareholders or holders of any Class of Programme Preference Shares, as the case may be, or put a proposed resolution to vote by way of a Round Robin Resolution. The Board shall be obliged to convene a meeting of all Programme Preference Shareholders or holders of any Class of Programme Preference Shares, as the case may be, or put a proposed resolution to vote by way of a Round Robin Resolution if (i) at any time it is required by the Companies Act or the Issuer's Memorandum of Incorporation to refer a matter to Programme Preference Shareholders entitled to vote for decision; or (ii) one or more written and signed demands for such a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, or Round Robin Resolution is/are delivered to the Issuer in accordance with Condition 19 (*Notices*), and:

- 21.1.1. each such demand describes the specific purpose for which such meeting is proposed; and

- 21.1.2. in aggregate, demands for substantially the same purpose are made and signed by Programme Preference Shareholders at the earliest time specified in any of those demands, of at least 10% (ten percent) of the aggregate Calculation Amount of all Programme Preference Shares or Programme Preference Shares in that Class, as the case may be.

21.2. Notice of meetings

- 21.2.1. A meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, shall be called by at least 15 (fifteen) Business Days' notice after Delivery by the Issuer to all Programme Preference Shareholders entitled to vote or otherwise entitled to receive notice and simultaneously to the Relevant Authority and the Issuer Agent.
- 21.2.2. The Issuer may call a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders with less notice than required by Condition 21.2.1, but such a meeting may proceed only if every Person who is entitled to exercise voting rights in respect of any item on the meeting agenda (i) is present in person or by proxy or represented by proxy or Representative at such meeting; and (ii) votes to waive the required minimum notice for such meeting.
- 21.2.3. A requisition notice by Programme Preference Shareholders requesting a meeting of Programme Preference Shareholders pursuant to Condition 21.1.2 may consist of several documents in like form, each signed by one or more requisitioning Programme Preference Shareholders. Such a requisition notice will be delivered to the Specified Office of the Issuer.

21.3. Contents of notice of meetings of Programme Preference Shareholders

- 21.3.1. A notice of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, must be in writing, in plain language and must include, in addition to any other information prescribed by the Companies Act and the Banks Act:
- 21.3.1.1. the date, time and place for the meeting, and the record date for determining the Programme Preference Shareholders entitled to participate in and vote at the meeting;
- 21.3.1.2. the general purpose of the meeting, and any specific purpose contemplated in Condition 21.1.1, if applicable;

21.3.1.3. a copy of any proposed resolution of which the Issuer has received notice in terms of Condition 21.2.2, and which is to be considered at the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, and a notice of the percentage of voting rights that will be required for that resolution to be adopted;

21.3.1.4. a reasonably prominent statement that:

21.3.1.4.1. a entitled to attend and vote at a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, shall be entitled to appoint a proxy to attend, participate in, speak and vote at such meeting in the place of the Programme Preference Shareholder entitled to vote or give or withhold written consent on behalf of the Programme Preference Shareholder entitled to vote to a decision by Round Robin Resolution;

21.3.1.4.2. a proxy need not be a Programme Preference Shareholder;

21.3.1.4.3. a Programme Preference Shareholder entitled to vote may appoint more than 1 (one) proxy to exercise voting rights attached to different Programme Preference Shares held by that Programme Preference Shareholder entitled to vote in respect of any such meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be;

21.3.1.4.4. the proxy may delegate the authority granted to her/him/it as proxy, subject to any restriction in the instrument of proxy itself;

21.3.1.4.5. participants in a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, are required to furnish satisfactory identification in terms of section 63(1) of the Companies Act in order to

reasonably satisfy the Person presiding at such meeting of Programme Preference Shareholders that the right of that Person to participate and vote either as a Programme Preference Shareholder or as a proxy, has been reasonably verified;

21.3.1.4.6. participation in the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, by electronic communication within the meaning of the Companies Act is available, where applicable, and in such event provide any necessary information to enable Programme Preference Shareholders entitled to vote or their proxies to access the available medium or means of electronic communication and advise that access to the medium or means of electronic communication is at the expense of the Programme Preference Shareholder entitled to vote or proxy, except to the extent that the Issuer determines otherwise.

21.3.2. A Programme Preference Shareholder entitled to vote, who is present in person or represented by proxy or Representative at a meeting:

21.3.2.1. is regarded as having received or waived notice of the meeting if at least the required minimum notice was given;

21.3.2.2. has a right to:

21.3.2.2.1. allege a material defect in the form of notice for a particular item on the agenda for the meeting; and

21.3.2.2.2. participate in the determination whether to waive the requirements for notice, if less than the required minimum notice was given, or to ratify a defective notice; and

21.3.2.3. except to the extent set out in Condition 21.3.2.2 is regarded to have waived any right based on an actual or alleged material defect in the notice of the meeting.

- 21.3.3. A meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, may proceed notwithstanding a material defect in the giving of the notice, subject to Condition 21.3.4, only if every Programme Preference Shareholder who is entitled to exercise voting rights in respect of each item on the agenda of the meeting is present at the meeting and votes to approve the ratification of the defective notice.
- 21.3.4. If a material defect in the form or manner of giving notice of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, relates only to one or more particular matters on the agenda for the meeting:
- 21.3.4.1. any such matter may be severed from the agenda, and the notice remains valid with respect to any remaining matters on the agenda; and
- 21.3.4.2. the meeting may proceed to consider a severed matter, if the defective notice in respect of that matter has been ratified in terms of Condition 21.3.2.
- 21.3.5. An immaterial defect in the form or manner of Delivering notice of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, or an accidental or inadvertent failure in the Delivery of the notice to any particular Programme Preference Shareholder to whom it was addressed if the Issuer elects to do so, does not invalidate any action taken at such meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable.
- 21.3.6. For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such person may cast, the Issuer or the Issuer Agent, as the case may be, shall specify in the notice of the meeting, the record date by which a person must be entered on the Register in order to have the right to participate in and vote at such meeting.

21.4. Chairperson

The chairperson, if any, of the Board shall preside as chairperson at every meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable. If there is no such chairperson, or if at any meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, s/he is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Programme Preference Shareholders entitled to vote

which are present in person or represented by proxy or Representative at the meeting shall select a director of the Issuer present at such meeting, or if no director be present at such meeting, or if all the directors present decline to take the chair, the Persons entitled to vote shall select one of their number which is present at the meeting to be chairperson of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable.

21.5. Quorum

- 21.5.1. Business may be transacted at any meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, only while a quorum is present.
- 21.5.2. The quorum necessary for the commencement of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, shall be sufficient Programme Preference Shareholders present in person or represented by proxy or Representative at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the aggregate Calculation Amount of all Programme Preference Shares or Programme Preference Shares in the relevant Class of Programme Preference Shares, as the case may be, provided that a minimum number of 3 (three) such persons must be present at the meeting if the Company has more than 2 (two) shareholders in that Class.
- 21.5.3. A matter to be decided at the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, may not begin to be considered unless those who fulfilled the quorum requirements of Condition 21.5.1 continue to be present at the meeting.
- 21.5.4. If within 30 (thirty) minutes from the time appointed for the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, to commence, a quorum is not present or if the quorum requirements in Condition 21.5.1 cannot be achieved for any one or more matters, the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable, shall be postponed, without motion, vote or further notice, for 1 (one) week to the same time on the same day in the next week or, if that day is not a Business Day, to the next succeeding Business Day, and if at such adjourned meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, a quorum is not present within 30 (thirty) minutes from the time appointed for the meeting then, the Programme Preference Shareholders

entitled to vote present in person or represented by proxy or Representative at the meeting shall be deemed to be the requisite quorum.

21.6. Quorum at any meeting for passing an Extraordinary Resolution or Special Resolution

The quorum at any meeting for passing an Extraordinary Resolution or Special Resolution, as the case may be, shall be three or more Programme Preference Shareholders of that Class present or represented by proxies or Representatives and holding or representing in the aggregate a clear majority of the aggregate Calculation Amount of the Programme Preference Shares held by the applicable Class, provided that a minimum number of three such persons must be present at the meeting if the Company has more than 2 (two) shareholders in that Class.

21.7. Adjournment of meetings

- 21.7.1. A meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, or the consideration of any matter being debated at the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable, may be adjourned from time to time without further notice on a motion supported by Programme Preference Shareholders present in person or represented by proxy or Representative entitled to exercise, in aggregate, a majority of the Calculation Amount of all the Programme Preference Shares or Programme Preference Shares held by the applicable Class, as the case may be.
- 21.7.2. Such adjournment may be either to a fixed time and place or until further notice (in which latter case a further notice shall be Delivered to the Programme Preference Shareholders), as agreed at the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be.
- 21.7.3. A meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, may not be adjourned beyond the earlier of the date that is 60 (sixty) Business Days after the date on which the adjournment occurred.
- 21.7.4. No further notice is required to be Delivered by the Issuer of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, that is postponed or adjourned as contemplated in Condition 21.5.1, unless the location or time of the meeting is different from: (i) the location or time of the postponed or adjourned meeting of Programme Preference Shareholders or Class of Programme Preference

Shareholders, as applicable; (ii) a location or time announced at the time of adjournment, in the case of an adjourned meeting; or (iii) notice of such postponed or adjourned meeting is required in terms of the Banks Act.

21.8. Participation

The following may attend and speak at a meeting:

- 21.8.1. Programme Preference Shareholders present, by Representative or by proxy provided that no such Person shall be entitled to attend and speak (or vote) unless he provides proof acceptable to the Issuer that he is a Programme Preference Shareholder, its Representative or proxy if so required by the Issuer to do so;
- 21.8.2. any officer or duly appointed representative of the Issuer and every other Person authorised in writing by the provided that such Person shall not be entitled to vote, other than as a proxy or Representative;
- 21.8.3. the legal counsel to the Issuer;
- 21.8.4. the Issuer Agent;
- 21.8.5. any other Person approved by the Programme Preference Shareholders at such meeting; and
- 21.8.6. every director or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer may attend and speak at a meeting of Programme Preference Shareholders, but shall not be entitled to vote, other than as a proxy or Representative.

21.9. Poll

- 21.9.1. At any meeting a resolution put to the vote shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll shall be demanded by:
 - 21.9.1.1. not less than 5 (five) Programme Preference Shareholders present in person or represented by proxy or Representative having the right to vote on that matter;
 - 21.9.1.2. a Programme Preference Shareholder/s entitled to exercise not less than $\frac{1}{10}$ th (one tenth) of the aggregate Calculation Amount of the

Programme Preference Shares of all Programme Preference Shareholders entitled to vote on that matter; or

21.9.1.3. the chairperson.

21.9.2. The demand for a poll shall not prevent the continuation of a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable, for the transaction of any business other than the question upon which the poll has been demanded. The demand for a poll may be withdrawn.

21.10. Proxy

21.10.1. Subject to the provisions of the Companies Act, a form appointing a proxy may be in any usual or common form provided that it is in writing. The Issuer shall supply a generally standard form of proxy upon request by a Programme Preference Shareholder entitled to vote.

21.10.2. The form appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of attorney or authority shall be delivered to the Issuer, the Issuer Agent or any Person which it has identified in the notice of meeting as being a Person to whom instruments of proxy may be delivered on behalf of the Issuer, immediately prior to the meeting, before the proxy exercises any rights of the Programme Preference Shareholder entitled to vote at a meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be.

21.10.3. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy was executed, or the transfer of the Programme Preference Shares in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Issuer or the Issuer Agent, as the case may be, at its Specified Office before the commencement of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as applicable, or adjourned meeting at which the instrument of proxy is used.

21.10.4. No form appointing a proxy shall be valid after the expiration of 1 (one) year from the date when it was signed unless the proxy form itself provides for a longer or shorter duration but it may be revoked at any time. The appointment is

revocable unless the proxy appointment expressly states otherwise, and may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy, and to the Issuer. The appointment is suspended at any time and to the extent that the Programme Preference Shareholder entitled to vote chooses to act directly and in person in the exercise of any rights as a Programme Preference Shareholder entitled to vote.

21.11. Beneficial Interests

The holder of any Programme Preference Shares in which any Person has a Beneficial Interest must deliver to each such Person:

- 21.11.1. a notice of any meeting of the Issuer at which those Programme Preference Shares may be voted within 2 (two) Business Days after receiving such a notice from the Issuer; and
- 21.11.2. a proxy appointment to the extent of that Person's Beneficial Interest, if the Person so demands in compliance with section 56(11) of the Companies Act.

21.12. Votes

- 21.12.1. Subject to any rights or restrictions attaching to any Class or Classes of Programme Preference Shares and the provisions of the Banks Act, on a show of hands Programme Preference Shareholders entitled to vote present in person or represented by proxy or Representative at the meeting shall have only 1 (one) vote, irrespective of the number of voting rights that Programme Preference Shareholders would otherwise be entitled to exercise. A proxy shall irrespective of the number of the Programme Preference Shareholders entitled to vote she/he/it represents have only 1 (one) vote on a show of hands. On a poll every Person entitled to vote who is present at the meeting shall have the number of votes determined in accordance with the voting rights associated with the Programme Preference Shares in question.
- 21.12.2. The holders of Beneficial Interests in Programme Preference Shares must vote in accordance with the Applicable Procedures. Notwithstanding any other provision contained in this Condition 21 (*Meetings of Programme Preference Shareholders*), the Noteholder in respect of uncertificated Programme Preference Shares shall vote on behalf of holders of Beneficial Interests in such Programme Preference Shares in accordance with the instructions from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

- 21.12.3. If a form appointing a proxy is received duly signed but with no indication as to how the Person named therein should vote on any issue, the proxy may vote or abstain from voting as she/he/it sees fit unless the form appointing the proxy indicates otherwise.
- 21.12.4. Unless the form of proxy states otherwise, a Representative or proxy shall not be obliged to exercise all the votes which he is entitled or cast all the votes which he exercises in the same way.
- 21.12.5. In the case of joint Programme Preference Shareholders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Programme Preference Shareholders; and for this purpose seniority shall be determined by the order in which the names stand in the Register.

21.13. Validity of votes by proxies

Any vote by a proxy in accordance with the form of proxy shall be valid even if such form of proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Issuer Agent or the Issuer at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 (twenty four) hours before the time fixed for the relevant meeting. Unless revoked, any appointment of a proxy under a form of proxy in relation to a meeting shall remain in force in relation to any resumption of such meeting following an adjournment.

21.14. Powers

- 21.14.1. A meeting of Programme Preference Shareholders will have the power, in addition to all powers specifically conferred elsewhere in the Note Terms and Conditions:
 - 21.14.1.1. by Ordinary Resolution of the Programme Preference Shareholders to give instructions to the Issuer in respect of any matter not covered by the Programme Preference Share Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Programme Preference Share Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Programme Preference Share Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Programme Preference Share Terms and Conditions); and

21.14.1.2. by Extraordinary Resolution or, subject to the Companies Act, Special Resolution, as applicable:

21.14.1.2.1. to sanction any compromise or arrangement proposed to be made between the Issuer and the Class of Programme Preference Shareholders or any of them; or

21.14.1.2.2. to assent to any modification of the provisions contained in the Programme Preference Share Terms and Conditions which shall be proposed by the Issuer.

21.14.2. Unless other specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

21.15. Validity and result of vote

21.15.1. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting or poll at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting whose decision shall be final and conclusive.

21.15.2. In case of any dispute as to the admission or rejection of a vote, the chairperson of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, shall determine the dispute and the determination of the chairperson made in good faith shall be final and conclusive.

21.15.3. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.

21.15.4. Unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Issuer, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, such resolution. No objection shall be raised as to the admissibility of any vote except at the

meeting or adjourned meeting at which the vote objected to is, or may be, given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

- 21.15.5. If a poll is duly demanded it shall be taken in such manner as the chairperson directs save that it shall be taken forthwith, and the result of the poll shall be deemed to be the resolution of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, at which the poll was demanded. Scrutineers may be appointed by the chairperson to count the votes and to declare the result of the poll, and if appointed their decision, which shall be given by the chairperson of the meeting, shall be deemed to be the resolution of the meeting of Programme Preference Shareholders or Class of Programme Preference Shareholders, as the case may be, at which the poll is demanded.

21.16. Binding effect of resolutions

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all Programme Preference Shareholders whether or not present at such meeting and whether or not voting (or whether or not they signed any Round Robin Resolution, as the case may be), and each Programme Preference Shareholder shall be bound to give effect thereto.

21.17. Notice of the result of voting on any resolution

- 21.17.1. Within 10 (ten) Business Days of a Round Robin Resolution being adopted, the Issuer must deliver a notice in accordance with Condition 19 (*Notices*) describing the results of the vote, consent process, or election to every Programme Preference Shareholder who was entitled to vote on or consent to the Round Robin Resolution.
- 21.17.2. Notice of the result of the voting on any resolution (including any Extraordinary Resolution or Special Resolution) duly considered by the Programme Preference Shareholders shall be given to the Programme Preference Shareholders within 14 (fourteen) days of the conclusion of the meeting in accordance with Condition 19 (*Notices*). Non-publication shall not invalidate any such resolution.

22. MODIFICATION

- 22.1. Subject to the Companies Act, the Companies Regulations, the debt listings requirements of the JSE and the debt listings requirements of any other applicable Financial Exchange, as the case may be, the Issuer may effect, without the consent of the relevant Class of Programme Preference Shareholders, any modification of the Programme Preference Share Terms and Conditions in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the Programme Preference Share Terms and Conditions, by publishing a notice of the alteration, in any manner required or permitted by the Issuer's Memorandum of Incorporation or the rules of the Issuer and filing a notice of the alteration with the Companies and Intellectual Property Commission.
- 22.2. Save as provided in Condition 22.1, no amendment, variation or modification of these Programme Preference Share Terms and Conditions may be effected unless:
- 22.2.1. in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Programme Preference Shareholders holding not less than 75% (seventy-five percent) of the aggregate Calculation Amount of the Programme Preference Shares in that Class; or
- 22.2.2. sanctioned by [the greater of] a Special Resolution [or Extraordinary Resolution] of the relevant Class of Programme Preference Shareholders,
- provided that no such amendment, variation or modification shall be of any force or effect unless notice of the intention to make such amendment, variation or modification shall have been given to all of the relevant Class of Programme Preference Shareholders in terms of Condition 19 (*Notices*).
- 22.3. The Issuer shall be obliged to first obtain approval from the JSE prior to seeking the approval of the relevant Programme Preference Shareholders as contemplated in Condition 22.2.
- 22.4. Any such modification shall be binding on the relevant Class of Programme Preference Shareholders and any such modification shall be notified to the relevant Class of Programme Preference Shareholders in accordance with Condition 19 (*Notices*) as soon as practicable after making such modification.
- 22.5. For the avoidance of doubt:
- 22.5.1. the exercise by the Issuer of its rights under Condition 18 (*Issuer Agent*) shall not constitute a modification of these Programme Preference Share Terms and Conditions; and

- 22.5.2. it is recorded that, subject to Applicable Law, the Applicable Pricing Supplement (Preference Shares) in relation to any Tranche of Programme Preference Shares may specify any other terms and conditions which shall, to the extent so specified or the extent inconsistent with the Programme Preference Share Terms and Conditions, amend, replace or modify the Programme Preference Share Terms and Conditions for purposes of such Tranche of Programme Preference Shares. The issuing of any Applicable Pricing Supplement (Preference Shares) shall not constitute an amendment of these Programme Preference Terms and Conditions requiring the approval of the JSE.

23. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Programme Preference Shareholders to create and issue further Programme Preference Shares (the "**Additional Programme Preference Shares**") having terms and conditions which are identical as any of the other Programme Preference Shares already issued under the Programme (the "**Existing Programme Preference Shares**") or the same in all respects save for their respective Issue Prices, Dividend Commencement Dates and Issue Dates, so that the Additional Programme Preference Shares shall be (i) consolidated to form a single Class with the Existing Programme Preference Shares and (ii) rank *pari passu* in all respects with the Existing Programme Preference Shares.

24. GOVERNING LAW

Unless otherwise specified in the Applicable Pricing Supplement (Preference Shares), the provisions of the Programme Preference Share Terms and Conditions and the Programme Preference Shares are governed by, and shall be construed in accordance with, the laws of South Africa.

25. PROGRAMME PREFERENCE SHARES AND THE COMPANIES ACT

- 25.1. Notwithstanding anything to the contrary contained in these Programme Preference Share Terms and Conditions or the Programme Memorandum, (i) the Issuer, (ii) each Tranche of Programme Preference Shares, and (iii) each of the Programme Preference Shareholders, shall be subject to all of the applicable provisions of the Companies Act including, without limiting the generality of the foregoing, sections 37 and 46 of the Companies Act (the "**Applicable Provisions**").
- 25.2. For the purpose of the Programme Preference Shares and in relation to (i) the Issuer, (ii) each Tranche of Programme Preference Shares, and (iii) each of the Programme Preference Shareholders:
- 25.2.1. the Applicable Provisions are deemed to be incorporated by reference into these Programme Preference Share Terms and Conditions; and

25.2.2. to the extent that there is any conflict or inconsistency between the Applicable Provisions and any of these Programme Preference Share Terms and Conditions, the Applicable Provisions shall prevail; and

25.2.3. to the extent that, in consequence of such conflict, the Applicable Provisions replace, amend, or supplement any of these Programme Preference Share Terms and Conditions, any reference to "*Programme Preference Share Terms and Conditions*" in the Programme Memorandum and/or the Applicable Pricing Supplement (Preference Shares) shall be deemed to include these Programme Preference Share Terms and Conditions as so replaced, amended or supplemented.

26. SEVERABILITY

Should any of the applicable Programme Preference Share Terms and Conditions be, or become, invalid, the validity of the remaining applicable Programme Preference Share Terms and Conditions shall not be affected in any way.

SIGNED at Sandton on this 15th day of November 2017

For: **INVESTEC LIMITED**

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

PRO FORMA APPLICABLE PRICING SUPPLEMENT (PREFERENCE SHARES)

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



INVESTEC LIMITED

(Incorporated in the Republic of South Africa with limited liability under registration number 1925/002833/06)

**Issue of [aggregate Issue Price of Tranche] [Title of Programme Preference Shares]
under its ZAR15,000,000,000 Domestic Medium Term Note and Preference Share Programme**

[Stock Code]

This document constitutes the Applicable Pricing Supplement (Preference Shares) relating to the issue of [Redeemable]/[Non-Redeemable] Programme Preference Shares described herein in accordance with the Issuer's Memorandum of Incorporation. 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 15 November 2017 (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.

PARTIES

- | | | |
|----|------------------------------|------------------|
| 1. | Issuer | Investec Limited |
| 2. | Specified Office | [...] |
| 3. | If non-syndicated, Dealer(s) | [...] |
| 4. | If syndicated, Managers | [...] |

- | | | |
|----|------------------|-------|
| 5. | Debt Sponsor | [...] |
| 6. | Issuer Agent | [...] |
| 7. | Specified Office | [...] |

PROVISIONS RELATING TO THE PROGRAMME PREFERENCE SHARES

- | | | |
|-----|---|--|
| 8. | Class of Programme Preference Shares | [...] |
| 9. | Status of Programme Preference Shares | [Redeemable/Non-redeemable] [Cumulative/Non-Cumulative][Non-Participating][Secured/Unsecured] [Listed/Unlisted] |
| | (i) Class Number | [...] |
| | (ii) Tranche Number | [...] |
| 10. | Number of Programme Preference Shares | [...] |
| 11. | Dividend/Payment Basis | [Fixed Rate/Floating Rate/Indexed/Mixed Rate/ other] Programme Preference Shares |
| 12. | Form of Programme Preference Shares | [Listed/Unlisted] [The Programme Preference Shares in this Tranche are issued in certificated form/The Programme Preference Shares in this Tranche are issued in uncertificated form in the CSD] |
| 13. | Automatic/Optional conversion from one Dividend/ Payment Basis to another | <i>[insert details including date for conversion]</i> |
| 14. | Issue Date | [...] |
| 15. | Business Centre | [...] |
| 16. | Additional Business Centre | [...] |
| 17. | Calculation Amount | [...] per Programme Preference Share |
| 18. | Issue Price | [...] [par/premium] value per Programme Preference Share |

19.	Dividend Commencement Date	[...]
20.	Final Redemption Date	[...]
21.	Specified Currency	[...]
22.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
23.	Final Redemption Amount	[...]
24.	Books Closed Period(s)	The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year [until, if applicable, the Applicable Redemption Date], or [...] days prior to any Payment Day;
25.	Last Day to Register	[...], [...], [...] and, [...], or the last day immediately preceding the commencement of the Books Closed Period
26.	Penalty Dividend Rate	[...]
27.	Provisions applicable to Programme Preference Shares, the proceeds of which are intended to qualify as Regulatory Capital	[Applicable/[N/A] <i>(Specify Additional Conditions (if any) prescribed by the Relevant Authority and those of the applicable Regulatory Capital Requirements (if any) which are not set out in the Programme Preference Share Terms and Conditions.)</i>
28.	Additional Amounts	[Applicable/[N/A]
29.	Preference Dividends Payable	Discretion of the Board: [Yes]/[No]
30.	FIXED RATE PROGRAMME PREFERENCE SHARES	
	Payment of Dividend Amount	
	(i) Dividend Rate(s)	[...] percent per annum [payable [annually/ semi-annually/quarterly/monthly/other (<i>specify</i>)] in arrear]
	(ii) Dividend Payment Date(s)	[...] in each year [adjusted in accordance with [<i>specify Business Day Convention and any applicable Business</i>

Centre(s) for the definition of "Business Day"/>[not adjusted]

- | | |
|--|---|
| (iii) Fixed Dividend Amount[(s)] | [●] per Calculation Amount |
| (iv) Initial Broken Amount | [...] |
| (v) Final Broken Amount | [...] |
| (vi) Day Count Fraction | [Actual/365][Actual (ISDA)] [Actual/Actual (ICMA)]

[Actual/365 (Fixed)]

[Actual/360]

[30/360] [30E/360] [Eurobond Basis] |
| (vii) Any other terms relating to the particular method of calculating dividends | [...] |

31. **FLOATING RATE PROGRAMME PREFERENCE SHARES**

- | | |
|--|--|
| (i) Payment of Dividend Amount | |
| (a) Dividend Rate(s) | [...] |
| (b) Dividend Payment Date(s) | [...] with the first Dividend Payment Date being [●] |
| (c) Any other terms relating to the particular method of calculating dividends | [...] |
| (d) Definition of Business Day
(if different from that set out in Condition 1
(<i>Interpretation</i>)) | [...] |
| (e) Minimum Dividend Rate | [...] percent |
| (f) Maximum Dividend Rate | [...] percent |
| (g) Day Count Fraction | [Actual/365] [Actual (ISDA)] [Actual/Actual (ICMA)] |

	[Actual/365 (Fixed)]	
	[Actual/360]	
	[30/360] [30E/360] [Eurobond Basis]	
(h) Other terms relating to the method of calculating dividends (e.g.: day count fraction, rounding up provision, if different from Condition 7.3 (<i>Dividend on Floating Rate Programme Preference Shares and Indexed Programme Preference Shares</i>))	[...]	
(ii) Manner in which the Dividend Rate is to be determined	[ISDA Determination/Screen Rate Determination/other (insert details)]	determined
(iii) Margin	[...]	
(iv) If ISDA Determination		
(a) Floating Rate	[...]	
(b) Floating Rate Option	[...]	
(c) Designated Maturity	[...]	
(d) Reset Date(s)	[...]	
(e) ISDA Definitions to apply	[...]	
(v) If Screen Rate Determination		
(a) Reference Rate (including relevant period by reference to which the Dividend Rate is to be calculated)	[...]	
(b) Dividend Rate	[...]	

Determination Date(s)

- (c) Relevant Screen page and Reference Code [...]
- (d) Relevant Time [...]
- (vi) If Dividend Rate to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Dividend Rate/Margin/Fallback provisions [...]

32. **MIXED RATE PROGRAMME
PREFERENCE SHARES**

- (ii) 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 [...]
 - (b) Floating Rate Programme Preference Shares [...]
 - (c) Indexed Programme Preference Shares [...]
 - (d) Other Programme Preference Shares [...]
- (ii) The Dividend Rate and other pertinent details are set out under the headings relating to the applicable forms of Programme Preference Shares

33. INDEXED PROGRAMME PREFERENCE SHARES

(i)	Type of Indexed Programme Preference Shares	[Indexed Dividend/Indexed Redemption Amount] Programme Preference Shares
(ii)	Index/Formula by reference to which Dividend Rate/ Dividend Amount/Final Redemption Amount (delete as applicable) is to be determined	[...]
(iii)	Manner in which the Dividend Rate/Dividend Amount/Final Redemption Amount (delete as applicable) is to be determined	[...]
(iii)	Dividend Period(s)	[...]
(iv)	Dividend Payment Date(s)	[...]
(v)	Provisions where calculation by reference to Index and/or Formula is impossible or impracticable	[...]
(vi)	Minimum Dividend Rate	[...]
(vii)	Maximum Dividend Rate	[...]
(viii)	Other terms relating to the calculation of the Dividend Rate (e.g.: Day Count Fraction, rounding up provisions)	[...][Please note: Additional JSE requirements may be applicable if Index-Linked Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE debt listings requirements.]

OTHER PROGRAMME PREFERENCE SHARES

Relevant description and any additional Programme Preference Share Terms relating to such Programme Preference Shares	[...]
---	-------

**PROVISIONS REGARDING
REDEMPTION/MATURITY**

If this Tranche of Programme Preference Shares is specified as being “redeemable” Programme Preference Shares in item 9 above, the following sub-provisions must be completed appropriately.

- | | | |
|-----|--|----------|
| 34. | Minimum period of notice for redemption following a Regulatory Event (if different from Condition 10.2 (<i>Early Redemption following a Regulatory Event</i>)) | [...] |
| 35. | Redemption at the option of the Issuer: if yes: | [Yes/No] |
| | (i) Optional Redemption Date(s) | [...] |
| | (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount | [...] |
| | (iii) Minimum period of notice (if different from Condition 10.3 (<i>Early Redemption at the option of the Issuer</i>)) | [...] |
| | (iv) Redeemable in part. | [Yes/No] |
| | If yes: | |
| | Minimum Redemption Amount(s) | [...] |
| | Higher Redemption Amount(s) | [...] |
| | (v) Other terms applicable on Redemption | [...] |
| 36. | Early Redemption Amount(s) payable on redemption following a Regulatory Event (if applicable), if yes: | [Yes/No] |
| | (i) Amount payable; or | [...] |

- (ii) Method of calculation of amount payable (if required or if different from that set out in Condition 10.5 (*Early Redemption Amounts*)) [...]
37. Early Redemption Amount(s) payable upon the occurrence of a Redemption Event (if applicable), if yes: [Yes/No]
- (i) Amount payable; or [...]
- (ii) Method of calculation of amount payable (if required or if different from that set out in Condition 10.5 (*Early Redemption Amounts*)) [...]
38. Hedge Unwind Adjustment [Applicable: [Standard Unwind Costs] [Other (*specify*)] / [N/A]]

GENERAL

39. 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 [..., excluding this Tranche of Programme Preference Shares but, including all other Programme Preference Shares 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.
40. Financial Exchange [...]
41. ISIN No [...]

42.	Stock Code	[...]
43.	Additional selling restrictions	[...]
	(i) Financial Exchange	[...]
	(ii) Relevant sub-market of the Financial Exchange	[...]
44.	Provisions relating to stabilisation	[...]
45.	Method of distribution	[Private Placement/Auction/Bookbuild]
46.	Credit Rating assigned to [Issuer]/[Programme Preference Shares] as at the Issue Date (if any)	See Annex "A" (<i>Applicable Credit Ratings</i>).
47.	Governing law (if the laws of South Africa are not applicable)	[...]
48.	Other Banking Jurisdiction	[...]
49.	Use of proceeds	[...]
50.	Surrendering of Individual Certificates	[...] days after the date on which the Individual Certificate in respect of the Programme Preference Share to be redeemed has been surrendered to the Issuer.
51.	Reference Banks	[...]
52.	Redemption Events	[Applicable]/[N/A]/[...] (<i>Specify additional Redemption Events (if any) which are not set out in the Programme Preference Share Terms and Conditions</i>)
53.	Other provisions	[Other provisions]

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement (Preference Shares). To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement (Preference Shares) is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This

Applicable Pricing Supplement (Preference Shares) contains all information required by law and the applicable debt listings requirements of the JSE.

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

SIGNED at _____ on this _____ day of _____ 2017

For: INVESTEC LIMITED

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

Signature: _____

who warrants that he / she is duly authorised thereto

Name: _____

Capacity: _____

ANNEX "A"

APPLICABLE CREDIT RATINGS

1. Issuer

The Issuer has been rated as follows:

Rating Agency	Rating	Rating Date	Rating Expiry / Renewal Date
S&P			
Moody's			
[Other]			

2. Programme Preference Shares

This Tranche of Programme Preference Shares [has been] [will not be] rated [as follows:][.]

Rating Agency	Rating	Rating Date	Rating Expiry / Renewal Date
S&P			
Moody's			
[Other]			

USE OF PROCEEDS

1. NOTES

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

Subject to the applicable Regulatory Capital Requirements, the proceeds of the issue of a Tranche of Tier 2 Notes will rank as Tier 2 Capital, and the proceeds of the issue of a Tranche of Additional Tier 1 Notes will rank as Additional Tier 1 Capital, as specified in the Applicable Pricing Supplement (Notes).

2. PROGRAMME PREFERENCE SHARES

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

OVERVIEW OF REGULATORY CAPITAL REQUIREMENTS

Capitalised terms used in this section entitled "Overview of Regulatory Capital Requirements" shall bear the same meanings as used in the Applicable Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The information contained below is intended to be a summary of the regulatory capital requirements which may be applicable to Tier 2 Notes and Additional Tier 1 Notes as at the Programme Date, and is subject to change or any Additional Conditions as may be prescribed by the Relevant Authority in respect of a particular Tranche of Subordinated Capital Notes. The summary is of a general nature, is included herein solely for information purposes and does not constitute advice. The Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.

Prospective investors in the Securities should therefore (i) read the summary below in conjunction with the Banks Act and the applicable Regulations Relating to Banks, including but not limited to regulation 38, and (ii) consult their own professional advisors.

Tier 2 Notes

The issue of Tier 2 Notes requires the prior written approval of the Registrar of Banks in terms of section 79(1)(b) of the Banks Act.

Conditions for the issue of Tier 2 Notes

Subordinated Capital Notes the proceeds of which rank as Tier 2 Capital must adhere to the following requirements:

- 38(12) In the case of any instrument or share that is subordinated to depositors and general creditors:
- 2.1. the terms and conditions of the instrument shall contain a provision that requires such instrument, at the option of the Registrar of Banks, to either be written off or converted into the most subordinated form of equity upon the occurrence of the trigger event specified in writing by the Registrar of Banks, unless duly enforceable legislation is in place that:
 - 2.1.1. requires the instrument to be written off upon the occurrence of the aforesaid event; or
 - 2.1.2. otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss,

and the bank or controlling company complies with such further requirements as may be directed by the Registrar of Banks in writing.

Provided that:

- (i) any compensation paid to the instrument holders as a result of the aforesaid write-off shall be paid immediately and in the form of the most subordinated form of equity of the relevant bank or its controlling company, and the bank or controlling company, as the case may be, shall at all times maintain all prior authorisation necessary to immediately issue the relevant number of shares specified in the instrument's terms and conditions should the trigger event occur;
 - (ii) the issuance of any new shares as a result of the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector shall not be diluted; and
 - (iii) as a minimum, the aforesaid trigger event shall be the earlier of:
 - (aa) a decision that a write off, without which the bank or controlling company would become non-viable, is necessary, as determined by the Registrar of Banks; or
 - (bb) the decision to make a public sector injection of capital, or equivalent support, without which the bank or controlling company would have become non-viable, as determined by the Registrar of Banks;
- 2.2. the bank or controlling company, as the case may be, shall obtain the prior written approval of the Registrar of Banks before the instrument or share is issued;
- 2.3. the key features of the relevant instruments or shares shall be duly disclosed in the annual financial statements or other relevant disclosures to the general public;
- 2.4. the instrument or share:
- 2.4.1. shall be issued and fully paid;
 - 2.4.2. shall be neither secured nor covered by any guarantee of the issuer or related or associated entity, or be subject to any other arrangement that legally or economically enhances the seniority of the claim;
 - 2.4.3. shall have a minimum original maturity of more than five years, provided that during the fifth year preceding the maturity of the relevant instrument the

amount qualifying as tier 2 capital shall be reduced by an amount equal to 20% (twenty percent) of the amount so obtained and, annually thereafter, by an amount that in each successive year is increased by 20% (twenty percent) of the amount so obtained, as set out in table 1 below:

Table 1

Years to maturity	Qualifying amount included in Tier 2 capital	Specified reduction
5 years or more	100%	0%
4 years and more but less than 5 years	80%	20%
3 years and more but less than 4 years	60%	40%
2 years and more but less than 3 years	40%	60%
1 year and more but less than 2 years	20%	80%
Less than 1 year	0%	100%

- 2.4.4. shall not contain any provision for step-up or other incentive to redeem;
- 2.4.5. shall not have any credit sensitive dividend feature, that is, a dividend or coupon that is periodically reset based in whole or in part on the bank's credit standing or rating;
- 2.4.6. shall not be held or acquired by the bank or any person related to or associated with the bank over which the bank exercises or may exercise control or significant influence;
- 2.4.7. shall not be funded directly or indirectly by the relevant bank or controlling company;

2.4.8. may be callable at the sole initiative of the issuer only after a minimum period of five years, provided that:

- (i) the bank shall obtain the prior written approval of the Registrar of Banks before exercising the said call;
- (ii) the bank shall not create any expectation that such call will be exercised;
- (iii) the bank shall not exercise the call unless the bank:
 - (aa) concurrently replaces the called instrument with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for/with the income capacity of the bank; or
 - (bb) demonstrates to the satisfaction of the Registrar of Banks that its capital position shall be well above the relevant specified minimum capital requirements after the call option is exercised;

2.5. the investor shall not have any right to accelerate the repayment of future scheduled payments, such as coupon or principal, except in the case of bankruptcy and/or liquidation; and

2.6. when the instrument or share is issued by a special purpose vehicle or institution, instead of by an operating entity, that is, an entity established to conduct business with clients with the intention of earning a profit in its own right, or the relevant controlling company in the consolidated group, the proceeds shall be immediately available without limitation to an operating entity or the controlling company in a form that meets or exceeds all the relevant criteria for inclusion in tier 2 capital specified above.

Additional Tier 1 Notes

The issue of Additional Tier 1 Notes requires the prior written approval of the Registrar of Banks in terms of section 79(1)(b) of the Banks Act.

Conditions for the issue of Additional Tier 1 Notes

Subordinated Capital Notes the proceeds of which rank as Additional Tier 1 Capital must adhere to the following requirements:

38(11) The relevant proceeds of any instrument or share that as a minimum meets or complies with all the conditions specified below may rank as additional tier 1 capital:

- 2.1. the terms and conditions of the instrument shall contain a provision that requires such instrument, at the option of the Registrar of Banks, to either be written off or converted into the most subordinated form of equity upon the occurrence of the trigger event specified in writing by the Registrar of Banks, unless duly enforceable legislation is in place:
 - 2.1.1. that requires the instrument to be written off upon the occurrence of the aforesaid event; or
 - 2.1.2. that otherwise requires the instrument to fully absorb loss before tax payers or ordinary depositors are exposed to loss,

and the bank or controlling company complies with such further requirements as may be directed by the Registrar of Banks in writing.

Provided that:

- (i) any compensation paid to the instrument holders as a result of the aforesaid write-off shall be paid immediately and in the form of the most subordinated form of equity of the relevant bank or its controlling company, and the bank or controlling company, as the case may be, shall at all times maintain all prior authorisation necessary to immediately issue the relevant number of shares specified in the instrument's terms and conditions should the trigger event occur;
- (ii) the issuance of any new shares as a result of the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector shall not be diluted; and

- (iii) as a minimum, the aforesaid trigger event shall be the earlier of:
 - (aa) a decision that a write off, without which the bank or controlling company would become non-viable, is necessary, as determined by the Registrar of Banks; or
 - (bb) the decision to make a public sector injection of capital, or equivalent support, without which the bank or controlling company would have become non-viable, as determined by the Registrar of Banks;
- 2.2. the bank or controlling company, as the case may be, shall obtain the prior written approval of the Registrar of Banks before the instrument or share is issued;
- 2.3. the key features of the relevant instruments or shares shall be duly disclosed in the annual financial statements or other relevant disclosures to the general public;
- 2.4. the instrument or share:
 - 2.4.1. shall be issued by the relevant bank or controlling company and shall be paid in full by the relevant investor;
 - 2.4.2. shall be neither secured nor covered by a guarantee of the issuer or any related entity, or another arrangement that legally or economically enhances the seniority of the claim;
 - 2.4.3. shall be perpetual, that is, the instrument or share shall have no maturity date, and there shall be no provision for step-up or other incentive to redeem the instrument or share;
 - 2.4.4. may be callable at the sole initiative of the issuer only after a minimum period of 5 (five) years, provided that:
 - (i) the relevant bank or controlling company, as the case may be, shall obtain the prior written approval of the Registrar of Banks before exercising the said call;
 - (ii) neither the bank nor the controlling company shall create any expectation that such call will be exercised;
 - (iii) the bank or controlling company shall not exercise the call unless the bank or controlling company:

- (aa) concurrently replaces the called instrument with capital of similar or better quality and the replacement of capital is done at conditions that are sustainable for the income capacity of that bank or controlling company; or
 - (bb) demonstrates to the satisfaction of the Registrar of Banks that its capital position shall be well above the relevant specified minimum capital requirements after the call option is exercised;
- 2.4.5. shall not be held or acquired by the bank or any person related to or associated with the bank over which the bank exercises or may exercise control or significant influence;
- 2.4.6. shall not be funded directly or indirectly by the relevant bank or controlling company;
- 2.4.7. shall not contain any feature that may hinder any potential future recapitalisation, such as, for example, a provision that requires the issuer to compensate investors if a new instrument is issued at a lower price during a specified time frame;
- 2.4.8. shall under no circumstances contribute to liabilities exceeding assets if such a balance sheet test, for example, forms part of any insolvency law or insolvency proceedings, provided that any instrument classified as a liability or equity in terms of a Financial Reporting Standard shall have principal loss absorption through either:
 - (i) conversion to common or ordinary shares at an objective pre-specified trigger point;
 - (ii) a write-down mechanism that allocates losses to the instrument at a pre-specified trigger point, which write-down mechanism, as a minimum:
 - (aa) shall reduce the claim of the instrument in liquidation;
 - (bb) shall reduce the amount re-paid when a relevant related call is exercised; and
 - (cc) shall partially or fully reduce any relevant coupon or dividend payments on the instrument;

- 2.5. the relevant bank or controlling company shall obtain the prior written approval of the Registrar of Banks before any repayment of principal is considered by way of, for example, repurchase or redemption, provided that the bank or controlling company shall not assume or create market expectation that the Registrar of Banks will grant approval;
- 2.6. the relevant bank or controlling company shall at all times have full discretion regarding any relevant distribution or payment of dividend, provided that:
 - 2.6.1. cancellation of a discretionary payment shall not constitute an event of default;
 - 2.6.2. the relevant bank or controlling company shall have full access to cancelled payments to meet any relevant obligation as it falls due;
 - 2.6.3. any cancellation of a distribution or payment of dividend shall not impose any restriction on the bank or controlling company, except in relation to a distribution to holders of more deeply subordinated shares or instruments;
 - 2.6.4. any dividend or coupon payment shall be paid out of distributable reserves, such as retained earnings; and
 - 2.6.5. the relevant underlying instrument shall not have any credit sensitive dividend feature, that is, a dividend or coupon that is periodically reset based in whole or in part on the bank or controlling company's credit standing or rating;
- 2.7. when the instrument or share is issued by a special purpose vehicle or institution, instead of by an operating entity, that is, an entity established to conduct business with clients with the intention of earning a profit in its own right, or the relevant controlling company in the consolidated group, the proceeds shall be immediately available without limitation to an operating entity or the controlling company in a form that meets or exceeds all the relevant criteria for inclusion in additional tier 1 capital specified above.

SUBSCRIPTION AND SALE

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

Securities will be distributed by the Issuer and/or any Person appointed as Dealer by the Issuer in terms of a programme agreement (if any) relating to the Programme.

Selling Restrictions

South Africa

Prior to the issue of any Tranche of Securities under the Programme, the Dealer who has (or will have) agreed to place that Tranche of Securities will be required to represent and agree, that it will not solicit any offers for subscription for or sale of the Securities in that Tranche, and will itself not sell the Securities in that Tranche of Securities, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Law and regulations of South Africa in force from time to time.

In particular, the Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Dealer will be required to represent and agree that it will not make an "offer to the public" (as defined in the Companies Act) of any Securities (whether for subscription, purchase or sale).

United States of America

The Securities have not been and will not be registered under the United Securities Act of 1933 ("**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

In connection with any Securities which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Securities**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such

Regulation S Securities (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Securities on a syndicated basis, the relevant lead manager, of all Securities of the Tranche of which such Regulation S Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Securities within the United States or to, or for the account or benefit of, U.S. persons.

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

Each issuance of Index Linked Securities or Dual Currency Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Securities, which additional selling restrictions shall be set out in the Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be.

United Kingdom

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

1. in relation to any Securities which have a maturity of less than one year, (i) it is a Person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;
2. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
3. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Relevant Member State, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Programme Memorandum as completed by the Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be, in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

Qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

Fewer than 100 (one hundred) offerees: at any time to fewer than 100 (one hundred) or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 (one hundred and fifty), natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

Other exempt offers: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Securities referred to in paragraphs 0 to 0 above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

General

Prior to the issue of any Tranche of Securities under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Securities will be required to agree that:

it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it subscribes or procures the subscription of Securities, offers or sells Securities or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription,

offer or sale by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales;

it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be.

NEITHER THE ISSUER NOR THE DEALER(S) REPRESENT THAT SECURITIES MAY AT ANY TIME LAWFULLY BE SUBSCRIBED FOR OR SOLD IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY JURISDICTION, OR PURSUANT TO ANY EXEMPTION AVAILABLE THEREUNDER OR ASSUMES ANY RESPONSIBILITY FOR FACILITATING SUCH SUBSCRIPTION OR SALE.

SOUTH AFRICAN EXCHANGE CONTROL

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

The information below is a summary and intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The Exchange Control Regulations are subject to change at any time without notice. The content of this section headed "South African Exchange Control" does not constitute exchange control advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Securities. Prospective subscribers for or purchasers of any Securities should consult their professional advisors in this regard.

For the purposes of the discussion below, the "Common Monetary Area" means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland.

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

Dealings in the Securities and the performance by the Issuer of its obligations under the Securities and the Applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Emigrant Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Securities. Any amounts payable by the Issuer in respect of the Securities subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Individual Certificates issued to holders who are emigrants from the Common Monetary Area will be endorsed "*emigrant*". Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Securities is held by an emigrant from the Common Monetary Area through the CSD, the Securities Account maintained for such emigrant by the relevant Participant will be designated as an "*emigrant*" account.

Any payments of interest and/or principal due to a holder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Holder's Blocked Rand account, as maintained by an authorised

foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to holders who are not resident in the Common Monetary Area will be endorsed "*non-resident*". In the event that a Beneficial Interest in Securities is held by a non-resident of the Common Monetary Area through the CSD, the Securities Account maintained for such holder by the relevant Participant will be designated as a "*non-resident*" account.

It will be incumbent on any such non-resident holder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Securities are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Securities are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificate has been endorsed "*non-resident*" or the relevant Securities Account has been designated as a "*non-resident*" account, as the case may be.

As at the Programme Date, no exchange approval is required in connection with the issuance of Securities under the Programme.

SETTLEMENT, CLEARING AND TRANSFER OF SECURITIES

Capitalised terms used in this section headed "Settlement, Clearing and Transfer of Securities" shall bear the same meanings as used in the Applicable Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Securities listed on the JSE and/or held in the CSD

Each Tranche of Securities which is listed on the JSE will be held in the CSD. A Tranche of unlisted Securities may also be held in the CSD.

Clearing systems

Each Tranche of Securities listed on the JSE will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Securities will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

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

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

Participants

The CSD holds Central Securities Accounts for the Participants (which accounts may be in the name of such Participants or such Participants' clients). As at the Programme Date, the Participants which are approved by the CSD, in terms of the rules of the CSD, and who act as issuer agents to perform electronic settlement of funds and scrip include (but are not limited to) Citibank N.A., South Africa branch, FirstRand Bank Limited, Nedbank Limited, Standard Chartered Bank, Johannesburg branch, Société Générale, Johannesburg branch, The Standard Bank of South Africa Limited and the SARB. Where a Central Securities Account or Securities Account is in the name of a Participant (or its nominee), but is for the benefit of such Participant's

clients, such Participant is in turn required to maintain Securities Accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Securities issued in uncertificated form or their custodians. The clients of Participants, as the holders of the Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Securities held by them in the CSD only through the Participants. Euroclear and Clearstream will settle off-shore transfers in the Securities through their Participants.

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the SARB.

While a Tranche of Securities is held in its entirety in the CSD, each Person recorded in the Uncertificated Securities Register will be named in the Register as the registered holder of that portion of that Tranche of uncertificated Securities so registered in that Person's name in accordance with the Applicable Procedures. All amounts to be paid in respect of Securities held in the CSD will be paid to the CSD and all rights to be exercised in respect of Securities held in the CSD may be exercised only, in each case, in accordance with the Applicable Procedures.

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the registered holder or a holder of a Beneficial Interest in a particular Nominal Amount of Notes or aggregate Calculation Amount of Programme Preference Shares, as the case may be, a certificate, statement or other document issued by the CSD or the relevant Participant, as the case may be, as to the Nominal Amount of such Notes or aggregate Calculation Amount of Programme Preference Shares, as the case may be, standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest.

Payments of all amounts in respect of a Tranche of Securities issued in uncertificated form will be made to the CSD, which in turn will transfer such funds, via the Participants, to the registered holders and the holders of Beneficial Interests in such Securities in accordance with the Applicable Procedures. Each of the Persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Securities shall look solely to the CSD or the relevant Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer.

Payments of all amounts in respect of a Tranche of Securities issued in uncertificated form and held in the CSD in accordance with the Applicable Procedures will be recorded by the CSD, distinguishing between interest and principal, and such record of payments by the CSD, shall be *prima facie* proof of such payments.

In relation to Programme Preference Shares listed on the JSE, the payments will be made to the holder of the relevant Programme Preference Shares recorded in the Register of the Issuer in accordance with the timetables set out in the debt listings requirements of the JSE.

Dividends Tax Announcements

The Issuer will comply with the applicable debt listings requirements of the JSE in terms of disclosures in respect of tax on dividends.

Transfers and exchanges

Title to uncertificated Securities or Beneficial Interest in uncertificated Securities held by Participants, as the case may be, will pass on transfer thereof by electronic book entry in the Central Securities Accounts maintained by the CSD for such Participants, and/or the Securities Accounts maintained by Participants for their clients, as the case may be, in accordance with the Financial Markets Act and the Applicable Procedures.

An uncertificated Security or Beneficial Interests therein may be exchanged for Securities represented by Individual Certificates in accordance with the Applicable Terms and Conditions.

Records of payments, trust and voting

Neither the Issuer nor the Issuer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, uncertificated Securities or Beneficial Interests in uncertificated Securities, or for maintaining, supervising or reviewing any records relating to uncertificated Securities or Beneficial Interests in uncertificated Securities. Neither the Issuer nor the Issuer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Securities may be subject. Holders of uncertificated Securities or Beneficial Interests in uncertificated Securities vote in accordance with the Applicable Procedures.

BESA Guarantee Fund Trust and/or JSE Guarantee Fund

The holders of Securities that are not listed on the JSE will have no recourse against the JSE, the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as applicable. Claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be, may only be made in respect of the trading of the Securities listed on the JSE and can in no way relate to a default by the Issuer of its obligations under the Securities listed on the JSE. Any claims against the BESA Guarantee Fund Trust or the JSE Guarantee Fund, as the case may be, may only be made in accordance with the rules of the BESA Guarantee Fund Trust or the rules of the JSE Guarantee Fund, as the case may be. Unlisted Securities are not regulated by the JSE.

Securities listed on any Financial Exchange other than (or in addition to) the JSE

Each Tranche of Securities which is listed on any Financial Exchange other than (or in addition to) the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Financial Exchange. The settlement and redemption procedures for a Tranche of Securities which is listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable

Pricing Supplement (Notes) and/or the Applicable Pricing Supplement (Preference Shares), as the case may be.

Individual Certificates

All Securities not issued in uncertificated form shall be issued in definitive form, in the form of Individual Certificates.

Payments of interest and principal in respect of Individual Certificates will be made to holders in accordance with the Applicable Terms and Conditions.

GENERAL INFORMATION

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

AUTHORISATION

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and will be obtained from time to time for the issue of Securities under the Programme and for the Issuer and Issuer Agent to undertake and perform their respective obligations under the Securities.

No exchange control approval is required for the establishment of the Programme. If exchange control approval is required for the issue of any Tranche of Securities, such exchange control approval will be obtained prior to the issue of such Tranche of Securities.

LISTING

The Programme has been approved by the JSE on 15 November 2017. Securities to be issued under the Programme may be listed on the JSE or such other or additional Financial Exchange as may be agreed between the Issuer and the relevant Dealer(s). Unlisted Securities may also be issued under the Programme, but will not be regulated by the JSE.

APPROVALS

Notes, the proceeds of which are intended to qualify as Regulatory Capital, to be issued under the Programme are "*debt instruments*" as contemplated by section 79(1)(b) of the Banks Act. Accordingly, the Issuer requires the consent of the Registrar of Banks in accordance with section 79(1)(b) of the Banks Act and Regulation 38 of the Regulations Relating to Banks, for permission to issue Notes the proceeds of which are intended to qualify as Regulatory Capital under the Programme.

Programme Preference Shares, the proceeds of which are intended to qualify as Regulatory Capital, to be issued under the Programme are "*preference shares*" as contemplated by section 79(1)(b) of the Banks Act. Accordingly, the Issuer requires the consent of the Registrar of Banks in accordance with section 79(1)(b) of the Banks Act and Regulation 38 of the Regulations Relating to Banks, for permission to issue Programme Preference Shares the proceeds of which are intended to qualify as Regulatory Capital under the Programme.

No authorisation is required from the Registrar of Banks to issue Notes or Programme Preference Shares, the proceeds of which are not intended to qualify as Regulatory Capital.

DOCUMENTS AVAILABLE

For so long as any Security remains outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer as set out at the end of this Programme Memorandum and on the Issuer's website, www.investec.co.za:

1. all amendments and supplements to the Programme Memorandum prepared by the Issuer from time to time;
2. as at the Programme Date, the published consolidated audited financial statements (incorporating the Issuer's audited annual financial statement, together with the reports and notes thereto) of the Issuer for the financial years ended 31 March 2015, 2016 and 2017 and in respect of any issue of Securities under the Programme, the published consolidated audited financial statements (incorporating the Issuer's audited annual financial statement, together with the reports and notes thereto) of the Issuer for its three financial years prior to the date of such issue and the audited financial statements (together with the reports and notes thereto) of the Issuer for all financial years post the date of such issue, as and when such audited financial statements become available;
3. each Applicable Pricing Supplement (Note) relating to any Tranche of Notes issued under the Programme;
4. each Applicable Pricing Supplement (Preference Shares) relating to any Tranche of Programme Preference Shares issued under the Programme;
5. each Authorising Resolution passed in respect of a Tranche of Programme Preference Shares issued under the Programme; and
6. all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted by SENS, to SENS subscribers, if required.

MATERIAL CHANGE

As at the Programme Date, and after due and careful enquiry, there has, in the view of the Issuer, been no material change in the financial or trading position of the Issuer since the date of the Issuer's latest audited financial statements. As at the Programme Date, there has been no involvement by Ernst & Young Inc and/or KPMG Inc, the auditors of the Issuer, in making the aforementioned statement.

LITIGATION

Save as disclosed herein, the Issuer has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a material effect on the financial position of the Issuer or its respective consolidated subsidiaries.

AUDITORS

Ernst & Young Inc and KPMG Inc jointly, have acted as the auditors of the financial statements of the Issuer for the financial years ended 31 March 2015, 2016 and 2017 and, in respect of those years, issued an unqualified audit report.

SOUTH AFRICAN TAXATION

Capitalised terms used in this section headed "South African Taxation" shall have the same meanings as defined in the Applicable Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

The information contained below is intended to be a general guide to the relevant tax laws of South Africa as at the Programme Date and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Securities. South African tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Prospective purchasers of Securities should consult their own professional advisers in regard to the purchase of Securities and the tax implications thereof. Accordingly, the Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section. The content of this section constitutes a summary of certain aspects of the relevant South African tax laws as at the Programme Date and does not constitute tax advice, and persons should consult their own professional advisors.

Securities Transfer Tax

Notes

The issue, transfer and redemption of the Notes will not attract securities transfer tax ("STT") under the Securities Transfer Tax Act, 2007 (as amended from time to time) (the "STT Act") because the Notes do not constitute "securities" as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

Programme Preference Shares

No STT is payable on the issue of the Programme Preference Shares under the STT Act, since such issue will not constitute a "transfer" as defined in the STT Act.

The STT Act imposes STT on the transfer and on the redemption of the Programme Preference Shares at a rate equal to, as at the Programme Date, 0.25% (zero point two five percent) of the "taxable amount" of such Programme Preference Shares as determined in terms of the STT Act. In the case of a transfer of unlisted Programme Preference Shares, STT will be calculated on the higher of the amount or market value of the consideration payable for the Programme Preference Shares and their market value. In the case of listed Programme Preference Shares, the STT will be calculated on the amount of the consideration for those Programme Preference Shares declared by the person who acquires same. If the transfer was effected by a "participant", as defined in the STT Act, and no amount of consideration was declared by the person

acquiring the Programme Preference Shares or the amount so declared was less than the lowest price of such Programme Preference Shares, the STT will be calculated on the closing price of the Programme Preference Shares. Such STT in respect of (or applicable to) the transfer of Programme Preference Shares will be for the account of the transferee.

In the case of a redemption of unlisted Programme Preference Shares, STT will be payable on the market value of the Programme Preference Shares immediately prior to such redemption, provided that the market value must be determined as if such Programme Preference Shares were never redeemed. Such STT (and any future duties and/or taxes that may be introduced) in respect of (or applicable to) the redemption of Programme Preference Shares will be for the account of the Issuer, unless otherwise specified in the Applicable Pricing Supplement (Preference Shares).

The STT Act contains certain exemptions from STT.

Prospective subscribers for or purchasers of Programme Preference Shares are advised to consult their own professional advisors as to whether any STT implications will arise in respect of the acquisition, holding and/or disposal of Programme Preference Shares.

Value-Added Tax

No value-added tax ("**VAT**") is payable on the issue or transfer of the Notes or the Programme Preference Shares. The issue, sale or transfer of the Notes or the Programme Preference Shares constitute "financial services" as contemplated in section 2 of the Value-Added Tax Act, 1991 (as amended from time to time) (the "**VAT Act**"). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security as well as the issue, allotment or transfer of ownership of an equity security or a participatory security, and the buying and selling of derivatives constitute financial services, which are exempt from VAT in terms of section 12(a) of the VAT Act.

Where financial services as contemplated in section 2 are however rendered to non-residents who are not in South Africa at the time the services are rendered, such services will be subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act. Commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes that constitute "*debt securities*" as defined in section 2(2)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 14% (fourteen percent)), except where the recipient is a non-resident in which case such commissions, fees or similar charges may be subject to VAT at a zero rate as contemplated above. Similarly, commissions, fees or similar charges raised for the facilitation of the issue, allotment or transfer of ownership of the Programme Preference Shares that constitute "*equity securities*" or "*participatory securities*" as defined in sections 2(2)(iv) and 2(2)(vi) of the VAT Act will be subject to VAT at the standard rate, except where the recipient is a non-resident in which case such commissions, fees or similar charges may be subject to VAT at a zero rate as contemplated above.

Investors are advised to consult their own professional advisors as to whether commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of the Notes or commissions, fees or similar charges raised for the facilitation of the issue, allotment or transfer of ownership of the Programme Preference Shares will result in a liability for VAT.

Income Tax

Notes

Under current taxation law effective in South Africa, a “resident” (as defined in section 1 of the South African Income Tax Act, 1962 (as amended from time to time) (the “**Income Tax Act**”)) is subject to income tax on his/her world-wide income. Accordingly, all holders of Notes who are residents of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned in respect of the Notes.

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Interest income is from a South African source if that amount constitutes “interest” as defined in section 24J of the Income Tax Act where that interest:

1. is attributable to an amount incurred by a person that is a South African tax resident, unless the interest is attributable to a permanent establishment which is situated outside South Africa; or
2. is received or accrues in respect of the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of interest-bearing arrangement.

Accordingly, if the interest payments in respect of the Notes are from a South African source as set out above, the interest earned by a non-resident Noteholder will be subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (*see below*).

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the Nominal Amount of a Tranche of Notes is treated as part of the interest income on the Notes. Interest income which is received by or accrues to the Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day to-day basis until that Noteholder disposes of the Notes or until maturity. The day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. The interest may qualify for exemption under section 10(1)(h) of the Income Tax Act.

Under section 10(1)(h) of the Income Tax Act, interest received by or accruing to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

1. that Person is a natural person who was physically present in South Africa for a period exceeding 183 (one hundred and eighty-three) days in aggregate during the 12 (twelve)-month period preceding the date on which the interest is received or accrues by or to that Person; or
2. the debt from which that interest arises is effectively connected to a permanent establishment of that Person in South Africa.

If a holder does not qualify for the exemption under Section 10(1)(h) of the Income Tax Act, an exemption from, or reduction of any income tax liability may be available under an applicable double taxation treaty.

Section 24JB of the Income Tax Act contains, specific provisions dealing with the taxation of "*financial assets*" and "*financial liabilities*" of "*covered persons*", as defined in section 24JB of the Income Tax Act. If section 24JB applies to the Notes, the tax treatment of the acquisition, holding and/or disposal of the Notes will differ from what is set out in this section. Noteholders should seek advice from their own professional advisors as to whether these provisions may apply to them.

Certain entities may be exempt from income tax. Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisors as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or whether they constitute entities that are exempt from income tax.

Section 8F of the Income Tax Act applies to "*hybrid debt instruments*", and section 8FA of the Income Tax Act applies to "*hybrid interest*", as these terms are defined in the Income Tax Act. Sections 8F and 8FA provide that interest incurred or accrued on a hybrid debt instrument and hybrid interest are, for purposes of the Income Tax Act, deemed to be a dividend *in specie*. If either of these provisions applies, the tax treatment of the interest paid under the Notes will differ from what is set out in this section and such payments may be subject to dividends tax as a result of the deemed classification as dividends *in specie*. The provisions of sections 8F and 8FA will not apply where the instrument, or the instrument in respect of which any interest is owed, constitutes a tier 1 or tier 2 capital instrument referred to in the regulations issued in terms of section 90 of the Banks Act and which is issued by a bank as defined in section 1 of the Banks Act, or by a controlling company in relation to that bank.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisors to ascertain whether the abovementioned provisions may apply to them.

The disposal of the Notes may give rise to income tax implications for any Noteholder that is a resident of South Africa. In respect of non-resident Noteholders, income tax implications may arise should the Notes so disposed of be attributable to a South African permanent establishment of such Noteholder. Prospective

subscribers for or purchasers of Notes are advised to consult their own professional advisors to ascertain whether a disposal of the Notes will result in a liability to income tax.

Programme Preference Shares

All holders of Programme Preference Shares who are residents of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of dividends) earned in respect of the Programme Preference Shares.

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Dividend income is from a South African source if that amount constitutes a “*dividend*” (as such term is defined in the Income Tax Act) received by or accrued to a person.

Accordingly, if any payment in respect of the Programme Preference Shares constitutes a “*dividend*” as defined in the Income Tax Act, such dividend will be from a South African source as set out above. Such dividends earned by a holder of Programme Preference Shares will be subject to South African income tax unless such dividend income is exempt from South African income tax under section 10(1)(k) of the Income Tax Act.

Under section 10(1)(k) of the Income Tax Act, dividends (other than dividends paid or declared by a “*headquarter company*”) received by or accruing to a holder of Programme Preference Shares are exempt from income tax, unless, *inter alia*, such dividends are received by companies:

1. in respect of shares not owned by them;
2. in respect of borrowed shares; or
3. in respect of a share to the extent that any deductible expenditure is incurred by that company or any amount is taken into account that has the effect of reducing income in the application of section 24JB(2) of the Income Tax Act and the amount of that expenditure or reduction is determined directly or indirectly with reference to the dividend in respect of an “*identical share*” (as such term is defined in the Income Tax Act) to that share.

Any dividend received by or accruing to a holder of Programme Preference Shares will not be exempt from income tax in terms of section 10(1)(k) of the Income Tax Act if such dividend is re-characterised as income under section 8E or section 8EA of the Income Tax Act (*section 8E and section 8EA are described further below*).

In terms of section 8E, if a share or an “*equity instrument*” (as such term is defined in the Income Tax Act) qualifies as a “*hybrid equity instrument*”, dividends received or which accrue in respect of that share or equity instrument are regarded as income in the hands of the recipient and are taxable as such.

Section 8E defines a “*hybrid equity instrument*” to include, *inter alia*, any share, other than an “*equity share*” (as such term is defined in section 1 of the Income Tax Act), if (i) the issuer of that share is obliged to redeem it in whole or in part within three years of its date of issue, or (ii) its holder has the option to have the share redeemed in whole or in part within three years of its date of issue.

Shares which constitute an “*equity share*” will constitute a “*hybrid equity instrument*” if:

1. they do not rank *pari passu* with other ordinary shares or with at least one class of other ordinary shares of the company, as regards the participation in dividends; or (ii) any dividends payable on such shares are calculated directly or indirectly with reference to any specified rate of interest or the time value of money; and
2. the issuer of that share is obliged to redeem the share in whole or in part within 3 (three) years of its date of issue, or (ii) its holder has the option to have the share redeemed in whole or in part within three years of its date of issue or (iii) the existence of the issuer is likely to be terminated within three years.

Furthermore, a “*preference share*” (as such term is defined in section 8EA) will, for the purposes of section 8E, constitute a hybrid equity instrument if it is secured by a “*financial instrument*” (as such term is defined in section 8E) or if it is subject to an arrangement in terms of which a financial instrument may not be disposed of. However, the legislation provides for an exclusion of such a preference share from the definition of a hybrid equity instrument if the proceeds of the issue of the preference share are used for any of the purposes described more fully below (a “*qualifying purpose*” as defined in section 8EA).

In terms of section 8EA, if a share or “*equity instrument*” (as such term is defined in the Income Tax Act) qualifies as a “*third-party backed share*”, dividends received or which accrue in respect of that share or equity instrument are regarded as income in the hands of the recipient and are taxable as such. A third-party backed share is defined as any preference share or equity instrument in respect of which an “*enforcement right*” is exercisable by the holder of that preference share or an “*enforcement obligation*” is enforceable (as such terms are defined in section 8EA) as a result of any amount of, *inter alia*, any specified dividend or return of capital attributable to that share not being received by or accruing to any person entitled thereto.

Section 8EA should not apply to a preference share if the issuer of that preference share applied the proceeds derived from the issue of such a preference share for a “*qualifying purpose*” (as defined in section 8EA) such as, *inter alia*, to purchase equity shares in an “*operating company*” (as defined in section 8EA) or to refinance loans previously incurred or preference shares previously issued to acquire equity shares in an “*operating company*”, and certain other requirements are met. An “*operating company*” is defined to mean, *inter alia*, a company which carries on a business continuously in the course of which it supplies goods or services for consideration, a company which is a controlling group company in relation to that company (i.e. holds at least 70% (seventy percent) of the equity shares in that company), or is a listed company.

Dividends which are re-characterised under section 8E and section 8EA do not qualify for the dividend exemption contained in section 10(1)(k). However, the payment of such dividends may give rise to Dividends Tax implications (refer below).

The disposal of the Programme Preference Shares may give rise to income tax implications for any holder thereof that is a resident of South Africa. In respect of non-resident holders of Programme Preference Shares, income tax implications may arise should the Programme Preference Shares so disposed of, *inter alia*, be attributable to a South African permanent establishment of such a holder of the Programme Preference Shares.

Prospective subscribers for or purchasers of Programme Preference Shares are advised to consult their own professional advisors to ascertain whether a disposal of the Programme Preference Shares will result in a liability to income tax.

Capital Gains Tax

The provisions relating to capital gains tax apply in respect of the disposal of any asset by certain taxpayers. The word “dispose” is defined in the Eighth Schedule to the Income Tax Act to include, *inter alia*, any action by virtue of which an asset is created, transferred, varied or extinguished. If an asset was acquired, is held and will be disposed of on a speculative basis or as part of a scheme of profit making, the gain should generally be subject to normal tax. Capital gains tax is imposed at lower effective rates in comparison to income tax.

Residents are subject to capital gains tax on all capital gains realised on the disposal of any assets held on a worldwide basis. A non-resident is subject to capital gains tax only in respect of capital gains which are realised from the disposal of (i) “immovable property” (as such term is defined in the Income Tax Act) situated in South Africa or any interest or right of whatever nature of such non-resident to or in immovable property situated in South Africa (as such term is defined in paragraph 2(2) of the Eighth Schedule to the Income Tax Act, being, in essence, equity shares in certain companies, the principal assets of which are “immovable property” located in South Africa), or (ii) assets effectively connected with a permanent establishment of that non-resident in South Africa. A “permanent establishment” is defined (in section 1 of the Income Tax Act) as a permanent establishment as from time to time defined in article 5 of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, with some additions.

Notes

The disposal of Notes by residents of South Africa may give rise to capital gains tax implications.

The capital gains tax provisions will not apply to the extent that the holder of the Notes constitutes a “covered person”, as defined in section 24JB of the Income Tax Act, and section 24JB of the Income Tax Act (see above) applies to the Notes.

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

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a Person who is not a resident of South Africa unless the Notes disposed of are effectively connected with a permanent establishment of that Person in South Africa.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisors as to whether a disposal or redemption of Notes will result in a liability to capital gains tax.

The Programme Preference Shares

The redemption of the Programme Preference Shares may give rise to capital gains tax implications.

The capital gains tax consequences arising in respect of the redemption of the Programme Preference Shares could be summarised as follows:

1. a distribution which the issuer of the Programme Preference Shares makes upon redemption of the Programme Preference Shares which reduces its "*contributed tax capital*" (as such term is defined in the Income Tax Act, generally determined as the initial capital contributed by the original shareholder to take up the shares issued by the company) is treated as a return of capital. Such a distribution will be taken into account by the holder of the Programme Preference Shares in calculating any capital gain or capital loss arising upon the redemption of the Programme Preference Shares. If the amount distributed to the holder of the Programme Preference Shares, which is stated as reducing the "*contributed tax capital*" of the Programme Preference Shares, is less than the original subscription price or acquisition price paid by the holder in respect of the Programme Preference Shares, such holder of Programme Preference Shares should realise a capital loss.
2. a distribution which the issuer of the Programme Preference Shares makes upon redemption of the Programme Preference Shares which does not reduce its "*contributed tax capital*" will generally constitute a dividend and will be treated as such (see treatment of dividends as set out above). In determining the capital gains tax implications arising in this regard, the amount of "*proceeds*" (as defined in the Eighth Schedule to the Income Tax Act) taken into account for capital gains tax purposes would generally be reduced by the amount of such dividend.

If any holder of Programme Preference Shares sold such shares, such holder would (i) realise a capital gain if the "*proceeds*" obtained by it on disposal exceeded the "*base cost*" (defined in the Eighth Schedule to the Income Tax Act) of the shares, or (ii) incur a capital loss if the "*base cost*" of the shares exceeded its

"proceeds". Resident holders of Programme Preference Shares would be subject to capital gains tax on such capital gains but non-resident holders of Programme Preference Shares would only be subject to capital gains tax on such capital gains if, *inter alia*, the Programme Preference Share was effectively connected with a permanent establishment of that non-resident in South Africa.

The capital gains tax provisions will not apply to the extent that the holder of the Programme Preference Shares constitutes a "covered person", as defined in section 24JB of the Income Tax Act, and section 24JB of the Income Tax Act (see above) applies to the Programme Preference Shares.

Prospective subscribers for or purchasers of the Programme Preference Shares are advised to consult their own professional advisors as to whether a disposal or redemption of the Programme Preference Shares will result in a liability to capital gains tax.

Withholding Tax

Notes

The withholding tax ("WHT") on interest payments from a South African source (see above) to non-residents at the rate of 15% (fifteen percent) came into effect on 1 March 2015. The WHT on interest applies to interest that is paid or that becomes due and payable on or after this date.

To the extent that any interest is paid to Noteholders who are South African tax residents, the WHT on interest will not apply.

The WHT on interest does not, however, apply to payments made to non-resident Noteholders in respect of any interest paid by a "bank" (defined as, *inter alia*, any bank as defined in section 1 of the Banks Act), provided there is not a "back-to-back" arrangement between any non-resident Noteholder and the bank. The WHT on interest does not apply to payments of interest made in respect of any "listed debt", which is defined as debt that is listed on a recognised exchange. The JSE Limited constitutes a recognised exchange in accordance with paragraph 1 of the Eighth Schedule to the Income Tax Act. Other exemptions may apply to interest payments made to non-resident Noteholders.

If interest paid to a Noteholder does not qualify for an exemption under the WHT on interest provisions, an exemption from, or reduction of, any WHT on interest liability may be available under an applicable double taxation treaty.

Documentary requirements exist in order to rely on certain of the exemptions from, or reductions in the rate of, the WHT on interest.

Prospective subscribers for or purchasers of Notes are advised to consult their own professional advisors as to whether the payment of any interest in respect of the Notes will result in a liability for the WHT on interest.

Programme Preference Shares

Under in the Income Tax Act, a WHT on dividends ("**Dividends Tax**") is imposed at the rate of 15% (fifteen percent) on, *inter alia*, the amount of any dividend paid by a company which is a resident, subject to domestic exemptions or relief in terms of an applicable double taxation treaty.

With regard to cash dividends, section 64F of the Income Tax Act exempts various beneficial owners of dividends from the Dividends Tax. Amongst others, resident companies and "*pension funds*" (as defined in the Income Tax Act) are exempt from the Dividends Tax. Generally, natural persons and non-resident beneficial owners do not qualify for any of the domestic exemptions from the Dividends Tax. However, in respect of non-resident beneficial owners, an exemption from, or reduction of, any Dividends Tax liability may be available under an applicable double taxation agreement. Documentary requirements exist in order to rely on the exemptions from, or reductions in the rate of, the Dividends Tax.

The Dividends Tax legislation contained in the Income Tax Act contains provisions which deem certain payments made in terms of certain borrowed shares to constitute dividends paid by the borrower of the shares to the lender. Dividends Tax implications may also arise in respect of certain dividend cession transactions and in respect of certain resale agreements entered into in respect of certain shares.

Prospective subscribers for or purchasers of the Programme Preference Shares are advised to consult their own professional advisers as to whether the holding of any Programme Preference Shares will give rise to any Dividends Tax implications.

Definitions

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

References to "*person*" above shall mean "*person*" within the meaning given in section 1 of the Income Tax Act.

DESCRIPTION OF INVESTEC LIMITED

1. OVERVIEW AND HISTORY

The Investec group, comprising Investec plc and Investec Limited, (the “**Investec Group**” or the “**Group**”) is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base in South Africa, the United Kingdom, Europe and Asia/Australia as well as certain other countries.

Founded as a leasing company in Johannesburg in 1974, the Investec Group acquired a banking licence in 1980 and listed on the JSE Limited (the “**JSE**”) in South Africa in 1986. In 1992, the Investec Group made its first international acquisition, in the United Kingdom.

On 22 July 2002, the Investec Group implemented a Dual Listed Companies (“**DLC**”) structure and listed its offshore businesses on the London Stock Exchange (the “**LSE**”). In terms of the DLC structure, Investec Limited is the controlling company of the Investec Group’s businesses in Southern Africa and Mauritius and Investec plc is the controlling company of the majority of the Investec Group’s non-Southern African businesses. Investec Limited is listed on the JSE whilst Investec plc has a primary listing on the LSE and a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited together form a single economic enterprise (the Investec Group). Shareholders have common economic and voting interests as if Investec Limited and Investec plc are a single company. Creditors are, however, ring-fenced to either Investec Limited or Investec plc as there are no cross guarantees between the companies.

In 2003, Investec Limited concluded a significant empowerment transaction in which its empowerment partners collectively acquired a 25.1% (twenty five point one percent) stake in its issued share capital.

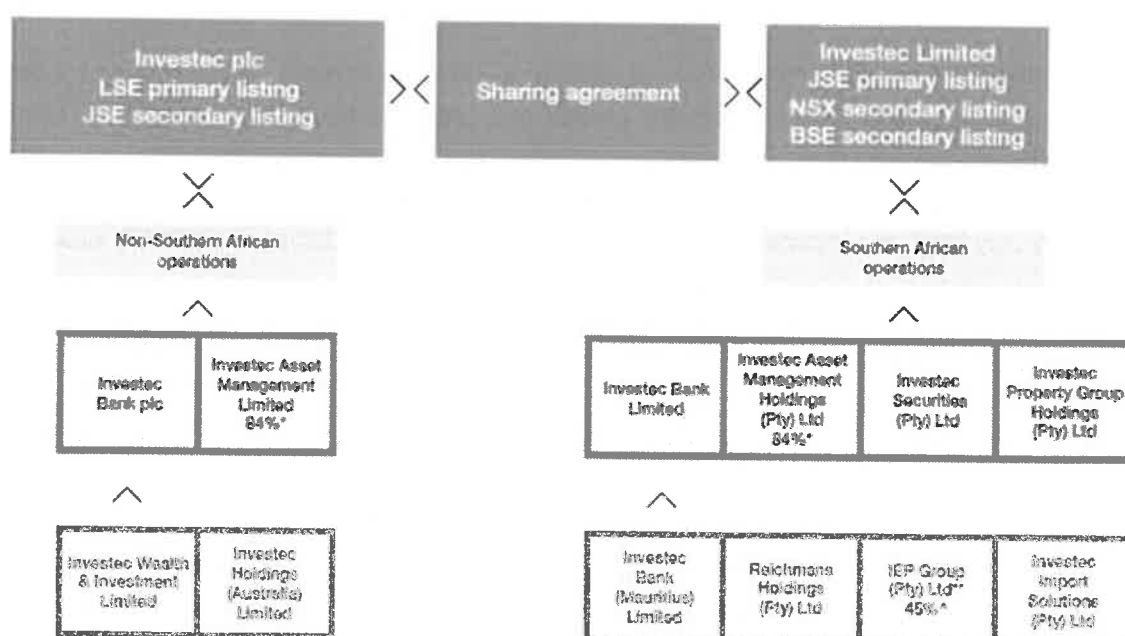
The Investec Group has since expanded through a combination of substantial organic growth and a series of strategic acquisitions.

2. THE INVESTEC GROUP AND INVESTEC LIMITED’S ORGANISATION STRUCTURE

Investec Limited was incorporated on 10 December 1925 with indefinite duration. The principal legislation under which the Issuer operates as at the Programme Date, is: (i) the Banks Act, 1990; (ii) the Companies Act, 2008; (iii) the Financial Advisory and Intermediary Services Act, 2002; (iv) Financial Markets Act, 2012; (v) the dual listing conditions pursuant to the Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933, of South Africa; (vi) the Competition Act, 1998; (vii) National Environmental Management: Integrated Coastal

Management Act, 2008 and National Environmental Management: Waste Act, 2008 and (viii) the JSE's rules and regulations. The Issuer is also subject to the Protection of Personal Information, 2013. The telephone number of the Issuer is: +27 (0)11 286 7000. The Company Secretary's, Mrs Niki van Wyk, registered address is 100 Grayston Drive, Sandown, Sandton, 2196 and contact number is (011) 286 7957.

The structure under which the Issuer operates as of the date of this Programme Memorandum is as follows:



All shareholdings in the ordinary share capital of the subsidiaries are 100%, unless otherwise stated.

- * 16% held by senior management in the company (31 March 2016: 15%).
- ** Previously Investec Equity Partners (Pty) Ltd.
- ^ 55% held by third party investors in the company together with senior management in the business.

As at 31 March 2017, the major shareholders of Investec Limited were as follows:

Shareholder analysis by manager group		Number of shares	% holding
1	PIC (ZA)	35,213,851	11.7%
2	Allan Gray (ZA)	27,504,421	9.1%
3	Investec Staff Share Schemes (ZA)	25,444,842	8.4%
4	Old Mutual (ZA)	15,960,095	5.3%
5	Sanlam Group (ZA)	12,460,194	4.1%
6	BlackRock Inc (UK and US)	11,382,316	3.8%
7	Coronation Fund Mgrs (ZA)	9,772,984	3.2%
8	Dimensional Fund Advisors (UK)	9,666,468	3.2%
9	The Vanguard Group, Inc (UK and US)	9,582,111	3.2%
10	AQR Capital Mgt (US)	7,172,136	2.4%
		164,159,418	54.4%

The top 10 (ten) shareholders account for 54.4% (fifty four point four percent) of the total shareholding in Investec Limited. This information is based on a threshold of 20,000 (twenty thousand) shares. Some major fund managers hold additional shares below this, which may cause the above figures to be marginally understated.

3. THE INVESTEC GROUP'S STRATEGY

The Investec Group strives to be a distinctive specialist bank and asset manager, driven by commitment to its core philosophies and values. The Investec Group pursues its strategy through an emphasis on:

3.1. Reinforcing a specialised and focused approach

The Investec Group looks to build well-defined businesses focused on serving the needs of select market niches where it can compete effectively. In its pursuit of client satisfaction, the Investec Group aims to provide high quality specialised services to targeted clients, rather than high-volume services to the greatest number. The Investec Group will continue to focus on building business depth rather than breadth in its core areas of activity and the geographies in which it operates. The Investec Group intends to largely pursue organic growth opportunities.

3.2. Maintaining a balanced business model

The Investec Group focuses on maintaining an appropriate balance between revenue earned from operational risk businesses and revenue earned from financial risk businesses. This ensures that the Investec Group is not over reliant on any one part of its business to sustain its activities and that it has a large recurring revenue base that the directors believe enable it to better navigate through varying cycles and support the Investec Group's long-term growth objectives.

The Investec Group's current strategic objectives include increasing the proportion of its non-lending revenue base which the Group largely intends to achieve through the continued strengthening and development of its wealth management and asset management businesses.

3.3. Stringent management of risk, capital and liquidity

The intimate involvement of senior management underpins the Investec Group's risk management strategy, which is critical to the Group's success. A culture of risk awareness is embedded in the Investec Group's reward programmes and day-to-day activities. The Investec Group will continue to focus on maintaining a sound balance sheet with low leverage. The Investec Group invests a significant portion of deposits gathered in readily available, high quality liquid assets and targets a minimum cash-to-customer deposit ratio of 25% (twenty five percent). The Investec Group holds capital in excess of regulatory requirements and intends to continue to adhere to this philosophy and to ensure that it remains well capitalised in this vastly changed, and continually changing, banking environment.

3.4. Maintaining efficiency

The Investec Group aims to ensure that costs are contained and targets a cost-to-income ratio of below 65% (sixty five percent). The group at present, notably in the UK, is seeing a narrowing in its jaws ratio, as the group is focusing on growing a number of its businesses, which has resulted in an increase in headcount, business and IT infrastructure costs. The Directors believe that this investment is required to support future growth in the business. Outside of these investment costs, fixed expenses are targeted below the respective inflation rates in each of the group's core geographies.

3.5. Perpetuation of the Investec Group's culture

The Investec Group seeks to attract and retain highly talented professionals by maintaining a working environment that stimulates high performance and encourages a creative and entrepreneurial culture. The Directors are keen that the careful selection of people, their ongoing education and uncompromising commitment to the Investec Group's stated values should continue to be a distinctive characteristic of the Investec Group's culture and drive.

3.6. The achievement of financial objectives

The Investec Group has an established and published set of financial objectives that it aspires to achieve over the medium to long-term and through varying market conditions. These targets are:

- 3.6.1. a Group return on equity in pounds Sterling of between 12% (twelve percent) to 16% (sixteen percent) over a rolling 5 (five) year period
- 3.6.2. a dividend cover of between 1.7 (one point seven) to 3.5 (three point five) times based on adjusted earnings per share;
- 3.6.3. a Group cost-to-income ratio of less than 65% (sixty five percent); and
- 3.6.4. a capital adequacy ratio range of between 14% (fourteen percent) to 17% (seventeen percent) on a consolidated basis for Investec plc and Investec Limited, a minimum Tier 1 ratio of 11% (eleven percent), a minimum common equity Tier one ratio of 10% (ten percent) and a minimum leverage ratio of 6% (six percent).

4. **KEY STRENGTHS**

The Directors believe that the Investec Group's key strengths are:

4.1. Careful targeting of niche markets

The Investec Group's core philosophy is to build well-defined businesses focused on serving clients in select market niches where it can compete effectively.

4.2. Distinctive culture and people

The Investec Group has a strong entrepreneurial, merit and value-based culture, and aims to encourage and reward passion, energy and stamina. The Investec Group seeks to reinforce its employees' commitment to its culture and values through a compensation philosophy that promotes material employee share ownership.

4.3. Balanced portfolio of businesses

The Investec Group has a balanced and diversified portfolio of businesses which offers carefully selected products and services across different geographies, thereby increasing the stability of the Investec Group's earnings.

4.4. Risk awareness, control and compliance are embedded in day-to-day activities

Material employee ownership and risk-based reward programmes ensure that shareholder and employee interests are aligned.

4.5. Depth and stability of leadership

The Investec Group's Executive Directors are supported by divisional and geographic business leaders as well as senior management. Both the Executive Directors and business leaders have a long history with the Group resulting in a stable leadership.

5. **ACTIVITIES OF INVESTEC LIMITED**

Investec Limited operates as a specialist bank and asset manager within Southern Africa. The three principal business units of Investec Limited are discussed below.

5.1. Investec Asset Management

Investec Asset Management ("IAM") is a specialist provider of active investment products and services to institutional and advisor clients. IAM's investment offering includes equities, fixed income, multi asset and alternatives strategies.

IAM's clients include pension funds, central banks, sovereign wealth funds, insurers, foundations, financial advisors and intermediaries serving individual investors.

IAM has offices in 14 countries. Both London and Cape Town offices perform investment, distribution, client management and operational functions. There is further portfolio management presence in Hong Kong, New York, Singapore, Gaborone and Windhoek, as well as dealing coverage from offices located in London, Cape Town and Hong Kong. IAM's distribution capabilities are organised across five geographically defined units (UK, Europe, Africa, Asia Pacific and North America) and serves clients around the globe.

As at 31 March 2017 IAM in South Africa had R568.6 billion (five hundred and sixty eight point six billion Rand) assets under management.

5.2. Wealth & Investment

Investec Wealth & Investment ("IW&I") South Africa specialises in managing the entire wealth of high net-worth individuals, families, charitable trusts and corporate clients. There are three core services: Wealth Management, Portfolio Management and Stockbroking. A typical client portfolio would largely be invested in equities. IW&I has offices in Durban, Cape Town, East London, Johannesburg, Knysna, Pietermaritzburg, Port Elizabeth, Port Louis, Pretoria and Stellenbosch.

As at 31 March 2017 IW&I South Africa had R322.3 billion funds under management (three hundred and twenty two point three billion Rand). The IW&I operation is one of South Africa's leading private client investment management businesses.

5.3. Specialist Banking

The bank operates as a specialist bank, focusing on three key areas of activity: Investment activities, Corporate and Institutional Banking activities and Private Banking activities. Each business provides specialised products and services to defined target markets.

Corporates/government/institutional clients		High-income and high net worth private clients
Investment activities	Corporate and Institutional Banking activities	Private Banking activities
Principal Investments Property investment fund management	Treasury and trading services Specialised lending, funds and debt capital markets Institutional research, sales and trading Advisory and equity capital markets	Transactional banking and foreign exchange Lending Deposits Investments

5.3.1. Investment activities

Investment activities focuses on Principal Investment and Property Activities.

The bank's Principal Investments division seeks to invest largely in unlisted companies. Investments are selected based on the track record of management, the attractiveness of the industry and the ability to build value for the existing business by implementing an agreed strategy.

A material portion of the bank's principal investments have been transferred to the IEP Group ("IEP"). The bank holds a 45% stake in IEP alongside other strategic investors who hold the remaining 55% in IEP.

Furthermore, the bank's Central Funding division is the custodian of certain equity and property investments.

The group's property business focuses on property fund management and property investments.

5.3.1.1.

5.3.2. Corporate and Institutional Banking activities

Corporate and Institutional Banking provides a wide range of specialist products, services and solutions to select corporate clients, public sector bodies and institutions. The business undertakes the bulk of Investec Limited's wholesale debt, structuring, proprietary trading, capital markets, institutional stockbroking, advisory, trade finance, import solutions and derivatives business.

5.3.3. Private Banking activities

Private Banking positions itself as the 'investment bank for private clients', offering both credit and investment services to its select clientele.

Through strong partnerships, the business has created a community of clients who thrive on being part of an entrepreneurial and innovative environment. The business unit's target market includes ultra-high net worth individuals, active wealthy entrepreneurs, high income professionals, self-employed entrepreneurs, owner managers in mid-market companies and sophisticated investors.

6. **CORPORATE GOVERNANCE**

The board of directors of the Issuer (the "**Board**") endorses the code of corporate practices and conduct as set out in the King III report and confirms that the Issuer is compliant with the provisions thereof. Any changes requires to the Issuer's governance processes as a result of King IV will be during the course of 2017-2018. A more detailed analysis of the Issuer's compliance with King III is available on the Investec website (<https://www.investec.com/content/dam/investor-relations/downloads/annual-reports/Investec%20DLC%20annual%20report%20-%20volume%201.pdf>).

7. **BOARD OF DIRECTORS**

Bernard Kantor	Executive Director
Cheryl Ann Carolus	Non-Executive Director
Charles Richard Jacobs	Non-Executive Director
David Friedland	Non-Executive Director
Fani Titi	Non-Executive

	Director/Chairman
George Mark Malloch-Brown	Non-Executive Director
Glynn Robert Burger	Executive Director
Hendrik Jacobus Du Toit	Executive Director
Philip Alan Hourquebie	Non-Executive Director
Ian Robert Knator	Non-Executive Director
Khumo Lesego Shuenyane	Non-Executive Director
Laurel Charmaine Bowden	Non-Executive Director
Peregrine Kenneth Oughton Crosthwaite	Non-Executive Director
Stephen Koseff	Executive Director

ISSUER**Investec Limited**

(Registration Number 1925/00283/06)

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Sandton

South Africa

Contact: The Head, Financial Products

ARRANGER, DEALER AND DEBT SPONSOR**Investec Bank Limited**

(Registration Number 1969/004763/06)

100 Grayston Drive

Sandton

South Africa

Contact: The Head, Financial Products

ISSUER AGENT**Investec Bank Limited**

(Registration Number 1969/004763/06)

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Contact: The Head, Financial Products

**LEGAL ADVISERS TO THE ISSUER,
ARRANGER, DEALER AND DEBT SPONSOR****ENSafrica**

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