

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*).