

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,