

**Programme Memorandum
dated 3 September 2021**



ABSA GROUP LIMITED

(Incorporated with limited liability on 2 October 1986 under registration number 1986/003934/06 in the Republic of South Africa)

**ZAR50,000,000,000
Domestic Medium Term Note Programme**

On 21 October 2014, Absa Group Limited (the “**Issuer**”) established a ZAR30,000,000,000 Domestic Medium Term Note Programme (the “**Programme**”) pursuant to a programme memorandum dated 21 October 2014, as amended and restated in or around 15 November 2019 (the “**Previous Programme Memorandum**”) in terms of which Programme the Issuer may from time to time issue notes (the “**Notes**”). This Programme Memorandum (the “**Programme Memorandum**”) will apply to Notes issued under the Programme on or after 3 September 2021 (the “**Programme Date**”) and will in respect of such Notes supersede and replace the Previous Programme Memorandum in its entirety. Notes issued under the Programme on or after the Programme Date are subject to the provisions described herein and to the terms and conditions contained in the sections headed “*Terms and Conditions of the Unsubordinated Notes*” (the “**General Terms and Conditions**”), “*Terms and Conditions of the Tier 2 Notes*” (the “**Tier 2 Terms and Conditions**”) or “*Terms and Conditions of the Additional Tier 1 Notes*” (the “**Additional Tier 1 Terms and Conditions**”, and together with the General Terms and Conditions and the Tier 2 Terms and Conditions, the “**Relevant Terms and Conditions**”) (as applicable). This Programme Memorandum does not affect any Notes issued before the Programme Date and the Previous Programme Memorandum will continue to apply to such Notes. Notes may be issued in bearer, order or registered form (respectively, “**Bearer Notes**”, “**Order Notes**” and “**Registered Notes**”).

The maximum aggregate Principal Amount of all Notes issued under the Programme (pursuant to this Programme Memorandum and the Previous Programme Memoranda) from time to time outstanding will not exceed ZAR50,000,000,000 or its equivalent in the Specified Currency. Notes may be issued with any maturity date or Notes may be issued with no maturity date, subject, in relation to Subordinated Notes, to such minimum maturities as may be required from time to time by the applicable Capital Regulations and in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Save as set out in this Programme Memorandum, the Notes will not be subject to any maximum maturity.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement included in this Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions (which may replace, modify or supplement the Relevant Terms and Conditions) in which event such other terms and conditions shall, to the extent so specified or to the extent inconsistent with the Relevant Terms and Conditions, replace, modify or supplement the Relevant Terms and Conditions for the purpose of such Tranche of Notes.

Notes to be issued under the Programme may comprise (i) unsubordinated Notes (the “**Unsubordinated Notes**”), (ii) Notes which are subordinated as described in this Programme Memorandum with a maturity date and with terms capable of qualifying the proceeds of such Notes as Tier 2 Capital (as defined in the Tier 2 Terms and Conditions) (the “**Tier 2 Notes**”), or (iii) Notes which are subordinated as described in this Programme Memorandum with no maturity date, ranking junior to the Tier 2 Notes and with terms capable of qualifying the proceeds of such Notes as Additional Tier 1 Capital (as defined in the Additional Tier 1 Terms and Conditions) (the “**Additional Tier 1 Notes**” and, together with the Tier 2 Notes, the “**Subordinated Notes**”).

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see the section headed “*Risk Factors*” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”.

This Programme Memorandum has been registered with the JSE and is listed on the Interest Rate Market of the JSE. Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. With respect to a Tranche of Notes listed on the Interest Rate Market of the JSE, the Applicable Pricing Supplement(s) relating to that Tranche will be delivered to the JSE and the Central Securities Depository before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The trading of Notes listed on the Interest Rate Market of the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Notes listed on another exchange, irrespective of whether that Tranche is listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplement.

Unlisted Notes may also be issued under this Programme. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place with the electronic settlement procedures of the JSE and the Central Securities Depository. In such event, the Applicable Pricing Supplement will be delivered to the JSE and the Central Securities Depository. With respect to Notes not to be listed on the Interest Rate Market of the JSE, and not to be settled through the electronic settlement procedures of the JSE and the Central Securities Depository, no Applicable Pricing Supplement will be delivered to the JSE.

Unlisted notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Notes may be issued on a continuing basis and be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.

The Issuer may be rated by a Rating Agency on a national scale or international scale basis, which rating (if applicable) will be reflected in the Applicable Pricing Supplement. As at the date of this Programme Memorandum, the Programme has not been rated by a Rating Agency. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the rating, if any, which has been assigned to the Issuer, the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such rating. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Relevant Terms and Conditions of the Notes herein, in which event a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes. **Capitalised terms used in this Programme Memorandum are defined in the Relevant Terms and Conditions, unless separately defined in this Programme Memorandum and/or the Applicable Pricing Supplements. Expressions defined in this Programme Memorandum will bear the same meanings in supplements to this Programme Memorandum which do not themselves contain their own definitions.**

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Programme Memorandum contains all information required by Applicable Laws and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, the annual financial statements, the Applicable Pricing Supplements and the annual reports and any other amendments or supplements to the aforementioned documents, except as otherwise stated therein.

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

The JSE takes no responsibility for the contents of this Programme Memorandum, the annual financial statements, any Applicable Pricing Supplements, or the annual reports of the Issuer and any amendments or supplements to the aforesaid documents. The JSE makes no representation as to the accuracy or completeness of this Programme Memorandum, the annual financial statements, any Applicable Pricing Supplements, or the annual reports of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part the aforementioned documents. The JSE's approval of the registration of this Programme Memorandum and listings of the Notes is not to be taken in any way as an indication of the merits of the Issuer or the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated in this Programme Memorandum by reference. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum. Any reference in this section to the Programme Memorandum, shall be read and construed as including such documents incorporated by reference.

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

professional advisers and the JSE do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

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

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

Each investor contemplating the purchase of any Notes should make its own independent investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Arranger and the Dealers do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or the Dealers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained in this Programme Memorandum concerning the Issuer is correct at any time subsequent to the date of this Programme Memorandum or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The Notes will be obligations of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by the Debt Sponsor, the Arranges or the Dealers. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by, the Debt Sponsor, the Arranger or the Dealers.

None of the Issuer, the JSE, the Debt Sponsor, the Arranger or the Dealers makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE or any other relevant stock exchange.

This Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Programme Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States of America, the United Kingdom, the European Economic Area and South Africa. None of the Issuer, the Dealers, other professional advisers or the JSE represents that this Programme

Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, other professional advisers or the JSE which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Notes may not be offered, sold or delivered within the United States or to any U.S. persons except in accordance with Regulation S under the Securities Act. In addition, there are restrictions on the distribution of this Programme Memorandum in South Africa and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum see the section headed “Subscription and Sale” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”.*

*All references in this document to “**Rand**”, “**ZAR**”, “**South African Rand**”, “**R**” and “**cent**” refer to the currency of South Africa.*

*In connection with the issue and distribution of any Tranche of Notes under the Programme, the Issuer or a Dealer disclosed as the approved stabilisation manager (if any) in the Applicable Pricing Supplement or any person acting for it (“**Stabilisation Manager**”) may, subject to the terms and conditions for stabilisation contained in the Applicable Pricing Supplement and only if such stabilising is permitted by the JSE Debt Listings Requirements, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there may be no obligation on the Stabilisation Manager or any of its agents to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising is to be carried out in accordance with all Applicable Laws and the price/yield and size of the Tranche of Notes to be issued will be determined by the Issuer, each relevant Dealer(s) and/or the Arranger at the time of issue in accordance with the prevailing market conditions.*

TABLE OF CONTENTS

	<i>Page</i>
DOCUMENTS INCORPORATED BY REFERENCE.....	7
GENERAL DESCRIPTION OF THE PROGRAMME	11
OVERVIEW OF THE PROGRAMME.....	13
SUMMARY OF THE PROGRAMME	14
FORM OF THE NOTES	32
RISK FACTORS	35
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT OF THE UNSUBORDINATED NOTES.....	36
TERMS AND CONDITIONS OF THE UNSUBORDINATED NOTES.....	50
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT OF THE TIER 2 NOTES.....	102
TERMS AND CONDITIONS OF THE TIER 2 NOTES.....	115
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT OF THE ADDITIONAL TIER 1 NOTES.....	179
TERMS AND CONDITIONS OF THE ADDITIONAL TIER 1 NOTES.....	190
USE OF PROCEEDS	253
DESCRIPTION OF THE ISSUER.....	254
SETTLEMENT, CLEARING AND TRANSFER OF NOTES.....	255
SOUTH AFRICAN TAXATION	256
SUBSCRIPTION AND SALE	257
EXCHANGE CONTROL.....	258
GENERAL INFORMATION	259
CORPORATE INFORMATION.....	261

DOCUMENTS INCORPORATED BY REFERENCE

The documents listed below are deemed to be incorporated into, and to form part of, this Programme Memorandum and are available for inspection by Noteholders, during normal office hours after the date of this Programme Memorandum, at the Specified Office of the Issuer:

- (a) all amendments and supplements to this Programme Memorandum circulated by the Issuer from time to time;
- (b) the audited consolidated annual financial statements of the Issuer (including, where applicable, consolidated interim financial statements), for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, and for each financial year ended thereafter, together with such statements, reports and notes attached to or intended to be read with such financial statements, and the reviewed unaudited interim consolidated financial results of the Issuer for each financial half-year commencing with the financial half-year ended 30 June 2020;
- (c) each annual report prepared by the Issuer from time to time;
- (d) each annual Pillar 3 risk management report prepared by the Issuer from time to time;
- (e) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme on or after the Programme Date (and listed on the Interest Rate Market of the JSE);
- (f) the following corporate governance and policy disclosure documents in respect of Absa Group Limited and the Issuer:
 - (i) Disclosure on King IV, which is included in each annual report prepared by the Issuer from time to time;
 - (ii) Conflicts of interest policy;
 - (iii) Nomination of directors policy;
- (g) a document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” (the “**AGL Risk Factors and Other Disclosures Schedule – DMTN Programme**”) which contains information relating to:
 - (i) the description of the Issuer, including, but not limited to, its business, management, directors and corporate governance disclosure (including the Issuer’s directors and debt officer prescribed by paragraph 4.10(b) of the JSE Debt Listings Requirements);
 - (ii) the risk factors that the Issuer believes are material for the purposes of assessing the risks associated with an investment in the Notes;
 - (iii) the register of conflicts of interests;
 - (iv) Exchange Control;
 - (v) South African Taxation;
 - (vi) Subscription and Sale; and
 - (vii) Settlement, Clearing and Transfer of Notes;

- (h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically disseminated on SENS to SENS subscribers; and
- (i) the constitutional documents of the Issuer, as amended from time to time.

Any statement contained in this Programme Memorandum or in any document which is incorporated by reference into this Programme Memorandum will be deemed to be modified or superseded for the purposes of this Programme Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference in this Programme Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Programme Memorandum and any amendments or supplements thereto (including the Applicable Pricing Supplements) will be made available on the website of the JSE (www.jse.co.za). The Programme Memorandum and any amendments or supplements thereto (including the Applicable Pricing Supplements) and the financial statements of the Issuer referred to above will also be available on the website of the Issuer (<https://www.absa.africa/absaafrica/investor-relations>). The most recently obtained monthly beneficial disclosure report made available by the relevant Participants to the Central Securities Depository will be made available for inspection by investors at the Specified Office of the Issuer, as long as the Programme Memorandum remains registered with the JSE.

The Issuer will, on an annual basis, for so long as the Programme Memorandum remains registered with the JSE, review the Programme Memorandum to consider if any of the information contained in relation to the Issuer, specifically excluding the Relevant Terms and Conditions, is outdated in a material respect, and if deemed so, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, and release a SENS announcement containing a summary of the changes and a statement that the updated Programme Memorandum will be available for inspection on the relevant website, together with a link to that website; provided that no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's annual financial statements or interim financial statements if such financial statements are incorporated by reference into this Programme Memorandum and such financial statements are published, as required by the Companies Act and the JSE, and submitted to the JSE within the time period required by the JSE Debt Listings Requirements. The Issuer's annual consolidated financial statements may include risk factors which may be updated from time to time.

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

In relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, copies of any notices to Noteholders, including of meetings and any amendments to the Relevant Terms and Conditions or amendments to the rating of a Tranche of Notes and/or to the Programme Memorandum, shall be published on SENS. Similarly the Issuer shall publish an announcement on SENS when any information incorporated by reference is updated and where such updated information is available. Any modification to the Relevant Terms and Conditions which may have a direct effect on the Issuer's compliance with the JSE Debt Listings Requirements or such other Financial Exchange, as the case may be, will require the approval of the JSE or such other Financial Exchange.

In the event that the Issuer issues any Additional Tier 1 Notes under this Programme, the Applicable Pricing Supplement will address any additional requirements of the JSE.

The Issuer will provide, free of charge, to any person, upon request of such person, a copy of any of the public documents deemed to be incorporated herein by reference for so long as the Programme Memorandum remains registered with the JSE, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. In addition, any Noteholder shall be entitled to request a copy of the Register in respect of the Notes held by that Noteholder. Requests for such documents should be directed to the Debt Officer at its Specified Office.

	Information incorporated by reference:	Accessible on the Issuer's website	Available for inspection at the registered office of the Issuer (as set out at the end of this Programme Memorandum)	Available on the JSE's website, www.jse.co.za.
(a)	Programme Memorandum, any amendments and/or supplements to this Programme Memorandum.	Yes, available at: https://www.absa.africa/absaafrica/investor-relations/debt-investors/	Yes	Yes
(b)	All Applicable Pricing Supplements relating to Notes in issue under the Programme.	Yes, available at: https://www.absa.africa/absaafrica/investor-relations/debt-investors/	Yes	Yes
(c)	Annual reports of the Issuer	Yes, available at: https://www.absa.africa/absaafrica/investor-relations/	Yes	
(d)	Annual Pillar 3 risk management report	Yes, available at: https://www.absa.africa/absaafrica/investor-relations/	Yes	
(e)	Audited annual financial statements and unaudited interim financial statements of the Issuer (together with the reports and notes thereto).	Yes, available at: https://www.absa.africa/absaafrica/investor-relations/	Yes	
(f)	Constitutional documents of the Issuer.	Yes, available at: https://www.absa.africa/absaafrica/about-us/corporate-governance/	Yes	

	Information incorporated by reference:	Accessible on the Issuer's website	Available for inspection at the registered office of the Issuer (as set out at the end of this Programme Memorandum)	Available on the JSE's website, www.jse.co.za.
(g)	<p>Implementation by the Issuer of the King Code through the application of the King Code disclosure and application regime and the following applicable corporate governance policies:</p> <ul style="list-style-type: none"> • Conflicts of Interest • Nomination of Directors. 	<p>Yes available at:</p> <p>King Code: https://www.absa.africa/absaafrica/about-us/corporate-governance/</p> <p>Applicable corporate governance policies: https://www.absa.africa/absaafrica/about-us/corporate-governance/</p>		
(h)	All information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum.	<p>Yes, available at:</p> <p>https://www.absa.africa/absaafrica</p>	Yes	
(i)	AGL Risk Factors and Other Disclosures Schedule – DMTN Programme	<p>Yes, available at:</p> <p>https://www.absa.africa/absaafrica/investor-relations/debt-investors/</p>	Yes	Yes

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme and the Relevant Terms and Conditions is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to any particular Tranche of Notes, the Applicable Pricing Supplements.

Under the Programme, the Issuer may from time to time issue Notes denominated in the currency specified in the Applicable Pricing Supplement. The applicable terms of any Notes will be set out in the Relevant Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplement relating to the Notes and any supplementary Programme Memorandum.

For the avoidance of doubt, this Programme Memorandum will only apply to Notes issued after the Programme Date and the Previous Programme Memoranda will apply to Notes issued before the Programme Date.

The maximum aggregate Principal Amount of all Notes issued under the Programme (pursuant to this Programme Memorandum and the Previous Programme Memoranda) from time to time outstanding will not exceed ZAR50,000,000,000 or its equivalent in such other currencies as Notes are issued, unless such amount is increased as set out below. For the purpose of calculating the aggregate Principal Amount of Notes issued under the Programme from time to time:

- (a) the ZAR equivalent of Notes denominated in another currency shall be determined at or about the time at which an agreement is reached for the issue of such Notes as between the Issuer and the relevant Dealer(s) on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of such currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted by any leading bank selected by the Issuer;
- (b) the amount of Indexed Notes and Partly Paid Notes (each as defined in the General Terms and Conditions) shall be calculated by reference to the original Principal Amount of such Notes (and, in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the amount of Zero Coupon Notes (as defined in the General Terms and Conditions) and other Notes issued at a discount or premium shall be calculated by reference to the net proceeds received by the Issuer for the relevant issue.

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust.

In the event that the Issuer issues unlisted Notes, or any Notes are listed on any Financial Exchange other than the Interest Rate Market of the JSE, the Issuer shall, no later than the last day of the month of such issue, inform the JSE in writing of the Principal Amount and scheduled maturity date in respect of such Notes.

From time to time the Issuer may wish to increase the aggregate Principal Amount of the Notes that may be issued under the Programme. Subject to the requirements of the JSE and/or any such other Financial Exchange(s) on which the Notes may be listed or in terms of any law, the Issuer may, without the consent of Noteholders, increase the aggregate Principal Amount of the Notes that may be issued under the Programme by delivering a notice to Noteholders and the relevant Financial Exchange in

accordance with the Relevant Terms and Conditions. Upon such notice being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the aggregate Principal Amount of the Notes, shall be and shall be deemed to be references to the increased aggregate Principal Amount.

OVERVIEW OF THE PROGRAMME

The information set out below is a summary of the principal features of the Programme. This Overview should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum and, in respect of types of Notes which are not already provided for by this Programme Memorandum, by the information contained in the Applicable Pricing Supplement.

A brief overview of the Programme is as follows:

- (a) the Programme provides a framework and certain common terms for the issue of Notes by the Issuer.
- (b) the Programme is established by the Issuer.
- (c) Notes may be issued by the Issuer in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.
- (d) to the extent that the Issuer issues a type of Note that is provided for in this Programme Memorandum, certain supplemental terms and conditions applicable to such Notes will be contained in the Applicable Pricing Supplement. The Applicable Pricing Supplement for each Tranche of Notes is incorporated herein for the purposes of such Tranche and supplements the Relevant Terms and Conditions. To the extent so specified or to the extent inconsistent with the Relevant Terms and Conditions, terms and conditions contained in an Applicable Pricing Supplement replace, amend and/or supplement the Relevant Terms and Conditions for the purposes of such Tranche. Capitalised expressions used in the Applicable Pricing Supplement and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.
- (e) if there is any conflict or inconsistency between the provisions set out in the relevant Applicable Pricing Supplement and the provisions set out in the Relevant Terms and Conditions, then the provisions in the relevant Applicable Pricing Supplement will prevail.
- (f) the Issuer may be rated by a Rating Agency on a national scale or international scale basis, which rating (if applicable) will be reflected in the Applicable Pricing Supplement. As at the date of this Programme Memorandum, the Programme has not been rated by a Rating Agency. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the rating, if any, which has been assigned to the Issuer, the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such rating.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the Relevant Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplements.

Issuer	Absa Group Limited (registration number 1986/003934/06).
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfill its obligations under Notes issued under the Programme. These are set out in the section headed “ <i>Risk Factors</i> ” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out in the section headed “ <i>Risk Factors</i> ” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular series of Notes and certain market risks.
Description of the Programme	Absa Group Limited, ZAR50,000,000,000 Domestic Medium Term Note Programme.
Size of the Programme	Up to ZAR50,000,000,000 (or its equivalent in the Specified Currency) outstanding at any time, which for the avoidance of doubt, includes all outstanding amounts specified under this Programme Memorandum and the Previous Programme Memoranda. The Issuer may, without the consent of Noteholders, increase the maximum aggregate Principal Amount of Notes that may be outstanding in terms of the Programme in accordance with Applicable Laws and subject to any required regulatory approvals. The total authorised amount of the Programme at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.
JSE	JSE Limited (registration number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act.
Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division.
Arranger	Absa Bank Limited, acting through its Corporate and Investment Banking division.
Dealers	Absa Bank Limited, acting through its Corporate and Investment Banking division and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer.
Debt Officer	Jason Quinn, Interim Group Chief Executive Officer of Absa Group Limited or such other officer of the Issuer appointed by the Issuer from time to time.

The Debt Officer is appointed by the Issuer, in accordance with the JSE Debt Listings Requirements, to:

- (a) act as a central contact person in order to assist Noteholders with any issues pertaining to compliance with (i) the Terms and Conditions and/or any Applicable Pricing Supplement and (ii) the JSE Debt Listings Requirements; and
- (b) subject to the disclosure limitations at nominee/broker holder level, assist Noteholders with access to the Register.

Calculation Agent

Absa Bank Limited, acting through its Corporate and Investment Banking division, unless the Dealer or, in the case of a syndicated issue, the lead manager requests the Issuer to appoint, or the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity, on execution of the Agency Agreement, shall act in such capacity in respect of that Tranche or Series of Notes.

Issuer Agent

Absa Bank Limited, acting through its Corporate and Investment Banking division or such other entity appointed as Issuer Agent by the Issuer from time to time, where such Issuer Agent is appointed for purposes of the debt instrument solution system of the Central Securities Depository.

Paying Agent

Absa Bank Limited, acting through its Corporate and Investment Banking division, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act in such capacity in respect of that Tranche or Series of Notes.

Transfer Agent

Absa Bank Limited, acting through its Corporate and Investment Banking division or such other entity appointed as Transfer Agent by the Issuer from time to time.

Central Securities Depository

Strate Proprietary Limited (registration number 1998/022242/07) or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE.

Noteholder(s)

The holders of Notes who are recorded as the Registered Holders of the Registered Notes (in the Register or the Uncertificated Securities Register) and/or Bearers of the Bearer Notes and/or the Payees of the Order Notes.

Relevant Terms and Conditions

The General Terms and Conditions, the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions.

General Terms and Conditions

The terms and conditions of the Unsubordinated Notes as set out below in this Programme Memorandum under the section “*Terms and Conditions of the Unsubordinated Notes*”.

Tier 2 Terms and Conditions	The terms and conditions of the Tier 2 Notes as set out below in this Programme Memorandum under the section “ <i>Terms and Conditions of the Tier 2 Notes</i> ”.
Additional Tier 1 Terms and Conditions	The terms and conditions of the Additional Tier 1 Notes as set out below in this Programme Memorandum under the section “ <i>Terms and Conditions of the Additional Tier 1 Notes</i> ”.
Form of Notes	Notes may be issued in the form of Registered Notes, Bearer Notes or Order Notes as described in this Programme Memorandum under the section “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and vice versa. Subordinated Notes may not be issued in bearer form and will only be issued in registered form.
Currencies	South African Rand or, subject to all Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE, the rules of the JSE, in such other currency as specified in the Applicable Pricing Supplement.
Issue Price	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at their Principal Amount or at a discount to, or premium over, their Principal Amount as specified in the Applicable Pricing Supplement.
Interest Period(s) or Interest Payment Date(s)	Such period(s) or date(s) as specified in the Applicable Pricing Supplement.
Denomination of Notes	Notes will be issued in such denominations as specified in the Applicable Pricing Supplement.
Status of the Notes	Notes may be issued on a subordinated or unsubordinated basis, as specified in the Applicable Pricing Supplement.
Status of the Unsubordinated Notes	The Unsubordinated Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 22 (<i>Negative Pledge</i>) unsecured obligations of the Issuer, all as described in Condition 5.2 (<i>Status of the Unsubordinated Notes</i>) of the General Terms and Conditions and the Applicable Pricing Supplement.
Status of the Tier 2 Notes	The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 5.1 (<i>Status of the Tier 2 Notes</i>) of the Tier 2 Terms and Conditions, subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and (save for those that have been accorded by law preferential rights) at least <i>pari passu</i> with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) <i>pari passu</i> with the Tier 2 Notes.
Status of the Additional Tier 1 Notes	Additional Tier 1 Notes constitute direct, unsecured and, in accordance with Condition 5 (<i>Status of Additional Tier 1 Notes</i>) of the Additional Tier 1 Terms and Conditions, subordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and (save

for those that have been accorded by law preferential rights) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with the Additional Tier 1 Notes. Additional Tier 1 Notes thus rank *pari passu* with all subordinated securities issued by the Issuer, the proceeds of which qualify as Additional Tier 1 Capital and all Non-Redeemable Non-Cumulative Preference Shares issued by the Issuer, the proceeds of which qualify as Additional Tier 1 Capital and are senior in respect of the rights and claims of the holders of Ordinary Shares and other Junior Securities.

Subordinated Notes and Capital Regulations

In order for the proceeds of the issue of a Tranche of Subordinated Notes to qualify as Additional Tier 1 Capital or Tier 2 Capital, as the case may be, Subordinated Notes must comply with the applicable Capital Regulations (including such Additional Conditions (if any) as are prescribed by the Prudential Authority in respect of that Tranche of Subordinated Notes). The Issuer will specify in the Applicable Pricing Supplement whether any issue of Notes is an issue of Additional Tier 1 Notes, the proceeds of which are intended to qualify as Additional Tier 1 Capital, or Tier 2 Notes, the proceeds of which are intended to qualify as Tier 2 Capital or other instruments required by the Prudential Authority as the case might be. The Additional Conditions (if any) prescribed by the Prudential Authority in respect of Subordinated Notes will be specified in the Applicable Pricing Supplement or a supplement to this Programme Memorandum.

Maturities

Notes may be issued with any maturity date or Notes may be issued with no maturity date, subject, in relation to Subordinated Notes, to such minimum maturities as may be required from time to time by the applicable Capital Regulations and, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Subject to the applicable Capital Regulations: (i) Additional Tier 1 Notes will be issued without a maturity date; and (ii) Tier 2 Notes will have a minimum maturity of 5 years and one day.

Redemption

Subject to the description in “*Maturities*” above, Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the Applicable Pricing Supplement. Notes may also be redeemable in 2 or more instalments on such dates and in such manner as may be specified in the Applicable Pricing Supplement.

For so long as the Capital Regulations so require, Tier 2 Notes may be redeemed prior to the Maturity Date (after a minimum period of five years and one day after the Issue Date) only if (i) the Issuer has notified the Prudential Authority of, and the Prudential Authority has consented in writing to such redemption, subject to such conditions (if any) as the Prudential Authority may deem appropriate and (ii) the redemption of the Tier 2 Notes is not prohibited by the Capital Regulations as described in Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*) in the Tier 2 Terms and Conditions.

There is no fixed redemption date for Additional Tier 1 Notes. For so long as the Capital Regulations so require, Additional Tier 1 Notes may be redeemed only at the option of the Issuer, after a minimum period of five years and one day after the Issue Date, subject to the prior written approval of the Prudential Authority and in accordance with the conditions (if any) approved by the Prudential Authority in writing.

Unless the Prudential Authority determines that the Issuer will be duly capitalised above the minimum capital requirements after a call option in respect of Subordinated Notes is exercised, the Issuer may not redeem such Subordinated Notes unless such Subordinated Notes are replaced by the Issuer with instruments of similar or better quality and the replacement is on conditions that are sustainable for the income capacity of the Issuer.

Optional Redemption

Subject to the description in “*Redemption*” above, Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) with, in the case of Subordinated Notes, the prior written approval of the Prudential Authority and (if any) in accordance with conditions approved by the Prudential Authority in writing, and/or the Noteholders to the extent (if at all) specified in the Applicable Pricing Supplement.

Tax Redemption

Except as described in “*Optional Redemption*” above, and subject to the description in “*Redemption*” above, early redemption will only be permitted for tax reasons as described in Condition 10.2 (*Redemption for tax reasons*) of the General Terms and Conditions, Condition 11.2 (*Redemption for tax reasons*) of the Tier 2 Terms and Conditions and Condition 11.2 (*Redemption for tax reasons*) of the Additional Tier 1 Terms and Conditions.

Redemption for Regulatory Reasons

Except as described in “*Optional Redemption*” and “*Tax Redemption*” above, early redemption of the Subordinated Notes in whole (but not in part) is permitted at the option of the Issuer if a Capital Disqualification Event occurs and is continuing on the relevant interest payment date as described in Condition 11.3 (*Redemption following a Capital Disqualification Event*) of the Tier 2 Terms and Conditions and Condition 11.3 (*Redemption following a Capital Disqualification Event*) of the Additional Tier 1 Terms and Conditions.

Non-Viability Loss Absorption (Tier 2 Notes)

a “**Non-Viability Trigger Event**” shall occur when a “trigger event” specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred, upon which a Series of Tier 2 Notes is required to either be Written-off (as defined in the Relevant Terms and Conditions) or Converted (as defined in the Relevant Terms and Conditions) into Issuer Ordinary Shares (in whole or in part), as specified in the Applicable Pricing Supplement, which trigger event shall be at the discretion of the Prudential Authority and shall at minimum be the earlier of:

- (a) a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the Prudential Authority; or

- (b) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Prudential Authority.

Conversion of Tier 2 Notes:

If Conversion upon the occurrence of a Non-Viability Trigger Event is specified as applicable to a Series of Tier 2 Notes in the Applicable Pricing Supplement then upon the occurrence of a Non-Viability Trigger Event, the Issuer will Convert the Current Principal Amount of the Tier 2 Notes (or the Relevant Part thereof) into Issuer Ordinary Shares, in accordance with the Capital Regulations, by such amount (the “**Conversion Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Conversion of the Tier 2 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority; and
- (b) the Tier 2 Notes shall be Converted in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

Any such Conversion shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Conversion Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless:

- (a) in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Tier 2 Notes may be Converted after a longer period, in which case, the Conversion Date shall be such date as agreed with the Prudential Authority; or
- (b) the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30-day period as a result of the need to comply with any Applicable Laws, regulations or written instructions of the Prudential Authority (including but not limited to the time required to interface and consult with the Prudential Authority), in which case the Conversion Date shall be a date as soon as reasonably possible after the end of the aforesaid 30-day period.

A Conversion may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Tier 2 Notes may be Converted on more than one occasion.

To the extent that the conversion or write-off of any Loss Absorbing Instruments is not effective for any reason:

- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Conversion of the Tier 2 Notes; and
- (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Conversion Amount of the Tier 2 Notes.

If a Conversion of any Tier 2 Notes will take place pursuant to the occurrence of a Non-Viability Trigger Event specified in the Non-Viability Trigger Event Notice, the Issuer shall deliver a further written notice (the “**Conversion Notice**”) to the Noteholders which specifies:

- (a) the Conversion Price;
- (b) the Conversion Record Date;
- (c) the Conversion Date;
- (d) the number of Conversion Shares to be issued pursuant to that Conversion; and
- (e) details of the arrangement for the settlement of the Tier 2 Notes that are subject to the Conversion,

within the time period specified in the Applicable Pricing Supplement 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 price and details to be determined as soon as is reasonably possible in the circumstances.

On the Conversion Date, in accordance with Applicable Laws, the Capital Regulations and (if applicable) the written instructions received from the Prudential Authority:

- (a) the Issuer shall issue to the relevant Noteholders (as they appear, and into the relevant securities accounts of the Beneficial Interest holders of the Converted Tier 2 Notes recorded as such on the Conversion Record Date (or to the relevant Participant managing such securities account, if such Issuer Ordinary Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of Converted Tier 2 Notes as set out in the Register on the Conversion Record Date) such number of Issuer Ordinary Shares (the “**Conversion Shares**”) calculated by dividing the Conversion Amount on the Conversion Date by the Conversion Price;
- (b) the relevant Noteholders shall be deemed to have subscribed for the Conversion Shares for an aggregate subscription price equal to the Conversion Amount (the “**Subscription Price**”);

- (c) the Subscription Price shall be automatically off-set against the Conversion Amount and the aggregate Current Principal Amount of the Tier 2 Notes shall be reduced by the Conversion Amount; and
- (d) the Conversion Shares shall be credited as fully paid and shall be freely transferable and shall have the same rights as, and *pari passu* in all respects with, and be of the same class as, all of the Issuer Ordinary Shares as at the Conversion Date. If the Issuer Ordinary Shares are issued in registered certificated form, the Issuer shall procure that the certificate/s evidencing the relevant number of Issuer Ordinary Shares is/are delivered to each relevant Subordinated Noteholder.

Should all other issued Issuer Ordinary Shares be listed on a relevant Financial Exchange at the time the Conversion Shares are issued to the relevant Noteholders pursuant to Condition 9.2 (*Conversion of Tier 2 Notes upon a Non-Viability Trigger Event*) of the Tier 2 Terms and Conditions, the Issuer shall procure that such Conversion Shares are, upon issue, likewise listed on that relevant Financial Exchange.

Where, at the occurrence of the relevant Non-Viability Trigger Event, the Conversion of the relevant Tranche of Tier 2 Notes pursuant to Condition 9.2 (*Conversion of Tier 2 Notes upon a Non-Viability Trigger Event*) of the Tier 2 Terms and Conditions (a) cannot be undertaken for any reason or (b) is not irrevocable, then the relevant Tranche of Tier 2 Notes shall, instead of being Converted, be Written-off, at the occurrence of that Non-Viability Trigger Event (at the discretion of the Prudential Authority), *mutatis mutandis* in accordance with the provisions of Condition 9.3 (*Write-off of Tier 2 Notes upon a Non-Viability Trigger Event*) of the Tier 2 Terms and Conditions.

For the avoidance of doubt, following any Conversion of the Tier 2 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.

Any Conversion of the Tier 2 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under the Tier 2 Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.

Once a Conversion of all or the Relevant Part of the Current Principal Amount of the Tier 2 Notes has occurred, no Conversion Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Tier 2 Notes prior to the Conversion Date and repayment of the Conversion Amount; provided that, if the Tier 2 Notes are Converted in part, interest will continue to accrue on the Current Principal Amount.

The Issuer shall at all times (to the extent that it is within the Issuer's control and/or power to do so) obtain and maintain all prior authorisations (including, without limitation, all relevant Issuer shareholder approvals in terms of the Companies Act and the JSE Listings Requirements applicable to the Main Board of the JSE) necessary to ensure the Conversion of the relevant Tranche of Tier 2 Notes. The Issuer will not issue and list a Tranche of Tier 2 Notes to which Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE.

Write-off of Tier 2 Notes:

If Write-off upon the occurrence of a Non-Viability Trigger Event is specified as applicable to a Series of Tier 2 Notes in the Applicable Pricing Supplement then upon the occurrence of a Non-Viability Trigger Event, the Issuer will Write-off the Current Principal Amount of the Tier 2 Notes (or the Relevant Part thereof), in accordance with the Capital Regulations, by such amount (the “**Written-off Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Write-off of the Tier 2 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority; and
- (b) the Tier 2 Notes shall be Written-off in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

Any such Write-off shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Write-off Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Tier 2 Notes may be Written-off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Prudential Authority.

A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Tier 2 Notes may be Written-off on more than one occasion.

For the avoidance of doubt, following any Write-off of the Tier 2 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.

Any Write-off of the Tier 2 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under the Tier 2 Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.

Once a Write-off of all or the Relevant Part of the Current Principal Amount of the Tier 2 Notes has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Tier 2 Notes prior to the Write-off Date and repayment of the Written-off Amount; provided that, if the Tier 2 Notes are Written-off in part, interest will continue to accrue on the Current Principal Amount.

Disapplication of Non-Viability Loss Absorption Condition:

If a Statutory Loss Absorption Regime is implemented in South Africa, and the Tier 2 Notes are subject to such a Statutory Loss Absorption Regime upon the occurrence of a Non-Viability Trigger Event, then the Issuer, if so specified in the Applicable Pricing Supplement, shall have the option to elect that the Non-Viability Loss Absorption Condition referred to in Condition 9 (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*) of the Tier 2 Terms and Conditions shall cease to apply and that the Statutory Loss Absorption Regime will apply to the Tier 2 Notes from the date specified by the Issuer in accordance with Condition 9 (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*) of the Tier 2 Terms and Conditions.

Non-Viability Loss Absorption (Additional Tier 1 Notes)

In relation to Additional Tier 1 Notes a “**Non-Viability Trigger Event**” shall occur when:

- (a) a “trigger event” specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred; provided that, as a minimum, the aforesaid “trigger event” shall be the earlier of:
 - (i) a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the Prudential Authority; or
 - (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Prudential Authority; or
- (b) the Issuer's Common Equity Tier 1 Capital Ratio is equal to or below 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time),

whichever is the earlier to occur; provided that paragraph (b) above will only apply if the Additional Tier 1 Notes are liability accounted by the Issuer.

The Applicable Pricing Supplement relating to a Tranche of Additional Tier 1 Notes will specify whether that Tranche of Additional Tier 1 Notes will, upon the occurrence of a Non-Viability Trigger Event, be Written-off or Converted into Issuer Ordinary Shares in (at the direction of the Prudential Authority at the time of the occurrence of that Non-Viability Trigger Event) whole or in part.

Conversion of Additional Tier 1 Notes:

If Conversion upon the occurrence of a Non-Viability Trigger Event is specified as applicable to a Series of Additional Tier 1 Notes in the Applicable Pricing Supplement then upon the occurrence of a Non-Viability Event, the Issuer will Convert the Current Principal Amount of the Additional Tier 1 Notes (or the Relevant Part thereof) into Issuer Ordinary Shares, in accordance with the Capital Regulations, by such amount (the “**Conversion Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Conversion of the Additional Tier 1 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority and the Issuer’s Common Equity Tier 1 Capital Ratio is above 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time) to the extent that the Additional Tier 1 Notes are liability accounted ; and
- (b) the Additional Tier 1 Notes shall be Converted in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

Any such Conversion shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Conversion Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless:

- (a) in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Additional Tier 1 Notes may be Converted after a longer period, in which case, the Conversion Date shall be such date as agreed with the Prudential Authority; or
- (b) the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30-day period as a result of the need to comply with any Applicable Laws, regulations or written instructions of the Prudential Authority (including but not limited to the time required to interface and consult with the Prudential Authority), in which case the Conversion Date shall be a date as soon as reasonably possible after the end of the aforesaid 30-day period.

A Conversion may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Additional Tier 1 Notes may be Converted on more than one occasion.

To the extent that the conversion or write-off of any Loss Absorbing Instruments is not effective for any reason:

- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Conversion of the Additional Tier 1 Notes; and
- (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Conversion Amount of the Additional Tier 1 Notes.

If a Conversion of any Additional Tier 1 Notes will take place pursuant to the occurrence of a Non-Viability Trigger Event specified in the Non-Viability Trigger Event Notice, the Issuer shall deliver a further written notice (the “**Conversion Notice**”) to the Noteholders which specifies:

- (a) the Conversion Price;
- (b) the Conversion Record Date;
- (c) the Conversion Date;
- (d) the number of Conversion Shares to be issued pursuant to that Conversion; and
- (e) details of the arrangement for the settlement of the Additional Tier 1 Notes which are subject to the Conversion,

within the time period specified in the Applicable Pricing Supplement 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 price and details to be determined as soon as is reasonably possible in the circumstances.

On the Conversion Date, in accordance with Applicable Laws, the Capital Regulations and (if applicable) the written instructions received from the Prudential Authority:

- (a) the Issuer shall issue to the relevant Noteholders (as they appear, and into the relevant securities accounts of the Beneficial Interest holders of the Converted Additional Tier 1 Notes recorded as such on the Conversion Record Date (or to the relevant Participant managing such securities account, if such Issuer Ordinary Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of Converted Additional Tier 1 Notes as set out in the Register on

the Conversion Record Date) such number of Issuer Ordinary Shares (the “**Conversion Shares**”) calculated by dividing the Conversion Amount on the Conversion Date by the Conversion Price;

- (b) the relevant Noteholders shall be deemed to have subscribed for the Conversion Shares for an aggregate subscription price equal to the Conversion Amount (the “**Subscription Price**”);
- (c) the Subscription Price shall be automatically off-set against the Conversion Amount and the aggregate Current Principal Amount of the Additional Tier 1 Notes shall be reduced by the Conversion Amount; and
- (d) the Conversion Shares shall be credited as fully paid and shall be freely transferable and shall have the same rights as, and *pari passu* in all respects with, and be of the same class as, all of the Issuer Ordinary Shares as at the Conversion Date. If the Issuer Ordinary Shares are issued in registered certificated form, the Issuer shall procure that the certificate/s evidencing the relevant number of Issuer Ordinary Shares is/are delivered to each relevant Subordinated Noteholder.

Should all other issued Issuer Ordinary Shares be listed on a relevant Financial Exchange at the time the Conversion Shares are issued to the relevant Noteholders pursuant to Condition 9.2 (*Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event*) of the Additional Tier 1 Terms and Conditions, the Issuer shall procure that such Conversion Shares are, upon issue, likewise listed on that relevant Financial Exchange.

Where, at the occurrence of the relevant Non-Viability Trigger Event, the Conversion of the relevant Tranche of Additional Tier 1 Notes pursuant to Condition 9.2 (*Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event*) of the Additional Tier 1 Terms and Conditions (a) cannot be undertaken for any reason or (b) is not irrevocable or (c) will not result in an immediate increase in the Common Equity Tier 1 Capital Ratio, then the relevant Tranche of Additional Tier 1 Notes shall, instead of being Converted, be Written-off, at the occurrence of that Non-Viability Trigger Event (at the discretion of the Prudential Authority), *mutatis mutandis* in accordance with the provisions of Condition 9.3 (*Write-off of Additional Tier 1 Notes upon a Non-Viability Trigger Event*) of the Additional Tier 1 Terms and Conditions.

For the avoidance of doubt, following any Conversion of the Additional Tier 1 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.

Any Conversion of the Additional Tier 1 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under the Additional Tier 1 Terms and Conditions and shall not entitle the Noteholders to

petition or apply for the liquidation, winding-up or dissolution of the Issuer.

Once a Conversion of all or the Relevant Part of the Current Principal Amount of the Additional Tier 1 Notes has occurred, no Conversion Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Additional Tier 1 Notes prior to the Conversion Date and repayment of the Conversion Amount; provided that, if the Additional Tier 1 Notes are Converted in part, interest will continue to accrue on the Current Principal Amount.

The Issuer shall at all times (to the extent that it is within the Issuer's control and/or power to do so) obtain and maintain all prior authorisations (including, without limitation, all Issuer shareholder approvals in terms of the Companies Act and the JSE Listings Requirements applicable to the Main Board of the JSE) necessary to ensure the Conversion of the relevant Tranche of Additional Tier 1 Notes. The Issuer will not issue and list a Tranche of Additional Tier 1 Notes to which Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE.

Write-off of Additional Tier 1 Notes:

If Write-off upon the occurrence of a Non-Viability Trigger Event is specified as applicable to a Series of Additional Tier 1 Notes in the Applicable Pricing Supplement then upon the occurrence of a Non-Viability Trigger Event, the Issuer will Write-off the Current Principal Amount of the Additional Tier 1 Notes (or the Relevant Part thereof), in accordance with the Capital Regulations, by such amount (the “**Written-off Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Write-off of the Additional Tier 1 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority, and the Issuer's Common Equity Tier 1 Capital Ratio is above 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time) to the extent that the Additional Tier 1 Notes are liability accounted; and
- (b) the Additional Tier 1 Notes shall be Written-off in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

Any such Write-off shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Write-off Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof)

of the Additional Tier 1 Notes may be Written-off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Prudential Authority.

A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Additional Tier 1 Notes may be Written-off on more than one occasion.

For the avoidance of doubt, following any Write-off of the Additional Tier 1 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.

Any Write-off of the Additional Tier 1 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under the Additional Tier 1 Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.

Once a Write-off of all or the Relevant Part of the Current Principal Amount of the Additional Tier 1 Notes has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Additional Tier 1 Notes prior to the Write-off Date and repayment of the Written-off Amount; provided that, if the Additional Tier 1 Notes are Written-off in part, interest will continue to accrue on the Current Principal Amount.

Disapplication of Non-Viability Loss Absorption Condition:

If a Statutory Loss Absorption Regime is implemented in South Africa, and the Additional Tier 1 Notes are subject to such a Statutory Loss Absorption Regime upon the occurrence of a Non-Viability Trigger Event, then the Issuer, if so specified in the Applicable Pricing Supplement, shall have the option to elect that the Non-Viability Loss Absorption Condition referred to in Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) of the Additional Tier 1 Terms and Conditions shall cease to apply and that the Statutory Loss Absorption Regime will apply to the Additional Tier 1 Notes from the date specified by the Issuer in accordance with Condition 9 (*Loss Absorption following a Non-Viability Trigger Event*) of the Additional Tier 1 Terms and Conditions.

Interest

Notes may be interest-bearing or non-interest bearing. Additional Tier 1 Notes and Tier 2 Notes must be interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or, except in the case of the Subordinated Notes, be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series of Notes.

The Issuer may elect not to pay, and in certain circumstances is obliged not to pay, interest on Additional Tier 1 Notes as more fully set out in Condition 6.1 (*Non payment of interest*) of the Additional Tier 1 Terms and Conditions.

Stamp Duty

In terms of current South African legislation as at the date of this Programme Memorandum, no securities transfer tax is payable by the Issuer on the original issue of or on registration of transfer of, Notes, on the basis that the Notes will not comprise a “security” as defined in section 1 of the Securities Transfer Tax Act, 2007. Any future securities transfer tax that may be introduced will be for the account of the Noteholders.

Withholding tax

A withholding tax on South African-sourced interest paid to or for the benefit of a foreign person applies at a rate of 15%, in accordance with the Income Tax Act, 1962. The legislation exempts, inter alia, from the withholding tax on interest any amount of interest paid by a bank as defined in the Banks Act, to a foreign person. It is envisaged that this exemption would apply to the interest payments made to Noteholders on listed Notes.

In the event that an additional withholding tax or such other deduction is required by Applicable Laws, the Issuer will, subject to the Issuer’s rights to redeem Notes following a Tax Event or Capital Disqualification Event pursuant to Conditions 11.2 (*Redemption for tax reasons*) and 11.3 (*Redemption following a Capital Disqualification Event*) of the Tier 2 Terms and Conditions and Conditions 11.2 (*Redemption for tax reasons*) and 11.3 (*Redemption following a Capital Disqualification Event*) of the Additional Tier 1 Terms and Conditions, be obliged to pay additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, subject to customary exceptions, as described in Condition 11 (*Redemption and Purchase*) of the Tier 2 Terms and Conditions and Condition 12 (*Taxation*) of the Additional Tier 1 Terms and Conditions.

Tax status

A summary of applicable current South African Tax legislation appears in the section headed “*South African Taxation*” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”. The section does not constitute tax advice and investors should consult their own professional advisers.

Governing Law

The Notes will be governed by, and construed in accordance with the laws of South Africa.

Listing

This Programme Memorandum is registered with the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s) in relation to such issue and subject to any Applicable Laws. Unlisted Notes may also be issued

under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed and, if so, on which exchange.

Register The Register maintained by the Transfer Agent in terms of the Relevant Terms and Conditions.

Selling Restrictions The distribution of this Programme Memorandum and any offering or sale of a particular Tranche of Notes may be restricted by law in certain jurisdictions, and are restricted by law in the United States of America, the United Kingdom, European Economic Area and South Africa. Any relevant selling restrictions and other restrictions as may be required to be met in relation to an offering or sale of a particular Tranche of Notes shall be included in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum or the Applicable Pricing Supplement must inform themselves about and observe such restrictions. See the section headed “*Subscription and Sale*” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”.

Blocked Rand Blocked Rand may be used for the purchase of Notes, subject to South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933. See the section headed “*Exchange Control*” in the document incorporated by reference entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”.

Distribution Notes may be offered by way of private placement or any other means permitted by Applicable Laws and in each case on a syndicated or non-syndicated basis as determined by the Issuer and reflected in the Applicable Pricing Supplement.

Method of Transfer The method of transfer is by registration for transfer of Notes to occur through the Register and by electronic book entry in the securities accounts of Participants or the Central Securities Depository, as the case may be, for transfers of Beneficial Interests in the Notes, in all cases subject to the restrictions described in this Programme Memorandum. The Notes will be fully paid up on the Issue Date and freely transferable.

Electronic Settlement The Notes will be issued, cleared and settled in accordance with the rules of the JSE and the Central Securities Depository through the Strate electronic settlement system. Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking Société anonyme (“**Clearstream, Luxembourg**”) access the JSE through their Settlement Agent. The Notes will be cleared by the JSE recognised Settlement Agents which will follow the electronic settlement procedures, prescribed by the JSE and the Central Securities Depository. Interest and principal payments will be made via electronic funds transfer and cheques shall only be issued to holders of Definitive Certificates, if so requested by such Noteholders in writing.

Participants Depository institutions accepted by the Central Securities Depository as participants in terms of the Financial Markets Act.

Settlement Agents	The JSE recognised settlement agents, who are also Participants, from time to time. As at the date of this Programme Memorandum, the JSE recognised settlement agents, who are also Participants, are Absa Bank Limited, acting through its Corporate and Investment Banking division, Citibank N.A., South Africa branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, and the SARB. Euroclear and Clearstream, Luxembourg will settle offshore transfers through their Settlement Agent.
Negative Pledge	Unsubordinated Notes will have the benefit of a negative pledge as described in Condition 22 (<i>Negative Pledge</i>) of the General Terms and Conditions.
Cross Default	Unsubordinated Notes will have the benefit of a cross default as described in Condition 12 (<i>Events of Default</i>) of the General Terms and Conditions.

FORM OF THE NOTES

Notes may be issued as Registered Notes, Bearer Notes or Order Notes.

Each Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Notes listed on the JSE will be freely transferable and fully paid up. Unlisted Notes may also be issued under the Programme.

Each Tranche of Notes will be issued in accordance with the Relevant Terms and Conditions and represented by (i) Definitive Certificates in the form of Registered Notes (whether listed or unlisted), Bearer Notes (if unlisted) or Order Notes (if unlisted) or, (ii) no Certificate, if issued as a Registered Note in uncertificated form in terms of section 33 of the Financial Markets Act.

UNCERTIFICATED NOTES

Listed or unlisted Registered Notes

Notes issued in uncertificated form

If the Notes are to be listed on the Interest Rate Market of the JSE, the Issuer will, subject to Applicable Laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Securities Depository will apply to Notes issued in uncertificated form.

Beneficial Interests

The Central Securities Depository will hold each Tranche of Notes in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form will be registered in the name of each Registered Holder in the Uncertificated Securities Register as the sole Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Relevant Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in uncertificated form, will be paid to and may be exercised only in accordance with the Applicable Procedures.

The Central Securities Depository maintains central securities accounts only for Participants. As at the date of this Programme Memorandum, the Participants are Absa Bank Limited, Citibank N.A., South Africa branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, and the South African Reserve Bank (“**SARB**”).

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or such a Participant, as the case may be, as to the Principal Amount of such Beneficial Interest in the Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest.

Transfers of Beneficial Interests in the Central Securities Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Securities Depository system occur through electronic book entry in the Participants' central security accounts with the Central Securities Depository. Beneficial Interests may be transferred only in accordance with the Relevant Terms and Conditions and the rules and operating procedures for the time being of the Central Securities Depository, Participants and the JSE.

Beneficial Interests may be exchanged, without charge by the Issuer, for Definitive Certificates in accordance with the provisions of Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the General Terms and Conditions, Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the Tier 2 Terms and Conditions and Condition 14 (*Delivery, Exchange and Replacement of Certificates*) of the Additional Tier 1 Terms and Conditions, in terms of the Financial Markets Act.

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

DEFINITIVE CERTIFICATES

Listed or unlisted Registered Notes

The Notes represented by Definitive Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Definitive Certificates may be transferred only in accordance with the Relevant Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Definitive Certificates will be made in accordance with Condition 7 (*Payments*) of the General Terms and Conditions, Condition 7 (*Payments*) of the Tier 2 Terms and Conditions and Condition 8 (*Payments*) of the Additional Tier 1 Terms and Conditions, to the person reflected as the Registered Holder of such Definitive Certificates in the Register at 17h00 (South African time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the Registered Holder of the Certificate in respect of each amount so paid.

Unlisted Bearer or Order Notes

Notes issued in bearer form ("**Bearer Notes**") or in order form ("**Order Notes**") and which are interest bearing shall, if indicated in the Applicable Pricing Supplement, have interest coupons ("**Coupons**") and, if indicated in the Applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Notes repayable in instalments shall have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

Title to Bearer Notes and/or Receipts, Coupons and Talons attached on issue to the Certificate evidencing such Bearer Notes will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Certificate evidencing such Order Note, will pass by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

Title to Bearer Notes is subject to the Bearer obtaining the exemption from the National Treasury in respect of the prohibition on dealing in bearer securities as set out in regulation 15 of the Exchange Control Regulations.

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” (“**AGL Risk Factors and Other Disclosures Schedule – DMTN Programme**”) which, amongst other things, outlines the factors the Issuer believes may affect its ability to fulfil its obligations under the Notes as well as the factors which are material for the purpose of assessing the market risks associated with the Notes. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (See the section of this Programme Memorandum entitled "*Documents Incorporated by Reference*").

Prospective investors are to ensure that they have read the AGL Risk Factors and Other Disclosures Schedule – DMTN Programme available on the Issuer’s website as well as the detailed information set out elsewhere in this Programme Memorandum and reach their own views prior to making any investment decision.

PRO FORMA APPLICABLE PRICING SUPPLEMENT OF THE UNSUBORDINATED NOTES

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



Absa Group Limited

(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] with Stock Code []

Under its ZAR50,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Absa Group Limited dated 3 September 2021, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the General Terms and Conditions. References in this Applicable Pricing Supplement to the General Terms and Conditions are to the section of the Programme Memorandum “*Terms and Conditions of the Unsubordinated Notes*”. References to any Condition in this Applicable Pricing Supplement are to that Condition of the General Terms and Conditions.

DESCRIPTION OF THE NOTES

1.	Issuer	Absa Group Limited
2.	Debt Officer	[Jason Quinn, Interim Group Chief Executive Officer]
3.	Status of Notes	Unsubordinated Notes
4.	(a) Tranche Number	[]
	(b) Series Number	[]
5.	Aggregate Principal Amount	[]
6.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Indexe d Interest /Indexe d Redemption Amount/Partly Paid/Instalment/Exchangeable/other]

7.	Form of Notes	[Registered Notes/Bearer Notes/Order Notes]
8.	Security	Unsecured
9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	[insert details including date for conversion]
10.	Issue Date	[]
11.	Business Centre	[]
12.	Additional Business Centre	[]
13.	Principal Amount	[]
14.	Specified Denomination	[]
15.	Issue Price	[]
16.	Interest Commencement Date	[]
17.	Maturity Date	[]
18.	Specified Currency	[]
19.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
20.	Calculation Agent	[]
21.	Specified Office of the Calculation Agent	[]
22.	Paying Agent	[]
23.	Specified Office of the Paying Agent	[]
24.	Transfer Agent	[]
25.	Specified Office of the Transfer Agent	[]
26.	Settlement Agent	[]
27.	Specified Office of the Settlement Agent	[]
28.	Issuer Agent	[]
29.	Specified Office of the Issuer Agent	[]
30.	Final Redemption Amount	[]

PARTLY PAID NOTES

[Applicable] / [Not Applicable]

31. Partly Paid Note Provisions

- (a) Amount of each payment comprising the Issue Price []
- (b) Date upon which each payment is to be made by Noteholder []
- (c) Consequences (if any) of failure to make any such payment by Noteholder []
- (d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [] per cent

INSTALMENT NOTES

[Applicable] / [Not Applicable]

32. Instalment Note Provisions

- (a) Instalment Dates []
- (b) Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes) []

FIXED RATE NOTES

[Applicable] / [Not Applicable]

33. Fixed Rate Note Provisions

- (a) Fixed Interest Rate [] per cent, per annum
- (b) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (c) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest

- Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (d) Initial Broken Amount []
 - (e) Final Broken Amount []
 - (f) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]
 - (g) Day Count Fraction []
 - (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

[Applicable] / [Not Applicable]

34. Floating Rate Note Provisions

- (a) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (b) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (c) Definitions of Business Day (if different from that set out in Condition 1 (*Interpretation*) of the Terms and Conditions) []
- (d) Minimum Interest Rate [] per cent
- (e) Maximum Interest Rate [] per cent
- (f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if []

different from Condition 6
(Interest) of the Terms and
Conditions)

35. Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
36. Margin [(+/-) • per cent to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
37. If ISDA Determination
- (a) Floating Rate []
 - (b) Floating Rate Option []
 - (c) Designated Maturity []
 - (d) Reset Date(s) []
38. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [e.g. ZAR-JIBAR-SAFEX]
 - (b) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]
 - (c) Relevant Screen Page and Reference Code []
39. If Interest Rate to be calculated otherwise than by reference to the previous 2 subparagraphs, insert basis for determining Interest Rate/Margin/Fall back provisions []
40. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []

MIXED RATE NOTES

[Applicable] / [Not Applicable]

41. Mixed Rate Note Provisions:

Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: []

- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []

(c) Indexed Notes []

(d) Other Notes []

ZERO COUPON NOTES [Applicable] / [Not Applicable]

42. Zero Coupon Note Provisions

(a) Implied Yield []

(b) Reference Price []

(c) Any other formula or basis for determining amount(s) payable []

INDEXED NOTES [Applicable] / [Not Applicable]

43. Indexed Notes Provisions

(a) Type of Indexed Notes [Indexed Interest Notes/Index Redemption Amount Notes]

(b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined Name of Index: []

Index Code: []

Index Currency: []

Index Sponsor: []

Index Calculator: []

The Index ground rules document is available at www. []

Any change to the Index methodology will be published on SENS and communicated to the JSE. All other changes as detailed in the ground rules document will be published on the Index Calculator's website, www.[]

The Index Level is published [daily/monthly] on www.[]

(c) Index of Indices [Yes/No]

(If yes, complete the below information for each underlying index)

[Underlying Indices: []

The Index Level is published [daily/monthly] on www.[]

- (d) Manner in which the Interest Amount/Final Redemption Amount is to be determined []
The Index Level is published [daily/monthly] on www.[]
- (e) Initial Index Level []
- (f) Interest Period Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (g) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●]
- (h) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]
- (i) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []
- (j) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []

EXCHANGEABLE NOTES

[Applicable] / [Not Applicable]

44. Exchangeable Notes Provisions

- (a) Mandatory Exchange applicable? [Yes/No]
- (b) Noteholders' Exchange Right applicable? [Yes/No]
- (c) Exchange Securities []
- (d) Manner of determining Exchange Price []
- (e) Exchange Period []

(f) Other []

OTHER NOTES [Applicable] / [Not Applicable]

45. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes or Exchangeable Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes []

PROVISIONS REGARDING REDEMPTION

46. Redemption at the option of the Issuer (Call Option): if yes: [Yes/No]

(a) First Optional Redemption Date (Call) []

(b) Optional Redemption Date(s) (Call) []

(c) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) []

(d) Minimum period of notice (if different to Condition 10.3 (*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions) []

(e) If redeemable in part:
Minimum Redemption Amount(s) []
Higher Redemption Amount(s) []

(f) Other terms applicable on Redemption []

47. Redemption at the option of the Noteholders (Put Option): If yes: [Yes/No]

(a) Optional Redemption Date(s) (Put) []

- (b) Optional Redemption Amount(s) []
(Put) and method, if any, of calculation of such amount(s)
- (c) Minimum period of notice (if []
different to Condition 10.3
(*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions)
- (d) If redeemable in part:
- Minimum Redemption []
Amount(s) []
Higher Redemption Amount(s)
- (e) Other terms applicable on []
Redemption
- (f) Attach *pro forma* put notice(s)
48. Early Redemption Amount(s) []
- (a) Early Redemption Amount [Principal Amount plus accrued interest (if any)
(Regulatory) to the date fixed for redemption]
- (b) Early Redemption Amount (Tax) [Principal Amount plus accrued interest (if any)
to the date fixed for redemption]
- (c) Early Termination Amount [Principal Amount] / [Other specified amount] /
[In the case of Zero Coupon Notes: either: (i) the amount calculated in terms of Condition 10.6
(*Early redemption of Zero Coupon Notes*) of these Terms and Conditions; or (ii) other
specified amount]
49. Do the General Terms and Conditions or [Yes]/[No]
the provisions of this Applicable Pricing Supplement provide for automatic
redemption of the Notes upon the occurrence of a trigger event(s)? If yes: [Early Redemption Date of the Note will be a
minimum of 5 (five) Business Days after the date on which the Trigger Event occurred and
such Early Redemption Date will be announced on SENS one Business Day after the Trigger
Event occurred]]
- (a) Trigger Event(s) []
- (b) Early Redemption Date []
- GENERAL**
50. Additional selling restrictions []

51. Additional terms or special conditions [] / [Not applicable]
52. (a) International Securities Identification Numbering (ISIN) []
- (b) Stock Code []
53. Financial Exchange []
54. Clearing System [Strate Proprietary Limited]
55. Method of distribution []
56. If syndicated, names of managers
57. Receipts attached? If yes, number of Receipts attached [Yes/No]
[]
58. Coupons attached? If yes, number of Coupons attached [Yes/No]
[]
59. Talons attached? If yes, number of Talons attached [Yes/No]
[]
60. Issuer rating and date of issue []
61. Credit Rating assigned to [the Issuer] / [the Programme] / [the Notes] (if any), date of such rating and date for review of such rating []
62. Rating Agency (if any) []
63. Stripping of Receipts and/or Coupons prohibited as provided in Condition 14.4 (*Prohibition on stripping*) of the Terms and Conditions? [Yes/No]
64. Governing law (if the laws of South Africa are not applicable) [] / [Not Applicable]
65. Other Banking Jurisdiction []
66. Last Day to Register, which shall mean that the “Books Closed Period” (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption [Not applicable] [By 17h00 on []] or if such day is not a Business Day, the Business Day before each Books Closed Period, in each year until the Maturity Date]

67.	Books Closed Period	[The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date] / []
68.	Debt Sponsor	[]
69.	Stabilisation Manager (if any)	[]
70.	Pricing Methodology	[]
71.	Authorised amount of the Programme	[]
72.	Aggregate Outstanding Principal Amount of all Notes in issue on the Issue Date of this Tranche (excluding the current issue and any other Note(s) issued on the Issue Date)	[]
73.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any)	[]
74.	Negative Pledge	Condition 22 (<i>Negative Pledge</i>) [Applicable] / [Not Applicable]
75.	Material Changes	The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest [audited financial statements/ unaudited interim financial statements], dated []. As at the date of this Applicable Pricing Supplement, there has been no involvement by [], the auditor of the Issuer, in making the aforementioned statement
76.	Exchange control approval	[Applicable/Not Applicable]
77.	Use of proceeds	[]/[General corporate purposes]/[The Notes are intended to be issued as [Green Bonds]/[Social Bonds]/[Sustainable Bonds], [further particulars (including investment category of [Green]/[Social]/[Sustainable] Projects] and eligibility criteria) to be provided]

RESPONSIBILITY

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Laws and,

in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (and any amendments or supplements to the aforementioned documents from time to time). The JSE makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (any amendments or supplements to the aforementioned documents from time to time).

The JSE's approval of the registration of this Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the aggregate Principal Amount of all Notes Outstanding under this Programme does not exceed ZAR50,000,000,000, being the maximum aggregate Principal Amount of the Notes that may be issued under the Programme.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE Appendix “A”

Application [is hereby] / [will not be] made to list this issue of Notes on **[insert date]** pursuant to the Absa Group Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on [...] 2021.

ABSA GROUP LIMITED

By: _____

By: _____

Name:

Name:

Capacity: Authorised Signatory

Capacity: Authorised Signatory

Date: _____

Date: _____

APPENDIX “A”

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) [the Issuer has not issued any Notes/the Outstanding Principal Amount of all Notes issued by the Issuer is R[]; and
- (b) [it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year/it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R[] during the remainder of its current financial year ended [], in addition to the Notes forming part of this issue of Notes].

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

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

Paragraph 3(5)(i)

The Notes are [secured/unsecured].

Paragraph 3(5)(j)

Ernst & Young, the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the “business of a bank” in terms of Section 1 of the Banks Act, 1990).

TERMS AND CONDITIONS OF THE UNSUBORDINATED NOTES

The following are the Terms and Conditions of the Unsubordinated Notes to be issued by the Issuer (the “General Terms and Conditions”). Unsubordinated Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Unsubordinated Notes. Before the Issuer issues any Tranche of Unsubordinated Notes, the Issuer shall complete, sign and deliver to the JSE and the Central Securities Depository an Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (included in the Programme Memorandum headed “Pro Forma Applicable Pricing Supplement of the Unsubordinated Notes”), setting out details of such Unsubordinated Notes. The Applicable Pricing Supplement in relation to any Tranche of Unsubordinated Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following General Terms and Conditions, replace or modify the following General Terms and Conditions for the purpose of such Tranche of Unsubordinated Notes. The General Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Certificate evidencing any Unsubordinated Notes.

1. INTERPRETATION

- | | | |
|-----|---------------------------|---|
| 1.1 | “Absa Bank” | Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06; |
| 1.2 | “Absa Group” | the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer; |
| 1.3 | “Absa CIB” | Absa Bank Limited, acting through its Corporate and Investment Banking division; |
| 1.4 | “Agency Agreement” | the amended and restated agency agreement dated 3 September 2021 concluded between the Issuer, the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, or a separate agreement between the Issuer and each of the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, unless the Issuer itself acts in any of the abovementioned capacities; |
| 1.5 | “Applicable Laws” | In relation to a person, means all and any: <ul style="list-style-type: none">1.5.1 statutes and subordinate legislation;1.5.2 regulations, ordinances and directives;1.5.3 by-laws;1.5.4 codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and1.5.5 other similar provisions, from time to time; |

1.6	“Applicable Pricing Supplement”	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed “ <i>Pro Forma Applicable Pricing Supplement of the Unsubordinated Notes</i> ”;
1.7	“Applicable Procedures”	the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents, the JSE and/or any Financial Exchange, as the case may be;
1.8	“Arranger”	Absa CIB;
1.9	“Assets”	the total amount of the non consolidated gross assets of the Issuer as shown in the latest published audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditors of the Issuer or a liquidator, judicial manager, administrator or curator of the Issuer (if applicable) may determine;
1.10	“Banks Act”	the Banks Act, 1990;
1.11	“Bearer”	the bearer of a Certificate evidencing a Bearer Note or of a Receipt or Coupon attached to such Certificate on issue;
1.12	“Bearer Note”	a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 14.2 (<i>Transfer of Bearer Notes</i>) and the term “ <i>Bearer Note</i> ” shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Bearer Note;
1.13	“Beneficial Interest”	in relation to a Note, an interest as co-owner of an undivided share in an Uncertificated Note, in accordance with the Financial Markets Act;
1.14	“Books Closed Period”	in relation to a Tranche of Notes, the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of the Notes will not be recorded in the Register, or such other shorter period as the Issuer may decide to determine those Noteholders entitled to receive interest or redemption monies;
1.15	“Business Day”	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act,

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

- 1.16 **“Calculation Agent”** Absa CIB unless the Dealer, or in the case of a syndicated issue, the lead manager, requests the Issuer to appoint or the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity shall act, on execution of the Agency Agreement, as a Calculation Agent in respect of that Tranche or Series of Notes;
- 1.17 **“Call Option”** has the meaning given in the Applicable Pricing Supplement;
- 1.18 **“Central Securities Depository”** Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, operating in terms of the Financial Markets Act a central securities depository, or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE;
- 1.19 **“Certificate”** a Definitive Certificate;
- 1.20 **“Commercial Paper Regulations”** the Commercial Paper Regulations published in terms of the Banks Act, 1990 under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;
- 1.21 **“Companies Act”** the Companies Act, 2008;
- 1.22 **“Coupon”** an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached on issue to the Certificate evidencing such interest bearing Note and any reference to a Coupon shall, unless the context otherwise requires, be deemed to include a reference to a Talon;
- 1.23 **“Dealer”** Absa CIB and/or any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer;

1.24	“Definitive Certificate”	means:
		1.24.1 in respect of Registered Notes: a Note in the definitive registered form of a single certificate and, a certificate exchanged for a Beneficial Interest in the Notes in accordance with Condition 14 (<i>Transfer of Notes</i>) and any further certificate issued in consequence of a transfer thereof;
		1.24.2 in respect of Bearer Notes: a Note in the definitive bearer form of a single Certificate together with Coupons and/or Receipts, if applicable; or
		1.24.3 in respect of Order Notes: a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;
1.25	“Early Redemption Amount (Regulatory)”	in respect of each Note in a Tranche of Subordinated Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) to the date fixed for redemption or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.26	“Early Redemption Amount (Tax)”	in respect of each Note in a Tranche of Notes (other than a Tranche of Zero Coupon Notes), its Principal Amount (or the relevant part thereof) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be, and, in respect of a Zero Coupon Note, the amount calculated in accordance with Condition 10.6 (<i>Early redemption of Zero Coupon Notes</i>) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.27	“Early Termination Amount”	in respect of each Note in a Tranche of Notes (other than a Tranche of Zero Coupon Notes), its Principal Amount (or the relevant part thereof) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be, and, in respect of a Zero Coupon Note, the amount calculated in accordance with Condition 10.6 (<i>Early redemption of Zero Coupon Notes</i>) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.28	“Endorsement”	an “indorsement”, <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 1964;

1.29	“Endorsement in Blank”	an Endorsement which specifies no named Payee;
1.30	“Event of Default”	any of the events described in Condition 12 (<i>Events of Default</i>);
1.31	“Exchangeable Notes”	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
1.32	“Exchange Period”	in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
1.33	“Exchange Price”	the value indicated in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
1.34	“Exchange Securities”	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
1.35	“Extraordinary Resolution”	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, holding not less than 66.67% of the Principal Amount of the Notes or of the Notes in that relevant Series, as the case may be, for the time being Outstanding, present in person or by proxy voting thereat upon a show of hands or if a poll be duly demanded, then by a majority consisting of not less than 66.67% of the votes given on such poll;
1.36	“Extraordinary Written Resolution“	a resolution passed other than at a meeting of Noteholders or Noteholders of the relevant Series of Notes, with the written consent of the Noteholders holding not less than 66.67% of the Principal Amount of the Notes or of the Notes in that relevant Series of Notes, as the case may be, for the time being Outstanding. A resolution of Noteholders or members of the relevant class of Noteholders shall state the date that the Issuer selected to determine which Noteholders recorded in the Register will receive notice of the written resolution;
1.37	“Final Redemption Amount”	in respect of any Note, its Principal Amount or such other amount as may be specified in, or determined in

		accordance with, the Applicable Pricing Supplement, upon final redemption thereof;
1.38	“Financial Exchange”	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.39	“Financial Markets Act”	the Financial Markets Act, 2012;
1.40	“First Optional Redemption Date”	has the meaning given in the Applicable Pricing Supplement;
1.41	“Fixed Interest Rate”	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.42	“Fixed Rate Notes”	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.43	“Floating Rate Notes”	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.44	“Group”	the Issuer and its consolidated subsidiaries taken as a whole;
1.45	“Green Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that promote climate friendly and other environmental purposes meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.46	“Income Tax Act”	the Income Tax Act, 1962;
1.47	“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
1.48	“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula, as specified in the Applicable Pricing Supplement;
1.49	“Indexed Note”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
1.50	“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula, as specified in the Applicable Pricing Supplement;
1.51	“Individual Certificate”	1.51.1 in respect of Registered Notes: a Note in the definitive registered form of a single certificate and, in respect of Registered Notes, being a certificate exchanged for a

		Beneficial Interest in accordance with Condition 13 (<i>Delivery, Exchange and Replacement of Certificates, Receipts and Coupons</i>) and any further certificate issued in consequence of a transfer thereof;
		1.51.2 in respect of Bearer Notes: a Note in the definitive bearer form of a single certificate together with Coupons and/or Receipts, if applicable; or
		1.51.3 in respect of Order Notes: a Note in the definitive order form of a single certificate together with Coupons and/or Receipts, if applicable;
1.52	“Instalment Amount”	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
1.53	“Instalment Notes”	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
1.54	“Interest Amount”	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Conditions 6.1 (<i>Interest on Fixed Rate Notes</i>), 6.2 (<i>Interest on Floating Rate Notes</i>), 6.2F (<i>Determination of Interest Rate and calculation of Interest Amount</i>) and 6.4 (<i>Indexed Notes</i>) respectively;
1.55	“Interest Commencement Date”	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
1.56	“Interest Payment Date”	the date(s) specified as such in the Applicable Pricing Supplement, or if no express such date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding date upon which Interest Amounts are due and payable (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
1.57	“Interest Period”	if applicable in relation to a Tranche or Series of Notes, the interest period(s) specified as such in the Applicable Pricing Supplement;
1.58	“Interest Rate”	the rate or rates of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes;

1.59	“Interest Rate Market of the JSE”	the separate platform or sub-market of the JSE designated as the “ <i>Interest Rate Market</i> ”, or any other successor market designated by the JSE for the listing of debt securities, and on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
1.60	“ISDA”	International Swaps and Derivatives Association, Inc.;
1.61	“ISDA Definitions”	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.62	“Issue Date”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.63	“Issuer”	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.64	“Issuer Agent”	Absa Bank Limited, or such other entity appointed as Issuer Agent by the Issuer from time to time, where such Issuer Agent is appointed for purposes of the debt instrument solution system of the Central Securities Depository.
1.65	“Issuer Ordinary Shares”	the ordinary shares in the share capital of the Issuer;
1.66	“JSE”	means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;
1.67	“JSE Debt Guarantee Fund Trust”	the Guarantee Fund Trust established and operated by the JSE as a separate Guarantee Fund Trust, in terms of the rules of the JSE, as required by sections 8(1)(h) and 15(2) of the Financial Markets Act or any successor fund;
1.68	“JSE Debt Listings Requirements”	means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE;
1.69	“Last Day to Register”	with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the close of business on the Business Day immediately preceding the first day of a Books Closed Period;
1.70	“Mandatory Exchange”	if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange

Securities to the relevant Noteholders of Exchangeable Notes;

1.71 **“Margin”** has the meaning ascribed thereto in the Applicable Pricing Supplement;

1.72 **“Material Subsidiary”** any subsidiary of the Issuer:

1.72.1 whose gross revenues (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less than 10 percent. of the consolidated gross revenues of the Group, all as calculated by reference to the last audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or

1.72.2 whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less than 10 percent. of the consolidated total assets of the Group, all as calculated by reference to the latest audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or

1.72.3 to which is transferred the whole or substantially the whole of the undertaking and assets of a subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary of the Issuer (whereupon such transferor subsidiary shall cease to be a Material Subsidiary until the next publication of audited consolidated accounts of the Issuer following such transfer),

provided that

(a) in the case of a subsidiary acquired or an entity which becomes a subsidiary after the end of the financial period to which the latest audited consolidated accounts of the Issuer relate, the reference to the latest audited consolidated accounts for the purposes of the calculation above shall, until audited consolidated accounts of the issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a subsidiary, be deemed to be a reference to the latest consolidated accounts of the Issuer adjusted in such manner as the

Issuer shall consider appropriate to consolidate the latest audited accounts of such subsidiary in such accounts; and

- (b) a certificate signed by two directors of the issuer that in their opinion a subsidiary of the issuer is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding;

1.73	“Maturity Date”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.74	“Maximum Interest Rate”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.75	“Minimum Interest Rate”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.76	“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.3 (<i>Mixed Rate Notes</i>);
1.77	“Noteholders”	the holders of the Notes who are recorded as the Registered Holders of the Registered Notes (in the Register or the Uncertificated Securities Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
1.78	“Noteholders’ Exchange Right”	if indicated in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
1.79	“Notes”	the notes issued or to be issued by the Issuer under the Programme;
1.80	“Optional Redemption Amount (Call)”	in respect of any Note, its Principal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
1.81	“Optional Redemption Amount (Put)”	in respect of any Unsubordinated Note, its Principal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
1.82	“Optional Redemption Date (Call)”	has the meaning given in the Applicable Pricing Supplement;

- 1.83 **“Optional Redemption Date (Put)”** has the meaning given in the Applicable Pricing Supplement;
- 1.84 **“Order Note”** a Note payable to the Payee thereof, transferable by way of Endorsement and delivery in accordance with Condition 14.3 (*Transfer of Order Notes*) and the term “Order Note” shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Order Note;
- 1.85 **“Ordinary Resolution”** a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;
- 1.86 **“Ordinary Shares”** ordinary shares in the issued share capital of the Issuer;
- 1.87 **“Outstanding”** in relation to the Notes, all the Notes issued other than:
- 1.87.1 those which have been redeemed in full;
- 1.87.2 those in respect of which the date for redemption in accordance with these Terms and Conditions or the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions has occurred and the redemption monies (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions or the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions after such date) remain available for payment against presentation of Certificates;
- 1.87.3 those which have been purchased and cancelled as provided in Condition 10.7 (*Purchase*) of these Terms and Conditions, Condition 11.9 (*Purchase*) of the Tier 2 Terms and Conditions or Condition 11.8 (*Purchase*) of the Additional Tier 1 Terms and Conditions;
- 1.87.4 those which have become prescribed under Condition 9 (*Prescription*) of these Terms and Conditions, Condition 10 (*Prescription*) of the Tier 2 Terms and Conditions or Condition 10 (*Prescription*) of the Additional Tier 1 Terms and Conditions;

1.87.5 Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of these Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the Tier 2 Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates*) of the Additional Tier 1 Terms and Conditions;

1.87.6 (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of these Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the Tier 2 Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates*) of the Additional Tier 1 Terms and Conditions,

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the Noteholders; and
- (b) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 18 (*Meetings of Noteholders*) and 19 (*Amendment of these Conditions*) of these Terms and Conditions,

all:

- (i) Notes (if any) which are for the time being held by the Issuer (subject to any applicable laws) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held); and
- (ii) Receipts and Coupons,

		shall be deemed not to be Outstanding;
1.88	“Participants”	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;
1.89	“Partly Paid Notes”	Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as indicated in the Applicable Pricing Supplement);
1.90	“Payee”	a person reflected (either as the subscriber or by way of Endorsement) as the payee on a Certificate evidencing an Order Note or a Receipt or Coupon attached thereto on issue and to whom such Certificate, Receipt or Coupon (as the case may be) has been delivered;
1.91	“Paying Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes;
1.92	“Payment Day”	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
1.93	“Principal Amount”	the nominal amount of each Note specified on the Certificate evidencing such Note;
1.94	“Programme”	the ZAR50,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.95	“Programme Memorandum”	this document dated 3 September 2021, as amended and/or supplemented from time to time;
1.96	“Prudential Authority”	the Prudential Authority in accordance with the Banks Act (previously the Registrar of Banks);
1.97	“Put Option”	has the meaning given in the Applicable Pricing Supplement;
1.98	“Put Option Notice”	a notice which must be delivered to the Paying Agent by any Noteholder wanting to exercise a right to redeem an Unsubordinated Note at the option of the Noteholder;
1.99	“Rating Agency”	means any rating agency(ies) as is/are appointed by the Issuer to provide a credit rating from time to time and as specified in the Applicable Pricing Supplement;

1.100	“Receipt”	a receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note which is a Bearer Note or Order Note, attached upon issue to the Certificate evidencing such Instalment Note;
1.101	“Redemption Amount”	as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Applicable Pricing Supplement;
1.102	“Redemption Date”	each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of the Terms and Conditions;
1.103	“Reference Rate”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.104	“Register”	the register maintained by the Transfer Agent in terms of Condition 15 (<i>Register</i>);
1.105	“Registered Holder”	means: <ul style="list-style-type: none"> 1.105.1 in respect of Registered Notes held in uncertificated form in the Central Securities Depository, the person whose name is entered into the Uncertificated Securities Register as the holder of such Registered Notes in a Tranche of Notes; and 1.105.2 in respect of Registered Notes represented by an Individual Certificate, the person whose name is entered into the Register as the holder of such Registered Notes in a Tranche of Notes;
1.106	“Registered Note”	a Note issued in registered form and transferable in accordance with Condition 14.1 (<i>Transfer of Registered Notes</i>);
1.107	“Relevant Date”	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Securities Depository in accordance with these Terms and Conditions, it means the first date on which: (a) the full amount of such monies have been received by the Central Securities Depository; (b) such monies are available for payment to the holders of Beneficial Interests; and (c) notice to that effect has been duly

		given to such holders in accordance with the Applicable Procedures;
1.108	“Relevant Screen Page”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.109	“Representative”	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such person, in the absence of express notice to the contrary from such Noteholder;
1.110	“SARB”	the South African Reserve Bank;
1.111	“Screen Rate Determination”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.112	“SENS”	the Stock Exchange News Service established by the JSE;
1.113	“Series”	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
1.114	“Settlement Agents”	means those Participants which are authorised by the Central Securities Depository, or any other licensed central securities depository from time to time, in terms of the relevant Applicable Procedures, as settlement agents to perform electronic settlement of funds and scrip on behalf of market participants;
1.115	“Social Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that are aimed at reducing economic and social inequality meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.116	“South Africa”	the Republic of South Africa;
1.117	“Specified Currency”	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on the JSE, subject to the rules and applicable listings requirements of the JSE, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;
1.118	“Specified Denomination”	has the meaning given in the Applicable Pricing Supplement;

1.119	“Specified Office”	in relation to each of the Issuer, the Calculation Agent, Paying Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of the Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
1.120	“Sustainability Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that have both a positive environmental and social impact meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.121	“Talon”	a talon entitling the holder to receive further Coupons in relation to an interest bearing Bearer Note or Order Note, if indicated in the Applicable Pricing Supplement, attached to the Certificate evidencing such interest bearing Note;
1.122	“Tax Event”	an event where, (a) as a result of a Tax Law Change, (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 11 (Taxation); or (ii) in respect of the Issuer’s obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, or (b) other than as a result of a Tax Law Change, the Issuer’s treatment of the interest payable by it on the Notes as a tax deductible expense for South African income tax purposes as reflected on the tax returns (including provisional tax returns) filed (or to be filed) by the Issuer is not accepted by the South African Revenue Service, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);
1.123	“Tax Jurisdiction”	South Africa or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction in which payments by the Issuer become subject to tax;
1.124	“Tax Law Change”	a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of

		South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date;
1.125	“Terms and Conditions”	the terms and conditions incorporated in this section headed <i>“Terms and Conditions of the Unsubordinated Notes”</i> and in accordance with which the Unsubordinated Notes will be issued;
1.126	“Tranche”	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
1.127	“Transfer Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent, in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Notes;
1.128	“Transfer Form”	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
1.129	“Trigger Event”	an event specified as a “trigger event” by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.130	“Uncertificated Notes”	a Note which is uncertificated as contemplated in Section 33 of the Financial Markets Act;
1.131	“Uncertificated Securities Register”	has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
1.132	“Unsubordinated Notes”	Notes issued with the status and characteristics set out in Condition 5 (<i>Status</i>) as specified in the Applicable Pricing Supplement;
1.133	“ZAR”	the lawful currency of South Africa, being South African Rand, or any successor currency;
1.134	“ZAR-JIBAR-SAFEX”	the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEX Page as at 12h00, South African time, on the relevant date, or any successor rate; and
1.135	“Zero Coupon Notes”	Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

In these Terms and Conditions, unless inconsistent with the context, any reference to:

- 1.135.1 one gender include a reference to the others;
- 1.135.2 the singular includes the plural and *vice versa*;
- 1.135.3 natural persons include juristic persons and vice versa;
- 1.135.4 a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- 1.135.5 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly;
- 1.135.6 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.135.7 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.135.8 **assets** includes present and future properties, revenues and rights of every description;
- 1.135.9 **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- 1.135.10 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.135.11 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.135.12 a default being **continuing** means that it has not been remedied or waived;
- 1.135.13 a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- 1.135.14 a time of day is a reference to South African time.

If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause.

Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions.

The use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples.

The rule of construction that an agreement is to be interpreted against the party responsible for the drafting or preparation thereof must not be used in the interpretation of these Terms and Conditions.

2. ISSUE

Subject to the prior consent of the Prudential Authority (to the extent required by Applicable Laws), Notes may be issued by the Issuer at any time and from time to time (without the consent of the Noteholder) in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.

The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Terms and Conditions for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions, replace, modify or supplement these Terms and Conditions for the purpose of such Tranche of Notes.

The Issuer may issue listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by the JSE. Listed Registered Notes will be listed on the Interest Rate Market on the JSE and/or on such other further Financial Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

The holders of Registered Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.

3. FORM AND DENOMINATION

3.1 General

3.1.1 Notes will be issued as Registered Notes, Bearer Notes or Order Notes.

3.1.2 All payments in relation to the Notes will be made in the Specified Currency.

3.1.3 Each Note shall be an Unsubordinated Note, as indicated in the Applicable Pricing Supplement. Any Note may be a Partly Paid Note, Instalment Note or an Exchangeable Note.

3.1.4 Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.

3.1.5 Notes will be issued in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement, provided that the Notes shall not be issued in denominations of less than ZAR1,000,000.

3.2 **Registered Notes**

3.2.1 The Notes in a Tranche of Registered Notes will be issued in (i) the form of Definitive Certificates registered in the name, and for the account of, the relevant Noteholder, or (ii) uncertificated form, and held in the Central Securities Depository in terms of the Financial Markets Act, and registered in the name, and for the account of, the Registered Holder. The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

3.2.2 An owner of a Beneficial Interest in the Notes shall be entitled to exchange such Beneficial Interest for a Definitive Certificate in accordance with Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*).

3.3 **Bearer Notes and Order Notes**

Bearer Notes or Order Notes will be evidenced by Definitive Certificates. Bearer Notes or Order Notes, other than Zero Coupon Notes, may have Coupons and (if indicated in the Applicable Pricing Supplement) Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes may have Receipts attached to the Certificate on issue.

4. **TITLE**

4.1 **Registered Notes**

4.1.1 Subject as set out below, title to Registered Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 14.1 (*Transfer of Registered Notes*).

4.1.2 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Registered Holder as the sole and absolute owner of the Notes registered in that Registered Holder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

4.1.3 Each person recorded in the Uncertificated Securities Register as a Registered Holder of a particular Tranche of uncertificated Registered Notes will be treated by the Issuer, the Transfer Agent and the Paying Agent as the holder of that aggregate nominal amount of such uncertificated Registered Notes for all purposes.

4.1.4 Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository for such Participants.

4.1.5 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.

4.1.6 A certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be prima facie proof of such Beneficial Interest.

4.1.7 Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

4.1.8 Any reference in these Terms and Conditions to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

4.2 **Bearer Notes**

4.2.1 Title to Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will pass by delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 14.2 (*Transfer of Bearer Notes*). The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Bearer of any such Certificate, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

4.2.2 Title to Bearer Notes is subject to the Bearer obtaining the exemption from the National Treasury in respect of the prohibition on dealing in bearer securities as set out in regulation 14 of the Exchange Control Regulations.

4.3 **Order Notes**

4.3.1 Title to Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will initially pass by Endorsement and delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 14.3 (*Transfer of Order Notes*) Any Certificate evidencing an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as it is not subject to further Endorsement.

4.3.2 The Issuer, the Transfer Agent and the Paying Agent may deem and treat the person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereof as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority.

4.3.3 Provided the Issuer pays any amount due upon presentation and surrender of a Certificate evidencing an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

5. **STATUS**

5.1 **Application:** This Condition 5 applies only to Unsubordinated Notes.

5.2 **Status of the Unsubordinated Notes:** The Unsubordinated Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 22 (*Negative*

Pledge) unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

6. INTEREST

6.1 Interest on Fixed Rate Notes

6.1.1 Unless otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a 6-monthly basis, on the Interest Payment Dates.

6.1.2 Each Fixed Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the rate(s) per annum equal to the Fixed Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the Maturity Date if such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.

6.1.3 The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount for half yearly interest payments shall be calculated by multiplying the Interest Rate by the Principal Amount (or, if it is a Partly Paid Note, the amount paid up) of the Fixed Rate Note and then dividing such product by 2 (the resultant sum will be rounded to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards), provided that:

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

Save as provided in the preceding paragraphs, interest will be calculated in accordance with the Interest Period as specified in the Applicable Pricing Supplement for the Fixed Rate Notes, however in any other instance, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such product by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

6.2 Interest on Floating Rate Notes

A. Interest Rate

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

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or

(c) on such other basis as may be determined by the Issuer,
all as specified in the Applicable Pricing Supplement.

B. *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 6.2B:

“**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

“**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those expressions in the ISDA Definitions.

When this Condition 6.2B applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 6.2F (*Determination of Interest Rate and calculation of Interest Amount*) in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 6.2B.

C. *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE’s approved methodology,

for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 12h00 (South African time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If 5 or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (a) above, no such offered quotation appears or, in the case of paragraph (b) above, fewer than 3 such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South African time) on the Interest Determination Date in question. If 2 or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 6.2C, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any 2 or more of them, at which such banks offered, at approximately 12h00 (South African time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than 2 of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (South African time) on the relevant Interest Determination Date, by 4 leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.2C, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than the ZAR-

JIBAR-SAFEX rate, the Interest Rate in respect of such Notes will be determined, in the manner provided above, or as may be provided in the Applicable Pricing Supplement.

“**Reference Banks**” means for the purposes of this Condition 6.2C the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

D. *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement 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 and/or if it 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.

E. *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, on the amount paid up) from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s).

F. *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount (or, if it is a Partly Paid Note, on the amount paid up), then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means, in respect of the calculation of the Interest Amount for any Interest Period:

- (a) if “**Actual/365**” is specified in the Applicable Pricing Supplement, the actual number of elapsed days (including the first day and excluding the last day of such Interest Period) in the Interest Period divided by 365; or
- (b) such other calculation method as is specified in the Applicable Pricing Supplement.

G. *Notification of Interest Rate and Interest Amount*

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, any Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any

central securities depository in which Certificates in respect of the notes are immobilised, as soon as possible after their determination but not later than the 4th Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, each Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any central securities depository in which Certificates in respect of the Notes are immobilised.

H. *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Calculation Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Calculation Agent and in the event that Noteholders holding not less than 25% in aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within 5 Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 6.2G (*Notification of Interest Rate and Interest Amount*), such determination shall not be regarded as final and upon such notification, the Issuer shall request the chief executive officer for the time being of the JSE to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly as an expert and not as an arbitrator and their determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer in the event that the determination of such third party differs from that of the Issuer as Calculation Agent and shall be borne by the Noteholders disputing such determination by the Issuer in the event that the determination of such third party confirms that of the Issuer as Calculation Agent.

6.3 **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. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

6.4 **Indexed Notes**

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

6.5 **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 Principal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

6.6 **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 continue to accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEX page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the monies payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 17 (*Notices*).

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 6.2C (*Screen Rate Determination*) to ascertain a rate.

6.7 **Notes listed on the JSE**

The amount of any interest payable in respect of the Notes in terms of this Condition 6 will be announced on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

6.8 **Business Day Convention**

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement 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:

- (a) in the case of unlisted Notes only, 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 6.2E (*Interest Payment Dates*), 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 after the preceding applicable Interest Payment Date (or other date) has occurred; or

- (b) 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
- (c) 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
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

6.9 **General**

6.9.1 **Calculation of other Amounts**

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to a Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will soon as practicable after the time or times at which any such amount, rate, index and or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

6.9.2 **Fall-back Rate of Interest**

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 6, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

6.9.3 **Certificates to be final**

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

7. **PAYMENTS**

7.1 **Registered Notes**

- 7.1.1 Payments of interest and principal in respect of Uncertificated Notes will be made to the Registered Holder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant

Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the Registered Holder of the relevant Notes. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Uncertificated Notes shall be recorded by the Registered Holder of such Notes, distinguishing between interest and principal, and such record of payments by the Registered Holder of such Notes shall be *prima facie* proof of such payments.

7.1.2 Payments of interest and principal in respect of Notes represented by Definitive Certificates shall be made to the person reflected as the Registered Holder of the Definitive Certificate in the Register on the Last Day to Register.

7.2 **Bearer Notes**

7.2.1 Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate.

7.2.2 Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Bearer Notes which are Instalment Notes, or of the principal of all other Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate evidencing such Bearer Notes.

7.2.3 Upon presentation and/or surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

7.3 **Order Notes**

7.3.1 Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon or (in respect of interest bearing Order Notes issued without Coupons) only against presentation by the Payee or its Representative of the relevant Certificate.

7.3.2 Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Order Notes which are Instalment Notes, or of the principal of all other Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate evidencing such Order Notes.

7.3.3 Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

7.4 **Method of Payment**

7.4.1 Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.

7.4.2 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph by reason of the occurrence of a strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer (each a "**Payment Disruption Event**"), then:

7.4.2.1 the Issuer shall as soon as practicable notify the Noteholders of the relevant Notes of the occurrence of such Payment Disruption Event in accordance with Condition 17 (*Notices*); and

7.4.2.2 the:

- (a) Issuer's obligation to pay the interest or principal or any such other amounts in respect of the relevant Notes (the "**Affected Amount**") shall be postponed to; and
- (b) date on which any such Affected Amount shall be due and payable in respect of the relevant Notes shall be extended to,

a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 17 (*Notices*) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Noteholders in accordance with Condition 17 (*Notices*).

7.4.3 In the case of joint Noteholders of Registered Notes payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

7.4.4 Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

7.5 **Surrender of Certificates and Coupons**

7.5.1 On or before the Last Day to Register prior to any Redemption Date of a Registered Note (including a Redemption Date relating to redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

7.5.2 In the case of the Uncertificated Notes, redemptions in part will be handled in accordance with the Applicable Procedures.

7.5.3 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary

Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

- 7.5.4 Payments of interest in respect of Bearer Notes or Order Notes shall be made in accordance with Condition 7.4 (*Method of Payment*) only following surrender of the relevant Coupon (if any) to the Paying Agent.
- 7.5.5 Payments of Instalment Amounts in respect of Instalment Notes which are Bearer Notes or Order Notes shall be made by the Issuer in accordance with Condition 7.4 (*Method of Payment*) only following surrender of the relevant Receipt to the Paying Agent.
- 7.5.6 No payment in respect of the final redemption of a Bearer Note or Order Note shall be made until the later of:
- (a) the Relevant Date; and
 - (b) the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.
- 7.5.7 Upon final redemption as aforesaid, all unmatured Coupons relating to Bearer Notes or Order Notes, as the case may be, (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.
- 7.5.8 Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the Specified Office of the Paying Agent specified in the Applicable Pricing Supplement.

7.6 **Payment Day**

Notwithstanding anything to the contrary contained in these Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then:

- (a) if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and
- (b) if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention and Interest shall accrue to (but exclude), and be paid on, the relevant Interest Payment Date.

7.7 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 11 (*Taxation*);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount (Tax) of the Notes or the Early Redemption Amount (Regulatory) of the Notes or the Early Termination Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;

- (d) in relation to Instalment Notes, the Instalment Amounts;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 10.6 (*Early redemption of Zero Coupon Notes*)); and
- (f) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11 (*Taxation*).

8. EXCHANGE OF TALONS

On or after the Interest Payment Date on which the final Coupon (comprising the Coupon attached to the relevant Certificate relating to the latest Interest Payment Date in respect of that series of Coupons) matures, but not later than the date for prescription (in accordance with Condition 9 (*Prescription*)) of the Talon which may be exchanged for the respective Coupons, the Talon (if any) attached to the relevant Certificate upon issue, may be surrendered at the Specified Office of the Transfer Agent in exchange for further Coupons, including (if such further Coupons do not include Coupons to, and including, the final date for the payment of interest due in respect of the Notes to which they pertain) a further Talon, subject to the provisions of Condition 9 (*Prescription*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon issued relative to such Talon matures.

9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date therefor, save that any Certificate, Receipt or Coupon constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of 6 years from the Relevant Date thereof.

10. REDEMPTION AND PURCHASE

10.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Unsubordinated Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 8 (*Exchange of Talons*).

10.2 Redemption for tax reasons

10.2.1 The Notes in a Series of Notes may be redeemed at the option of the Issuer in whole, but not in part, on or after the First Optional Redemption Date:

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

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

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 17 (Notices) and to the Transfer Agent and the Paying Agent, at their Early Redemption Amount (Tax) together with interest accrued (if any) to (but excluding) the date of redemption, if a Tax Event occurs and is continuing,

provided, however, that no such notice of redemption shall be given earlier than:

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

10.2.2 Prior to the publication of any notice of redemption pursuant to Condition 10.2.1, the Issuer shall deliver to the Noteholders in accordance with Condition 17 (Notices) (A) a certificate signed by 2 authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 10.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.2.

10.3 **Redemption at the option of the Issuer (Issuer Call)**

If redemption (as contemplated in this Condition 10) at the option of the Issuer (Call Option) is specified in the Applicable Pricing Supplement as being applicable, the Unsubordinated Notes in a Series of Notes may be redeemed at the option of the Issuer in whole or, if so specified in the Applicable Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) together with accrued interest (if any) to such date upon the Issuer giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the relevant Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable final terms in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Certificates, and in accordance with the rules of the Central Securities Depository (to be reflected in the records of the Central Securities Depository as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes held in uncertificated form, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Certificates, a list of the serial

numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Uncertificated Notes 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 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least five days prior to the Selection Date.

10.4 **Redemption at the option of Noteholders (Put Option)**

10.4.1 If the Put Option is specified in the Applicable Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10.4, the holder of such Note must, give the Issuer not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), of the exercise of the Put Option. Registered Notes may be redeemed under this Condition 10.4 in any multiple of their lowest Specified Denomination. It may be that before a Put Option can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the Applicable Pricing Supplement.

10.4.2 To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside the Central Securities Depository, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Transfer Agent (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Transfer Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Transfer Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 10.4.2 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 14 (*Transfer of Notes*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

10.4.3 If this Note is held through the Central Securities Depository to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Paying Agent of such exercise in accordance with the standard procedures of the Central Securities Depository (which may include notice being given on his instruction by the Central Securities Depository or any depositary for them to the Paying Agent by electronic means) in a form acceptable to the Central Securities Depository from time to time.

10.4.4 Any Put Notice or other notice given in accordance with the standard procedures of the Central Securities Depository given by a holder of any Note pursuant to this Condition 10.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 10.4.

10.5 **No other redemption, substitution or variation**

The Issuer shall not be entitled to redeem, substitute or vary the terms of the Notes otherwise than as provided in Conditions 10.1 (*Scheduled redemption*) to Condition 10.4 (*Redemption at the option of Noteholders (Put Option)*).

10.6 **Early redemption of Zero Coupon Notes**

10.6.1 Unless otherwise specified in the Applicable Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount (the “**Amortised Face Amount**”) equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

10.6.2 Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Applicable Pricing Supplement for the purposes of this Condition 10.6 or, if none is so specified, a Day Count Fraction of Actual/365.

10.7 **Purchase**

Subject to the JSE Debt Listings Requirements and the requirements of any applicable additional Financial Exchange(s), the Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may at the option of the Issuer be held, re-issued, re-sold or surrendered to the Transfer Agent for cancellation in accordance with Condition 10.8 (*Cancellation*).

10.8 **Cancellation**

All Notes so redeemed or purchased by the Issuer or any of its subsidiaries may, at its option, be cancelled and may, if cancelled, not be reissued or resold.

11. **TAXATION**

11.1 All payments of principal or interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by Applicable Laws.

11.2 In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

- 11.2.1 presented for payment (to the extent presentation is required) in South Africa;
or

- 11.2.2 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Note by reason of it having some connection with a Tax Jurisdiction other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 11.2.3 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 11.2.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day assuming that day to have been a Payment Date; or
- 11.2.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

12. EVENTS OF DEFAULT

12.1 Events of Default relating to Unsubordinated Notes

This Condition 12.1 only applies to Unsubordinated Notes. If any one or more of the following events (each an Event of Default) shall occur and be continuing with respect to any Unsubordinated Note of the Series:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes of the Series or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Terms and Conditions of the Notes of the Series and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by a Noteholder on the Issuer of written notice requiring the same to be remedied; or
- (c) if any indebtedness for borrowed money of the Issuer or any Material Subsidiary exceeding in aggregate the Threshold Amount (as defined below) (a) becomes immediately due and payable, and is declared to be so due and payable, prior to its stated maturity, by reason of an event of default (howsoever described) on the part of such party, or (b) is not discharged on its due date (other than any payment default that results solely from (i) wire transfer difficulties, or (ii) an error or omission of an administrative or operational nature provided that the payment is made within 3 business days from the date of such failure to pay, or (iii) any governmental or regulatory restrictions that in the sole opinion of the Issuer prohibits repayment, or (iv) a liability which such party shall be contesting in good faith, or (v) subject to any grace period applicable to the relevant payment). For

the purposes of this Condition 12.1(c), the expression “**Threshold Amount**” means an amount equal to 2% of the shareholder’s funds of the Issuer (being its gross assets less its gross liabilities) as determined by reference to its most recent published annual audited financial statements; or

- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any Material Subsidiary (other than solvent reorganisation of any Material Subsidiary), and any resulting winding up or dissolution process remains undismissed for 45 days save for the purposes of reorganisation, reconstruction, amalgamation, merger or consolidation on terms previously approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders; or
- (e) if the Issuer or any Material Subsidiary ceases or threatens to cease to carry on the whole or a substantial part of its business (other than solvent reorganisation of any Material Subsidiary), save for the purposes of reorganisation, reconstruction, amalgamation, merger or consolidation on terms previously approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders, or the Issuer or any Material Subsidiary stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts within the meaning of section 131(4) of the Companies Act or is adjudicated or found bankrupt or insolvent in terms of the Insolvency Act, 1936 (the “**Insolvency Act**”); or
- (f) if proceedings are initiated against the Issuer or any Material Subsidiary under any applicable liquidation, insolvency, business rescue, composition, reorganisation, curatorship, or other similar laws or an administrator, business rescue practitioner, manager, curator, administrative receiver or other receiver is appointed in relation to the Issuer or any Material Subsidiary including, without limitation, the following:
 - (i) the Issuer becomes subject to a scheme of arrangement or compromise as envisaged in section 155 of the Companies Act, (other than a scheme of arrangement or compromise the terms of which have been previously approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders);
 - (ii) the Issuer is wound-up, liquidated, deregistered or placed under curatorship, business rescue, or a similar process, in any such event whether provisionally or finally and whether voluntarily or compulsorily, or passes a resolution providing for any such event;
 - (iii) the Issuer compromises or attempts to compromise with or defers or attempts to defer payment of debts owing by it to its creditors generally or any significant class of its creditors;
 - (iv) any procedural step is taken by the Issuer (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors generally or any significant class of its creditors;
 - (v) the Issuer commits any act which is or, if it were a natural person, would be an act of insolvency as defined in the Insolvency Act;

- (vi) the Issuer is deemed to be unable to pay its debts in terms section 131(4) of the Companies Act; or
- (vii) the members or creditors of the Issuer (other than the Noteholders) meet in order to pass a resolution providing for the Issuer to be wound-up, liquidated, deregistered or placed under business rescue or curatorship or a similar process, or any resolution is passed to this effect; or
- (g) an administrative or other receiver, manager, administrator or other similar official is appointed in relation to the Issuer or any Material Subsidiary or, as the case may be, in relation to the whole or a major part of the undertaking or assets of any of the Issuer or any Material Subsidiary, or an encumbrancer takes possession of the whole or a major part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced or sued out on or against the whole or a major part of the undertaking or assets of any of them and in any case (other than the appointment of an administrator) is not discharged or stayed within 45 days,

then any holder of an Unsubordinated Note of the Series may, by written notice to the Issuer, effective upon the date of receipt thereof by the Issuer, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Termination Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

12.2 **Notice of an Event of Default**

If an Event of Default occurs, the Issuer will forthwith upon becoming aware of such Event of Default, give notice thereof (along with details of such Event of Default) in writing to the Transfer Agent, the Calculation Agent, the Debt Sponsor and the Noteholders of that Series and, if any Notes are listed on the Interest Rate Market of the JSE, to the JSE (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS and to the Central Securities Depository.

13. **DELIVERY, EXCHANGE AND REPLACEMENT OF CERTIFICATES, RECEIPTS AND COUPONS**

13.1 Upon the issue of Bearer Notes, Order Notes, unlisted Registered Notes or upon notice from a Participant pursuant to Condition 13.3 requesting the exchange or partial exchange of a Beneficial Interest in Notes for a Definitive Certificate(s), the Transfer Agent shall deliver the relevant Definitive Certificate(s) in accordance with the Agency Agreement.

13.2 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to the relevant provisions of the Financial Markets Act (or the relevant provisions of any successor legislation), by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a Certificate (the "Exchange Notice"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

13.3 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by a Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the

Applicable Procedures, procure that a Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

- 13.4 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- 13.4.1 the Registered Holder, shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office; and
- 13.4.2 the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.
- 13.5 A Certificate shall, in relation to a Beneficial Interest:
- 13.5.1 in a Tranche of Notes which is held in the Central Securities Depository, represent that number of Notes as have, in the aggregate, the same aggregate Principal Amount of Notes standing to the account of the holder of such Beneficial Interest; and
- 13.5.2 in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount,
- as the case may be, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.
- 13.6 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by a Certificate in accordance with this Condition 13, such Notes (now represented by a Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the Central Securities Depository. Notes represented by Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.
- 13.7 Certificates, and any Receipts and/or Coupons in relation to Bearer Notes or Order Notes, shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes may be levied by other persons, such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates, Receipts and/or Coupons otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.
- 13.8 Any person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 13 or

of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the requirements of the Applicable Procedures and of this Condition 13, may transfer such Notes. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

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

14. TRANSFER OF NOTES

14.1 Transfer of Registered Notes

- 14.1.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.
- 14.1.2 The Central Securities Depository maintains accounts only for its Participants. Beneficial Interests which are held by Participants (which are also Settlement Agents) may be held directly through the Central Securities Depository. Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are not held by Participants may be held by clients of Participants indirectly through such Participants.
- 14.1.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.
- 14.1.4 In order for any transfer of Registered Notes represented by a Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Note:
- (a) must be embodied in a Transfer Form;
 - (b) must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder and/transferee;
 - (c) shall only be in the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
 - (d) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Certificate in question for cancellation or, if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be delivered to the transferor and the cancelled Certificate will be retained by the Transfer Agent.

- 14.1.5 The transferor of any Registered Notes represented by a Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.1.6 Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 14.1.7 The Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Notes transferred.
- 14.1.8 No transfer will be registered while the Register is closed.
- 14.1.9 In the event of a partial redemption of Notes, the Issuer and the Transfer Agent shall not be required:
- (a) to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on date of the partial redemption (both inclusive); or
 - (b) to register the transfer of any Note, or part of a Note, called for partial redemption.

14.2 **Transfer of Bearer Notes**

Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate evidencing such Bearer Note or the relevant Receipt or Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate evidencing an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as evidencing a Bearer Note.

14.3 **Transfer of Order Notes**

Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate evidencing such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.

14.4 **Prohibition on stripping**

Where so specified in the Applicable Pricing Supplement, Bearer Notes or Order Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times.

15. REGISTER

- 15.1 The Register shall:
- 15.1.1 be kept at the Specified Office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
 - 15.1.2 reflect the number of Notes issued and Outstanding and whether they are Registered Notes, Bearer Notes or Order Notes;
 - 15.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of Registered Notes;
 - 15.1.4 set out the Principal Amount of the Notes issued to such Noteholders and shall show the date of such issue;
 - 15.1.5 show the serial number of Certificates issued in respect of Notes;
 - 15.1.6 be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person authorized in writing by any Noteholder; and
 - 15.1.7 be closed during the Books Closed Period.
- 15.2 The Transfer Agent will only recognize, as registered holder of a Note, the Noteholder in the Register at 17h00 (South African time) on the relevant Last Day to Register. The Issuer and the Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject.
- 15.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of any Registered Notes of which it is notified in accordance with these Terms and Conditions.

16. CALCULATION AGENT, TRANSFER AGENT, PAYING AGENT AND ISSUER AGENT

- 16.1 Any third party appointed by the Issuer as Calculation Agent, Transfer Agent, Paying Agent and Issuer Agent or otherwise shall act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts.
- 16.2 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent, Issuer Agent or Paying Agent, all references in these Terms and Conditions to:
- 16.2.1 any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
 - 16.2.2 requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent, Calculation Agent or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

17. NOTICES

17.1 Notices to Noteholders shall be valid and effective:

17.1.1 in the case of uncertificated Notes listed on the JSE, if delivered to:

- (a) the JSE and electronically published on SENS, or any other similar service, established by the JSE; and
- (b) the Central Securities Depository; or

17.1.2 in the case of unlisted uncertificated Notes, if mailed to the registered addresses of the Noteholders appearing in the Uncertificated Securities Register or, if delivered to the Central Securities Depository (and if required, electronically published on SENS, or any other similar service, established by the JSE); or

17.1.3 in the case of Notes represented by an Individual Certificate (whether evidencing Registered Notes, Bearer Notes or Order Notes) if mailed to the registered addresses of the holders of the Notes appearing in the Register and published, not earlier than 4 calendar days after the date of posting of such notice by registered mail:

- (a) in an English language daily newspaper of general circulation in South Africa; and
- (b) for so long as the Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Financial Exchange is situated or any electronic news service of general distribution.

17.2 Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed, or the day of its publication, as the case may be.

17.3 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate, Coupon or Receipt at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address. For so long as any of the Notes are held in uncertificated form, notice may be given by any holder of a Beneficial Interest in Notes to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 days after posting.

18. MEETINGS OF NOTEHOLDERS

18.1 **Directions of Noteholders**

18.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 18. All meetings of Noteholders shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements.

18.1.2 Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

18.1.3 A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

- (a) by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); or
- (b) by Extraordinary Resolution or an Extraordinary Written Resolution:
 - (i) of the Noteholders to bind all of the Noteholders to any compromise or arrangement; or
 - (ii) of a particular Series of Noteholders to agree to any variation or modification of any rights of that Series of Noteholders.

18.1.4 Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

18.2 **Demand to call a meeting**

18.2.1 The Issuer may at any time convene a meeting of all Noteholders or separate meetings of holders of any Series of Unsubordinated Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than:

- (a) 10 per cent. of the aggregate Principal Amount of all Outstanding Unsubordinated Notes; or
- (b) 10 per cent. of the value of a specific Class of Unsubordinated Notes, as the case may be.

18.2.2 Upon receiving the request to call a meeting as described in Condition 18.2.1, the Issuer must:

18.2.2.1 immediately:

- A. inform the JSE in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
- B. release an announcement on SENS stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the JSE Debt Listing Requirements, specifying the date and time of the meeting; and

18.2.2.2 within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS (the “**Notice of Meeting**”) specifying the information set out in Condition 18.2.3 below.

- 18.2.3 The Issuer shall include in the Notice of Meeting, the following:
- 18.2.3.1 the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;
 - 18.2.3.2 the time of the scheduled meeting; and
 - 18.2.3.3 details of a pre-meeting of the Noteholders (without the presence of the Issuer) which is to be held on the same day/venue as the scheduled meeting, but at least 2 (two) hours before the scheduled meeting.
- 18.2.4 The Issuer shall release an announcement on SENS within 2 (two) Business Days after the meeting setting out the details of the outcome thereof.
- 18.2.5 In the event of liquidation or curatorship of the Issuer, or the inability of the Issuer to pay its debts as and when they fall due, the reference to 5 (five) Business Days in Condition 18.2.2.2 above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 18.2.3.1 above shall be reduced to 5 (five) Business Days.
- 18.2.6 At the meeting:
- 18.2.6.1 Noteholders shall exercise their voting through polling and not by the show of hands; and
 - 18.2.6.2 a chairperson shall be elected by Noteholders as voted in accordance with Condition 18.2.6.1 above.
- 18.2.7 The Noteholder(s) who demand(ed) the meeting may, prior to the meeting, withdraw the demand by notice in writing to the Issuer. A copy of the withdrawal must be submitted to the JSE by the Issuer, upon receipt thereof. Further, the Issuer may cancel the meeting if, as a result of one or more of the demands being withdrawn, there is a failure to meet the required percentage participation stipulated in Condition 18.2.1.
- 18.3 **Notice of meeting**
- 18.3.1 Unless the Noteholders of at least 90% of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be, agree in writing to a shorter period, at least 21 Business Days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer if applicable.
- 18.3.2 The accidental omission to give such notice to any Noteholder or the Issuer, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.
- 18.3.3 For as long as any Notes are listed on the JSE, notices of meetings in respect of such JSE-listed Notes, shall be announced on SENS, which announcement shall state the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive notice of the meeting, and the last date by which proxy forms must be submitted.
- 18.3.4 A notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 18.2 above may consist of several documents in like form, each signed by one or more

requisitioning Noteholders. Such a notice will be delivered to the Specified Offices of the Issuer.

18.4 **Quorum**

18.4.1 A quorum at a meeting shall:

- (a) for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be; and
- (b) for the purposes of considering an Extraordinary Resolution or an Extraordinary Written Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority (i.e. 50% + 1) of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be.

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

18.4.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution or an Extraordinary Written Resolution.

18.5 **Chairperson**

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairperson of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman.

18.6 **Adjournment**

18.6.1 Subject to the provisions of this Condition 18, the chairperson may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

18.6.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

18.6.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 18.4.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

18.7 **How questions are decided**

18.7.1 At a meeting, a resolution put to the vote will be decided on a poll.

18.7.2 In the case of an equality of votes, the chairperson will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

18.8 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Principal Amount of the Notes Outstanding held by such Noteholder bears to the aggregate Principal Amount of all of the Notes Outstanding or Series of Notes, as the case may be, held by Noteholders present in person or by proxy at the meeting. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Registered Holder in respect of Uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed in accordance with the Applicable Procedures.

18.9 **Proxies and representatives**

18.9.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a “**proxy form**”) signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a “**proxy**” or “**proxies**”) to act on his or its behalf in connection with any meeting or proposed meeting.

18.9.2 A person appointed to act as proxy need not be a Noteholder.

18.9.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

18.9.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

18.9.5 Notwithstanding Condition 18.9.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder’s instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

18.9.6 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

18.10 **Notice of the result of voting on any resolution**

18.10.1 Notice of the result of the voting on any resolution (including any Extraordinary Resolution or an Extraordinary Written Resolution) duly considered by the Noteholders shall (i) in respect of unlisted Notes, be given to the Noteholders within 14 (fourteen) days or (ii) in respect of Notes listed on the JSE, be announced on SENS within 2 (two) Business Days of the conclusion of the meeting or after the responses to the written resolutions have been received in accordance with Condition 17 (*Notices*). Non-publication shall not invalidate any such resolution.

18.11 **Minutes**

18.11.1 The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.

18.11.2 Any such minutes as aforesaid, if purporting to be signed by the chairperson of the meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders or Series of Noteholders, as the case may be, in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

18.12 **Written Resolutions**

A resolution in writing submitted to Noteholders or Noteholders of a Series, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed (either in terms of the actual written resolution, or by way of signing a proxy form) by the requisite majority of Noteholders or Noteholders of a Series, as the case may be, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last day on which that resolution is signed by any one or more of the Noteholders or Noteholders of a Series, as the case may be. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders or Noteholders of a Series, as the case may be.

19. AMENDMENT OF THESE CONDITIONS

19.1 The Issuer may effect, without the consent of any Noteholder or any Noteholders of the relevant Series of Notes, as the case may be, any amendment to these Terms and Conditions:

19.1.1 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa; or

19.1.2 which does not affect the Unsubordinated Notes in issue,

provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the JSE immediately after the amendment is made and release an announcement on SENS providing a summary of the amendments and where the amended or modified Terms and Conditions or supplement to the Terms and Conditions will be available for inspection.

- 19.2 Save as provided in Condition 19.1 and subject to Condition 19.3, no amendment, variation or modification of these Terms and Conditions may be effected or be of any force or effect unless approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be.
- 19.3 If any amendment, variation or modification of these Terms and Conditions does not fall within the provisions of Condition 19.1 then, in the case of any Tranche of Notes listed on the Interest Rate Market of the JSE:
- 19.3.1 the Issuer must first, prior to submitting the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions to the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, for approval, obtain conditional formal approval of the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions from the JSE in accordance with the JSE Debt Listings Requirements;
- 19.3.2 subsequent to receiving the conditional formal approval from the JSE contemplated by Condition 19.3.1, the Issuer shall send a notice, together with the proposed amended Terms and Conditions or proposed supplement to these Terms and Conditions, to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, in accordance with Condition 17 (*Notices*) incorporating the proposed amendments and requesting approval of the amendments from the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, by way of an Extraordinary Resolution or an Extraordinary Written Resolution;
- 19.3.3 if such approval is requested to be given:
- (a) by way of an Extraordinary Resolution, a proxy form shall be sent, together with the notice convening the meeting at which the Extraordinary Resolution is proposed to be passed, to each person entitled to vote at such meeting and who has elected to receive such documents;
- (b) by way of an Extraordinary Written Resolution, the notice to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Unsubordinated Notes, as the case may be, must include the proposed resolution, any restrictions on voting in terms of these Terms and Conditions, the last date on which a Noteholder may submit its vote, in writing, on the proposed resolution (provided that such date shall be no later than the 20th Business Day after the notice was distributed to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Unsubordinated Notes, as the case may be) and the address where the vote must be submitted;
- 19.3.4 for the purpose of the resolutions above wherein any votes are to be excluded from the passing of that resolution, any proxy given by a Noteholder to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution; or
- 19.3.5 the Issuer must release an announcement on SENS with details concerning the date, time and venue of the meeting of all of the Noteholders or the Noteholders

of the relevant Tranche or Series of Notes, as the case may be, within 24 hours after the notice of the meeting has been distributed to the relevant Noteholder, and, in the case of written resolutions, the Issuer must release an announcement on SENS with details of the written resolutions being proposed within 24 hours after the notification of the proposed written resolutions have been distributed to the relevant Noteholders. In either instance, if the notification to the relevant Noteholders was distributed via a SENS announcement, a separate announcement is not required in terms of this Condition 19.3.5;

19.3.6 if approval from the relevant Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, is obtained, confirmation of such approval and the signed amendment of these Terms and Conditions or the signed supplement to these Terms and Conditions shall be submitted to the JSE by or on behalf of the Issuer and the Issuer shall also provide a letter to the JSE confirming that the signed amendment of these Terms and Conditions or the signed supplement to the Terms and Conditions is identical, other than in minor respects, to the draft conditionally formally approved by the JSE;

19.3.7 within 48 hours after the meeting or the responses from the relevant Noteholders on the proposed written resolution have been obtained, a SENS announcement shall be released by the Issuer containing the details of the voting results in respect of the proposed resolution/s and the announcement shall include the following:

- (a) the proposed resolution/s;
- (b) the Notes voted in person or by proxy disclosed as a number and a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be); and
- (c) the votes abstained disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be) and the votes carried (i) for and (ii) against each resolution, disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be); and

19.3.8 the amendment of these Terms and Conditions or the supplement to these Terms and Conditions must be available for inspection for at least 2 (two) Business Days before the listing of any Note on the Interest Rate Market of the JSE by the Issuer.

19.4 No amendment to the Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the JSE Debt Listings Requirements or such other Financial Exchange, as the case may be.

19.5 Any such modification of these Terms and Conditions made pursuant to this Condition 19 shall be binding on all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, and any such amendment shall be notified to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may

be, in accordance with Condition 17 (Notices) and to the Financial Exchange as soon as practicable thereafter.

20. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price, the Issue Date and the Interest Commencement Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

21. GOVERNING LAW

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

22. NEGATIVE PLEDGE

This Condition 22 shall apply only to Unsubordinated Notes. For as long as any Unsubordinated Notes remain Outstanding, the Issuer will ensure that no Relevant Indebtedness (as defined below) of the Issuer or any Material Subsidiary will be secured by any Security Interest (as defined below) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any Material Subsidiary unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Unsubordinated Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders.

The Issuer shall be entitled but not obliged, to form, or procure the formation of, 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.

For the purposes of this Condition 22:

“Relevant Indebtedness” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market and having a maturity in excess of one year.

Notwithstanding the above, Relevant Indebtedness does not include any transactions entered into between the Issuer or the relevant Material Subsidiary and the central bank in the jurisdiction in which the Issuer or the relevant Material Subsidiary operates, pursuant to which the Issuer or the relevant Material Subsidiary provides any Security Interest to such central bank.

“Security Interest” any mortgage, charge, lien, pledge or other security interest, but excluding any such security interest arising by operation of law or under the standard or usual business condition of any person or entity with which the Issuer or the relevant Material Subsidiary maintains a business relationship in the ordinary course of business.

ABSA GROUP LIMITED

By: _____

By: _____

Name:

Name:

Capacity: Authorised Signatory

Capacity: Authorised Signatory

Date: _____

Date: _____

PRO FORMA APPLICABLE PRICING SUPPLEMENT OF THE TIER 2 NOTES

Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Tier 2 Notes issued under the Programme:

**Absa Group Limited**

(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] with Stock Code []

Under its ZAR50,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Absa Group Limited dated 3 September 2021, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Tier 2 Terms and Conditions. References in this Applicable Pricing Supplement to the Tier 2 Terms and Conditions are to the section of the Programme Memorandum “*Terms and Conditions of the Tier 2 Notes*”. References to any Condition in this Applicable Pricing Supplement are to that Condition of the Tier 2 Terms and Conditions.

DESCRIPTION OF THE NOTES

1.	Issuer	Absa Group Limited
2.	Debt Officer	[Jason Quinn, Interim Group Chief Executive Officer]
3.	Status of Notes	Subordinated Notes : Tier 2 Notes
4.	(a) Tranche Number	[]
	(b) Series Number	[]
5.	Aggregate Principal Amount	[]
6.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Index Interest /Indexed Redemption Amount/]
7.	Form of Notes	[Registered Notes]

8.	Security	Unsecured
9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	[insert details including date for conversion]
10.	Issue Date	[]
11.	Business Centre	[]
12.	Additional Business Centre	[]
13.	Principal Amount	[]
14.	Specified Denomination	[]
15.	Issue Price	[]
16.	Interest Commencement Date	[]
17.	Maturity Date	[]
18.	Specified Currency	[]
19.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details]
20.	Calculation Agent	[]
21.	Specified Office of the Calculation Agent	[]
22.	Paying Agent	[]
23.	Specified Office of the Paying Agent	[]
24.	Transfer Agent	[]
25.	Specified Office of the Transfer Agent	[]
26.	Settlement Agent	[]
27.	Specified Office of the Settlement Agent	[]
28.	Issuer Agent	[]
29.	Specified Office of the Issuer Agent	[]
30.	Final Redemption Amount	[]
	FIXED RATE NOTES	[Applicable] / [Not Applicable]
31.	Fixed Rate Note Provisions	

- (a) Fixed Interest Rate [] per cent, per annum
- (b) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (c) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (d) Initial Broken Amount []
- (e) Final Broken Amount []
- (f) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]
- (g) Day Count Fraction []
- (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

[Applicable] / [Not Applicable]

32. Floating Rate Note Provisions

- (a) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)

- (b) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (c) Definitions of Business Day (if different from that set out in Condition 1 (*Interpretation*) of the Terms and Conditions) []
- (d) Minimum Interest Rate [] per cent
- (e) Maximum Interest Rate [] per cent
- (f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 6 (*Interest*) of the Terms and Conditions) []
33. Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
34. Margin [(+/-) ● per cent to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
35. If ISDA Determination
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
36. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [e.g. ZAR-JIBAR-SAFEX]
- (b) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]

(c) Relevant Screen Page and Reference Code []

37. If Interest Rate to be calculated otherwise than by reference to the previous 2 subparagraphs, insert basis for determining Interest Rate/Margin/Fall back provisions []

38. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []

MIXED RATE NOTES [Applicable] / [Not Applicable]

39. Mixed Rate Note Provisions:

Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: []

(a) Fixed Rate Notes []

(b) Floating Rate Notes []

(c) Indexed Notes []

INDEXED NOTES [Applicable] / [Not Applicable]

40. Indexed Notes Provisions

(a) Type of Indexed Notes [Indexed Interest Notes/Indexed Redemption Amount Notes]

(b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined Name of Index: []

Index Code: []

Index Currency: []

Index Sponsor: []

Index Calculator: []

The Index ground rules document is available at www. []

Any change to the Index methodology will be published on SENS and communicated to the JSE. All other changes as detailed in the ground rules document will be published on the Index Calculator's website, www.[]

- The Index Level is published [daily/monthly] on www.[]
- (c) Index of Indices [Yes/No]
- (If yes, complete the below information for each underlying index)
- [Underlying Indices: []]
- The Index Level is published [daily/monthly] on www.[]
- (d) Manner in which the Interest Amount/Final Redemption Amount is to be determined []
- The Index Level is published [daily/monthly] on www.[]
- (e) Initial Index Level []
- (f) Interest Period
- Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (g) Interest Payment Date(s)
- Means [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (h) Interest Rate Determination Date(s)
- Means [●], [●], [●] and [●], in each year until the Maturity Date, with the first Interest Determination Date being [●]
- (i) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []

- (j) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []

OTHER NOTES

[Applicable] / [Not Applicable]

41. If the Tier 2 Notes are not Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, or Indexed Notes if the Tier 2 Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Tier 2 Notes []

PROVISIONS REGARDING REDEMPTION

42. Prior consent of Prudential Authority required for any redemption prior to the Maturity Date [Yes]
43. Redemption at the option of the Issuer (Call Option): if yes: [Yes/No]
- (a) First Optional Redemption Date (Call) []
- (b) Optional Redemption Date(s) (Call) []
- (c) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) []
- (d) Minimum period of notice (if different to Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*)) of the Terms and Conditions []
- (e) If redeemable in part:
- Minimum Redemption Amount(s) []
- Higher Redemption Amount(s) []
- (f) Approval(s) of Prudential Authority [Applicable]
- (g) Other terms applicable on Redemption []

44. Early Redemption Amount(s) []

- (a) Early Redemption Amount (Regulatory) [Principal Amount plus accrued interest (if any) to the date fixed for redemption]

- (b) Early Redemption Amount (Tax) [Principal Amount plus accrued interest (if any) to the date fixed for redemption]
- (c) Early Termination Amount []
45. Do the Tier 2 Terms and Conditions or the provisions of this Applicable Pricing Supplement provide for automatic redemption of the Notes upon the occurrence of a trigger event(s)? If yes: [Yes]/[No]
[Early Redemption Date of the Note will be a minimum of 5 (five) Business Days after the date on which the Trigger Event occurred and such Early Redemption Date will be announced on SENS one Business Day after the Trigger Event occurred]]
- (a) Trigger Event(s) []
- (b) Early Redemption Date []

NON-VIABILITY LOSS ABSORPTION

46. Conversion upon the occurrence of a Non-Viability Trigger Event [Applicable] / [Not applicable]
- If applicable: [Note: If not applicable, delete items (a) to (d)]
- (a) Conversion Price []
- (b) Conversion Record Date if different from the Tier 2 Terms and Conditions []
- (c) Conversion Date if different from the Tier 2 Terms and Conditions [] / [Not applicable]
- (d) Time period for the delivery of the Conversion Notice if different from Condition [9] (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*) []
47. Write-off upon the occurrence of a Non-Viability Trigger Event [Yes/No] [Note: Insert mechanics, if relevant]
48. Option to dis-apply Non-Viability Loss Absorption Condition pursuant to Condition [9] (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*) [Applicable] / [Not applicable]

GENERAL

49. Additional selling restrictions []

50. Additional terms or special conditions [] / [Not applicable]
51. (a) International Securities Identification Number (ISIN) []
- (b) Stock Code []
52. Financial Exchange []
53. Clearing System [Strate Proprietary Limited]
54. Method of distribution []
55. If syndicated, names of managers
56. Receipts attached? If yes, number of Receipts attached [Yes/No]
[]
57. Coupons attached? If yes, number of Coupons attached [Yes/No]
[]
58. Talons attached? If yes, number of Talons attached [Yes/No]
[]
59. Credit Rating assigned to [the Issuer] / [the Programme] / [the Notes] (if any), date of such rating and date for review of such rating []
60. Rating Agency (if any) []
61. Stripping of Receipts and/or Coupons prohibited as provided in Condition 15.4 (*Prohibition on stripping*) of the Terms and Conditions? [Yes/No]
62. Issuer rating and date of issue []
63. Governing law (if the laws of South Africa are not applicable) [] / [Not applicable]
64. Other Banking Jurisdiction []
65. Last Day to Register, which shall mean that the “Books Closed Period” (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption [Not applicable] [By 17h00 on [] or if such day is not a Business Day, the Business Day before each Books Closed Period, in each year until the Maturity Date]
66. Books Closed Period [The Register will be closed from [] to [] and from [] to [] (all

		dates inclusive) in each year until the Maturity Date.]/ []
67.	Debt Sponsor	[]
68.	Stabilisation Manager (if any)	[]
69.	Pricing Methodology	[]
70.	Authorised amount of the Programme	[]
71.	Aggregate Outstanding Principal Amount of all Notes in issue on the Issue Date of this Tranche (excluding the current issue and any other Note(s) issued on the Issue Date)	[]
72.	Set out the relevant description of any additional/other Terms and Conditions relating to the Tier 2 Notes (including covenants, if any)	[]
73.	Material Changes	The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest [audited financial statements/ unaudited interim financial statements], dated []. As at the date of this Applicable Pricing Supplement, there has been no involvement by [], the auditor of the Issuer, in making the aforementioned statement
74.	Shareholders' approval	The Issuer will not issue and list a Tranche of Tier 2 Notes to which Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE
75.	Exchange control approval	[Applicable / Not Applicable]
76.	Use of proceeds	[]/[General corporate purposes]/[The Notes are intended to be issued as [Green Bonds]/[Social Bonds]/[Sustainable Bonds], [further particulars (including investment category of [Green]/[Social]/[Sustainable] Projects] and eligibility criteria) to be provided]

RESPONSIBILITY

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Laws and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (and any amendments or supplements to the aforementioned documents from time to time). The JSE makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (any amendments or supplements to the aforementioned documents from time to time).

The JSE's approval of the registration of this Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the aggregate Principal Amount of all Notes Outstanding under this Programme does not exceed ZAR50,000,000,000, being the maximum aggregate Principal Amount of the Notes that may be issued under the Programme.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS – SEE Appendix “A”

Application [is hereby] / [will not be] made to list this issue of Notes on [insert date] pursuant to the Absa Group Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on [...] 2021.

ABSA GROUP LIMITED

By: _____

By: _____

Name:

Name:

Capacity: Authorised Signatory

Capacity: Authorised Signatory

Date: _____

Date: _____

APPENDIX “A”

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is Ernst & Young.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) [the Issuer has not issued any Notes/the Outstanding Principal Amount of all Notes issued by the Issuer is R[]; and
- (b) [it is not anticipated that the Issuer will issue additional Notes during the remainder of its current financial year/it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R[] during the remainder of its current financial year ended [], in addition to the Notes forming part of this issue of Notes].

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

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

Paragraph 3(5)(i)

The Notes are [secured/unsecured].

Paragraph 3(5)(j)

Ernst & Young, the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the “business of a bank” in terms of Section 1 of the Banks Act, 1990).

TERMS AND CONDITIONS OF THE TIER 2 NOTES

The following are the Terms and Conditions of the Tier 2 Notes to be issued by the Issuer (the “**Tier 2 Terms and Conditions**”). Tier 2 Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Tier 2 Notes. Before the Issuer issues any Tranche of Tier 2 Notes, the Issuer shall complete, sign and deliver to the JSE and the Central Securities Depository an Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (included in the Programme Memorandum headed “Pro Forma Applicable Pricing Supplement of the Tier 2 Notes”), setting out details of such Tier 2 Notes. The Applicable Pricing Supplement in relation to any Tranche of Tier 2 Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Tier 2 Terms and Conditions, replace or modify the following Tier 2 Terms and Conditions for the purpose of such Tranche of Tier 2 Notes. The Tier 2 Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Certificate evidencing any Tier 2 Notes.

1. INTERPRETATION

- | | | |
|-----|---|---|
| 1.1 | “ Absa Bank ” | Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06; |
| 1.2 | “ Absa Group ” | the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer; |
| 1.3 | “ Absa CIB ” | Absa Bank Limited, acting through its Corporate and Investment Banking division; |
| 1.4 | “ Additional Conditions ” | in relation to any issue of Notes, the proceeds of which are intended by the Issuer to qualify as Tier 2 Capital, such conditions, in addition to the conditions specified in the applicable Capital Regulations, as may be prescribed by the Prudential Authority for the proceeds of the issue of such Notes to qualify as Tier 2 Capital, pursuant to the approval granted by the Prudential Authority for the issue of such Notes, as specified in the Applicable Pricing Supplement; |
| 1.5 | “ Additional Tier 1 Capital ” | “ <i>Additional Tier 1 Capital</i> ” as defined in section 1(1) of the Banks Act; |
| 1.6 | “ Additional Tier 1 Capital Regulations ” | shall have the meaning defined in the Additional Tier 1 Terms and Conditions; |
| 1.7 | “ Additional Tier 1 Noteholder ” | shall have the meaning defined in the Additional Tier 1 Terms and Conditions; |
| 1.8 | “ Additional Tier 1 Notes ” | shall have the meaning defined in the Additional Tier 1 Terms and Conditions; |
| 1.9 | “ Additional Tier 1 Terms and Conditions ” | the terms and conditions applicable to Additional Tier 1 Notes issued under the Programme as set out in the section of this Programme Memorandum headed “ <i>Terms and Conditions of the Additional Tier 1 Notes</i> ”; |

1.10	“Agency Agreement”	the amended and restated agency agreement dated 3 September 2021 concluded between the Issuer, the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, or a separate agreement between the Issuer and each of the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, unless the Issuer itself acts in any of the abovementioned capacities;
1.11	“Applicable Laws”	In relation to a person, means all and any: <ul style="list-style-type: none"> 1.11.1 statutes and subordinate legislation; 1.11.2 regulations, ordinances and directives; 1.11.3 by-laws; 1.11.4 codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and 1.11.5 other similar provisions, from time to time;
1.12	“Applicable Pricing Supplement”	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed “ <i>Pro Forma Applicable Pricing Supplement of the Tier 2 Notes</i> ”;
1.13	“Applicable Procedures”	the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents, the JSE and/or any Financial Exchange, as the case may be;
1.14	“Arranger”	Absa CIB;
1.15	“Assets”	the total amount of the non consolidated gross assets of the Issuer as shown in the latest published audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditor of the Issuer or a liquidator, judicial manager, administrator or curator of the Issuer (if applicable) may determine;
1.16	“Banks Act”	the Banks Act, 1990;

1.17	“Bearer”	the bearer of a Certificate evidencing a Bearer Note or of a Receipt or Coupon attached to such Certificate on issue;
1.18	“Bearer Note”	a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 15.2 (<i>Transfer of Bearer Notes</i>) and the term “ <i>Bearer Note</i> ” shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate evidencing such Bearer Note;
1.19	“Beneficial Interest”	in relation to a Note, an interest as co-owner of an undivided share in an Uncertificated Note, in accordance with the Financial Markets Act;
1.20	“Books Closed Period”	in relation to a Tranche of Notes, the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of the Notes will not be recorded in the Register, or such other shorter period as the Issuer may decide to determine those Noteholders entitled to receive interest or redemption monies;
1.21	“Business Day”	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement save that if the Specified Currency is not ZAR, “ <i>Business Day</i> ” shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday;
1.22	“Calculation Agent”	Absa CIB unless the Dealer, or in the case of a syndicated issue, the lead manager, requests the Issuer to appoint or the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent, in which event that other entity shall act, on execution of the Agency Agreement, as a Calculation Agent in respect of that Tranche or Series of Notes;
1.23	“Call Option”	has the meaning given in the Applicable Pricing Supplement;
1.24	“Capital Disqualification Event”	means an event which has, or will be deemed to have, occurred with respect to the Notes if, as a result of a

		Regulatory Change, the Tier 2 Notes are fully or, to the extent permitted by the Capital Regulations, partially excluded from the Tier 2 Capital of the Issuer on a solo and/or consolidated basis (save where such exclusion is only as a result of any applicable limitation on the amount of such capital or any amortisation of recognition as Tier 2 Capital under the Capital Regulations in the final five years prior to maturity of the Tier 2 Notes);
1.25	“Capital Regulations”	at any time, any legislation, regulations, rules, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa as applied by the Prudential Authority (including the Additional Conditions (if any)) (or if the Issuer becomes domiciled in a jurisdiction other than South Africa, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction);
1.26	“Central Securities Depository”	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, operating in terms of the Financial Markets Act a central securities depository, or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE;
1.27	“Certificate”	a Definitive Certificate;
1.28	“Commercial Paper Regulations”	the Commercial Paper Regulations published in terms of the Banks Act, 1990 under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994;
1.29	“Common Equity Tier 1 Capital”	“common equity tier 1 capital” as defined in section 1(1) of the Banks Act;
1.30	“Common Equity Tier 1 Capital Ratio”	with respect to the Issuer, at any time, the ratio of Common Equity Tier 1 of the Issuer as at such time to the risk weighted assets of the Issuer at the same time, expressed as a percentage;
1.31	“Common Equity Tier 1 Capital Securities”	means securities of the Issuer which rank, or are expressed to rank, equally with Common Equity Tier 1 Capital (including, without limitation, the Issuer Ordinary Shares);
1.32	“Companies Act”	the Companies Act, 2008;

1.33	“Conversion”	the conversion of Tier 2 Notes into Issuer Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and after the delivery of an Issuer Non-Viability Trigger Event Notice in accordance with Condition 9.2 (<i>Conversion of Tier 2 Notes upon a Non-Viability Trigger Event</i>), and its cognates shall bear the same meaning;
1.34	“Conversion Amount”	has the meaning as defined in Condition 9.2.2 of these Terms and Conditions;
1.35	“Conversion Date”	has the meaning as defined in Condition 9.2.3 of these Terms and Conditions;
1.36	“Conversion Last Day to Trade”	the date which is 5 (five) Business Days prior to a Conversion Record Date;
1.37	“Conversion Price”	in relation to a Tranche of Tier 2 Notes, the conversion price set out, or determined in the manner set out, in the Applicable Pricing Supplement;
1.38	“Conversion Record Date”	the date which is 5 (five) Business Days prior to a Conversion Date or such other date specified in the Applicable Pricing Supplement;
1.39	“Conversion Shares”	has the meaning as defined in Condition 9.2.7 of these Terms and Conditions;
1.40	“Converted”	having undergone the Conversion process set out in Condition 9 (<i>Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes</i>) to these Terms and Conditions;
1.41	“Converted Tier 2 Notes”	the Series of Tier 2 Notes which the Prudential Authority requires to be Converted upon the occurrence of a Non-Viability Trigger Event or, as the case may be, the Relevant Part(s) thereof identified by the Prudential Authority;
1.42	“Coupon”	an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached on issue to the Certificate evidencing such interest bearing Note and any reference to a Coupon shall, unless the context otherwise requires, be deemed to include a reference to a Talon;
1.43	“Current Principal Amount”	with respect to:
	1.43.1	the Tier 2 Notes or a Tier 2 Note (as the context requires), the principal amount thereof, calculated on the basis of the

- Principal Amount, as such amount may be reduced, on one or more occasions, pursuant to a Conversion or Write-off (as applicable) following the occurrence of a Non-Viability Trigger Event; or
- 1.43.2 any other Loss Absorbing Instrument, the principal amount thereof (or amount analogous to a principal amount), calculated on an analogous basis to the calculation of the Current Principal Amount of the Tier 2 Notes;
- 1.44 **“Dealer”** Absa CIB and/or any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer’s right to terminate the appointment of any Dealer;
- 1.45 **“Definitive Certificate”** means:
- 1.45.1 in respect of Registered Notes: a Note in the definitive registered form of a single certificate and, a certificate exchanged for a Beneficial Interest in the Notes in accordance with Condition 15 (*Transfer of Notes*) and any further certificate issued in consequence of a transfer thereof;
- 1.45.2 in respect of Bearer Notes: a Note in the definitive bearer form of a single Certificate together with Coupons and/or Receipts, if applicable;
- 1.45.3 in respect of Order Notes: a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;
- 1.46 **“Early Redemption Amount (Regulatory)”** in respect of each Note in a Tranche of Subordinated Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) to the date fixed for redemption or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
- 1.47 **“Early Redemption Amount (Tax)”** in respect of each Note in a Tranche of Notes (other than a Tranche of Zero Coupon Notes), its Principal Amount (or the relevant part thereof) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be, and, in respect of a Zero Coupon Note, the amount calculated in accordance with Condition 11.8 (*Early redemption of Zero Coupon Notes*) or such other amount as may be specified in, or

		determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.48	“Early Termination Amount”	in respect of each Note in a Tranche of Notes (other than a Tranche of Zero Coupon Notes), its Principal Amount (or the relevant part thereof) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be, and, in respect of a Zero Coupon Note, the amount calculated in accordance with Condition 11.8 (<i>Early redemption of Zero Coupon Notes</i>) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.49	“Eligible Capital”	Notes that are treated by the Prudential Authority for inclusion in the Tier 2 Capital of the Issuer on a solo and/or consolidated basis, in accordance with the Capital Regulations;
1.50	“Endorsement”	an “indorsement”, <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 1964;
1.51	“Endorsement in Blank”	an Endorsement which specifies no named Payee;
1.52	“Event of Default”	any of the events described in Condition 13 (<i>Events of Default</i>);
1.53	“Exchangeable Notes”	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
1.54	“Exchange Period”	in respect of Exchangeable Notes to which the Noteholders’ Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
1.55	“Exchange Price”	the value indicated in the Applicable Pricing Supplement according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
1.56	“Exchange Securities”	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
1.57	“Extraordinary Resolution”	a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of

		Notes, as the case may be, holding not less than 66.67% of the Principal Amount of the Notes, or of the Notes in that relevant Series, as the case may be, for the time being Outstanding present in person or by proxy voting thereat upon a show of hands or if a poll be duly demanded, then by a majority consisting of not less than 66.67% of the votes given on such poll;
1.58	“Extraordinary Written Resolution“	a resolution passed other than at a meeting of Noteholders or Noteholders of the relevant Series of Notes, with the written consent of the Noteholders holding not less than 66.67% of the Principal Amount of the Notes or of the Notes in that relevant Series of Notes, as the case may be, for the time being Outstanding. A resolution of Noteholders or members of the relevant class of Noteholders shall state the date that the Issuer selected to determine which Noteholders recorded in the Register will receive notice of the written resolution;
1.59	“Final Redemption Amount”	in respect of any Note, its Principal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, upon final redemption thereof;
1.60	“Financial Exchange”	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.61	“Financial Markets Act”	the Financial Markets Act, 2012;
1.62	“First Call Date”	in relation to a Tranche of Additional Tier 1 Notes, the date which is 5 (five) years and 1 (one) day after the Issue Date;
1.63	“First Optional Redemption Date (Call)”	has the meaning given in the Applicable Pricing Supplement and is subject to the First Call Date;
1.64	“Fixed Interest Rate”	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.65	“Fixed Rate Notes”	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.66	“Floating Rate Notes”	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.67	“General Terms and Conditions”	the terms and conditions applicable to Notes (other than Tier 2 Notes and Additional Tier 1 Notes) issued under the Programme as set out in the section of this Programme Memorandum headed <i>“Terms and Conditions of the Unsubordinated Notes”</i> ;

1.68	“Green Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that promote climate friendly and other environmental purposes meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.69	“Group”	the Issuer and its consolidated subsidiaries taken as a whole;
1.70	“Income Tax Act”	the Income Tax Act, 1962;
1.71	“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
1.72	“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula, as specified in the Applicable Pricing Supplement;
1.73	“Indexed Note”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
1.74	“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula, as specified in the Applicable Pricing Supplement;
1.75	“Individual Certificate”	<p>1.75.1 in respect of Registered Notes: a Note in the definitive registered form of a single certificate and, in respect of Registered Notes, being a certificate exchanged for a Beneficial Interest in accordance with Condition 14 (<i>Delivery, Exchange and Replacement of Certificates, Receipts and Coupons</i>) and any further certificate issued in consequence of a transfer thereof;</p> <p>1.75.2 in respect of Bearer Notes: a Note in the definitive bearer form of a single certificate together with Coupons and/or Receipts, if applicable; or</p> <p>1.75.3 in respect of Order Notes: a Note in the definitive order form of a single certificate together with Coupons and/or Receipts, if applicable;</p>
1.76	“Instalment Amount”	the amount expressed as a percentage of the Principal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;

1.77	“Instalment Notes”	Notes redeemable in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
1.78	“Interest Amount”	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Conditions 6.1 (<i>Interest on Fixed Rate Notes</i>), 6.2 (<i>Interest on Floating Rate Notes</i>) 6.2F (<i>Determination of Interest Rate and calculation of Interest Amount</i>) and 6.4 (<i>Indexed Notes</i>) respectively;
1.79	“Interest Commencement Date”	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
1.80	“Interest Payment Date”	the date(s) specified as such in the Applicable Pricing Supplement, or if no express such date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding date upon which Interest Amounts are due and payable (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
1.81	“Interest Period”	if applicable in relation to a Tranche or Series of Notes, the interest period(s) specified as such in the Applicable Pricing Supplement;
1.82	“Interest Rate”	the rate or rates of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes;
1.83	“Interest Rate Market of the JSE”	the separate platform or sub-market of the JSE designated as the <i>“Interest Rate Market”</i> or any other successor market designated by the JSE for the listing of debt securities, and on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
1.84	“ISDA”	International Swaps and Derivatives Association, Inc.;
1.85	“ISDA Definitions”	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.86	“Issue Date”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.87	“Issuer”	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);

1.88	“Issuer Agent”	Absa Bank Limited, or such other entity appointed as Issuer Agent by the Issuer from time to time, where such Issuer Agent is appointed for purposes of the debt instrument solution system of the Central Securities Depository.
1.89	“Issuer Ordinary Shares”	the ordinary shares in the share capital of the Issuer;
1.90	“JSE”	means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;
1.91	“JSE Debt Guarantee Fund Trust”	the Guarantee Fund Trust established and operated by the JSE as a separate Guarantee Fund Trust, in terms of the rules of the JSE, as required by sections 8(1)(h) and 15(2) of the Financial Markets Act or any successor fund;
1.92	“JSE Debt Listings Requirements”	means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE;
1.93	“Junior Securities”	in relation to the Tier 2 Notes: <ul style="list-style-type: none"> <li style="margin-left: 40px;">1.93.1 any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital; <li style="margin-left: 40px;">1.93.2 any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Additional Tier 1 Capital; and <li style="margin-left: 40px;">1.93.3 any securities issued by, or any other obligations of the Issuer which rank, or are expressed to rank, junior to the Tier 2 Notes on liquidation, winding-up or bankruptcy of the Issuer;
1.94	“Last Day to Register”	with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the close of business on the Business Day immediately preceding the first day of a Books Closed Period;
1.95	“Loss Absorbing Instrument”	at any time any Other Tier 2 Securities which may have all or some of its principal amount written-off (whether in whole or in part or on a permanent or temporary basis) or converted (whether in whole or in part) (in each case in accordance with its conditions or otherwise) on the occurrence or as a result of a Non-Viability Trigger Event;

- 1.96 **“Mandatory Exchange”** if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
- 1.97 **“Margin”** has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.98 **“Material Subsidiary”** any subsidiary of the Issuer:
- 1.98.1 whose gross revenues (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less than 10 percent. of the consolidated gross revenues of the Group, all as calculated by reference to the last audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or
- 1.98.2 whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less than 10 percent. of the consolidated total assets of the Group, all as calculated by reference to the latest audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or
- 1.98.3 to which is transferred the whole or substantially the whole of the undertaking and assets of a subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary of the Issuer (whereupon such transferor subsidiary shall cease to be a Material Subsidiary until the next publication of audited consolidated accounts of the Issuer following such transfer);
- provided that
- (a) in the case of a subsidiary acquired or an entity which becomes a subsidiary after the end of the financial period to which the latest audited consolidated accounts of the Issuer relate, the reference to the latest audited consolidated accounts for the purposes of the calculation above

shall, until audited consolidated accounts of the issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a subsidiary, be deemed to be a reference to the latest consolidated accounts of the Issuer adjusted in such manner as the Issuer shall consider appropriate to consolidate the latest audited accounts of such subsidiary in such accounts; and

(b) a certificate signed by two directors of the issuer that in their opinion a subsidiary of the issuer is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding;

1.99	“Maturity Date”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.100	“Maximum Interest Rate”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.101	“Mixed Rate Notes”	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.3 (<i>Mixed Rate Notes</i>);
1.102	“Non-Redeemable Non-Cumulative Preference Shares”	non-redeemable non-cumulative preference shares in the issued share capital of the Issuer, if any;
1.103	“Non-Viability Loss Absorption Condition”	has the meaning as set out in Condition 9 (<i>Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes</i>);
1.104	“Non-Viability Trigger Event”	shall occur when a “trigger event” specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred, upon which a Series of Tier 2 Notes is required to either be Written-off or Converted into Issuer Ordinary Shares (in whole or in part), as specified in the Applicable Pricing Supplement, which trigger event shall be in the discretion of the Prudential Authority and shall at minimum be the earlier of:

		1.104.1	a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the Prudential Authority; or
		1.104.2	the decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Prudential Authority.
1.105	“Non-Viability Trigger Event Notice”		has the meaning as set out in Condition 9.1.2;
1.106	“Noteholders”		the holders of the Notes who are recorded as the Registered Holders of the Registered Notes (in the Register or the Uncertificated Securities Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
1.107	“Noteholders’ Exchange Right”		if indicated in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
1.108	“Notes”		the notes issued or to be issued by the Issuer under the Programme;
1.109	“Optional Redemption Amount (Call)”		in respect of any Note, its Principal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
1.110	“Optional Redemption Date (Call)”		has the meaning given in the Applicable Pricing Supplement;
1.111	“Ordinary Resolution”		a resolution passed at a properly constituted meeting of Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Notes, as the case may be, present in person or by proxy;
1.112	“Ordinary Shares”		ordinary shares in the issued share capital of the Issuer;
1.113	“Other Tier 2 Securities”		in relation to the Tier 2 Notes, any obligations or securities of the Issuer (other than the Tier 2 Notes):
		1.113.1	which upon issue qualified (or were intended to qualify) as Tier 2 Capital; or
		1.113.2	which otherwise rank (or are expressed to rank) on a liquidation, bankruptcy or winding-up of the Issuer <i>pari passu</i> with the Tier 2 Notes or with other obligations

or securities falling within Condition 1.113.1;

- 1.114 **“Outstanding”** in relation to the Notes, all the Notes issued other than:
- 1.114.1 those which have been redeemed in full;
 - 1.114.2 those in respect of which the date for redemption in accordance with the General Terms and Conditions, these Terms and Conditions or the Additional Tier 1 Terms and Conditions has occurred and the redemption monies (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the General Terms and Conditions, these Terms and Conditions or the Additional Tier 1 Terms and Conditions after such date) remain available for payment against presentation of Certificates;
 - 1.114.3 those which have been purchased and cancelled as provided in Condition 10.7 (*Purchase*) of the General Terms and Conditions, Condition 11.9 (*Purchase*) of these Terms and Conditions or Condition 11.8 (*Purchase*) of the Additional Tier 1 Terms and Conditions;
 - 1.114.4 those which have become prescribed under Condition 9 (*Prescription*) of the General Terms and Conditions, Condition 10 (*Prescription*) of these Terms and Conditions or Condition 10 (*Prescription*) of the Additional Tier 1 Terms and Conditions;
 - 1.114.5 Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the General Terms and Conditions, Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of these Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates*) of the Additional Tier 1 Terms and Conditions;
 - 1.114.6 (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other

purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the General Terms and Conditions, Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of these Terms and Conditions or Condition 14 (*Delivery, Exchange and Replacement of Certificates*) of the Additional Tier 1 Terms and Conditions,

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the Noteholders; and
- (b) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 19 (*Meetings of Noteholders*) and 20 (*Amendment of these Conditions*) of these Terms and Conditions,

all:

- (i) Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held); and
- (ii) Receipts and Coupons,

shall be deemed not to be Outstanding;

- 1.115 **“Participants”** a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;
- 1.116 **“Partly Paid Notes”** Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments (as indicated in the Applicable Pricing Supplement);
- 1.117 **“Payee”** a person reflected (either as the subscriber or by way of Endorsement) as the payee on a Certificate evidencing an Order Note or a Receipt or Coupon attached thereto on issue and to whom such Certificate,

		Receipt or Coupon (as the case may be) has been delivered;
1.118	“Paying Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes;
1.119	“Payment Day”	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
1.120	“Principal Amount”	the nominal amount of each Note specified on the Certificate evidencing such Note;
1.121	“Programme”	the ZAR50,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.122	“Programme Memorandum”	this document dated 3 September 2021, as amended and/or supplemented from time to time;
1.123	“Prudential Authority”	the Prudential Authority in accordance with the Banks Act (previously the Registrar of Banks);
1.124	“Qualifying Tier 2 Capital Securities”	securities whether debt, equity or otherwise, issued by the Issuer that: <ul style="list-style-type: none"> 1.124.1 have terms not materially less favourable to a holder of the Tier 2 Notes than the terms of the current Tier 2 Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of 2 Directors of the Issuer and an opinion to such effect of independent legal advisers of recognised standing shall have been delivered to the Issuer prior to the issue of the relevant securities and is so stated in the certificate) provided that they shall (a) include a ranking at least equal to that of the Tier 2 Notes, (b) have the same interest, dividend or distribution rate or rate of return and Interest Payment Dates from time to time applying to the Tier 2 Notes, (c) be issued in an amount at least equal to the total number of Notes multiplied by the Specified Denomination, and (d) comply with the then current requirements of the SARB in relation to Tier 2 Capital; and 1.124.2 are listed on the JSE, or any other internationally recognised exchange, if the current Tier 2 Notes are listed;

		Issue Date of the first Tranche of Notes of the relevant Series;
1.134	“Relevant Date”	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Securities Depository in accordance with these Terms and Conditions, it means the first date on which: (a) the full amount of such monies have been received by the Central Securities Depository, (b) such monies are available for payment to the holders of Beneficial Interests, and (c) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
1.135	“Relevant Part”	in relation to a Series of Tier 2 Notes, the portion of the aggregate Current Principal Amount of that Series of Tier 2 Notes which the Prudential Authority requires to be Converted or Written-off (as applicable) upon the occurrence of a Non-Viability Trigger Event whether expressed as a value, a percentage or otherwise, as determined and notified to the Issuer by the Prudential Authority;
1.136	“Relevant Screen Page”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.137	“Representative”	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such person, in the absence of express notice to the contrary from such Noteholder;
1.138	“SARB”	the South African Reserve Bank;
1.139	“Screen Rate Determination”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.140	“SENS”	the Stock Exchange News Service established by the JSE;
1.141	“Senior Creditors”	means creditors of the Issuer: <ul style="list-style-type: none"> 1.141.1 who are unsubordinated creditors of the Issuer; or 1.141.2 (other than the holders of Qualifying Additional Tier 1 Capital Securities, Additional Tier 1 Notes, Tier 2 Notes or Qualifying Tier 2 Capital Securities) whose claims are subordinated (whether only in the event of a dissolution,

- accordance with the Terms and Conditions, as the case may be;
- 1.150 **“Statutory Loss Absorption Regime”** any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Prudential Authority with the power to implement principal loss absorption measures in respect of capital instruments (such as Tier 2 Capital), including, but not limited to, any such regime or requirement which is implemented pursuant to Basel III;
- 1.151 **“Sustainability Bond”** Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that have both a positive environmental and social impact meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
- 1.152 **“Talon”** a talon entitling the holder to receive further Coupons in relation to an interest bearing Bearer Note or Order Note, if indicated in the Applicable Pricing Supplement, attached to the Certificate evidencing such interest bearing Note;
- 1.153 **“Tax Event”** an event where, (a) as a result of a Tax Law Change, (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 12 (*Taxation*); or (ii) in respect of the Issuer’s obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, or (b) other than as a result of a Tax Law Change, the Issuer’s treatment of the interest payable by it on the Notes as a tax deductible expense for South African income tax purposes as reflected on the tax returns (including provisional tax returns) filed (or to be filed) by the Issuer is not accepted by the South African Revenue Service, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);
- 1.154 **“Tax Jurisdiction”** South Africa or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction in which payments by the Issuer become subject to tax;

1.155	“Tax Law Change”	a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date;
1.156	“Terms and Conditions”	the terms and conditions incorporated in this section headed <i>“Terms and Conditions of the Tier 2 Notes”</i> and in accordance with which the Tier 2 Notes will be issued;
1.157	“Tier 2 Capital”	<i>“Tier 2 Capital”</i> as defined in section 1(1) of the Banks Act;
1.158	“Tier 2 Capital Regulations”	Regulation 38(12) of the <i>“Regulations Relating to Banks”</i> promulgated under the Banks Act and such other provisions of the Capital Regulations with which Tier 2 Notes must comply in order for the proceeds of the issue of such Notes to qualify as Tier 2 Capital;
1.159	“Tier 2 Noteholder”	a Registered Holder of a Tier 2 Note;
1.160	“Tier 2 Notes”	Notes specified as such in the Applicable Pricing Supplement and complying with the Tier 2 Capital Regulations;
1.161	“Tranche”	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
1.162	“Transfer Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent, in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Notes;
1.163	“Transfer Form”	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
1.164	“Trigger Event”	an event specified as a “trigger event” by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.165	“Uncertificated Notes”	a Note which is uncertificated as contemplated in Section 33 of the Financial Markets Act;
1.166	“Uncertificated Securities Register”	has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);

1.167	“Write-off”	in respect of Tier 2 Notes: <ul style="list-style-type: none">1.167.1 the Tier 2 Notes shall be cancelled (in the case of a Write-off in whole) or written-down in part on a pro rata basis (in the case of a Write-off in part), in accordance with the Capital Regulations and as determined by the Prudential Authority; and1.167.2 all rights of any Tier 2 Noteholder for payment of any amounts under or in respect of the Tier 2 Notes shall, as the case may be, be cancelled or written off pro rata among the Tier 2 Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Trigger Event Notice and even if the Non-Viability Trigger Event has ceased;
1.168	“ZAR”	the lawful currency of South Africa, being South African Rand, or any successor currency;
1.169	“ZAR-JIBAR-SAFEX”	the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEY Page as at 12h00, South African time, on the relevant date, or any successor rate; and
1.170	“Zero Coupon Notes”	Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment.

In these Terms and Conditions, unless inconsistent with the context, any reference to:

- 1.170.1 one gender include a reference to the others;
- 1.170.2 the singular includes the plural and *vice versa*;
- 1.170.3 natural persons include juristic persons and vice versa;
- 1.170.4 a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- 1.170.5 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly;
- 1.170.6 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.170.7 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force

of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- 1.170.8 **assets** includes present and future properties, revenues and rights of every description;
- 1.170.9 **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- 1.170.10 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.170.11 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.170.12 a default being **continuing** means that it has not been remedied or waived;
- 1.170.13 a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- 1.170.14 a time of day is a reference to South African time.

If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause.

Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions.

The use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples.

The rule of construction that an agreement is to be interpreted against the party responsible for the drafting or preparation thereof must not be used in the interpretation of these Terms and Conditions.

These Terms and Conditions apply only to Tier 2 Notes. The General Terms and Conditions and the Additional Tier 1 Terms and Conditions shall not apply to Tier 2 Notes.

2. ISSUE

Subject to the prior consent of the Prudential Authority (to the extent required by Applicable Laws), Notes may be issued by the Issuer at any time and from time to time (without the consent of the Noteholder) in Tranches pursuant to the Programme. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes issued under the Programme.

The Applicable Pricing Supplement for each Tranche of Notes is incorporated in these Terms and Conditions for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms

and Conditions, replace, modify or supplement these Terms and Conditions for the purpose of such Tranche of Notes.

The Issuer may issue listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by the JSE. Listed Registered Notes will be listed on the Interest Rate Market on the JSE and/or on such other further Financial Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

The holders of Registered Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.

3. FORM AND DENOMINATION

3.1 General

3.1.1 Notes will be issued as Registered Notes, Bearer Notes or Order Notes.

3.1.2 All payments in relation to the Notes will be made in the Specified Currency.

3.1.3 Each Note shall be a Subordinated Note, as indicated in the Applicable Pricing Supplement.

3.1.4 Each Subordinated Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.

3.1.5 Notes will be issued in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement, provided that the Notes shall not be issued in denominations of less than ZAR1,000,000.

3.2 Registered Notes

3.2.1 The Notes in a Tranche of Registered Notes will be issued in (a) the form of Definitive Certificates registered in the name, and for the account of, the relevant Noteholder, or (b) uncertificated form, and held in the Central Securities Depository in terms of the Financial Markets Act, and registered in the name, and for the account of, the Registered Holder. The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

3.2.2 An owner of a Beneficial Interest in the Notes shall be entitled to exchange such Beneficial Interest for a Definitive Certificate in accordance with Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*).

3.3 Bearer Notes and Order Notes

Bearer Notes or Order Notes will be evidenced by Definitive Certificates. Bearer Notes or Order Notes, other than Zero Coupon Notes, may have Coupons and (if indicated in the Applicable Pricing Supplement) Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes may have Receipts attached to the Certificate on issue.

4. TITLE

4.1 Registered Notes

- 4.1.1 Subject as set out below, title to Registered Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 15.1 (*Transfer of Registered Notes*).
- 4.1.2 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Registered Holder as the sole and absolute owner of the Notes registered in that Registered Holder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.
- 4.1.3 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 Transfer Agent and the Paying Agent as the holder of that aggregate nominal amount of such uncertificated Registered Notes for all purposes.
- 4.1.4 Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository for such Participants.
- 4.1.5 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.
- 4.1.6 A certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be prima facie proof of such Beneficial Interest.
- 4.1.7 Beneficial Interests may be transferred only in accordance with the Applicable Procedures.
- 4.1.8 Any reference in these Terms and Conditions to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

4.2 Bearer Notes

- 4.2.1 Title to Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will pass by delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 15.2 (*Transfer of Bearer Notes*). The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Bearer of any such Certificate, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

4.2.2 Title to Bearer Notes is subject to the Bearer obtaining the exemption from the National Treasury in respect of the prohibition on dealing in bearer securities as set out in regulation 15 of the Exchange Control Regulations.

4.3 **Order Notes**

4.3.1 Title to Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will initially pass by Endorsement and delivery of the Certificate evidencing such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 15.3 (*Transfer of Order Notes*) Any Certificate evidencing an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as it is not subject to further Endorsement.

4.3.2 The Issuer, the Transfer Agent and the Paying Agent may deem and treat the person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereof as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority.

4.3.3 Provided the Issuer pays any amount due upon presentation and surrender of a Certificate evidencing an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

5. **STATUS**

5.1 **Status of the Tier 2 Notes**

5.1.1 *Application:* This Condition 5.1 applies only to Tier 2 Notes.

5.1.2 *Status of the Tier 2 Notes:* The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 5.1.3 (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for those that have been accorded by law preferential rights):

- (a) *pari passu* with Other Tier 2 Securities (or any other securities that are deemed under the Capital Regulations to qualify as Tier 2 Notes) and (save for those that have been accorded preferential rights by law) at least *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (or are deemed under the Capital Regulations to rank) *pari passu* with the Tier 2 Notes;
- (b) senior to Common Equity Tier 1 Capital Securities and the obligations of the Issuer under any Junior Securities; and
- (c) junior to the present and/or future claims of Senior Creditors.

5.1.3 *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 Senior Creditors and, accordingly, in the event of the dissolution of the

Issuer or if the Issuer is placed into liquidation or is wound-up (in each case other than pursuant to a Solvent Reconstruction):

- (a) notwithstanding that any Tier 2 Noteholder shall have proved a claim for any amount in respect of the Tier 2 Notes, in the event of the dissolution, liquidation or winding-up of the Issuer, no such amount shall be paid to that Tier 2 Noteholder; and
- (b) no 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,

in each case, until the claims of Senior Creditors which are admissible in any such dissolution, liquidation, or winding-up have been paid or discharged in full.

5.1.4 *Set-off*: Subject to Applicable Laws, no Tier 2 Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer under or in connection with the Tier 2 Notes and each Tier 2 Noteholder shall, by virtue of being the holder of any Tier 2 Notes, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Tier 2 Noteholder by the Issuer is discharged by set-off (whether by operation of law or otherwise), such Tier 2 Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding up or administration, the liquidator or administrator, as appropriate, of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator, as appropriate, of the Issuer (as the case may be), for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.

5.2 **Write-off or Conversion of Tier 2 Notes**

The Applicable Pricing Supplement of a Tranche of Tier 2 Notes shall specify whether:

- (a) Conversion upon the occurrence of a Non-Viability Trigger Event; or
- (b) Write-off upon the occurrence of a Non-Viability Trigger Event,

will apply to that Tranche of Tier 2 Notes.

5.3 **Capital Regulations and Additional Conditions**

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

6. INTEREST

6.1 Interest on Fixed Rate Notes

6.1.1 Unless otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a 6-monthly basis, on the Interest Payment Dates.

6.1.2 Each Fixed Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date to (but excluding) the Maturity Date at the rate(s) per annum equal to the Fixed Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year and on the Maturity Date if such date does not fall on an Interest Payment Date. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.

6.1.3 The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount for half yearly interest payments shall be calculated by multiplying the Interest Rate by the Principal Amount (or, if it is a Partly Paid Note, the amount paid up) of the Fixed Rate Note and then dividing such product by 2 (the resultant sum will be rounded to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards), provided that:

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

Save as provided in the preceding paragraphs, interest will be calculated in accordance with the Interest Period as specified in the Applicable Pricing Supplement for the Fixed Rate Notes, however in any other instance, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such product by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

6.2 Interest on Floating Rate Notes

A. *Interest Rate*

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

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as specified in the Applicable Pricing Supplement.

B. *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 6.2B:

“**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

“**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those expressions in the ISDA Definitions.

When this Condition 6.2B applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 6.2F (*Determination of Interest Rate and calculation of Interest Amount*) in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 6.2B.

C. *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE’s approved methodology,

for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 12h00 (South African time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If 5 or more such offered quotations are available on the Relevant Screen

Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (a) above, no such offered quotation appears or, in the case of paragraph (b) above, fewer than 3 such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South African time) on the Interest Determination Date in question. If 2 or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 6.2C, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any 2 or more of them, at which such banks offered, at approximately 12h00 (South African time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than 2 of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (South African time) on the relevant Interest Determination Date, by 4 leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.2C, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

“**Reference Banks**” means for the purposes of this Condition 6.2C the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

D. *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement 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 and/or if it 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.

E. *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount (or, if it is a Partly Paid Note, on the amount paid up) from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s).

F. *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount (or, if it is a Partly Paid Note, on the amount paid up), then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means, in respect of the calculation of the Interest Amount for any Interest Period:

- (a) if “**Actual/365**” is specified in the Applicable Pricing Supplement, the actual number of elapsed days (including the first day and excluding the last day of such Interest Period) in the Interest Period divided by 365; or
- (b) such other calculation method as is specified in the Applicable Pricing Supplement.

G. *Notification of Interest Rate and Interest Amount*

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, any Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any central securities depository in which Certificates in respect of the notes are immobilised, as soon as possible after their determination but not later than the 4th Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements

made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Paying Agent, the Transfer Agent, the Noteholders in respect of any Floating Rate Notes which are Bearer Notes or Order Notes, each Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any central securities depository in which Certificates in respect of the Notes are immobilised.

H. *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Calculation Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Calculation Agent and in the event that Noteholders holding not less than 25% in aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within 5 Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 6.2G (*Notification of Interest Rate and Interest Amount*), such determination shall not be regarded as final and upon such notification, the Issuer shall request the chief executive officer for the time being of the JSE to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly as an expert and not as an arbitrator and their determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer in the event that the determination of such third party differs from that of the Issuer as Calculation Agent and shall be borne by the Noteholders disputing such determination by the Issuer in the event that the determination of such third party confirms that of the Issuer as Calculation Agent.

6.3 **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. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

6.4 **Indexed Notes**

In the case of Indexed Notes, if the Interest Rate or Final Redemption Amount falls to be determined by reference to an index and/or a formula, such rate or amount payable in respect of each Interest Period shall be determined in the manner specified in the Applicable

Pricing Supplement. Any interest payable shall fall due for payment on the Interest Payment Date(s).

6.5 **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 Principal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

6.6 **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 continue to accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEX page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) the date on which the full amount of the monies payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 18 (*Notices*).

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 6.2C (*Screen Rate Determination*) to ascertain a rate.

6.7 **Notes listed on the JSE**

The amount of any interest payable in respect of the Notes in terms of this Condition 6 will be announced on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

6.8 **Business Day Convention**

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement 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:

- (a) in the case of unlisted Notes only, 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 6.2E (*Interest Payment Dates*), 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 after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) 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

- (c) 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
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

6.9 **General**

6.9.1 **Calculation of other Amounts**

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to a Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will soon as practicable after the time or times at which any such amount, rate, index and or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

6.9.2 **Fall-back Rate of Interest**

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 6, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

6.9.3 **Certificates to be final**

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

7. **PAYMENTS**

7.1 **Registered Notes**

- 7.1.1 Payments of interest and principal in respect of Uncertificated Notes will be made to the Registered Holder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the Registered Holder of the relevant Notes. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Uncertificated Notes shall be recorded by the Registered Holder of such Notes,

distinguishing between interest and principal, and such record of payments by the Registered Holder of such Notes shall be *prima facie* proof of such payments.

7.1.2 Payments of interest and principal in respect of Notes represented by Definitive Certificates shall be made to the person reflected as the Registered Holder of the Definitive Certificate in the Register on the Last Day to Register.

7.2 **Bearer Notes**

7.2.1 Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate.

7.2.2 Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Bearer Notes which are Instalment Notes, or of the principal of all other Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate evidencing such Bearer Notes.

7.2.3 Upon presentation and/or surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

7.3 **Order Notes**

7.3.1 Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon or (in respect of interest bearing Order Notes issued without Coupons) only against presentation by the Payee or its Representative of the relevant Certificate.

7.3.2 Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Order Notes which are Instalment Notes, or of the principal of all other Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate evidencing such Order Notes.

7.3.3 Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

7.4 **Method of Payment**

7.4.1 Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.

7.4.2 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph by reason of the occurrence of a strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer (each a "**Payment Disruption Event**"), then:

7.4.2.1 the Issuer shall as soon as practicable notify the Noteholders of the relevant Notes of the occurrence of such Payment Disruption Event in accordance with Condition 18 (*Notices*); and

7.4.2.2 the:

(a) Issuer's obligation to pay the interest or principal or any such other amounts in respect of the relevant Notes (the "**Affected Amount**") shall be postponed to; and

(b) date on which any such Affected Amount shall be due and payable in respect of the relevant Notes shall be extended to,

a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 18 (*Notices*) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Noteholders in accordance with Condition 18 (*Notices*).

7.4.3 In the case of joint Noteholders of Registered Notes payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

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

7.5 **Surrender of Certificates and Coupons**

7.5.1 On or before the Last Day to Register prior to any Redemption Date of a Registered Note (including a Redemption Date relating to redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

7.5.2 In the case of the Uncertificated Notes, redemptions in part will be handled in accordance with the Applicable Procedures.

7.5.3 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

- 7.5.4 Payments of interest in respect of Bearer Notes or Order Notes shall be made in accordance with Condition 7.4 (*Method of Payment*) only following surrender of the relevant Coupon (if any) to the Paying Agent.
- 7.5.5 Payments of Instalment Amounts in respect of Instalment Notes which are Bearer Notes or Order Notes shall be made by the Issuer in accordance with Condition 7.4 (*Method of Payment*) only following surrender of the relevant Receipt to the Paying Agent.
- 7.5.6 No payment in respect of the final redemption of a Bearer Note or Order Note shall be made until the later of:
- (a) the Relevant Date; and
 - (b) the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.
- 7.5.7 Upon final redemption as aforesaid, all unmatured Coupons relating to Bearer Notes or Order Notes, as the case may be, (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.
- 7.5.8 Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the Specified Office of the Paying Agent specified in the Applicable Pricing Supplement.

7.6 **Payment Day**

Notwithstanding anything to the contrary contained in these Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then:

- (a) if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and
- (b) if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention and Interest shall accrue to and be paid on, the relevant Interest Payment Date.

7.7 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 12 (Taxation);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount (Tax) of the Notes or the Early Redemption Amount (Regulatory) of the Notes or the Early Termination Amount of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes;
- (d) in relation to Instalment Notes, the Instalment Amounts;

- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 11.8 (*Early redemption of Zero Coupon Notes*)); and
- (f) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

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

8. EXCHANGE OF TALONS

On or after the Interest Payment Date on which the final Coupon (comprising the Coupon attached to the relevant Certificate relating to the latest Interest Payment Date in respect of that series of Coupons) matures, but not later than the date for prescription (in accordance with Condition 9 (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*)) of the Talon which may be exchanged for the respective Coupons, the Talon (if any) attached to the relevant Certificate upon issue, may be surrendered at the Specified Office of the Transfer Agent in exchange for further Coupons, including (if such further Coupons do not include Coupons to, and including, the final date for the payment of interest due in respect of the Notes to which they pertain) a further Talon, subject to the provisions of Condition 9 (*Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes*). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon issued relative to such Talon matures.

9. LOSS ABSORPTION FOLLOWING A NON-VIABILITY TRIGGER EVENT IN RESPECT OF TIER 2 NOTES

This Condition 9 (other than Condition 9.4 (*Disapplication of Non-Viability Loss Absorption Condition*)) is referred to as the “**Non-Viability Loss Absorption Condition**” in these Terms and Conditions.

9.1 Non-Viability Trigger Event

9.1.1 Whether a Non-Viability Trigger Event has occurred at any time shall be determined by the Prudential Authority or any agent appointed for such purpose by the Prudential Authority, and such determination shall be binding on the Noteholders.

9.1.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will notify the Tier 2 Noteholders (a “**Non-Viability Trigger Event Notice**”) in accordance with Condition 18 (*Notices*) and subsequently either convert or write-off the Tier 2 Notes (or the Relevant Part thereof, as the case may be), in accordance with the Capital Regulations and Condition 9.2 (*Conversion of Tier 2 Notes upon a Non-Viability Trigger Event*) or Condition 9.3 (*Write-off of Tier 2 Notes upon a Non-Viability Trigger Event*) (as applicable). Any delay in delivery or failure to deliver a Non-Viability Trigger Event Notice shall not affect the validity of any Conversion or Write-off or the timing of any Conversion or Write-off.

9.2 Conversion of Tier 2 Notes upon a Non-Viability Trigger Event

9.2.1 This Condition 9.2 applies only to Tier 2 Notes to which Conversion is specified as applicable in the Applicable Pricing Supplement.

- 9.2.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will Convert the Current Principal Amount of the Tier 2 Notes (or the Relevant Part thereof) into Issuer Ordinary Shares, in accordance with the Capital Regulations, by such amount (the “**Conversion Amount**”) as the Prudential Authority shall require; provided that:
- (a) a Conversion of the Tier 2 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority; and
 - (b) the Tier 2 Notes shall be Converted in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.
- 9.2.3 Any such Conversion shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Conversion Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless:
- (a) in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Tier 2 Notes may be Converted after a longer period, in which case, the Conversion Date shall be such date as agreed with the Prudential Authority; or
 - (b) the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30-day period as a result of the need to comply with any Applicable Laws, regulations or written instructions of the Prudential Authority (including but not limited to the time required to interface and consult with the Prudential Authority), in which case the Conversion Date shall be a date as soon as reasonably possible after the end of the aforesaid 30-day period.
- 9.2.4 A Conversion may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Tier 2 Notes may be Converted on more than one occasion.
- 9.2.5 To the extent that the Conversion or Write-off of any Loss Absorbing Instruments is not effective for any reason:
- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Conversion of the Tier 2 Notes; and
 - (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Conversion Amount of the Tier 2 Notes.
- 9.2.6 If a Conversion of any Tier 2 Notes will take place pursuant to the occurrence of a Non-Viability Trigger Event specified in the Non-Viability Trigger Event Notice, the Issuer shall deliver a further written notice (the “**Conversion Notice**”) to the Tier 2 Noteholders in accordance with Condition 18 (*Notices*) which specifies:
- (a) the Conversion Price;
 - (b) the Conversion Record Date;
 - (c) the Conversion Date;
 - (d) the number of Conversion Shares to be issued pursuant to that Conversion; and

- (e) details of the arrangement for the settlement of the Conversion,

within the time period specified in the Applicable Pricing Supplement or failing any time period stipulated therein, as soon as the Conversion Price has been determined and such details are available (such Conversion Notice being delivered at least 5 (five) Business Days prior to the Conversion Date). In this regard, the Issuer is required to do all things which may be necessary to enable such price and details to be determined as soon as is reasonably possible in the circumstances.

9.2.7 On the Conversion Date, in accordance with Applicable Laws, the Capital Regulations and (if applicable) the written instructions received from the Prudential Authority:

- (a) the Issuer shall issue to the relevant Tier 2 Noteholders (as they appear, and into the relevant securities accounts of the Beneficial Interest holders of the Converted Tier 2 Notes recorded as such on the Conversion Record Date (or to the relevant Participant managing such securities account, if such Issuer Ordinary Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of Converted Tier 2 Notes as set out in the Register on the Conversion Record Date) such number of Issuer Ordinary Shares (the “**Conversion Shares**”) calculated by dividing the Conversion Amount on the Conversion Date by the Conversion Price;
- (b) the relevant Noteholders shall be deemed to have subscribed for the Conversion Shares for an aggregate subscription price equal to the Conversion Amount (the “**Subscription Price**”);
- (c) the Subscription Price shall be automatically off-set against the Conversion Amount and the aggregate current Principal Amount of the Tier 2 Notes shall be reduced by the Conversion Amount; and
- (d) the Conversion Shares shall be credited as fully paid and shall be freely transferable and shall have the same rights as, and *pari passu* in all respects with, and be of the same class as, all of the Issuer Ordinary Shares as at the Conversion Date. If the Issuer Ordinary Shares are issued in registered certificated form, the Issuer shall procure that the certificate/s evidencing the relevant number of Issuer Ordinary Shares is/are delivered to each relevant Tier 2 Noteholder.

9.2.8 Should all other issued Issuer Ordinary Shares be listed on a Financial Exchange (other than the JSE) at the time the Conversion Shares are issued to the relevant Tier 2 Noteholders pursuant to this Condition 9.2, the Issuer shall procure that such Conversion Shares are, upon issue, likewise listed on that Financial Exchange.

9.2.9 If, when calculating the number of Conversion Shares as contemplated in Condition 9.2.7, the number of Issuer Ordinary Shares calculated requires the issue of a fraction of a share to any Person, the number of Issuer Ordinary Shares to be issued will be rounded down to the nearest whole number of Issuer Ordinary Shares to ensure the issue of a whole number of shares to each Person entitled to receive same, and the relevant Tier 2 Noteholders or holders of the Beneficial Interests in the relevant Converted Tier 2 Notes shall only be entitled to receive such whole number of Issuer Ordinary Shares.

9.2.10 As soon as reasonably possible after the Conversion Date, the Issuer shall in accordance with Condition 18 (*Notices*) deliver to the relevant Tier 2 Noteholders a notice from the Central Securities Depository confirming that the Conversion Shares have been issued and entered in the relevant Noteholders’ respective securities accounts.

- 9.2.11 Any Conversion of Tier 2 Notes or the Relevant Part thereof in accordance with this Condition 9.2 will be final and binding in the absence of manifest error or fraud.
- 9.2.12 Where, at the occurrence of the relevant Non-Viability Trigger Event, the Conversion of the relevant Tranche of Tier 2 Notes pursuant to this Condition 9.2 (a) cannot be undertaken for any reason or (b) is not irrevocable or (c) will not result in an immediate increase in the Common Equity Tier 1 Capital Ratio, then the relevant Tranche of Tier 2 Notes shall, instead of being Converted, be Written-off, at the occurrence of that Non-Viability Trigger Event (at the discretion of the Prudential Authority), mutatis mutandis in accordance with the provisions of Condition 9.3 (*Write-off of Tier 2 Notes upon a Non-Viability Trigger Event*).
- 9.2.13 For the avoidance of doubt, following any Conversion of the Tier 2 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Tier 2 Noteholders.
- 9.2.14 Any Conversion of the Tier 2 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under these Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution or similar process of the Issuer.
- 9.2.15 Once a Conversion of all or the Relevant Part of the Current Principal Amount of the Tier 2 Notes has occurred, no Conversion Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Tier 2 Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Tier 2 Notes prior to the Conversion Date and repayment of the Conversion Amount; provided that, if the Tier 2 Notes are Converted in part, interest will continue to accrue on the Current Principal Amount.
- 9.2.16 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will, in respect of listed Tier 2 Notes, forthwith notify the Central Securities Depository, the JSE and/or such other Financial Exchange upon which such Tier 2 Notes are listed, as the case may be, of the occurrence of that Non-Viability Trigger Event and of the Issuer's intention to effect a Conversion of Tier 2 Notes.
- 9.2.17 The Issuer shall at all times (to the extent that it is within the Issuer's control and/or power to do so) obtain and maintain all prior authorisations (including, without limitation, all Issuer shareholder approvals in terms of the Companies Act and the JSE Listings Requirements applicable to the Main Board of the JSE) necessary to ensure the Conversion of the relevant Tranche of Tier 2 Notes pursuant to this Condition 9.2. The Issuer will not issue and list a Tranche of Tier 2 Notes to which Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE.
- 9.3 **Write-off of Tier 2 Notes upon a Non-Viability Trigger Event**
- 9.3.1 This Condition 9.3 applies only to Tier 2 Notes to which Write-off is specified as applicable in the Applicable Pricing Supplement.
- 9.3.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will Write-off the Current Principal Amount of the Tier 2 Notes (or the Relevant Part thereof), in accordance with the

Capital Regulations, by such amount (the “**Written-off Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Write-off of the Tier 2 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority; and
- (b) the Tier 2 Notes shall be Written-off in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

9.3.3 Any such Write-off shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Write-off Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Tier 2 Notes may be Written-off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Prudential Authority.

9.3.4 A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Tier 2 Notes may be Written-off on more than one occasion.

9.3.5 To the extent that the conversion or write-off of any Loss Absorbing Instruments is not effective for any reason:

- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Write-off of the Tier 2 Notes; and
- (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Written-off Amount of the Tier 2 Notes.

9.3.6 For the avoidance of doubt, in the event that the Applicable Pricing Supplement does not provide for any payment of compensation to the Tier 2 Noteholders following any Write-off of the Tier 2 Notes (or the Relevant Part thereof), the Issuer shall not be obliged to pay compensation in any form to the Tier 2 Noteholders.

9.3.7 Any Write-off of the Tier 2 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer’s obligations, or a failure to perform by the Issuer, under these Terms and Conditions and shall not entitle the Tier 2 Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.

9.3.8 Once a Write-off of all or the Relevant Part of the Current Principal Amount of the Tier 2 Notes has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Tier 2 Notes prior to the Write-off Date and repayment of the Written-off Amount; provided that, if the Tier 2 Notes are Written-off in part, interest will continue to accrue on the Current Principal Amount.

9.3.9 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will, in respect of listed Tier 2 Notes, forthwith notify the Central Securities Depository, the JSE and/or such other Financial Exchange upon which such Tier 2 Notes are listed, as the case may be, of the

occurrence of that Non-Viability Trigger Event and of the Issuer's intention to effect a Write-off of any Series of Tier 2 Notes.

9.4 **Disapplication of Non-Viability Loss Absorption Condition**

9.4.1 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 Trigger Event, then the Issuer shall have the option at any time by written notice (the "**Amendment Notice**") to the Tier 2 Noteholders in accordance with Condition 18 (*Notices*), to elect 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:

- (a) the Issuer will only elect to dis-apply the Non-Viability Loss Absorption Condition and apply the Statutory Loss Absorption Regime to the Tier 2 Notes from the Amendment Date, if such election does not give rise to a Capital Disqualification Event; and
- (b) a mandatory application of the Statutory Loss Absorption Regime to the Tier 2 Notes under Applicable Laws 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.

The election exercised by the Issuer under Condition 9.4.1(a) shall be without prejudice to any other rights the Issuer may have should a different Capital Disqualification Event occur or should the Statutory Loss Absorption Regime not apply regardless of such election.

9.4.2 If:

- (a) the Issuer exercises the Amendment Option; or
- (b) the Statutory Loss Absorption Regime is applied mandatorily to the Tier 2 Notes under Applicable Laws,

the Non-Viability Loss Absorption Condition will (in the case of Condition 9.4.2(b), 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 Condition 9.4.2(a)) the Amendment Date and (in the case of Condition 9.4.2(b)) 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 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.

9.4.3 For the avoidance of doubt, if a Non-Viability Trigger Event occurs on or after such date on which the Non-Viability Loss Absorption Condition is dis-applied, the Prudential Authority or the Issuer (following instructions from the Prudential Authority), may take such action in respect of the Tier 2 Notes as is required or permitted by such Statutory Loss Absorption Regime.

9.5 **No Event of Default**

Neither the Write-Off (nor, if applicable, the Conversion of all the Subordinated Notes or relevant portion of the Subordinated Notes, as applicable, nor the failure to pay any unpaid amounts to the relevant Subordinated Noteholders in consequence of the Write-Off (or, if applicable, the Conversion) shall constitute an Event of Default or any other breach of the Issuer's obligations under the relevant Tranche of Subordinated Notes or the applicable Terms and Conditions, and the relevant Subordinated Noteholders will have no claims of whatsoever nature against the Issuer as a result of the Write-Off (or, if applicable, the Conversion).

10. **PRESCRIPTION**

The Notes, Receipts and Coupons will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date therefor, save that any Certificate, Receipt or Coupon constituting a "*bill of exchange or other negotiable instrument*" in accordance with section 11 of the Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of 6 years from the Relevant Date thereof.

11. **REDEMPTION AND PURCHASE**

11.1 **Scheduled redemption**

Subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*), unless previously redeemed, or purchased and cancelled, the Tier 2 Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 7 (*Payments*). Subject to the applicable Capital Regulations, Tier 2 Notes shall have a minimum maturity of 5 years and one day, and, accordingly, the Maturity Date specified pursuant to this Condition 11.1 shall comply with this requirement.

11.2 **Redemption for tax reasons**

11.2.1 The Notes in a Series of Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*)) be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if neither the provisions applicable to Floating Rate Notes nor the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the provisions applicable to Floating Rate Notes or Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 18 (*Notices*) and to the Transfer Agent and the Paying Agent, at their Early Redemption Amount (Tax) together with interest accrued (if any) to (but excluding) the date of redemption, if a Tax Event occurs and is continuing

provided, however, that no such notice of redemption shall be given earlier than:

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

11.2.2 Prior to the publication of any notice of redemption pursuant to this Condition 11.2, the Issuer shall deliver to the Noteholders in accordance with Condition 18 (*Notices*) (a) a certificate signed by 2 authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 11.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.2.

11.3 **Redemption following a Capital Disqualification Event**

11.3.1 The Tier 2 Notes in a Series of Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*)) be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if neither the provisions applicable to Floating Rate Notes nor the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the provisions applicable to Floating Rate Notes or the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 18 (*Notices*) and to the Transfer Agent and the Paying Agent, at their Early Redemption Amount (Regulatory), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if a Capital Disqualification Event occurs and is continuing.

11.3.2 Prior to the publication of any notice of redemption pursuant to this Condition 11.3, the Issuer shall deliver to the Noteholders in accordance with Condition 18 (*Notices*) (a) a certificate signed by 2 authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) unless the Prudential Authority has confirmed to the Issuer that the relevant Notes are excluded from the relevant class of Eligible Capital of the Issuer on a solo and/or a consolidated basis, an opinion of independent legal advisers of recognised standing to the effect that a Capital Disqualification Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 11.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 11.3.

11.4 **Redemption at the option of the Issuer (Issuer Call)**

If redemption (as contemplated in this Condition 11.4) at the option of the Issuer (Call Option) is specified in the Applicable Pricing Supplement as being applicable, the Tier 2 Notes in a Series of Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*)) in the case of Tier 2 Notes be redeemed at the option of the Issuer in whole or, if so specified in the Applicable Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) together with accrued interest (if any) to such date upon the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the relevant Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable final terms in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Certificates, and in accordance with the rules of the Central Securities Depository (to be reflected in the records of the Central Securities Depository as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes held in uncertificated form, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Uncertificated Notes will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 11.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) at least five days prior to the Selection Date. Neither the First Optional Redemption Date (Call) nor any Optional Redemption Date (Call) shall fall earlier than the First Call Date.

11.5 **Conditions to redemption, substitution or variation of Tier 2 Notes**

11.5.1 Subject to the applicable Capital Regulations, Tier 2 Notes may be redeemed, substituted or varied by the Issuer pursuant to Condition 11.2 (*Redemption for tax reasons*), Condition 11.3 (*Redemption following a Capital Disqualification Event*), Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*) or Condition 11.9 (*Purchase*) provided that, for so long as is required by the Capital Regulations:

- (a) Tier 2 Notes may only be redeemed at the option of the Issuer pursuant to Condition 11.2 (*Redemption for tax reasons*), Condition 11.3 (*Redemption following a Capital Disqualification Event*), Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*) after a minimum initial period of issue of 5 years from the Issue Date of such Notes, provided that unless the Prudential Authority determines that the Issuer is duly capitalised above the minimum capital requirements after the call option is exercised, the Issuer may not redeem such Tier 2 Notes unless such Tier 2 Notes are replaced by the Issuer with instruments of similar or better quality and the replacement is on conditions that are sustainable for the income capacity of the Issuer;
- (b) the Issuer has notified the Prudential Authority of its intention to redeem, substitute, vary or purchase and cancel, the relevant Tier 2 Notes at least one month (or such other period, longer or shorter, as the Prudential Authority may then

require or accept) prior to the date scheduled for such redemption, substitution, variation or purchase and cancellation and written approval of the same has been received from the Prudential Authority;

- (c) such redemption is effected in accordance with conditions (if any) approved by the Prudential Authority in writing; and
- (d) prior to the publication of any notice of redemption, substitution or variation or redemption pursuant to this Condition 11, the Issuer shall deliver to the Paying Agent and the Transfer Agent a certificate signed by two authorised officers stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the relevant Qualifying Tier 2 Securities have terms not materially less favourable to an investor than the terms of the Tier 2 Notes and will as from the date of such substitution or variation otherwise comply with the requirements of the definition thereof in Condition 1 (*Interpretation*).

11.5.2 Subject to the applicable Capital Regulations, Tier 2 Notes may be redeemed at maturity, provided that, for so long as is required by the Capital Regulations, Tier 2 Notes shall have a minimum maturity of 5 years and one day, and, accordingly, the Maturity Date specified pursuant to Condition 11.1 (*Scheduled redemption*) shall comply with this requirement.

11.6 **Substitution or variation instead of redemption**

11.6.1 If a Tax Event or Capital Disqualification Event has occurred and is continuing, then the Issuer may instead of giving notice to redeem, subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*) (but without any requirement for the consent or approval of the Noteholders) and having given not less than 60 nor more than 90 days' notice to the Paying Agent, the Calculation Agent (if any) and, in accordance with Condition 18 (*Notices*), to the Tier 2 Noteholders (which notice shall be irrevocable), substitute at any time all (but not some only) of the relevant Series of Tier 2 Notes for, or vary the terms of the relevant Series of Tier 2 Notes so that they remain, Qualifying Tier 2 Capital Securities, and subject to the following provisions of this Condition 11.6 and subject to the issue of the certificate of the 2 directors referred to in the definition of Qualifying Tier 2 Capital Securities and subject further to the receipt by the Issuer of the opinion of the independent legal advisers referred to therein, such substitution or variation shall be effected.

11.6.2 Upon expiry of such notice, the Issuer shall vary the terms of or substitute, as the case may be, the relevant Series of Tier 2 Notes in accordance with this Condition 11.6.

11.6.3 In connection with any substitution or variation in accordance with this Condition 11.6, the Issuer shall comply with the rules of the relevant Financial Exchange on which the Notes are for the time being listed or admitted to trading.

11.7 **No other redemption, substitution or variation**

The Issuer shall not be entitled to redeem, substitute or vary the terms of the Notes otherwise than as provided in Conditions 11.1 (*Scheduled redemption*) to 11.6 (*Substitution or variation instead of redemption*).

11.8 **Early redemption of Zero Coupon Notes**

Unless otherwise specified in the Applicable Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount (the “**Amortised Face Amount**”) equal to the sum of:

- (a) the Reference Price; and
- (b) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Applicable Pricing Supplement for the purposes of this Condition 11.8 or, if none is so specified, a Day Count Fraction of Actual/365.

11.9 **Purchase**

Subject to the JSE Debt Listings Requirements, the requirements of any applicable Financial Exchange(s), any applicable Capital Regulations and Condition 11.5 (*Conditions to redemption, substitution or variation of Tier 2 Notes*) in the case of Tier 2 Notes, the Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may at the option of the Issuer be held, re-issued, re-sold or surrendered to the Transfer Agent for cancellation in accordance with Condition 11.10 (*Cancellation*).

11.10 **Cancellation**

All Notes so redeemed or purchased by the Issuer or any of its subsidiaries may, at its option, be cancelled and may, if cancelled, not be reissued or resold.

12. **TAXATION**

12.1 All payments of principal or interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by Applicable Laws.

12.2 In such event, the Issuer will, subject to the Issuer’s right to redeem such Notes in terms of Condition 11 (Redemption and Purchase), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

12.2.1 presented for payment (to the extent presentation is required) in South Africa;
or

12.2.2 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Note by reason

of it having some connection with a Tax Jurisdiction other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

12.2.3 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

12.2.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day assuming that day to have been a Payment Date; or

12.2.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

13. EVENTS OF DEFAULT

13.1 Events of Default relating to Tier 2 Notes

13.1.1 Notwithstanding any of the provisions below in this Condition 13.1, the right to institute winding-up proceedings is limited to circumstances where payment of principal or interest (as the case may be) has become due and payable. If default shall be made in the payment of any principal or interest due on the Tier 2 Notes of the relevant Series for a period of 7 days or more after any date on which the payment of principal is due or 14 days or more after any date on which the payment of interest is due (as the case may be), any Tier 2 Noteholder of that Series may, subject to Condition 5.1.3 (*Subordination*), and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default; provided that no action may be taken by a Tier 2 Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of any relevant jurisdiction or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such seven day period or fourteen day period (as the case may be) by independent legal advisers approved by the relevant Tier 2 Noteholders(s).

13.1.2 If any order is made by any competent court or an effective resolution is passed for the winding-up of the Issuer (other than pursuant to a Solvent Reconstruction), each Tier 2 Note may, by written notice to the Issuer and delivered to the Issuer, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) (subject to Condition 5.1.3 (*Subordination*)) without further action or formality.

13.1.3 Without prejudice to Condition 13.1.1 or 13.1.2, if the Issuer breaches any of its obligations under the Tier 2 Notes of the relevant Series (other than any obligation in respect of the payment of principal or interest on such Notes) then each Tier 2 Noteholder may at its discretion and without further notice, bring such proceedings as it may think fit to enforce

the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Tier 2 Notes sooner than the same would otherwise have been payable by it.

13.2 **Notice of an Event of Default**

If an Event of Default occurs, the Issuer will forthwith upon becoming aware of such Event of Default, give notice thereof (along with details of such Event of Default) in writing to the Transfer Agent, the Calculation Agent, the Debt Sponsor and the Noteholders of that Series and, if any Notes are listed on the Interest Rate Market of the JSE, to the JSE (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS and to the Central Securities Depository.

14. **DELIVERY, EXCHANGE AND REPLACEMENT OF CERTIFICATES, RECEIPTS AND COUPONS**

14.1 Upon the issue of Bearer Notes, Order Notes, unlisted Registered Notes or upon notice from a Participant pursuant to Condition 14.3 requesting the exchange or partial exchange of a Beneficial Interest in Notes for a Definitive Certificate(s), the Transfer Agent shall deliver the relevant Definitive Certificate(s) in accordance with the Agency Agreement.

14.2 The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to the Financial Markets Act (or the relevant provisions of any successor legislation), by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a Certificate (the "Exchange Notice"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

14.3 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that an Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

14.4 In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:

14.4.1 the Registered Holder, shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office; and

14.4.2 the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.

- 14.5 A Certificate shall, in relation to a Beneficial Interest:
- 14.5.1 in a Tranche of Notes which is held in the Central Securities Depository, represent that number of Notes as have, in the aggregate, the same aggregate Principal Amount of Notes standing to the account of the holder of such Beneficial Interest; and
 - 14.5.2 in any number of Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Principal Amount,
- as the case may be, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.
- 14.6 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by a Certificate in accordance with this Condition 14, such Notes (now represented by a Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the Central Securities Depository. Notes represented by Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.
- 14.7 Certificates, and any Receipts and/or Coupons in relation to Bearer Notes or Order Notes, shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes may be levied by other persons, such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates, Receipts and/or Coupons otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.
- 14.8 Any person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 14 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the requirements of the Applicable Procedures and of this Condition 14, may transfer such Notes. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.
- 14.9 If any Certificate, Receipt or Coupon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Issuer or the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer may reasonably

require. Mutilated or defaced Certificates, Receipts or Coupons must be surrendered before replacements will be issued.

15. TRANSFER OF NOTES

15.1 Transfer of Registered Notes

15.1.1 Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.

15.1.2 The Central Securities Depository maintains accounts only for its Participants. Beneficial Interests which are held by Participants (which are also Settlement Agents) may be held directly through the Central Securities Depository. Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are not held by Participants may be held by clients of Participants indirectly through such Participants.

15.1.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

15.1.4 In order for any transfer of Registered Notes represented by a Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Note:

- (a) must be embodied in a Transfer Form;
- (b) must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder and/transferee;
- (c) shall only be in the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
- (d) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Certificate in question for cancellation or, if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be delivered to the transferor and the cancelled Certificate will be retained by the Transfer Agent.

15.1.5 The transferor of any Registered Notes represented by a Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

15.1.6 Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

15.1.7 The Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Notes transferred.

- 15.1.8 No transfer will be registered while the Register is closed.
- 15.1.9 In the event of a partial redemption of Notes, the Issuer and the Transfer Agent shall not be required:
- (a) to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on date of the partial redemption (both inclusive); or
 - (b) to register the transfer of any Note, or part of a Note, called for partial redemption.

15.2 Transfer of Bearer Notes

Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate evidencing such Bearer Note or the relevant Receipt or Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate evidencing an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as evidencing a Bearer Note.

15.3 Transfer of Order Notes

Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate evidencing such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.

15.4 Prohibition on stripping

Where so specified in the Applicable Pricing Supplement, Bearer Notes or Order Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times.

16. REGISTER

16.1 The Register shall:

- 16.1.1 be kept at the Specified Office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 16.1.2 reflect the number of Notes issued and Outstanding and whether they are Registered Notes, Bearer Notes or Order Notes;
- 16.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of Registered Notes;
- 16.1.4 set out the Principal Amount of the Notes issued to such Noteholders and shall show the date of such issue;
- 16.1.5 show the serial number of Certificates issued in respect of Notes;

- 16.1.6 be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person authorized in writing by any Noteholder; and
 - 16.1.7 be closed during the Books Closed Period.
- 16.2 The Transfer Agent will only recognize, as registered holder of a Note, the Noteholder in the Register at 17h00 (South African time) on the relevant Last Day to Register. The Issuer and the Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject.
- 16.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of any Registered Notes of which it is notified in accordance with these Terms and Conditions.
- 17. CALCULATION AGENT, TRANSFER AGENT, PAYING AGENT AND ISSUER AGENT**
- 17.1 Any third party appointed by the Issuer as Calculation Agent, Transfer Agent, Paying Agent and Issuer Agent or otherwise shall act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts.
- 17.2 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent, Issuer Agent or Paying Agent, all references in these Terms and Conditions to:
- 17.2.1 any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
 - 17.2.2 requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent, Calculation Agent or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.
- 18. NOTICES**
- 18.1 Notices to Noteholders shall be valid and effective:
- 18.1.1 in the case of uncertificated Notes listed on the JSE, if delivered to:
 - (a) the JSE and electronically published on SENS, or any other similar service, established by the JSE; and
 - (b) the Central Securities Depository; or
 - 18.1.2 in the case of unlisted uncertificated Notes, if mailed to the registered addresses of the Noteholders appearing in the Uncertificated Securities Register or, if delivered to the Central Securities Depository (and if required, electronically published on SENS, or any other similar service, established by the JSE); or

18.1.3 in the case of Notes represented by an Individual Certificate (whether evidencing Registered Notes, Bearer Notes or Order Notes) if mailed to the registered addresses of the holders of the Notes appearing in the Register and published, not earlier than 4 calendar days after the date of posting of such notice by registered mail:

- (a) in an English language daily newspaper of general circulation in South Africa; and
- (b) for so long as the Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Financial Exchange is situated or any electronic news service of general distribution.

18.2 Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed, or the day of its publication, as the case may be.

18.3 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate, Coupon or Receipt at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address. For so long as any of the Notes are held in uncertificated form, notice may be given by any holder of a Beneficial Interest in Notes to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 days after posting.

19. MEETINGS OF NOTEHOLDERS

19.1 Directions of Noteholders

19.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 19. All meetings of Noteholders shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements.

19.1.2 Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

19.1.3 A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

- (a) by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); or
- (b) by Extraordinary Resolution or an Extraordinary Written Resolution:

- (i) of the Noteholders to bind all of the Noteholders to any compromise or arrangement; or
- (ii) of a particular Series of Noteholders to agree to any variation or modification of any rights of that Series of Noteholders.

19.1.4 Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

19.2 **Demand to call a meeting**

19.2.1 The Issuer may at any time convene a meeting of all Noteholders or separate meetings of holders of any Series of Tier 2 Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than:

- (a) 10 per cent. of the aggregate Principal Amount of all Outstanding Tier 2 Notes; or
- (b) 10 per cent. of the value of a specific Class of Tier 2 Notes, as the case may be.

19.2.2 Upon receiving the request to call a meeting as described in Condition 19.2.1, the Issuer must:

19.2.2.1 immediately:

- A. inform the JSE in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
- B. release an announcement on SENS stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the JSE Debt Listing Requirements, specifying the date and time of the meeting; and

19.2.2.2 within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS (the “Notice of Meeting”) specifying the information set out in Condition 19.2.3 below.

19.2.3 The Issuer shall include in the Notice of Meeting, the following:

19.2.3.1 the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;

19.2.3.2 the time of the scheduled meeting; and

19.2.3.3 details of a pre-meeting of the Noteholders (without the presence of the Issuer) which is to be held on the same day/venue as the scheduled meeting, but at least 2 (two) hours before the scheduled meeting.

19.2.4 The Issuer shall release an announcement on SENS within 2 (two) Business Days after the meeting setting out the details of the outcome thereof.

19.2.5 In the event of liquidation or curatorship of the Issuer, or the inability of the Issuer to pay its debts as and when they fall due, the reference to 5 (five) Business Days in Condition 19.2.2.2 above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 19.2.3.1 above shall be reduced to 5 (five) Business Days.

19.2.6 At the meeting:

- 19.2.6.1 Noteholders shall exercise their voting through polling and not by the show of hands; and
- 19.2.6.2 a chairperson shall be elected by Noteholders as voted in accordance with Condition 19.2.6.1 above.
- 19.2.7 The Noteholder(s) who demand(ed) the meeting may, prior to the meeting, withdraw the demand by notice in writing to the Issuer. A copy of the withdrawal must be submitted to the JSE by the Issuer, upon receipt thereof. Further, the Issuer may cancel the meeting if, as a result of one or more of the demands being withdrawn, there is a failure to meet the required percentage participation stipulated in Condition 19.2.1.

19.3 **Notice of meeting**

- 19.3.1 Unless the Noteholders of at least 90% of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be, agree in writing to a shorter period, at least 21 Business Days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer if applicable.
- 19.3.2 The accidental omission to give such notice to any Noteholder or the Issuer, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.
- 19.3.3 For as long as any Notes are listed on the JSE, notices of meetings in respect of such JSE-listed Notes, shall be announced on SENS, which announcement shall state the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive notice of the meeting, and the last date by which proxy forms must be submitted.
- 19.3.4 A notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 19.2 above may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a notice will be delivered to the Specified Offices of the Issuer.

19.4 **Quorum**

- 19.4.1 A quorum at a meeting shall:
- (a) for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be; and
 - (b) for the purposes of considering an Extraordinary Resolution or an Extraordinary Written Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority (i.e. 50% + 1) of the aggregate Principal Amount of the Notes Outstanding or Series of Notes Outstanding, as the case may be.
- 19.4.2 No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.
- 19.4.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every

other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution or an Extraordinary Written Resolution.

19.5 **Chairperson**

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairperson of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman.

19.6 **Adjournment**

19.6.1 Subject to the provisions of this Condition 19, the chairperson may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

19.6.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

19.6.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 19.4.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

19.7 **How questions are decided**

19.7.1 At a meeting, a resolution put to the vote will be decided on a poll.

19.7.2 In the case of an equality of votes, the chairperson will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

19.8 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Principal Amount of the Notes Outstanding held by such Noteholder bears to the aggregate Principal Amount of all of the Notes Outstanding or Series of Notes, as the case may be, held by Noteholders present in person or by proxy at the meeting. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Registered Holder in respect of Uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed in accordance with the Applicable Procedures.

19.9 **Proxies and representatives**

19.9.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**proxy form**") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer

of the juristic person, appoint any person (a “**proxy**” or “**proxies**”) to act on his or its behalf in connection with any meeting or proposed meeting.

- 19.9.2 A person appointed to act as proxy need not be a Noteholder.
- 19.9.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 19.9.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 19.9.5 Notwithstanding Condition 19.9.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder’s instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 19.9.6 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.
- 19.10 **Notice of the result of voting on any resolution**
- 19.10.1 Notice of the result of the voting on any resolution (including any Extraordinary Resolution or an Extraordinary Written Resolution) duly considered by the Noteholders shall (i) in respect of unlisted Notes, be given to the Noteholders within 14 (fourteen) days or (ii) in respect of Notes listed on the JSE, be announced on SENS within 2 (two) Business Days of the conclusion of the meeting or after the responses to the written resolutions have been received in accordance with Condition 18 (*Notices*). Non-publication shall not invalidate any such resolution.
- 19.11 **Minutes**
- 19.11.1 The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.
- 19.11.2 Any such minutes as aforesaid, if purporting to be signed by the chairperson of the meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders or Series of Noteholders, as the case may be, in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

19.12 **Written Resolutions**

A resolution in writing submitted to Noteholders or Noteholders of a Series, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by the requisite majority of Noteholders or Noteholders of a Series, as the case may be, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last day on which that resolution is signed by any one or more of the Noteholders or Noteholders of a Series, as the case may be. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders or Noteholders of a Series, as the case may be.

20. **AMENDMENT OF THESE CONDITIONS**

20.1 The Issuer may effect, without the consent of any Noteholder or any Noteholders of the relevant Series of Notes, as the case may be, any amendment to these Terms and Conditions:

20.1.1 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa; or

20.1.2 which does not affect the Tier 2 Notes in issue,

provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the JSE immediately after the amendment is made and release an announcement on SENS providing a summary of the amendments and where the amended or modified Terms and Conditions or supplement to the Terms and Conditions will be available for inspection.

20.2 Save as provided in Condition 20.1 and subject to Condition 20.3, no amendment, variation or modification of these Terms and Conditions may be effected or be of any force or effect unless approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be.

20.3 If any amendment, variation or modification of these Terms and Conditions does not fall within the provisions of Condition 20.1 then, in the case of any Tranche of Notes listed on the Interest Rate Market of the JSE:

20.3.1 the Issuer must first, prior to submitting the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions to the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, for approval, obtain conditional formal approval of the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions from the JSE in accordance with the JSE Debt Listings Requirements;

20.3.2 subsequent to receiving the conditional formal approval from the JSE contemplated by Condition 20.3.1, the Issuer shall send a notice, together with the proposed amended Terms and Conditions or proposed supplement to these Terms and Conditions, to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, in accordance with Condition 18 (*Notices*) incorporating the proposed amendments and requesting approval of the amendments from the Noteholders or the Noteholders of the

relevant Tranche or Series of Notes, as the case may be, by way of an Extraordinary Resolution or an Extraordinary Written Resolution;

- 20.3.3 if such approval is requested to be given:
- (a) by way of an Extraordinary Resolution, a proxy form shall be sent, together with the notice convening the meeting at which the Extraordinary Resolution is proposed to be passed, to each person entitled to vote at such meeting and who has elected to receive such documents; or
 - (b) by way of an Extraordinary Written Resolution, the notice to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, must include the proposed resolution, any restrictions on voting in terms of these Terms and Conditions, the last date on which a Noteholder may submit its vote, in writing, on the proposed resolution (provided that such date shall be no later than the 20th Business Day after the notice was distributed to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be,) and the address where the vote must be submitted;
- 20.3.4 for the purpose of the resolutions above wherein any votes are to be excluded from the passing of that resolution, any proxy given by a Noteholder to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution;
- 20.3.5 the Issuer must release an announcement on SENS with details concerning the date, time and venue of the meeting of all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, within 24 hours after the notice of the meeting has been distributed to the relevant Noteholder, and, in the case of written resolutions, the Issuer must release an announcement on SENS with details of the written resolutions being proposed within 24 hours after the notification of the proposed written resolutions have been distributed to the relevant Noteholders. In either instance, if the notification to the relevant Noteholders was distributed via a SENS announcement, a separate announcement is not required in terms of this Condition 20.3.5;
- 20.3.6 if approval from all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, is obtained, confirmation of such approval and the signed amendment of these Terms and Conditions or the signed supplement to these Terms and Conditions shall be submitted to the JSE by or on behalf of the Issuer and the Issuer shall also provide a letter to the JSE confirming that the signed amendment of these Terms and Conditions or the signed supplement to the Terms and Conditions is identical, other than in minor respects, to the draft conditionally formally approved by the JSE;
- 20.3.7 within 48 hours after the meeting or the responses from the relevant Noteholders on the proposed written resolution have been obtained, a SENS announcement shall be released by the Issuer containing the details of the voting results in respect of the proposed resolution/s and the announcement shall include the following:
- (a) the proposed resolution/s;

- (b) the Notes voted in person or by proxy disclosed as a number and a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be); and
- (c) the votes abstained disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be) and the votes carried (i) for and (ii) against each resolution, disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Notes or the total Principal Amount of all of the Notes, as the case may be); and

20.3.8 the amendment of these Terms and Conditions or the supplement to these Terms and Conditions must be available for inspection for at least 2 (two) Business Days before the listing of any Note on the Interest Rate Market of the JSE by the Issuer.

20.4 No amendment to the Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the JSE Debt Listings Requirements or such other Financial Exchange, as the case may be.

20.5 Any such modification of these Terms and Conditions made pursuant to this Condition 20 shall be binding on all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, and any such amendment shall be notified to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Notes, as the case may be, in accordance with Condition 18 (Notices) and to the Financial Exchange as soon as practicable thereafter.

21. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price, the Issue Date and the Interest Commencement Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

22. GOVERNING LAW

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

ABSA GROUP LIMITED

By: _____

Name:

Capacity: Authorised Signatory

Date: _____

By: _____

Name:

Capacity: Authorised Signatory

Date: _____

PRO FORMA APPLICABLE PRICING SUPPLEMENT OF THE ADDITIONAL TIER 1 NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Additional Tier 1 Notes issued under the Programme:



Absa Group Limited

(Incorporated with limited liability in South Africa under registration number 1986/003934/06)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] with Stock Code []

Under its ZAR50,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by Absa Group Limited dated 3 September 2021, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Additional Tier 1 Terms and Conditions. References in this Applicable Pricing Supplement to the Additional Tier 1 Terms and Conditions are to the section of the Programme Memorandum “*Terms and Conditions of the Additional Tier 1 Notes*”. References to any Condition in this Applicable Pricing Supplement are to that Condition of the Additional Tier 1 Terms and Conditions.

DESCRIPTION OF THE NOTES

1.	Issuer	Absa Group Limited
2.	Debt Officer	[Jason Quinn, Interim Group Chief Executive Officer]
3.	Status of Notes	Subordinated Notes: Additional Tier 1 Notes
4.	(a) Tranche Number	[]
	(b) Series Number	[]
5.	Aggregate Principal Amount	[]
6.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Mixed Rate]
7.	Form of Notes	[Registered Notes]

- | | | |
|-----|--|--|
| 8. | Security | Unsecured |
| 9. | Automatic/Optional Conversion from one Interest/Payment Basis to another | [insert details including date for conversion] |
| 10. | Issue Date | [] |
| 11. | Business Centre | [] |
| 12. | Additional Business Centre | [] |
| 13. | Principal Amount | [] |
| 14. | Specified Denomination | [] |
| 15. | Issue Price | [] |
| 16. | Interest Commencement Date | [] |
| 17. | Specified Currency | [] |
| 18. | Applicable Business Day Convention | [Floating Rate Business Day/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention – insert details] |
| 19. | Calculation Agent | [] |
| 20. | Specified Office of the Calculation Agent | [] |
| 21. | Paying Agent | [] |
| 22. | Specified Office of the Paying Agent | [] |
| 23. | Transfer Agent | [] |
| 24. | Specified Office of the Transfer Agent | [] |
| 25. | Settlement Agent | [] |
| 26. | Specified Office of the Settlement Agent | [] |
| 27. | Redemption Amount | [] |

FIXED RATE NOTES

[Applicable] / [Not Applicable]

28. Fixed Rate Note Provisions

(a) Fixed Interest Rate [] per cent, per annum

(b) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year, commencing on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in

accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)

- (c) Interest Period
Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (d) Initial Broken Amount []
- (e) Final Broken Amount []
- (f) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year, with the first Interest Determination Date being [●]
- (g) Day Count Fraction []
- (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

[Applicable] / [Not Applicable]

29. Floating Rate Note Provisions:

- (a) Interest Payment Date(s)
Means [●], [●], [●] and [●], in each year, commencing on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (b) Interest Period(s)
Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance

- with the applicable Business Day Convention)
- (c) Definitions of Business Day (if different from that set out in Condition 1 (*Interpretation*) of the Terms and Conditions) []
- (d) Minimum Interest Rate [] per cent
- (e) Maximum Interest Rate [] per cent
- (f) Other terms relating to the method of calculating interest (e.g., Day Count Fraction, rounding up provision, if different from Condition 7 (*Interest*) of the Terms and Conditions) []
30. Manner in which the Interest Rate is to be determined [ISDA Determination/Screen Rate Determination/other (insert details)]
31. Margin [(+/-) • per cent to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
32. If ISDA Determination
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
33. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [e.g. ZAR-JIBAR-SAFEX]
- (b) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year, with the first Interest Determination Date being [●]
- (c) Relevant Screen Page and Reference Code []
34. If Interest Rate to be calculated otherwise than by reference to the previous 2 sub-paragraphs, insert basis for determining Interest Rate/Margin/Fall back provisions []

35. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []

INDEXED NOTES

[Applicable] / [Not Applicable]

36. Indexed Notes Provisions [Not Applicable] / [Applicable. This item 35 is subject to Condition 6 (*Interest Payments on the Additional Tier 1 Notes*) of the Additional Tier 1 Terms and Conditions.]

(a) Type of Indexed Notes [Indexed Interest Notes/Indexed Redemption Amount Notes]

(b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined
Name of Index: []
Index Code: []
Index Currency: []
Index Sponsor: []
Index Calculator: []

The Index ground rules document is available at www. []

Any change to the Index methodology will be published on SENS and communicated to the JSE. All other changes as detailed in the ground rules document will be published on the Index Calculator's website, www.[]

The Index Level is published [daily/monthly] on www.[]

(c) Index of Indices [Yes/No]

(If yes, complete the below information for each underlying index)

[Underlying Indices: []

The Index Level is published [daily/monthly] on www.[]

(d) Manner in which the Interest Amount/Final Redemption Amount is to be determined []
The Index Level is published [daily/monthly] on www.[]

(e) Initial Index Level []

- (f) Interest Period Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date] / [state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
- (g) Interest Payment Date(s) Means [●], [●], [●] and [●], in each year, commencing on [●] or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
- (h) Interest Rate Determination Date(s) Means [●], [●], [●] and [●], in each year, with the first Interest Determination Date being [●]
- (i) If different from the Calculation Agent, agent responsible for calculating amount of principal and interest []
- (j) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []

MIXED RATE NOTES

[Applicable] / [Not Applicable]

37. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: []

(a) Fixed Rate Notes []

(b) Floating Rate Notes []

(c) Indexed Notes []

OTHER ADDITIONAL TIER 1 NOTES

[Applicable] / [Not Applicable]

38. If the Additional Tier 1 Notes are not Fixed Rate Notes, Floating Rate Notes, or Mixed Rate Notes, or if the Additional Tier 1 Notes are a combination of any of the foregoing, set out the relevant description and any additional []

Terms and Conditions relating to such
Additional Tier 1 Notes

PROVISIONS REGARDING REDEMPTION

39. Prior consent of Prudential Authority required for any redemption Yes
40. Redemption at the option of the Issuer (Call Option): if yes: [Yes/No]
- (a) First Optional Redemption Date (Call) []
- (b) Optional Redemption Date(s) (Call) []
- (c) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) []
- (d) Minimum period of notice (if different to Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions) []
- (e) If redeemable in part:
- Minimum Redemption Amount(s) []
- Higher Redemption Amount(s) []
- (f) Approval(s) of Prudential Authority Applicable
- (g) Other terms applicable on Redemption []
41. Early Redemption Amount(s) []
- (a) Early Redemption Amount (Regulatory) [Principal Amount plus accrued interest (if any) to the date fixed for redemption]
- (b) Early Redemption Amount (Tax) [Principal Amount plus accrued interest (if any) to the date fixed for redemption]
- (c) Early Termination Amount []
42. Do the Additional Tier 1 Terms and Conditions or the provisions of this Applicable Pricing Supplement provide for automatic redemption of the Notes upon the occurrence of a trigger event(s)? If yes: [Yes]/[No]
- [Early Redemption Date of the Note will be a minimum of 5 (five) Business Days after the date on which the trigger event occurred and such Early Redemption Date will be announced on SENS one Business Day after the trigger event occurred]
- (a) Trigger event(s) []

(b) Early Redemption Date []

NON-VIABILITY LOSS ABSORPTION

43. Conversion upon the occurrence of a Non-Viability Trigger Event [Applicable] / [Not applicable]
- If applicable: [Note: If not applicable, delete items (a) to (d)]
- (a) Conversion Price [•]
- (b) Conversion Record Date if different from the Additional Tier 1 Terms and Conditions [•]
- (c) Conversion Date if different from the Additional Tier 1 Terms and Conditions [•]/[Not Applicable]
- (d) Time period for the delivery of the Conversion Notice if different from Condition 9.2.6 [•]
44. Write-off upon the occurrence of a Non-Viability Trigger Event [Yes/No] [Note: Insert mechanics, if relevant]
45. Option to dis-apply Non-Viability Loss Absorption Condition pursuant to Condition 9.4 (*Disapplication of Non-Viability Loss Absorption Condition*) [Applicable] / [Not Applicable]

GENERAL

46. Additional selling restrictions []
47. Additional terms or special conditions [] / [Not Applicable]
48. (a) International Securities Identification Number (ISIN) []
- (b) Stock Code []
49. Financial Exchange []
50. Clearing System [Strate Proprietary Limited]
51. Method of distribution []
52. If syndicated, names of managers
53. Credit Rating assigned to [the Issuer] / [the Programme] / [the Notes] (if any), date of such rating and date for review of such rating []

54. Issuer rating and date of issue []
55. Governing law (if the laws of South Africa are not applicable) [] / [Not Applicable]
56. Other Banking Jurisdiction []
57. Last Day to Register, which shall mean that the “Books Closed Period” (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption [Not applicable] [By 17h00 on [] or if such day is not a Business Day, the Business Day before each Books Closed Period, in each year]
58. Books Closed Period [The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year]
59. Debt Sponsor []
60. Stabilisation Manager (if any) []
61. Pricing Methodology []
62. Authorised amount of the Programme []
63. Aggregate Outstanding Principal Amount of all Additional Tier 1 Notes in issue on the Issue Date of this Tranche (excluding the current issue and any other Note(s) issued on the Issue Date) []
64. Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any) []
65. Material Changes The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer’s latest [audited financial statements/ unaudited interim financial statements], dated []. As at the date of this Applicable Pricing Supplement, there has been no involvement by [], the auditor of the Issuer, in making the aforementioned statement
66. Shareholders’ approval The Issuer will not issue and list a Tranche of Additional Tier 1 Notes to which

Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE

67. Exchange control approval [Applicable / Not Applicable]
68. Use of proceeds []/[General corporate purposes]/[The Notes are intended to be issued as [Green Bonds]/[Social Bonds]/[Sustainable Bonds], [further particulars (including investment category of [Green]/[Social]/[Sustainable] Projects] and eligibility criteria) to be provided]

RESPONSIBILITY

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Applicable Pricing Supplement contains all information required by Applicable Laws and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, this Applicable Pricing Supplement, the annual financial statements and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (and any amendments or supplements to the aforementioned documents from time to time). The JSE makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, the annual financial statements and/or the annual report of the Issuer (any amendments or supplements to the aforementioned documents from time to time).

The JSE's approval of the registration of this Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the aggregate Principal Amount of all Notes Outstanding under this Programme does not exceed ZAR50,000,000,000, being the maximum aggregate Principal Amount of the Notes that may be issued under the Programme.

Application [is hereby] / [will not be] made to list this issue of Notes on [insert date] pursuant to the Absa Group Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on [...] 2021.

ABSA GROUP LIMITED

By: _____

Name:

Capacity: Authorised Signatory

Date: _____

By: _____

Name:

Capacity: Authorised Signatory

Date: _____

TERMS AND CONDITIONS OF THE ADDITIONAL TIER 1 NOTES

The following are the Terms and Conditions of the Additional Tier 1 Notes to be issued by the Issuer (the “**Additional Tier 1 Terms and Conditions**”). Additional Tier 1 Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Additional Tier 1 Notes. Before the Issuer issues any Tranche of Additional Tier 1 Notes, the Issuer shall complete, sign and deliver to the JSE and the Central Securities Depository an Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (included in the section of the Programme Memorandum headed “Pro Forma Applicable Pricing Supplement of the Additional Tier 1 Notes”), setting out details of such Additional Tier 1 Notes. The Applicable Pricing Supplement in relation to any Tranche of Additional Tier 1 Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Additional Tier 1 Terms and Conditions, replace or modify the following Additional Tier 1 Terms and Conditions for the purpose of such Tranche of Additional Tier 1 Notes. The Additional Tier 1 Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Certificate evidencing any Notes.

1. INTERPRETATION

- | | | |
|-----|--|--|
| 1.1 | “ Absa Bank ” | Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06; |
| 1.2 | “ Absa Group ” | the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer; |
| 1.3 | “ Absa Group Subsidiary ” | a subsidiary of the Absa Group; |
| 1.4 | “ Absa CIB ” | Absa Bank Limited, acting through its Corporate and Investment Banking division; |
| 1.5 | “ Additional Tier 1 Capital ” | “ <i>Additional Tier 1 Capital</i> ” as defined in section 1(1) of the Banks Act; |
| 1.6 | “ Additional Tier 1 Capital Regulations ” | Regulation 38(11)(b) of the “ <i>Regulations Relating to Banks</i> ” promulgated under the Banks Act and such other provisions of the Capital Regulations with which Additional Tier 1 Notes must comply in order for the proceeds of the issue of such Notes to qualify as Additional Tier 1 Capital; |
| 1.7 | “ Additional Tier 1 Notes ” | Notes specified as such in the Applicable Pricing Supplement and complying with the Additional Tier 1 Capital Regulations; |
| 1.8 | “ Additional Conditions ” | in relation to any issue of Additional Tier 1 Notes, the proceeds of which are intended by the Issuer to qualify as Additional Tier 1 Capital, such conditions, in addition to the conditions specified in the applicable Capital Regulations, as may be prescribed by the Prudential Authority for the proceeds of the issue of such Notes to qualify as Additional Tier 1 Capital, pursuant to |

- the approval granted by the Prudential Authority for the issue of such Notes, as specified in the Applicable Pricing Supplement;
- 1.9 **“Agency Agreement”** the amended and restated agency agreement dated 3 September 2021 concluded between the Issuer, the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, or a separate agreement between the Issuer and each of the Issuer Agent, the Paying Agent, the Calculation Agent and the Transfer Agent, unless the Issuer itself acts in any of the abovementioned capacities;
- 1.10 **“Applicable Laws”** in relation to a person, means all and any:
- 1.10.1 statutes and subordinate legislation;
- 1.10.2 regulations, ordinances and directives;
- 1.10.3 by-laws;
- 1.10.4 codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and
- 1.10.5 other similar provisions, from time to time;
- 1.11 **“Applicable Pricing Supplement”** in relation to a Tranche of Additional Tier 1 Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Additional Tier 1 Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Additional Tier 1 Notes, based upon the *pro forma* applicable pricing supplement which is set out in the section of the Programme Memorandum headed “*Pro Forma Applicable Pricing Supplement of the Additional Tier 1 Notes*”;
- 1.12 **“Applicable Procedures”** the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents, the JSE and/or any Financial Exchange, as the case may be;
- 1.13 **“Arranger”** Absa CIB;
- 1.14 **“Assets”** the total amount of the non consolidated gross assets of the Issuer as shown in the latest published audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and

		subsequent events in such manner as the directors of the Issuer, the auditor of the Issuer or a liquidator, judicial manager, administrator or curator of the Issuer (if applicable) may determine;
1.15	“Banks Act”	the Banks Act, 1990;
1.16	“Beneficial Interest”	in relation to an Additional Tier 1 Note, an interest as co-owner of an undivided share in an Uncertificated Note, in accordance with the Financial Markets Act;
1.17	“Books Closed Period”	in relation to a Tranche of Additional Tier 1 Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfer of the Notes will not be recorded in the Register, or such other shorter period as the Issuer may decide to determine those Noteholders entitled to receive interest or redemption monies;
1.18	“Business Day”	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement save that if the Specified Currency is not ZAR, “ <i>Business Day</i> ” shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday;
1.19	“Calculation Agent”	Absa CIB unless the Dealer, or in the case of a syndicated issue, the lead manager, requests the Issuer to appoint or the Issuer elects to appoint, in relation to a particular Tranche or Series of Additional Tier 1 Notes, another entity as Calculation Agent, in which event that other entity shall act, on execution of the Agency Agreement, as a Calculation Agent in respect of that Tranche or Series of Additional Tier 1 Notes;
1.20	“Call Option”	has the meaning given in the Applicable Pricing Supplement;
1.21	“Capital Disqualification Event”	is an event which will be deemed to have occurred with respect to the Additional Tier 1 Notes of any Series if, as a result of a Regulatory

		Change, the Additional Tier 1 Notes of that Series are fully, or to the extent permitted by the Capital Regulations, partially, excluded from Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital);
1.22	“Capital Regulations”	at any time, any legislation, regulations, rules, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa as applied by the Prudential Authority (including the Additional Conditions (if any)) (or if the Issuer becomes domiciled in a jurisdiction other than South Africa, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction);
1.23	“Central Securities Depository”	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, operating in terms of the Financial Markets Act a central securities depository, or any additional or alternate depository approved by the Issuer, the Dealer(s) and the JSE;
1.24	“Certificate”	a Definitive Certificate;
1.25	“Common Equity Tier 1 Capital”	<i>“common equity tier 1 capital”</i> as defined in section 1(1) of the Banks Act;
1.26	“Common Equity Tier 1 Capital Ratio”	with respect to the Issuer, at any time, the ratio of Common Equity Tier 1 of the Issuer as at such time to the risk weighted assets of the Issuer at the same time, expressed as a percentage;
1.27	“Conversion”	the conversion of Additional Tier 1 Notes into Issuer Ordinary Shares upon the occurrence of a Non-Viability Trigger Event and after the delivery of an Issuer Non-Viability Trigger Event Notice in accordance with Condition 9.2 (<i>Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event</i>), and its cognates shall bear the same meaning;
1.28	“Conversion Amount”	has the meaning as set out in Condition 9.2.2 of these Terms and Conditions;
1.29	“Conversion Date”	has the meaning as set out in Condition 9.2.3 of these Terms and Conditions;

1.30	“Conversion Last Day to Trade”	the date which is 5 (five) Business Days prior to a Conversion Record Date;
1.31	“Conversion Price”	in relation to a Tranche of Additional Tier 1 Notes, the conversion price set out, or determined in the manner set out, in the Applicable Pricing Supplement;
1.32	“Conversion Record Date”	the date which is 5 (five) Business Days prior to a Conversion Date or such other date specified in the Applicable Pricing Supplement;
1.33	“Conversion Shares”	has the meaning as set out in Condition 9.2.7 of these Terms and Conditions;
1.34	“Companies Act”	the Companies Act, 2008;
1.35	“Converted”	having undergone the Conversion process set out in Condition 9 (<i>Loss Absorption following a Non-Viability Trigger Event</i>) to these Terms and Conditions;
1.36	“Converted Additional Tier 1 Notes”	the Series of Additional Tier 1 Notes which the Prudential Authority requires to be Converted upon the occurrence of a Non-Viability Trigger Event or, as the case may be, the Relevant Part thereof identified by the Prudential Authority;
1.37	“Current Principal Amount”	with respect to: <ul style="list-style-type: none"> 1.37.1 the Additional Tier 1 Notes or an Additional Tier 1 Note (as the context requires), the principal amount thereof, calculated on the basis of the Principal Amount, as such amount may be reduced, on one or more occasions, pursuant to a Conversion or Write-off (as applicable) following the occurrence of a Non-Viability Trigger Event; or 1.37.2 any other Loss Absorbing Instrument, the principal amount thereof (or amount analogous to a principal amount), calculated on an analogous basis to the calculation of the Current Principal Amount of the Additional Tier 1 Notes;
1.38	“Dealer”	Absa CIB and/or any other additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the

		Issuer’s right to terminate the appointment of any Dealer;
1.39	“Definitive Certificate”	means, in respect of Registered Notes: an Additional Tier 1 Note in the definitive registered form of a single certificate and, a certificate exchanged for a Beneficial Interest in the Additional Tier 1 Notes in accordance with Condition 15 (Transfer of Notes) and any further certificate issued in consequence of a transfer thereof;
1.40	“Early Redemption Amount (Regulatory)”	in respect of each Additional Tier 1 Note in a Tranche of Additional Tier 1 Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) to the date fixed for redemption or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.41	“Eligible Capital”	Notes that are treated by the Prudential Authority for inclusion in the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis, in accordance with the Capital Regulations;
1.42	“Endorsement”	an “indorsement”, <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 1964;
1.43	“Event of Default”	any of the events described in Condition 13 (<i>Events of Default</i>), the occurrence of which shall be signified by a Noteholder’s ability to institute proceedings against the Issuer;
1.44	“Extraordinary Resolution”	a resolution passed at a properly constituted meeting of Additional Tier 1 Noteholders or Noteholders of the relevant Series of Additional Tier 1 Notes, as the case may be, holding not less than 66.67% of the Principal Amount of the Additional Tier 1 Notes or of the Additional Tier 1 Notes in that relevant Series of Additional Tier 1 Notes, as the case may be, for the time being Outstanding present in person or by proxy voting thereat upon a show of hands or if a poll be demanded, then by a majority consisting of not less than 66.67% of the votes given on such poll;;
1.45	“Extraordinary Written Resolution”	a resolution passed other than at a meeting of Additional Tier 1 Noteholders or Noteholders of the relevant Series of Additional Tier 1 Notes, with the written consent of the Noteholders holding not less than 66.67% of the Principal Amount of the Additional Tier 1 Notes or of the Additional Tier 1 Notes in that relevant Series of

		Notes, as the case may be, for the time being Outstanding. A resolution of Additional Tier 1 Noteholders or members of the relevant class of Noteholders of Additional Tier 1 Notes shall state the date that the Issuer selected to determine which Noteholders recorded in the Register will receive notice of the written resolution;
1.46	“Financial Exchange”	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.47	“Financial Markets Act”	the Financial Markets Act, 2012;
1.48	“First Call Date”	in relation to a Tranche of Additional Tier 1 Notes, the date which is 5 (five) years and 1 (one) day after the Issue Date;
1.49	“First Optional Redemption Date (Call)”	has the meaning given in the Applicable Pricing Supplement and is subject to the First Call Date;
1.50	“Fixed Interest Rate”	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.51	“Fixed Rate Notes”	Additional Tier 1 Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.52	“Floating Rate Notes”	Additional Tier 1 Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.53	“General Terms and Conditions”	the terms and conditions applicable to Notes (other than Tier 2 Notes and Additional Tier 1 Notes) issued under the Programme as set out in the section of this Programme Memorandum headed <i>“Terms and Conditions of the Unsubordinated Notes”</i> ;
1.54	“Green Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that promote climate friendly and other environmental purposes meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.55	“Group”	the Issuer and its consolidated subsidiaries taken as a whole;
1.56	“Income Tax Act”	the Income Tax Act, 1962;
1.57	“Indexed Interest Notes”	Notes in respect of which the Interest Amount is calculated by reference to such index and/or

		formula, as specified in the Applicable Pricing Supplement;
1.58	“Indexed Note”	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
1.59	“Indexed Redemption Amount Notes”	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula, as specified in the Applicable Pricing Supplement;
1.60	“Individual Certificate”	in respect of Registered Notes: a Note in the definitive registered form of a single certificate and, in respect of Registered Notes, being a certificate exchanged for a Beneficial Interest in accordance with Condition 14 (<i>Delivery, Exchange and Replacement of Certificates</i>) and any further certificate issued in consequence of a transfer thereof;
1.61	“Interest Amount”	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Conditions 7.1 (<i>Interest on Fixed Rate Notes</i>), 7.2F (<i>Determination of Interest Rate and calculation of Interest Amount</i>) and 7.4 (<i>Indexed Notes</i>) respectively;
1.62	“Interest Commencement Date”	the first date from which interest on the Additional Tier 1 Notes, will accrue, as specified in the Applicable Pricing Supplement;
1.63	“Interest Payment Date”	the date(s) specified as such in the Applicable Pricing Supplement, or if no express such date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding date upon which Interest Amounts are due and payable (such period as specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date;
1.64	“Interest Period”	if applicable in relation to a Tranche or Series of Additional Tier 1 Notes, the interest period(s) specified as such in the Applicable Pricing Supplement;
1.65	“Interest Rate”	the rate or rates of interest applicable to Additional Tier 1 Notes other than Fixed Rate Notes;
1.66	“Interest Rate Market of the JSE”	the separate platform or sub-market of the JSE designated as the <i>“Interest Rate Market”</i> , or any

		other successor market designated by the JSE for the listing of debt securities, and on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
1.67	“ISDA”	International Swaps and Derivatives Association, Inc.;
1.68	“ISDA Definitions”	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.69	“Issue Date”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.70	“Issuer”	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.71	“Issuer Agent”	Absa Bank Limited, or such other entity appointed as Issuer Agent by the Issuer from time to time, where such Issuer Agent is appointed for purposes of the debt instrument solution system of the Central Securities Depository;
1.72	“Issuer Ordinary Shares”	the ordinary shares in the share capital of the Issuer;
1.73	“JSE”	means the JSE Limited (Registration Number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;
1.74	“JSE Debt Guarantee Fund Trust”	the Guarantee Fund Trust established and operated by the JSE as a separate Guarantee Fund Trust, in terms of the rules of the JSE, as required by sections 8(1)(h) and 15(2) of the Financial Markets Act or any successor fund;
1.75	“JSE Debt Listings Requirements”	means all listings requirements promulgated by the JSE from time to time for the Interest Rate Market of the JSE;
1.76	“Junior Securities”	in relation to the Additional Tier 1 Note: <ul style="list-style-type: none"> 1.76.1 the Issuer Ordinary Shares, other share capital or any other securities issued by the Issuer the proceeds of which qualify (or were intended to

- qualify at issue) as Common Equity Tier 1 Capital; and
- 1.76.2 any other shares or securities issued by, or any other obligations of, the Issuer which rank, or are expressed to rank, junior to the Additional Tier 1 Notes on a liquidation, winding-up or bankruptcy of the Issuer;
- 1.77 **“Last Day to Register”** with respect to a particular Series of Additional Tier 1 Notes (as reflected in the Applicable Pricing Supplement), the close of business on the Business Day immediately preceding the first day of a Books Closed Period;
- 1.78 **“Liabilities”** the total amount of the non consolidated gross liabilities of the Issuer as shown in the latest published audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditor of the Issuer or a liquidator or administrator of the Issuer (if applicable) may determine;
- 1.79 **“Loss Absorbing Instrument”** at any time any Other Additional Tier 1 Securities which may have all or some of its principal amount written-off (whether in whole or in part or on a permanent or temporary basis) or converted (whether in whole or in part) (in each case in accordance with its conditions or otherwise) on the occurrence or as a result of a Non-Viability Trigger Event;
- 1.80 **“Margin”** has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.81 **“Material Subsidiary”** any subsidiary of the Issuer:
- 1.81.1 whose gross revenues (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less than 10 percent. of the consolidated gross revenues of the Group, all as calculated by reference to the last audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or
- 1.81.2 whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent no less

than 10 percent. of the consolidated total assets of the Group, all as calculated by reference to the latest audited (consolidated or, as the case may be, unconsolidated) accounts of the subsidiary and the latest audited consolidated accounts of the Issuer; or

1.81.3 to which is transferred the whole or substantially the whole of the undertaking and assets of a subsidiary of the Issuer which immediately before the transfer is a Material Subsidiary of the Issuer (whereupon such transferor subsidiary shall cease to be a Material Subsidiary until the next publication of audited consolidated accounts of the Issuer following such transfer),

provided that:

- (a) in the case of a subsidiary acquired or an entity which becomes a subsidiary after the end of the financial period to which the latest audited consolidated accounts of the Issuer relate, the reference to the latest audited consolidated accounts for the purposes of the calculation above shall, until audited consolidated accounts of the issuer are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a subsidiary, be deemed to be a reference to the latest consolidated accounts of the Issuer adjusted in such manner as the Issuer shall consider appropriate to consolidate the latest audited accounts of such subsidiary in such accounts; and
- (b) a certificate signed by two directors of the issuer that in

their opinion a subsidiary of the issuer is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding;

- 1.82 **“Maximum Interest Rate”** has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.83 **“Maximum Redemption Amount”** has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.84 **“Minimum Redemption Amount”** has the meaning ascribed thereto in the Applicable Pricing Supplement;
- 1.85 **“Mixed Rate Notes”** Additional Tier 1 Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 7.3 (*Mixed Rate Notes*);
- 1.86 **“Non-Redeemable Non-Cumulative Preference Shares”** non-redeemable non-cumulative preference shares in the issued share capital of the Issuer, if any;
- 1.87 **“Non-Viability Trigger Event”** shall occur when:
- 1.87.1 a “trigger event” specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred; provided that, as a minimum, the aforesaid “trigger event” shall be the earlier of:
- (a) a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the Prudential Authority; or
- (b) the decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by the Prudential Authority; or

		1.87.2	the Issuer’s Common Equity Tier 1 Capital Ratio is equal to or below 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time),
			whichever is the earlier to occur; provided that Condition 1.87.1(b) will only apply if the Additional Tier 1 Notes are liability accounted by the Issuer;
1.88	“Non-Viability Trigger Event Notice”		has the meaning set out in Condition 9.1.2 of these Terms and Conditions;
1.89	“Noteholders”		the holders of the Notes who are recorded as the Registered Holders of the Registered Notes (in the Register or the Uncertificated Securities Register);
1.90	“Notes”		the notes issued or to be issued by the Issuer under the Programme;
1.91	“Optional Redemption Amount (Call)”		in respect of any Additional Tier 1 Note, its Principal Amount or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement;
1.92	“Optional Redemption Date (Call)”		has the meaning given in the Applicable Pricing Supplement;
1.93	“Ordinary Resolution”		a resolution passed at a properly constituted meeting of Noteholders of Additional Tier 1 Notes or Noteholders of the relevant Series of Additional Tier 1 Notes, as the case may be, by a majority of the votes cast at a poll by Noteholders or Noteholders of the relevant Series of Additional Tier 1 Notes, as the case may be, present in person or by proxy;
1.94	“Ordinary Shares”		ordinary shares in the issued share capital of the Issuer;
1.95	“Other Additional Tier 1 Security”		in relation to the Additional Tier 1 Notes, any obligations or securities of the Issuer (other than the Additional Tier 1 Notes):
		1.95.1	which upon issue qualified (or were intended to qualify) as Additional Tier 1 Capital; or
		1.95.2	which otherwise rank or are expressed to rank on a liquidation,

bankruptcy or winding-up of the Issuer *pari passu* with the Additional Tier 1 Notes or with other obligations or securities falling within Condition 1.95.1;

1.96 **“Outstanding”**

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

1.96.1 those which have been redeemed in full;

1.96.2 those in respect of which the date for redemption in accordance with these Terms and Conditions, the Tier 2 Terms and Conditions or the General Terms and Conditions has occurred and the redemption monies (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under these Terms and Conditions, the Tier 2 Terms and Conditions or the General Terms and Conditions after such date) remain available for payment against presentation of Certificates;

1.96.3 those which have been purchased and cancelled as provided in Condition 11.9 (*Purchase*) of the Tier 2 Terms and Conditions, Condition 11.8 (*Purchase*) of these Terms and Conditions or Condition 10.7 (*Purchase*) of the General Terms and Conditions (as applicable);

1.96.4 those which have become prescribed under Condition 10 (*Prescription*) of the Tier 2 Terms and Conditions, Condition 10 (*Prescription*) of these Terms and Conditions or Condition 9 (*Prescription*) of the General Terms and Conditions (as applicable);

1.96.5 Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the Tier 2

Terms and Conditions, Condition 14 (Delivery, Exchange and Replacement of Certificates) of these Terms and Conditions or Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the General Terms and Conditions (as applicable);

- 1.96.6 (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 14 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the Tier 2 Terms and Conditions, Condition 14 (Delivery, Exchange and Replacement of Certificates) of these Terms and Conditions or Condition 13 (*Delivery, Exchange and Replacement of Certificates, Receipts and Coupons*) of the General Terms and Conditions (as applicable),

provided that for each of the following purposes, namely:

- (a) the right to attend and vote at any meeting of the Noteholders; and
- (b) the determination of how many and which Additional Tier 1 Notes are for the time being Outstanding for the purposes of Conditions 19 (*Meetings of Noteholders*) and 20 (*Amendment of these Conditions*) of these Terms and Conditions,

all Additional Tier 1 Notes (if any) which are for the time being held by the Issuer (subject to any applicable laws) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding;

1.97 **“Parity Securities”**

in relation to Additional Tier 1 Notes, Non-Redeemable Non-Cumulative Preference Shares qualifying as Additional Tier 1 Capital from time

		to time outstanding or any other securities issued by the Issuer or any other member of the Absa Group ranking or expressed to rank equally as to payments with Non-Redeemable Non-Cumulative Preference Shares and the proceeds of which qualify as Additional Tier 1 Capital or any securities issued by a member of the Absa Group that benefit from a guarantee or support agreement from the Issuer or any other member of the Absa Group which ranks or is expressed to rank equally as to payments with the Additional Tier 1 Notes and the proceeds from the issue of which securities qualify as Additional Tier 1 Capital;
1.98	“Participants”	a person that holds in custody and administers securities or an interest in securities and that has been accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;
1.99	“Paying Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Additional Tier 1 Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Additional Tier 1 Notes;
1.100	“Payment Day”	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Additional Tier 1 Notes;
1.101	“Principal Amount”	the nominal amount of each Additional Tier 1 Note specified on the Certificate evidencing such Additional Tier 1 Note;
1.102	“Programme”	the ZAR50,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.103	“Programme Memorandum”	this document dated 3 September 2021, as amended and/or supplemented from time to time;
1.104	“Prudential Authority”	the Prudential Authority in accordance with the Banks Act (previously the Registrar of Banks);
1.105	“Rating Agency”	means any rating agency(ies) as is/are appointed by the Issuer to provide a credit rating from time to time and as specified in the Applicable Pricing Supplement;
1.106	“Qualifying Additional Tier 1 Capital Securities”	securities whether debt, equity or otherwise, issued by the Issuer that:

- 1.106.1 have terms not materially less favourable to a holder of the Additional Tier 1 Notes than the terms of the current Additional Tier 1 Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of 2 Directors of the Issuer and an opinion to such effect of independent legal advisers of recognised standing shall have been delivered to the Issuer prior to the issue of the relevant securities and is so stated in the certificate) provided that they shall (a) include a ranking at least equal to that of the Additional Tier 1 Notes, (b) have the same interest, dividend or distribution rate or rate of return and Interest Payment Dates from time to time applying to the Additional Tier 1 Notes, (c) be issued in an amount at least equal to the total number of Notes multiplied by the Specified Denomination, and (d) comply with the then current requirements of the SARB in relation to Additional Tier 1 Capital; and
 - 1.106.2 are listed on the JSE, or any other internationally recognised exchange;
- 1.107 **“Qualifying Tier 2 Capital Securities”** securities whether debt, equity or otherwise, issued by the Issuer that:
- 1.107.1 have terms not materially less favourable to a holder of the Tier 2 Notes than the terms of the current Tier 2 Notes (as reasonably determined by the Issuer, and provided that a certification to such effect of 2 Directors of the Issuer and an opinion to such effect of independent legal advisers of recognised standing shall have been delivered to the Issuer prior to the issue of the relevant securities and is so stated in the certificate) provided that they shall: (a) include a ranking at least equal to that of the Tier 2 Notes; (b) have the same interest, dividend or distribution rate or rate of return and Interest Payment Dates

		from time to time applying to the Tier 2 Notes; (c) be issued in an amount at least equal to the total number of Notes multiplied by the Specified Denomination; and (d) comply with the then current requirements of the SARB in relation to Tier 2 Capital; and
		1.107.2 are listed on the JSE, or any other internationally recognised exchange, if the current Tier 2 Notes are listed;
1.108	“Redemption Amount”	as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory), the Optional Redemption Amount (Call), or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Applicable Pricing Supplement;
1.109	“Redemption Date”	each date on which any Additional Tier 1 Notes are to be redeemed, partially or finally, as the case may be, in terms of these Additional Tier 1 Terms and Conditions;
1.110	“Reference Rate”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.111	“Register”	the register maintained by the Transfer Agent in terms of Condition 16 (<i>Register</i>);
1.112	“Registered Holder”	means: <ul style="list-style-type: none"> 1.112.1 in respect of Registered Notes held in uncertificated form in the Central Securities Depository, the person whose name is entered into the Uncertificated Securities Register as the holder of such Registered Notes in a Tranche of Notes; and 1.112.2 in respect of Registered Notes represented by an Individual Certificate, the person whose name is entered into the Register as the holder of such Registered Notes in a Tranche of Notes;
1.113	“Registered Note”	an Additional Tier 1 Note issued in registered form and transferable in accordance with Condition 15.1 (<i>Transfer of Registered Notes</i>);

1.114	“Regulatory Change”	a change in, or amendment to, the Capital Regulations or any change in the application of or official or generally published guidance or interpretation of the Capital Regulations, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Additional Tier 1 Notes of the relevant Series;
1.115	“Relevant Date”	in respect of any payment relating to the Additional Tier 1 Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Securities Depository in accordance with these Additional Tier 1 Terms and Conditions, it means the first date on which: (a) the full amount of such monies have been received by the Central Securities Depository; (b) such monies are available for payment to the holders of Beneficial Interests; and (c) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
1.116	“Relevant Part”	in relation to a Series of Additional Tier 1 Notes, the portion of the aggregate Current Principal Amount of that Series of Additional Tier 1 Notes which the Prudential Authority requires to be Converted or Written-off (as applicable) upon the occurrence of a Non-Viability Trigger Event whether expressed as a value, a percentage or otherwise, as determined and notified to the Issuer by the Prudential Authority;
1.117	“Relevant Screen Page ”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.118	“Representative”	a person duly authorised to act on behalf of a Noteholder, who may be regarded by the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such person, in the absence of express notice to the contrary from such Noteholder;
1.119	“SARB”	the South African Reserve Bank;
1.120	“Screen Rate Determination”	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.121	“SENS”	the Stock Exchange News Service established by the JSE;
1.122	“Senior Creditors”	means creditors of the Issuer;

		1.122.1	who are unsubordinated creditors of the Issuer;
		1.122.2	(other than the holders of Additional Tier 1 Notes, Qualifying Additional Tier 1 Capital Securities, Tier 2 Notes or Qualifying Tier 2 Capital Securities) whose claims are subordinated (whether only in the event of a dissolution, liquidation or winding up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer; or
		1.122.3	who are subordinated creditors of the Issuer (including holders of Tier 2 Notes or Qualifying Tier 2 Capital Securities) other than those whose claims rank, or are expressed to rank, <i>pari passu</i> with, or junior to the claims of the Additional Tier 1 Noteholders;
1.123	“Series”		a Tranche of Additional Tier 1 Notes together with any further Tranche or Tranches of Additional Tier 1 Notes which are: (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
1.124	“Settlement Agent”	1.124	the Issuer or any other entity which is a Participant authorised by the Central Securities Depository or any other licensed central securities depository from time to time, in terms of the relevant Applicable Procedures, as a settlement agent to perform electronic settlement of funds and scrip on behalf of market participants;
1.125	“Social Bond”	1.125	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that are aimed at reducing economic and social inequality meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.126	“Solvency Claims”	1.126	has the meaning given to it in Condition 5.1.5 (<i>Solvency Claims</i>);

1.127	“Solvency Condition”	has the meaning given to it in Condition 5.1.4 (<i>Solvency Condition</i>);
1.128	“Solvent Reconstruction”	the event where an order is made or an effective resolution is passed for the winding-up of the Issuer, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;
1.129	“South Africa”	the Republic of South Africa;
1.130	“Specified Currency”	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on the JSE, subject to the rules and applicable listings requirements of the JSE, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;
1.131	“Specified Denomination”	has the meaning given in the Applicable Pricing Supplement;
1.132	“Specified Office”	in relation to each of the Issuer, the Calculation Agent, Paying Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of the Programme Memorandum, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
1.133	“Subordinated Debt”	in relation to Additional Tier 1 Notes, any subordinated debt issued by the Issuer, the proceeds of which subordinated debt qualify as Tier 2 Capital of the Issuer;
1.134	“Sustainability Bond”	Notes, the proceeds of which are used to finance or refinance in whole or in part, projects and activities that have both a positive environmental and social impact meeting prescribed eligibility criteria, as specified in the Applicable Pricing Supplement;
1.135	“Statutory Loss Absorption Regime”	any legal, statutory or regulatory regime or requirement implemented in South Africa which provides the Prudential Authority with the power

to implement principal loss absorption measures in respect of capital instruments (such as Additional Tier 1 Capital), including, but not limited to, any such regime or requirement which is implemented pursuant to Basel III;

1.136 **“Tax Event”**

an event where, (a) as a result of a Tax Law Change, (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 12 (Taxation); or (ii) in respect of the Issuer’s obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, or (b) other than as a result of a Tax Law Change, the Issuer’s treatment of the interest payable by it on the Additional Tier 1 Notes as a tax deductible expense for South African income tax purposes as reflected on the tax returns (including provisional tax returns) filed (or to be filed) by the Issuer is not accepted by the South African Revenue Service, and in each case the Issuer cannot avoid the foregoing in connection with the Additional Tier 1 Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);

1.137 **“Tax Jurisdiction”**

South Africa or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction in which payments by the Issuer become subject to tax;

1.138 **“Tax Law Change”**

a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date;

1.139 **“Terms and Conditions”**

the terms and conditions incorporated in this section headed “*Terms and Conditions of the*

		<i>Additional Tier 1 Notes</i> ” and in accordance with which the Additional Tier 1 Notes will be issued;
1.140	“Tier 2 Capital”	<i>“Tier 2 Capital”</i> as defined in section 1(1) of the Banks Act;
1.141	“Tier 2 Capital Regulations”	shall have the meaning defined in the Tier 2 Terms and Conditions;
1.142	“Tier 2 Noteholder”	shall have the meaning defined in the Tier 2 Terms and Conditions;
1.143	“Tier 2 Notes”	shall have the meaning defined in the Tier 2 Terms and Conditions;
1.144	“Tranche”	in relation to any particular Series, all Additional Tier 1 Notes which are identical in all respects (including as to listing);
1.145	“Transfer Agent”	Absa CIB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Additional Tier 1 Notes, another entity as Transfer Agent, in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Additional Tier 1 Notes;
1.146	“Transfer Form”	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
1.147	“Trigger Event”	an event specified as a “trigger event” by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.148	“Uncertificated Notes”	an Additional Tier 1 Note which is uncertificated as contemplated in the Financial Markets Act;
1.149	“Uncertificated Securities Register”	has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
1.150	“Write-off”	in respect of Additional Tier 1 Notes:
	1.150.1	the Additional Tier 1 Notes shall be cancelled (in the case of a Write-off in whole) or written-down in part on a pro rata basis (in the case of a Write-off in part), in accordance with the Capital Regulations and as determined by the Prudential Authority; and

- 1.150.2 all rights of any Noteholder for payment of any amounts under or in respect of the Additional Tier 1 Notes shall, as the case may be, be cancelled or written off pro rata among the Noteholders and, in each case, not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Trigger Event Notice and even if the Non-Viability Trigger Event has ceased;
- 1.151 “**ZAR**” the lawful currency of South Africa, being South African Rand, or any successor currency; and
- 1.152 “**ZAR-JIBAR-SAFEX**” the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFEY Page as at 12h00, South African time, on the relevant date, or any successor rate.

In these Terms and Conditions, unless inconsistent with the context, any reference to:

- 1.152.1 one gender include a reference to the others;
- 1.152.2 the singular includes the plural and *vice versa*;
- 1.152.3 natural persons include juristic persons and vice versa;
- 1.152.4 a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- 1.152.5 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly;
- 1.152.6 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.152.7 a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- 1.152.8 **assets** includes present and future properties, revenues and rights of every description;
- 1.152.9 **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);

- 1.152.10 **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- 1.152.11 an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- 1.152.12 a default being **continuing** means that it has not been remedied or waived;
- 1.152.13 a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- 1.152.14 a time of day is a reference to South African time.

If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause.

Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions.

The use of the word **including** followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *eiusdem generis* rule must not be applied in the interpretation of such general wording or such specific examples.

The rule of construction that an agreement is to be interpreted against the party responsible for the drafting or preparation thereof must not be used in the interpretation of these Terms and Conditions.

These Terms and Conditions apply only to Additional Tier 1 Notes. The General Terms and Conditions and the Tier 2 Terms and Conditions shall not apply to Additional Tier 1 Notes.

2. ISSUE

Subject to the prior consent of the Prudential Authority (to the extent required by Applicable Laws), Additional Tier 1 Notes may be issued by the Issuer at any time from time to time (without consent of the Noteholders) in Tranches pursuant to the Programme. A Tranche of Additional Tier 1 Notes may, together with a further Tranche or Tranches, form a Series of Additional Tier 1 Notes issued under the Programme.

The Applicable Pricing Supplement for each Tranche of Additional Tier 1 Notes is incorporated in these Terms and Conditions for the purposes of those Additional Tier 1 Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions (which may replace, modify or supplement these Terms and Conditions), in which event such other terms and conditions shall, to the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions, replace, modify or supplement these Terms and Conditions for the purpose of such Tranche of Additional Tier 1 Notes.

The Issuer may issue listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by the JSE. Listed Registered Notes will be listed on the Interest Rate Market on the JSE and/or on such other further Financial Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to Applicable Laws. The Applicable Pricing Supplement will specify whether or not a Tranche of Registered Notes will be listed and, if so, on which Financial Exchange.

The holders of Registered Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.

3. FORM AND DENOMINATION

3.1 General

3.1.1 Additional Tier 1 Notes will be issued as Registered Notes.

3.1.2 All payments in relation to the Additional Tier 1 Notes will be made in the Specified Currency.

3.1.3 Each Additional Tier 1 Note shall be a Subordinated Note, as indicated in the Applicable Pricing Supplement.

3.1.4 Each Additional Tier 1 Note may be a Fixed Rate Note, a Floating Rate Note, an Indexed Interest Note, an Indexed Redemption Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Additional Tier 1 Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.

3.1.5 Additional Tier 1 Notes will be issued in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement, provided that the Additional Tier 1 Notes shall not be issued in denominations of less than ZAR1,000,000.

3.2 Registered Notes

3.2.1 The Additional Tier 1 Notes in a Tranche of Registered Notes will be issued in (a) the form of Definitive Certificates registered in the name, and for the account of, the relevant Noteholder, or (b) uncertificated form, and held in the Central Securities Depository in terms of the Financial Markets Act, and registered in the name, and for the account of, the Registered Holder. The Central Securities Depository will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

3.2.2 An owner of a Beneficial Interest in the Notes shall be entitled to exchange such Beneficial Interest for a Definitive Certificate in accordance with Condition 14 (*Delivery, Exchange and Replacement of Certificates*).

4. TITLE

4.1 Registered Notes

4.1.1 Subject as set out below, title to Registered Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 15.1 (*Transfer of Registered Notes*).

4.1.2 The Issuer, the Transfer Agent and the Paying Agent shall recognise a Registered Holder as the sole and absolute owner of the Additional Tier 1 Notes registered in that Registered Holder'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 Additional Tier 1 Note may be subject.

- 4.1.3 Each person recorded in the Uncertificated Securities Register as a Registered Holder of a particular Tranche of uncertificated Registered Notes will be treated by the Issuer, the Transfer Agent and the Paying Agent as the holder of that aggregate nominal amount of such uncertificated Registered Notes for all purposes.
- 4.1.4 Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository for such Participants.
- 4.1.5 Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Additional Tier 1 Notes held by them in the Central Securities Depository only through their Participants.
- 4.1.6 A certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Additional Tier 1 Notes standing to the account of such person shall be prima facie proof of such Beneficial Interest.
- 4.1.7 Beneficial Interests may be transferred only in accordance with the Applicable Procedures.
- 4.1.8 Any reference in these Terms and Conditions to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

5. STATUS OF ADDITIONAL TIER 1 NOTES

- 5.1.1 *Status of the Additional Tier 1 Notes:* The Additional Tier 1 Notes constitute direct, unsecured and, in accordance with Condition 5.1.2 (*Subordination*), subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for those that have been accorded by law preferential rights):
- (a) *pari passu* with Other Additional Tier 1 Securities;
 - (b) senior to Common Equity Tier 1 Capital Securities and the obligations of the Issuer under any Junior Securities; and
 - (c) junior to the present and/or future claims of Senior Creditors.
- 5.1.2 *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 Senior Creditors, and accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed in liquidation or is wound-up (in each case other than pursuant to a Solvent Reconstruction):
- (a) notwithstanding that any Additional Tier 1 Noteholder shall have proved a claim for any amount in respect of the Additional Tier 1 Notes, in the event of the dissolution, liquidation or winding-up of the Issuer, no such amount shall be paid to that Additional Tier 1 Noteholder; and

- (b) no 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,

in each case, until the claims of Senior Creditors which are admissible in any such dissolution, liquidation, or winding-up, have been paid or discharged in full.

- 5.1.3 *Set-off*: Subject to Applicable Laws, no Additional Tier 1 Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer under or in connection with the Additional Tier 1 Notes and each Additional Tier 1 Noteholder shall, by virtue of being the holder of any Additional Tier 1 Notes, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Additional Tier 1 Noteholder by the Issuer is discharged by set-off (whether by operation of law or otherwise), such Additional Tier 1 Noteholder shall, unless such payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding up or administration, the liquidator or administrator, as appropriate, of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator, as appropriate, of the Issuer (as the case may be), for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and accordingly any such discharge shall be deemed not to have taken place.
- 5.1.4 *Solvency Condition*: Payments in respect of the principal of and interest on the Additional Tier 1 Notes (including payment of additional amounts pursuant to Condition 13 (*Events of Default*)) are, in addition to the right of the Issuer to elect not to pay interest in accordance with Condition 6 (*Interest Payments on the Additional Tier 1 Notes*), conditional upon the Issuer being solvent at the time of payment by the Issuer, and, no principal of or interest on the Notes shall be due and payable in respect of the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For the purposes of this Condition 5, the Issuer shall be solvent if (a) it is able to pay its debts owed to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities to Senior Creditors (the “**Solvency Condition**”). A report as to the solvency of the Issuer made by 2 directors of the Issuer or, if the Issuer is in liquidation, its liquidator, shall in the absence of manifest error be treated and accepted by the Issuer and the Noteholders as correct and sufficient evidence of such solvency.
- 5.1.5 *Solvency Claims*: Amounts representing any payments of principal or interest in respect of which the Solvency Condition is not satisfied on the date upon which the same would otherwise be due and payable (“**Solvency Claims**”) will be payable by the Issuer (a) subject to Condition 5.1.2 (*Subordination*), in a winding-up, liquidation, or similar process of the Issuer and (b) subject to satisfying the Solvency Condition, on any redemption pursuant to Condition 11.2 (*Redemption for tax reasons*), Condition 11.3 (*Redemption following a Capital Disqualification Event*) or Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*), provided that in the event that, prior to any winding-up, liquidation or similar process of the Issuer, the Issuer shall again be solvent and would be solvent immediately after the making of such payment of Solvency Claims, then the Issuer shall promptly notify the Noteholders in accordance with Condition 18 (*Notices*), the Transfer Agent and the Paying Agent of such fact and the Solvency Claims shall, subject to satisfying the Solvency Condition, be due and payable on the 16th Business Day after the Issuer shall have given

such notice. A Solvency Claim shall not bear interest unless and only so long as the Issuer shall be solvent once again, in which case interest shall accrue on any such Solvency Claim from (and including) the date on which the Issuer is so solvent again to (but excluding) the date on which such Solvency Claim is paid. Any such interest shall accrue at a rate equal to the then applicable rate of interest determined in accordance with Condition 7 (*Interest*). In the event that the Issuer shall be so solvent once again, the Issuer may not declare or pay a dividend (in accordance with Condition 6.2 (*Restrictions following non payment of interest*)) from the date that the Issuer is so solvent again until the date on which the Solvency Claim and any relevant interest on the Solvency Claim is paid.

For the avoidance of doubt, if the Issuer would otherwise not be solvent for the purposes of the above, any sums which would otherwise be payable in respect of the Additional Tier 1 Notes will be available to be put towards the losses of the Issuer.

5.2 **Write-off or Conversion of Additional Tier 1 Notes**

The Applicable Pricing Supplement of a Tranche of Additional Tier 1 Notes shall specify whether:

- (a) Conversion upon the occurrence of a Non-Viability Trigger Event; or
- (b) Write-off upon the occurrence of a Non-Viability Trigger Event,

will apply to that Tranche of Additional Tier 1 Notes.

5.3 **Capital Regulations and Additional Conditions**

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

6. **INTEREST PAYMENTS ON THE ADDITIONAL TIER 1 NOTES**

6.1 **Non payment of interest**

6.1.1 The Issuer shall be obliged to pay interest on each Interest Payment Date unless:

- (a) it elects not to pay the relevant Interest Amount on such Interest Payment Date;
- (b) it is in breach of either of the Capital Regulations or the Solvency Condition on the Business Day prior to such Interest Payment Date or would be in breach of the Capital Regulations or the Solvency Condition if the relevant Interest Amount were paid on such Interest Payment Date; or
- (c) at any time the Prudential Authority imposes a mandatory prohibition on the payment by the Issuer of such Interest Amount.

6.1.2 If the Issuer is not obliged to pay the relevant Interest Amount in respect of an Interest Period in accordance with this Condition 6.1, then any such 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 purpose and a Noteholder will have no claim in respect of any such non-payment.

6.1.3 If the Issuer elects pursuant to Condition 6.1.1(a) not to pay interest on an Interest Payment Date, it shall give notice of such election to the Noteholders in accordance with Condition 18 (Notices) and to the Transfer Agent and the Paying Agent not less than 30 days prior to the relevant Interest Payment Date (or such shorter notice period as may be required by the Capital Regulations or the Prudential Authority). If the Issuer is not obliged pursuant to the provisions of Condition 6.1.1(b) or 6.1.1(c) to pay any interest on any Interest Payment Date, it shall give notice of such fact to the Noteholders (in accordance with Condition 18 (Notices)) and the Paying Agent and, in respect of Condition 6.1.1(b), to the Prudential Authority.

6.2 **Restrictions following non payment of interest**

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 6.1 (*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, the Issuer shall not (and the Issuer shall procure that no member of the Absa Group shall): (a) declare or pay a distribution or dividend or pay any interest on Junior Securities or Parity Securities (other than an instrument under the terms of which the Issuer or other member of the Absa Group must declare or pay a distribution or dividend or pay interest before such Relevant Interest Payment Date, or intra-group dividends between wholly-owned Absa Group Subsidiaries or between such Absa Group Subsidiaries and the Issuer, which can be paid at any time); or (b) redeem, purchase, reduce or otherwise acquire any Junior Securities or Parity Securities or any securities of any of its subsidiary undertakings benefiting from a guarantee from any member of the Absa Group ranking, as to the right of repayment of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, *pari passu* with or junior to the Additional Tier 1 Notes.

6.3 **Payment of Deferred Interest Amounts**

The Issuer may elect to satisfy any Interest Amount which is deferred in accordance with Condition 6.1.1(a) (a “**Deferred Interest Amount**”) at any time out of distributable reserves, such as retained earnings, only.

7. **INTEREST**

7.1 **Interest on Fixed Rate Notes**

7.1.1 Unless otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a 6-monthly basis, on the Interest Payment Dates.

7.1.2 Each Fixed Rate Note bears interest on its Principal Amount for the Interest Period at the rate(s) per annum equal to the Fixed Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) in each year. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.

7.1.3 The Calculation Agent will calculate the Interest Amount payable in respect of each Tranche of Fixed Rate Notes for each Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, the Interest Amount for half yearly interest payments shall be calculated by multiplying the Interest Rate by the Principal Amount of the Fixed Rate Note and then dividing such product by 2 (the resultant sum will be rounded to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards), provided that:

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

Save as provided in the preceding paragraphs, interest will be calculated in accordance with the Interest Period as specified in the Applicable Pricing Supplement for the Fixed Rate Notes, however in any other instance, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such product by the applicable Day Count Fraction, as specified in this Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with the applicable market convention.

7.2 **Interest on Floating Rate Notes**

A. *Interest Rate*

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

- (a) on the basis of ISDA Determination; or
- (b) on the basis of Screen Rate Determination; or
- (c) on such other basis as may be determined by the Issuer,

all as specified in the Applicable Pricing Supplement.

B. *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any).

For the purposes of this Condition 7.2B:

“**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under a notional interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

“Floating Rate”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those expressions in the ISDA Definitions.

When this Condition 7.2B applies, in respect of each Interest Period such agent as is specified in the Applicable Pricing Supplement will be deemed to have discharged its obligations under Condition 7.2F (*Determination of Interest Rate and calculation of Interest Amount*) in respect of the determination of the Interest Rate if it has determined the Interest Rate in respect of such Interest Period in the manner provided in this Condition 7.2B.

C. *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

- (a) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (if there is more than one quotation on the Relevant Screen Page) and subject to adjustment in terms of the JSE's approved methodology,

for the Reference Rate(s) which appears or appear as the case may be, on the Relevant Screen Page as at 12h00 (South African time) on the Interest Determination Date in question, plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If 5 or more such offered quotations are available on the Relevant Screen Page the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by such agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of paragraph (a) above, no such offered quotation appears or, in the case of paragraph (b) above, fewer than 3 such offered quotations appear, in each case at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South African time) on the Interest Determination Date in question. If 2 or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Interest Rate for such Interest

Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0,000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

If the Interest Rate cannot be determined by applying the provisions of the preceding paragraphs of this Condition 7.2C, the Interest Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0,000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any 2 or more of them, at which such banks offered, at approximately 12h00 (South African time) on the relevant Interest Determination Date, in respect of deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, to Reference Banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than 2 of the Reference Banks provide the Calculation Agent with such offered rates, the Interest Rate for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Principal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 12h00 (South African time) on the relevant Interest Determination Date, by 4 leading banks in Johannesburg (selected by the Calculation Agent and approved by the Issuer) plus or minus (as appropriate) the Margin (if any). If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7.2C, the Interest Rate shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

“**Reference Banks**” means for the purposes of this Condition 7.2C the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

D. *Minimum and/or Maximum Interest Rate*

If the Applicable Pricing Supplement 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 and/or if it 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.

E. *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount for the Interest Period at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s).

F. *Determination of Interest Rate and calculation of Interest Amount*

The Calculation Agent will, in the case of Floating Rate Notes, at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless stated otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means, in respect of the calculation of the Interest Amount for any Interest Period:

- (a) if “**Actual/365**” is specified in the Applicable Pricing Supplement, the actual number of elapsed days (including the first day and excluding the last day of such Interest Period) in the Interest Period divided by 365; or
- (b) such other calculation method as is specified in the Applicable Pricing Supplement.

G. *Notification of Interest Rate and Interest Amount*

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent, the Transfer Agent, any Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any central securities depository in which Certificates in respect of the notes are immobilised, as soon as possible after their determination but not later than the 4th Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Paying Agent, the Transfer Agent, each Financial Exchange on which the relevant Floating Rate Notes are for the time being listed or settled and any central securities depository in which Certificates in respect of the Notes are immobilised.

H. *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7.2 by the Calculation Agent shall, in the absence of wilful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Calculation Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Transfer Agent, the Calculation Agent or the Paying Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. Where the Issuer acts as the Calculation Agent and in the event that Noteholders holding not less than 25% in aggregate Principal Amount of the Notes for the time being Outstanding, deliver to the Issuer a written notice of objection to any determination made by the Issuer within 5 Business Days of notification of the Interest Rate and Interest Amount in accordance with Condition 7.2G (*Notification of Interest Rate and Interest Amount*), such determination shall not be regarded as

final and upon such notification, the Issuer shall request the chief executive officer for the time being of the JSE to appoint an independent third party to make such determination. Such independent third party shall make such determination promptly as an expert and not as an arbitrator and their determination, in the absence of wilful deceit, bad faith or manifest error, shall be binding on the Issuer and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to such third party in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions. The costs of procuring and effecting such determination shall be borne by the Issuer in the event that the determination of such third party differs from that of the Issuer as Calculation Agent and shall be borne by the Noteholders disputing such determination by the Issuer in the event that the determination of such third party confirms that of the Issuer as Calculation Agent.

7.3 **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 or Indexed Notes for respective periods, each as specified in the Applicable Pricing Supplement. During each such applicable period, the interest rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes or Indexed Notes, as the case may be.

7.4 **Indexed Notes**

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

7.5 **Accrual of Interest**

Each Additional Tier 1 Note (or in the case of the redemption of part only of an Additional Tier 1 Note, that part only of such Additional Tier 1 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 continue to accrue at the SAFEX Overnight Deposit Rate (to be found on the Reuters Screen SAFEY page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Additional Tier 1 Note have been paid; and
- (b) the date on which the full amount of the monies payable has been received by the Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 18 (Notices).

In the event that the SAFEX Overnight Deposit Rate is not ascertainable from the relevant screen page at the time contemplated above, the Calculation Agent shall follow the procedure contemplated in Condition 7.2C (*Screen Rate Determination*) to ascertain a rate.

7.6 Notes listed on the JSE

The amount of any interest payable in respect of the Additional Tier 1 Notes in terms of this Condition 7 will be announced on SENS at least 3 (three) Business Days before the relevant Interest Payment Date.

7.7 Business Day Convention

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement 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:

- (a) in the case of unlisted Notes only, 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 7.2E (*Interest Payment Dates*), 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 after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) 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
- (c) 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
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

7.8 General

7.8.1 Calculation of other Amounts

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to a Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will soon as practicable after the time or times at which any such amount, rate, index and or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

7.8.2 Fall-back Rate of Interest

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 7, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding

Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

7.8.3 **Certificates to be final**

All communications, notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to the Issuer or the Noteholders will attach to the Calculation Agent in connection with the exercise or no-exercise by it of its powers, duties and discretions pursuant of this Condition 7.

8. **PAYMENTS**

8.1 **Registered Notes**

8.1.1 Payments of interest and principal in respect of Uncertificated Notes will be made to the Registered Holder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such persons share of each payment so made by the Issuer to, or for the order of, the Registered Holder of the relevant Notes. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Uncertificated Notes shall be recorded by the Registered Holder of such Notes, distinguishing between interest and principal, and such record of payments by the Registered Holder of such Notes shall be *prima facie* proof of such payments.

8.1.2 Payments of interest and principal in respect of Notes represented by Definitive Certificates shall be made to the person reflected as the Registered Holder of the Definitive Certificate in the Register on the Last Day to Register.

8.2 **Method of Payment**

8.2.1 Payments of interest and principal will be made in the Specified Currency by electronic funds transfer.

8.2.2 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph by reason of the occurrence of a strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer (each a “**Payment Disruption Event**”), then:

8.2.2.1 the Issuer shall as soon as practicable notify the Noteholders of the relevant Notes of the occurrence of such Payment Disruption Event in accordance with Condition 18 (Notices); and

8.2.2.2 the:

- (a) Issuer's obligation to pay the interest or principal or any such other amounts in respect of the relevant Notes (the "**Affected Amount**") shall be postponed to; and
- (b) date on which any such Affected Amount shall be due and payable in respect of the relevant Notes shall be extended to, a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 18 (*Notices*) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Noteholders in accordance with Condition 18 (*Notices*).

8.2.3 In the case of joint Noteholders of Registered Notes payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

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

8.3 **Surrender of Certificates**

8.3.1 On or before the Last Day to Register prior to any Redemption Date of a Registered Note (including a Redemption Date relating to redemption in part), the holder of a Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Certificates.

8.3.2 In the case of the Uncertificated Notes, redemptions in part will be handled in accordance with the Applicable Procedures.

8.3.3 Should the holder of a Certificate refuse or fail to surrender the Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued interest, shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

8.3.4 Documents required to be presented and/or surrendered to the Paying Agent in accordance with these Terms and Conditions shall be so presented and/or surrendered at the Specified Office of the Paying Agent specified in the Applicable Pricing Supplement.

8.4 **Payment Day**

Notwithstanding anything to the contrary contained in these Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then:

- (a) if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and
- (b) if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention and Interest shall accrue to and be paid on, the relevant Interest Payment Date.

8.5 **Interpretation of principal and interest**

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

- (a) any additional amounts which may be payable with respect to principal under Condition 12 (*Taxation*);
- (b) the Final Redemption Amount of the Notes or the Early Redemption Amount (Tax) of the Notes or the Early Redemption Amount (Regulatory) of the Notes, as the case may be;
- (c) the Optional Redemption Amount(s) (if any) of the Notes; or
- (d) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

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

9. **LOSS ABSORPTION FOLLOWING A NON-VIABILITY TRIGGER EVENT**

This Condition 9 (other than Condition 9.4 (*Disapplication of Non-Viability Loss Absorption Condition*)) is referred to as the “**Non-Viability Loss Absorption Condition**” in these Terms and Conditions.

9.1 **Non-Viability Trigger Event**

9.1.1 Whether a Non-Viability Trigger Event has occurred at any time shall be determined by the Prudential Authority or any agent appointed for such purpose by the Prudential Authority, and such determination shall be binding on the Noteholders.

9.1.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will notify the Noteholders (a “**Non-Viability Trigger Event Notice**”) in accordance with Condition 18 (*Notices*) and subsequently either convert or write-off the Additional Tier 1 Notes (or the Relevant Part thereof, as the case may be), in accordance with the Capital Regulations and Condition 9.2 (*Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event*) or Condition 9.3 (*Write-off of Additional Tier 1 Notes upon a Non-Viability Trigger Event*) (as applicable). Any delay in delivery or failure to deliver a Non-Viability Trigger Event Notice shall not affect the validity of any Conversion or Write-off or the timing of any Conversion or Write-off.

9.2 **Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event**

9.2.1 This Condition 9.2 applies only to Additional Tier 1 Notes to which Conversion is specified as applicable in the Applicable Pricing Supplement.

9.2.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will Convert the Current Principal Amount of the Additional Tier 1 Notes (or the Relevant Part thereof) into Issuer

Ordinary Shares, in accordance with the Capital Regulations, by such amount (the “**Conversion Amount**”) as the Prudential Authority shall require; provided that:

- (a) a Conversion of the Additional Tier 1 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority, and the Issuer’s Common Equity Tier 1 Capital Ratio is above 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time) to the extent that the Additional Tier 1 Notes are liability accounted; and
- (b) the Additional Tier 1 Notes shall be Converted in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.

9.2.3 Any such Conversion shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Conversion Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless:

- (a) in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Additional Tier 1 Notes may be Converted after a longer period, in which case, the Conversion Date shall be such date as agreed with the Prudential Authority; or
- (b) the Issuer, using its best efforts, is unable to complete the Conversion within the aforesaid 30-day period as a result of the need to comply with any Applicable Laws, regulations or written instructions of the Prudential Authority (including but not limited to the time required to interface and consult with the Prudential Authority), in which case the Conversion Date shall be a date as soon as reasonably possible after the end of the aforesaid 30-day period.

9.2.4 A Conversion may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Additional Tier 1 Notes may be Converted on more than one occasion.

9.2.5 To the extent that the Conversion or Write-off of any Loss Absorbing Instruments is not effective for any reason:

- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Conversion of the Additional Tier 1 Notes; and
- (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Conversion Amount of the Additional Tier 1 Notes.

9.2.6 If a Conversion of any Additional Tier 1 Notes will take place pursuant to the occurrence of a Non-Viability Trigger Event specified in the Non-Viability Trigger Event Notice, the Issuer shall deliver a further written notice (the “**Conversion Notice**”) to the Noteholders in accordance with Condition 18 (*Notices*) which specifies:

- (a) the Conversion Price;
- (b) the Conversion Record Date;
- (c) the Conversion Date;

- (d) the number of Conversion Shares to be issued pursuant to that Conversion; and
- (e) details of the arrangement for the settlement of the Conversion,

within the time period specified in the Applicable Pricing Supplement or failing any time period stipulated therein, as soon as the Conversion Price has been determined and such details are available (such Conversion Notice being delivered at least 5 (five) Business Days prior to the Conversion Date). In this regard, the Issuer is required to do all things which may be necessary to enable such price and details to be determined as soon as is reasonably possible in the circumstances.

9.2.7 On the Conversion Date, in accordance with Applicable Laws, the Capital Regulations and (if applicable) the written instructions received from the Prudential Authority:

- (a) the Issuer shall issue to the relevant Noteholders (as they appear, and into the relevant securities accounts of the Beneficial Interest holders of the Converted Additional Tier 1 Notes recorded as such on the Conversion Record Date (or to the relevant Participant managing such securities account, if such Issuer Ordinary Shares are certificated), or, as the case may be, to the holder of Individual Certificates in respect of Converted Additional Tier 1 Notes as set out in the Register on the Conversion Record Date) such number of Issuer Ordinary Shares (the “**Conversion Shares**”) calculated by dividing the Conversion Amount on the Conversion Date by the Conversion Price;
- (b) the relevant Noteholders shall be deemed to have subscribed for the Conversion Shares for an aggregate subscription price equal to the Conversion Amount (the “**Subscription Price**”);
- (c) the Subscription Price shall be automatically off-set against the Conversion Amount and the aggregate current Principal Amount of the Additional Tier 1 Notes shall be reduced by the Conversion Amount; and
- (d) the Conversion Shares shall be credited as fully paid and shall be freely transferable and shall have the same rights as, and *pari passu* in all respects with, and be of the same class as, all of the Issuer Ordinary Shares as at the Conversion Date. If the Issuer Ordinary Shares are issued in registered certificated form, the Issuer shall procure that the certificate/s evidencing the relevant number of Issuer Ordinary Shares is/are delivered to each relevant Noteholder.

9.2.8 Should all other issued Issuer Ordinary Shares be listed on a Financial Exchange (other than the JSE) at the time the Conversion Shares are issued to the relevant Noteholders pursuant to this Condition 9.2, the Issuer shall procure that such Conversion Shares are, upon issue, likewise listed on that Financial Exchange.

9.2.9 If, when calculating the number of Conversion Shares as contemplated in this Condition 9.2, the number of Issuer Ordinary Shares calculated requires the issue of a fraction of a share to any Person, the number of Issuer Ordinary Shares to be issued will be rounded down to the nearest whole number of Issuer Ordinary Shares to ensure the issue of a whole number of shares to each Person entitled to receive same, and the relevant Noteholders or holders of the Beneficial Interests in the relevant Converted Additional Tier 1 Notes shall only be entitled to receive such whole number of Issuer Ordinary Shares.

9.2.10 As soon as reasonably possible after the Conversion Date, the Issuer shall in accordance with Condition 18 (*Notices*) deliver to the relevant Noteholders a notice from the Central

Securities Depository confirming that the Conversion Shares have been issued and entered in the relevant Noteholders' respective securities accounts.

- 9.2.11 Any Conversion of Additional Tier 1 Notes or the Relevant Part thereof in accordance with this Condition 9.2 will be final and binding in the absence of manifest error or fraud.
- 9.2.12 Where, at the occurrence of the relevant Non-Viability Trigger Event, the Conversion of the relevant Tranche of Additional Tier 1 Notes pursuant to this Condition 9.2 (i) cannot be undertaken for any reason or (ii) is not irrevocable or (iii) will not result in an immediate increase in the Common Equity Tier 1 Capital Ratio, then the relevant Tranche of Additional Tier 1 Notes shall, instead of being Converted, be Written-off, at the occurrence of that Non-Viability Trigger Event (at the discretion of the Prudential Authority), mutatis mutandis in accordance with the provisions of Condition 9.3 (Write-off of Additional Tier 1 Notes upon a Non-Viability Trigger Event).
- 9.2.13 For the avoidance of doubt, following any Conversion of the Additional Tier 1 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.
- 9.2.14 Any Conversion of the Additional Tier 1 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under these Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution or similar process of the Issuer.
- 9.2.15 Once a Conversion of all or the Relevant Part of the Current Principal Amount of the Additional Tier 1 Notes has occurred, no Conversion Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Additional Tier 1 Notes prior to the Conversion Date and repayment of the Conversion Amount; provided that, if the Additional Tier 1 Notes are Converted in part, interest will continue to accrue on the Current Principal Amount.
- 9.2.16 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will, in respect of listed Additional Tier 1 Notes, forthwith notify the Central Securities Depository, the JSE and/or such other Financial Exchange upon which such Additional Tier 1 Notes are listed, as the case may be, of the occurrence of that Non-Viability Trigger Event and of the Issuer's intention to effect a Conversion of Additional Tier 1 Notes.
- 9.2.17 The Issuer shall at all times (to the extent that it is within the Issuer's control and/or power to do so) obtain and maintain all prior authorisations (including, without limitation, all Issuer shareholder approvals in terms of the Companies Act and the JSE Listings Requirements applicable to the Main Board of the JSE) necessary to ensure the Conversion of the relevant Tranche of Additional Tier 1 Notes pursuant to this Condition 9.2. The Issuer will not issue and list a Tranche of Additional Tier 1 Notes to which Conversion is applicable unless the Issuer shall have obtained the required shareholders' approval in accordance with the JSE Listings Requirements applicable to the Main Board of the JSE.
- 9.3 **Write-off of Additional Tier 1 Notes upon a Non-Viability Trigger Event**
- 9.3.1 This Condition 9.3 applies only to Additional Tier 1 Notes to which Write-off is specified as applicable in the Applicable Pricing Supplement.

- 9.3.2 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will Write-off the Current Principal Amount of the Additional Tier 1 Notes (or the Relevant Part thereof), in accordance with the Capital Regulations, by such amount (the “**Written-off Amount**”) as the Prudential Authority shall require; provided that:
- (a) a Write-off of the Additional Tier 1 Notes need only occur up until the point where the Issuer is deemed by the Prudential Authority to be viable again, as specified in writing by the Prudential Authority, and the Issuer’s Common Equity Tier 1 Capital Ratio is above 5.875 per cent. (or such other percentage determined by the Prudential Authority from time to time) to the extent that the Additional Tier 1 Notes are liability accounted; and
 - (b) the Additional Tier 1 Notes shall be Written-off in whole, or in part, on a pro rata basis with other Loss Absorbing Instruments.
- 9.3.3 Any such Write-off shall take place on such date selected by the Issuer in consultation with the Prudential Authority (the “**Write-off Date**”) but no later than 30 (thirty) days following the occurrence of the Non-Viability Trigger Event unless in accordance with the Capital Regulations, the Prudential Authority has agreed with the Issuer in writing that the Current Principal Amount (or the Relevant Part thereof) of the Additional Tier 1 Notes may be Written-off after a longer period, in which case, the Write-off shall take place on such date as agreed with the Prudential Authority.
- 9.3.4 A Write-off may occur on more than one occasion following the occurrence of a Non-Viability Trigger Event and the Additional Tier 1 Notes may be Written-off on more than one occasion.
- 9.3.5 To the extent that the conversion or write-off of any Loss Absorbing Instruments is not effective for any reason:
- (a) the ineffectiveness of any such conversion or write-off shall not prejudice the requirement to effect a Write-off of the Additional Tier 1 Notes; and
 - (b) the conversion or write-off of any Loss Absorbing Instrument which is not effective shall not be taken into account in determining the Written-off Amount of the Additional Tier 1 Notes.
- 9.3.6 For the avoidance of doubt, following any Write-off of the Additional Tier 1 Notes (or the Relevant Part thereof) the Issuer shall not be obliged to pay compensation in any form to the Noteholders.
- 9.3.7 Any Write-off of the Additional Tier 1 Notes (or the Relevant Part thereof) upon the occurrence of a Non-Viability Trigger Event will not constitute an event of default or any other breach of the Issuer's obligations, or a failure to perform by the Issuer, under these Terms and Conditions and shall not entitle the Noteholders to petition or apply for the liquidation, winding-up or dissolution of the Issuer.
- 9.3.8 Once a Write-off of all or the Relevant Part of the Current Principal Amount of the Additional Tier 1 Notes has occurred, no Written-off Amount shall be restored under any circumstances (including, without limitation, where the Non-Viability Trigger Event ceases to continue) and the Noteholders will automatically irrevocably lose their rights to receive, and no longer have any rights against the Issuer with respect to, interest accrued on the Additional Tier 1 Notes prior to the Write-off Date and repayment of the Written-off

Amount; provided that, if the Additional Tier 1 Notes are Written-off in part, interest will continue to accrue on the Current Principal Amount.

9.3.9 Upon the occurrence of a Non-Viability Trigger Event, the Issuer will, in respect of listed Additional Tier 1 Notes, forthwith notify the Central Securities Depository, the JSE and/or such other Financial Exchange upon which such Additional Tier 1 Notes are listed, as the case may be, of the occurrence of that Non-Viability Trigger Event and of the Issuer's intention to effect a Write-off of any Series of Additional Tier 1 Notes.

9.4 **Disapplication of Non-Viability Loss Absorption Condition**

9.4.1 If a Statutory Loss Absorption Regime is implemented in South Africa and the Additional Tier 1 Notes are subject to such Statutory Loss Absorption Regime upon the occurrence of a Non-Viability Trigger Event, then the Issuer shall have the option at any time by written notice (the "**Amendment Notice**") to the Additional Tier 1 Noteholders in accordance with Condition 18 (*Notices*), to elect that the Non-Viability Loss Absorption Condition shall cease to apply and that the Statutory Loss Absorption Regime will apply to the Additional Tier 1 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:

- (a) the Issuer will only elect to dis-apply the Non-Viability Loss Absorption Condition and apply the Statutory Loss Absorption Regime to the Additional Tier 1 Notes from the Amendment Date, if such election does not give rise to a Capital Disqualification Event; and
- (b) a mandatory application of the Statutory Loss Absorption Regime to the Additional Tier 1 Notes under Applicable Laws which results in the Additional Tier 1 Notes being fully or partially excluded from the Additional Tier 1 Capital of the Issuer on a solo and/or consolidated basis shall be a Capital Disqualification Event.

The election exercised by the Issuer under Condition 9.4.1(a) shall be without prejudice to any other rights the Issuer may have should a different Capital Disqualification Event occur or should the Statutory Loss Absorption Regime not apply regardless of such election.

9.4.2 If:

- (a) the Issuer exercises the Amendment Option; or
- (b) the Statutory Loss Absorption Regime is applied mandatorily to the Additional Tier 1 Notes under Applicable Laws,

the Non-Viability Loss Absorption Condition will (in the case of Condition 9.4.2(b), only to the extent required by the Statutory Loss Absorption Regime) cease to apply and the Additional Tier 1 Notes will be subject to such minimum requirements of the Statutory Loss Absorption Regime required to ensure that the Additional Tier 1 Notes continue to qualify as Additional Tier 1 Capital with effect from (in the case of Condition 9.4.2(a)) the Amendment Date and (in the case of Condition 9.4.2(b)) 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 Notes) then the Additional Tier 1 Notes will not be subject to the Statutory Loss Absorption Regime and the Non-Viability Loss Absorption Condition will continue to apply to the Additional Tier 1 Notes.

9.4.3 For the avoidance of doubt, if a Non-Viability Trigger Event occurs on or after such date on which the Non-Viability Loss Absorption Condition is dis-applied, the Prudential Authority or the Issuer (following instructions from the Prudential Authority), may take such action in respect of the Additional Tier 1 Notes as is required or permitted by such Statutory Loss Absorption Regime.

9.5 **No Event of Default**

Neither the Write-Off (nor, if applicable, the Conversion of all the Subordinated Notes or relevant portion of the Subordinated Notes, as applicable, nor the failure to pay any unpaid amounts to the relevant Subordinated Noteholders in consequence of the Write-Off (or, if applicable, the Conversion) shall constitute an Event of Default or any other breach of the Issuer's obligations under the relevant Tranche of Subordinated Notes or the applicable Terms and Conditions, and the relevant Subordinated Noteholders will have no claims of whatsoever nature against the Issuer as a result of the Write-Off (or, if applicable, the Conversion).

10. **PRESCRIPTION**

The Additional Tier 1 Notes will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date therefor, save that any Certificate constituting a "*bill of exchange or other negotiable instrument*" in accordance with section 11 of the Prescription Act, 1969 will become void unless presented for payment of principal and interest within a period of 6 years from the Relevant Date thereof.

11. **REDEMPTION AND PURCHASE**

11.1 **No Maturity**

Additional Tier 1 Notes have no maturity date and are only redeemable or may only be redeemed, substituted, varied or purchased subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*) and subject to compliance with the Solvency Condition and Condition 5.1.2 (*Subordination*) and without prejudice to Condition 5.1.5 (*Solvency Claims*) or Condition 13.1 (*Events of Default relating to Additional Tier 1 Notes*) in accordance with the provisions of this Condition 11.

11.2 **Redemption for tax reasons**

11.2.1 The Additional Tier 1 Notes in a Series of Additional Tier 1 Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*), and the Issuer satisfying the Solvency Condition), be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if neither the provisions applicable to Floating Rate Notes nor the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the provisions applicable to Floating Rate Notes or Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 18 (*Notices*) and to the Transfer Agent

and the Paying Agent, at their Early Redemption Amount (Tax) together with interest accrued (if any) to (but excluding) the date of redemption, if a Tax Event occurs and is continuing

provided, however, that no such notice of redemption shall be given earlier than:

- (i) where the Additional Tier 1 Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities; or
- (ii) where the Additional Tier 1 Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities.

11.2.2 Prior to the publication of any notice of redemption pursuant to Condition 11.2.1, the Issuer shall deliver to the Noteholders in accordance with Condition 18 (Notices) (a) a certificate signed by 2 authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent legal advisers of recognised standing to the effect that a Tax Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 11.2, the Issuer shall be bound to redeem the Additional Tier 1 Notes in accordance with this Condition 11.2.

11.3 **Redemption following a Capital Disqualification Event**

11.3.1 The Additional Tier 1 Notes in a Series of Additional Tier 1 Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*), and the Issuer satisfying the Solvency Condition) be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if neither the provisions applicable to Floating Rate Notes nor the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- (b) on any Interest Payment Date (if the provisions applicable to Floating Rate Notes or the provisions applicable to Indexed Interest Notes are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 18 (*Notices*) and to the Transfer Agent and the Paying Agent, at their Early Redemption Amount (Regulatory), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if a Capital Disqualification Event occurs and is continuing.

11.3.2 Prior to the publication of any notice of redemption pursuant to this Condition 11.3, the Issuer shall deliver to the Noteholders in accordance with Condition 18 (*Notices*) (a) a certificate signed by 2 authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) unless the Prudential

Authority has confirmed to the Issuer that the relevant Additional Tier 1 Notes are excluded from the relevant class of Eligible Capital of the Issuer on a solo and/or a consolidated basis, an opinion of independent legal advisers of recognised standing to the effect that a Capital Disqualification Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 11.3, the Issuer shall be bound to redeem the Additional Tier 1 Notes in accordance with this Condition 11.3.

11.4 **Redemption at the option of the Issuer (Issuer Call)**

11.4.1 If redemption (as contemplated in this Condition 11.4) at the option of the Issuer (Call Option) is specified in the Applicable Pricing Supplement as being applicable, the Additional Tier 1 Notes in a Series of Additional Tier 1 Notes may (subject to Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*), and the Issuer satisfying the Solvency Condition) be redeemed at the option of the Issuer in whole or, if so specified in the Applicable Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) together with accrued interest (if any, but excluding any Interest Amounts which the Issuer has elected not to pay or is not obliged to pay in accordance with Condition 6 (*Interest Payments on the Additional Tier 1 Notes*)) to such date upon the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Additional Tier 1 Notes or, as the case may be, the relevant Additional Tier 1 Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date). Neither the First Optional Redemption Date (Call) nor any Optional Redemption Date (Call) shall fall earlier than the First Call Date.

11.4.2 Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable final terms in the Applicable Pricing Supplement.

11.4.3 In the case of a partial redemption of Additional Tier 1 Notes, the Additional Tier 1 Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Certificates, and in accordance with the rules of the Central Securities Depository (to be reflected in the records of the Central Securities Depository as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes held in uncertificated form, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Uncertificated Notes will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 11.4.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 18 (*Notices*) at least five days prior to the Selection Date.

11.5 **Conditions to redemption, substitution or variation of Additional Tier 1 Notes**

Subject to the applicable Capital Regulations, Additional Tier 1 Notes may be redeemed, substituted or varied by the Issuer pursuant to Condition 11.2 (*Redemption for tax reasons*), Condition 11.3 (*Redemption following a Capital Disqualification Event*), Condition 11.4 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 11.6 (*Substitution or variation instead of redemption*) or Condition 11.8 (*Purchase*) provided that, for so long as is required by the Capital Regulations:

- (a) Additional Tier 1 Notes may only be redeemed at the option of the Issuer pursuant to this Condition 11 after a minimum initial period of issue of five years from the Issue Date of such Notes, provided that unless the Prudential Authority determines that the Issuer is duly capitalised above the minimum capital requirements after the call option is exercised, the Issuer may not redeem such Additional Tier 1 Notes unless such Additional Tier 1 Notes are replaced by the Issuer with instruments of similar or better quality and the replacement is on conditions that are sustainable for the income capacity of the Issuer;
- (b) the Issuer has notified the Prudential Authority of, and the Prudential Authority has consented in writing to, such redemption, substitution or variation (as applicable), subject to such conditions (if any) as the Prudential Authority may deem appropriate (in any case, only if and to the extent such a notification or consent is required by the Capital Regulations (including any prescribed notice periods with which the Issuer may need to comply, if any, in such Capital Regulations));
- (c) the redemption, substitution or variation of the Additional Tier 1 Notes is not prohibited by the Capital Regulations; and
- (d) prior to the publication of any notice of redemption, substitution or variation or redemption pursuant to this Condition 11, the Issuer shall deliver to the Paying Agent and the Transfer Agent a certificate signed by two authorised officers stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the relevant Qualifying Additional Tier 1 Securities have terms not materially less favourable to an investor than the terms of the Additional Tier 1 Notes and will as from the date of such substitution or variation otherwise comply with the requirements of the definition thereof in Condition 1 (*Interpretation*).

11.6 **Substitution or variation instead of redemption**

- 11.6.1 If a Tax Event or Capital Disqualification Event has occurred and is continuing, then the Issuer may instead of giving notice to redeem, subject to the Solvency Condition and Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*) (but without any requirement for the consent or approval of the Noteholders) and having given not less than 60 nor more than 90 days' notice to the Paying Agent, the Calculation Agent (if any) and, in accordance with Condition 18 (*Notices*), to the Additional Tier 1 Noteholders (which notice shall be irrevocable), substitute at any time all (but not some only) of the relevant Series of Additional Tier 1 Notes for, or vary the terms of the relevant Series of Additional Tier 1 Notes so that they remain, Qualifying Additional Tier 1 Capital Securities or become Qualifying Tier 2 Capital Securities as the case may be, and subject to the following provisions of this Condition 11.6 and subject to the issue of the certificate of the 2 directors referred to in the definition of Qualifying Additional Tier 1 Capital Securities or (as the case may be) Qualifying Tier 2 Capital Securities and subject further to the receipt by the Issuer of the opinion of the independent legal advisers referred to therein, such substitution or variation shall be effected.
- 11.6.2 Upon expiry of such notice, the Issuer shall vary the terms of or substitute, as the case may be, the Notes in accordance with this Condition 11.6.
- 11.6.3 In connection with any substitution or variation in accordance with this Condition 11.6, the Issuer shall comply with the rules of the relevant Financial Exchange on which the Notes are for the time being listed or admitted to trading.

11.7 **No other redemption, substitution or variation**

The Issuer shall not be entitled to redeem, substitute or vary the terms of the Additional Tier 1 Notes otherwise than as provided in Condition 11.1 (*No Maturity*) to Condition 11.6 (*Substitution or variation instead of redemption*).

11.8 **Purchase**

Subject to the JSE Debt Listings Requirements, the requirements of any applicable Financial Exchange(s), any applicable Capital Regulations and Condition 11.5 (*Conditions to redemption, substitution or variation of Additional Tier 1 Notes*) compliance with the Solvency Condition, the Issuer or any of its subsidiaries may at any time purchase Additional Tier 1 Notes in the open market or otherwise and at any price. Such Notes may at the option of the Issuer be held, re-issued, re-sold or surrendered to the Transfer Agent for cancellation in accordance with Condition 11.9 (*Cancellation*).

11.9 **Cancellation**

All Additional Tier 1 Notes so redeemed or purchased by the Issuer or any of its subsidiaries may, at its option, be cancelled and may, if cancelled, not be reissued or resold.

12. **TAXATION**

12.1.1 All payments of principal or interest in respect of the Additional Tier 1 Notes will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by Applicable Laws.

12.1.2 In such event, the Issuer will, subject to the Issuer's right to redeem such Additional Tier 1 Notes in terms of Condition 9 (Loss Absorption following a Non-Viability Trigger Event), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Additional Tier 1 Note:

12.1.3 presented for payment (to the extent presentation is required) in South Africa; or

12.1.4 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Additional Tier 1 Note by reason of it having some connection with a Tax Jurisdiction other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

12.1.5 presented for payment or (in the case of Registered Notes) held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

12.1.6 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and

Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day assuming that day to have been a Payment Date; or

- 12.1.7 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

13. EVENTS OF DEFAULT

13.1 *Events of Default relating to Additional Tier 1 Notes*

Notwithstanding any of the provisions below in this Condition 13.1, the right to institute winding-up proceedings is limited to circumstances where payment of principal or interest (as the case may be) has become due and payable. No principal, premium, interest or any other amount will be due unless the Solvency Condition is satisfied. Also, in the case of the payment of any Interest Amount, payment thereof will not be due if the Issuer has elected not to pay interest pursuant to Condition 6.1.1(a) or the Issuer is prohibited from making that payment pursuant to Condition 6.1.1(b) or 6.1.1(c).

- (a) If default shall be made in the payment of any principal or any interest (or any other amount falling due under the terms of the Additional Tier 1 Notes) due on the Additional Tier 1 Notes of the relevant Series for a period of seven days or more after any date on which the payment of principal is due and payable or 14 days or more after any date on which the payment of interest is due and payable (as the case may be) each Noteholder of that Series may, subject to Condition 5.1.2 (*Subordination*) and subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default; provided that no such action may be taken by a Noteholder if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of any relevant jurisdiction or to comply with any order of a court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law regulation or order, the Issuer will not be in default if it acts on the advice given to it during such seven day period or fourteen day period (as the case may be) by independent legal advisers approved by the relevant Noteholders(s).
- (b) Without prejudice to Condition 13.1(a), if the Issuer breaches any of its obligations under the Additional Tier 1 Notes of the relevant Series (other than any obligation in respect of the payment of principal or interest on such Notes) then each Noteholder may, subject as provided below, at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on or satisfy any other payment obligation in relation to such Series of Additional Tier 1 Notes sooner than the same would otherwise have been payable by it.

13.2 Notice of an Event of Default

If an Event of Default occurs, the Issuer will forthwith upon becoming aware of such Event of Default, give notice thereof (along with details of such Event of Default) in writing to the Transfer Agent, the Calculation Agent, the Debt Sponsor and the Noteholders of that

Series and, if any Additional Tier 1 Notes are listed on the Interest Rate Market of the JSE, to the JSE (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS and to the Central Securities Depository.

14. DELIVERY, EXCHANGE AND REPLACEMENT OF CERTIFICATES

14.1.1 The holder of a Beneficial Interest in Additional Tier 1 Notes may, in terms of the Applicable Procedures and subject to the Financial Markets Act (or the relevant provisions of any successor legislation), by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by a Certificate (the "Exchange Notice"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

14.1.2 The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Certificate. The Transfer Agent will, as soon as is practicable but within 14 days after receiving such notice, in accordance with the Applicable Procedures, procure that an Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

14.1.3 In the case of the exchange of a Beneficial Interest in Additional Tier 1 Notes issued in uncertificated form:

14.1.4 the Registered Holder shall, prior to the Exchange Date, surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office; and

14.1.5 the Transfer Agent will obtain the release of such uncertificated Additional Tier 1 Notes from the Central Securities Depository in accordance with the Applicable Procedures.

14.1.6 A Certificate shall, in relation to a Beneficial Interest:

14.1.7 in a Tranche of Additional Tier 1 Notes which is held in the Central Securities Depository, represent that number of Additional Tier 1 Notes as have, in the aggregate, the same aggregate Principal Amount of Additional Tier 1 Notes standing to the account of the holder of such Beneficial Interest; and

14.1.8 in any number of Additional Tier 1 Notes issued in uncertificated form of a particular aggregate Principal Amount standing to the account of the holder thereof, represent that number of Additional Tier 1 Notes of that aggregate Principal Amount,

and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of R1 000 000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not Rand) or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

- 14.1.9 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Additional Tier 1 Notes with Additional Tier 1 Notes in definitive form represented by a Certificate in accordance with this Condition 14, such Additional Tier 1 Notes (now represented by a Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the Central Securities Depository. Additional Tier 1 Notes represented by Certificates will be registered in the Register in the name of the individual Noteholders of such Additional Tier 1 Notes.
- 14.1.10 Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Additional Tier 1 Notes may be levied by other persons, such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.
- 14.1.11 Any person becoming entitled to Registered Notes in consequence of the death, sequestration or liquidation of the holder of such Additional Tier 1 Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 14 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Additional Tier 1 Notes or, subject to the requirements of the Applicable Procedures and of this Condition 14, may transfer such Additional Tier 1 Notes. The Issuer and the Paying Agent shall be entitled to retain any amount payable upon the Additional Tier 1 Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Additional Tier 1 Notes.
- 14.1.12 If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Issuer or the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. TRANSFER OF NOTES

15.1 Transfer of Registered Notes

- 15.1.1 Beneficial Interests in the Additional Tier 1 Notes may be transferred in terms of the Applicable Procedures through the Central Securities Depository.
- 15.1.2 The Central Securities Depository maintains accounts only for its Participants. Beneficial Interests which are held by Participants (which are also Settlement Agents) may be held directly through the Central Securities Depository. Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are not held by Participants may be held by clients of Participants indirectly through such Participants.
- 15.1.3 Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants. Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

- 15.1.4 In order for any transfer of Registered Notes represented by a Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Note:
- (a) must be embodied in a Transfer Form;
 - (b) must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder and/transferee;
 - (c) shall only be in the Specified Denomination or a multiple thereof and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
 - (d) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the Certificate in question for cancellation or, if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be delivered to the transferor and the cancelled Certificate will be retained by the Transfer Agent.
- 15.1.5 The transferor of any Registered Notes represented by a Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 15.1.6 Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 15.1.7 The Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Additional Tier 1 Notes transferred.
- 15.1.8 No transfer will be registered while the Register is closed.
- 15.1.9 In the event of a partial redemption of Additional Tier 1 Notes, the Issuer and the Transfer Agent shall not be required:
- (a) to register the transfer of any Additional Tier 1 Notes during the period beginning on the tenth day before the date of the partial redemption and ending on date of the partial redemption (both inclusive); or
 - (b) to register the transfer of any Note, or part of an Additional Tier 1 Note, called for partial redemption.

16. REGISTER

16.1 The Register shall:

- 16.1.1 be kept at the Specified Office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 16.1.2 reflect the number of Additional Tier 1 Notes issued and Outstanding and whether they are Registered Notes;

- 16.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of Registered Notes;
 - 16.1.4 set out the Principal Amount of the Additional Tier 1 Notes issued to such Noteholders and shall show the date of such issue;
 - 16.1.5 show the serial number of Certificates issued in respect of Additional Tier 1 Notes;
 - 16.1.6 be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person authorised in writing by any Noteholder; and
 - 16.1.7 be closed during the Books Closed Period.
- 16.2 The Transfer Agent will only recognize, as registered holder of an Additional Tier 1 Note, the Noteholder in the Register at 17h00 (South African time) on the relevant Last Day to Register. The Issuer and the Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Additional Tier 1 Note may be subject.
- 16.3 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of any Registered Notes of which it is notified in accordance with these Terms and Conditions.

17. CALCULATION AGENT, TRANSFER AGENT, PAYING AGENT AND ISSUER AGENT

- 17.1 Any third party appointed by the Issuer as Calculation Agent, Transfer Agent, Paying Agent and Issuer Agent or otherwise shall act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the Specified Office through which any agent acts.
- 17.2 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent, Issuer Agent or Paying Agent, all references in these Terms and Conditions to:
- 17.2.1 any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
 - 17.2.2 requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent, Calculation Agent or Paying Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

18. NOTICES

- 18.1 Notices to Noteholders shall be valid and effective:
- 18.1.1 in the case of uncertificated Notes listed on the JSE, if delivered to:
 - (a) the JSE and electronically published on SENS, or any other similar service, established by the JSE; and

- (b) the Central Securities Depository; or
- 18.1.2 in the case of unlisted uncertificated Additional Tier 1 Notes, if mailed to the registered addresses of the Noteholders appearing in the Uncertificated Securities Register or, if delivered to the Central Securities Depository (and if required, electronically published on SENS, or any other similar service, established by the JSE); or
- 18.1.3 in the case of Additional Tier 1 Notes being represented by an Individual Certificate (evidencing Registered Notes) if mailed to the registered addresses of the holders of the Additional Tier 1 Notes appearing in the Register and published, not earlier than 4 calendar days after the date of posting of such notice by registered mail:
 - (a) in an English language daily newspaper of general circulation in South Africa; and
 - (b) for so long as the Additional Tier 1 Notes are listed on the JSE or such other Financial Exchange, a daily newspaper of general circulation in the city in which the JSE or such other Financial Exchange is situated or any electronic news service of general distribution.
- 18.2 Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed, or the day of its publication, as the case may be.
- 18.3 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Certificate at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address. For so long as any of the Notes are held in uncertificated form, notice may be given by any holder of a Beneficial Interest in Notes to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 days after posting.

19. MEETINGS OF NOTEHOLDERS

19.1 Directions of Noteholders

- 19.1.1 The provisions with regard to meetings of Noteholders are set out in this Condition 19. All meetings of Noteholders shall comply with the mandatory provisions of the law, including the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders) and the JSE Debt Listings Requirements.
- 19.1.2 Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 19.1.3 A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

- (a) by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); or
- (b) by Extraordinary Resolution or an Extraordinary Written Resolution:
 - (i) of the Noteholders to bind all of the Noteholders to any compromise or arrangement; or
 - (ii) of a particular Series of Noteholders to agree to any variation or modification of any rights of that Series of Noteholders.

19.1.4 Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

19.2 Demand to call a meeting

19.2.1 The Issuer may at any time convene a meeting of all Noteholders or separate meetings of holders of any Series of Additional Tier 1 Notes, and shall be obliged to do so upon the request in writing of Noteholders holding not less than:

- (a) 10 per cent. of the aggregate Principal Amount of all Outstanding Additional Tier 1 Notes; or
- (b) 10 per cent. of the value of a specific Class of Additional Tier 1 Notes, as the case may be.

19.2.2 Upon receiving the request to call a meeting as described in Condition 19.2.1, the Issuer must:

19.2.2.1 immediately:

- A. inform the JSE in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
- B. release an announcement on SENS stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the JSE Debt Listing Requirements, specifying the date and time of the meeting; and

19.2.2.2 within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS (the “**Notice of Meeting**”) specifying the information set out in Condition 19.2.3 below.

19.2.3 The Issuer shall include in the Notice of Meeting, the following:

19.2.3.1 the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;

19.2.3.2 the time of the scheduled meeting; and

- 19.2.3.3 details of a pre-meeting of the Noteholders (without the presence of the Issuer) which is to be held on the same day/venue as the scheduled meeting, but at least 2 (two) hours before the scheduled meeting.
- 19.2.4 The Issuer shall release an announcement on SENS within 2 (two) Business Days after the meeting setting out the details of the outcome thereof.
- 19.2.5 In the event of liquidation or curatorship of the Issuer, or the inability of the Issuer to pay its debts as and when they fall due, the reference to 5 (five) Business Days in Condition 19.2.2.2 above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 19.2.3.1 above shall be reduced to 5 (five) Business Days.
- 19.2.6 At the meeting:
- 19.2.6.1 Noteholders shall exercise their voting through polling and not by the show of hands; and
- 19.2.6.2 a chairperson shall be elected by Noteholders as voted in accordance with Condition 19.2.6.1 above.
- 19.2.7 The Noteholder(s) who demand(ed) the meeting may, prior to the meeting, withdraw the demand by notice in writing to the Issuer. A copy of the withdrawal must be submitted to the JSE by the Issuer, upon receipt thereof. Further, the Issuer may cancel the meeting if, as a result of one or more of the demands being withdrawn, there is a failure to meet the required percentage participation stipulated in Condition 19.2.1.
- 19.3 **Notice of meeting**
- 19.3.1 Unless the holders of at least 90% of the aggregate Principal Amount of the Additional Tier 1 Notes Outstanding or Series of Additional Tier 1 Notes Outstanding, as the case may be, agree in writing to a shorter period, at least 21 Business Days' written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer if applicable.
- 19.3.2 The accidental omission to give such notice to any Noteholder or the Issuer, as the case may be, or the non-receipt of any such notice, will not invalidate the proceedings at a meeting.
- 19.3.3 For so long as any Additional Tier 1 Notes are listed on the JSE notices of meetings in respect of such JSE-listed Additional Tier 1 Notes, shall be announced on SENS, which announcement shall state the date that the Issuer has selected to determined which Noteholders recorded in the Register will receive notice of the meeting, and the last date by which proxy forms must be submitted.
- 19.3.4 A notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 19.2 above may consist of several documents in like form, each signed by one or more requisitioning Noteholders. Such a notice will be delivered to the Specified Offices of the Issuer.

19.4 **Quorum**

19.4.1 A quorum at a meeting shall:

- (a) for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount of the Additional Tier 1 Notes Outstanding or Series of Additional Tier 1 Notes Outstanding, as the case may be; and
- (b) for the purposes of considering an Extraordinary Resolution or an Extraordinary Written Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority (i.e. 50% + 1) of the aggregate Principal Amount of the Additional Tier 1 Notes Outstanding or Series of Additional Tier 1 Notes Outstanding, as the case may be.

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

19.4.3 If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution or an Extraordinary Written Resolution.

19.5 **Chairperson**

The chairperson (who may, but need not, be a Noteholder) of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairperson of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairperson.

19.6 **Adjournment**

19.6.1 Subject to the provisions of this Condition 19, the chairperson may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

19.6.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

19.6.3 At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 19.4.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

19.7 **How questions are decided**

19.7.1 At a meeting, a resolution put to the vote will be decided on a poll.

19.7.2 In the case of an equality of votes, the chairperson will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

19.8 **Votes**

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Principal Amount of the Additional Tier 1 Notes Outstanding held by such Noteholder bears to the aggregate Principal Amount of all of the Additional Tier 1 Notes Outstanding or Series of Additional Tier 1 Notes, as the case may be, held by Noteholders present in person or by proxy at the meeting. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Registered Holder in respect of Uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed in accordance with the Applicable Procedures.

19.9 **Proxies and representatives**

19.9.1 Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a “**proxy form**”) signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a “**proxy**” or “**proxies**”) to act on his or its behalf in connection with any meeting or proposed meeting.

19.9.2 A person appointed to act as proxy need not be a Noteholder.

19.9.3 The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

19.9.4 No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.

19.9.5 Notwithstanding Condition 19.9.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder’s instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Additional Tier 1 Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

19.9.6 Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

19.10 **Notice of the result of voting on any resolution**

19.10.1 Notice of the result of the voting on any resolution (including any Extraordinary Resolution or an Extraordinary Written Resolution) duly considered by the Noteholders shall (i) in respect of unlisted Notes, be given to the Noteholders within 14 (fourteen) days or (ii) in respect of Notes listed on the JSE, be announced on SENS within 2 (two) Business Days of the conclusion of the meeting or after the responses to the written resolutions have been received in accordance with Condition 18 (*Notices*). Non-publication shall not invalidate any such resolution.

19.11 **Minutes**

19.11.1 The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.

19.11.2 Any such minutes as aforesaid, if purporting to be signed by the chairperson of the meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders or Series of Noteholders, as the case may be, in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

19.12 **Written Resolutions**

A resolution in writing submitted to Noteholders or Noteholders of a Series, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by the requisite majority of Noteholders or Noteholders of a Series, as the case may be, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last day on which that resolution is signed by any one or more of the Noteholders or Noteholders of a Series, as the case may be. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders or Noteholders of a Series, as the case may be.

20. AMENDMENT OF THESE CONDITIONS

20.1 The Issuer may effect, without the consent of any Noteholder or any Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, any amendment to these Terms and Conditions:

20.1.1 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa; or

20.1.2 which does not affect the Additional Tier 1 Notes in issue,

provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the JSE immediately after the amendment is made and release an announcement on SENS providing a summary of the amendments and where the amended or modified Terms and Conditions or supplement to these Terms and Conditions will be available for inspection.

20.2 Save as provided in Condition 20.1 and subject to Condition 20.3, no amendment, variation or modification of these Terms and Conditions may be effected or be of any force or effect

unless approved by an Extraordinary Resolution or an Extraordinary Written Resolution of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be.

20.3 If any amendment, variation or modification of these Terms and Conditions does not fall within the provisions of Condition 20.1 then, in the case of any Tranche of Additional Tier 1 Notes listed on the Interest Rate Market of the JSE:

20.3.1 the Issuer must first, prior to submitting the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions to the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, for approval, obtain conditional formal approval of the proposed amended Terms and Conditions or the proposed supplement to these Terms and Conditions from the JSE in accordance with the JSE Debt Listings Requirements;

20.3.2 subsequent to receiving the conditional formal approval from the JSE contemplated by Condition 20.3.1, the Issuer shall send a notice, together with the proposed amended Terms and Conditions or proposed supplement to these Terms and Conditions, to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, in accordance with Condition 18 (*Notices*) incorporating the proposed amendments and requesting approval of the amendments from the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, by way of an Extraordinary Resolution or an Extraordinary Written Resolution;

20.3.3 if such approval is requested to be given:

(a) by way of an Extraordinary Resolution, a proxy form shall be sent, together with the notice convening the meeting at which the Extraordinary Resolution is proposed to be passed, to each person entitled to vote at such meeting and who has elected to receive such documents; or

(b) by way of an Extraordinary Written Resolution, the notice to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, must include the proposed resolution, any restrictions on voting in terms of these Terms and Conditions, the last date on which a Noteholder may submit its vote, in writing, on the proposed resolution (provided that such date shall be no later than the 20th Business Day after the notice was distributed to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be) and the address where the vote must be submitted;

20.3.4 for the purpose of the resolutions above wherein any votes are to be excluded from the passing of that resolution, any proxy given by a Noteholder to the holder of such an excluded vote shall be excluded from voting for the purposes of that resolution;

20.3.5 the Issuer must release an announcement on SENS with details concerning the date, time and venue of the meeting of all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may

be, within 24 hours after the notice of the meeting has been distributed to the relevant Noteholder, and, in the case of written resolutions, the Issuer must release an announcement on SENS with details of the written resolutions being proposed within 24 hours after the notification of the proposed written resolutions have been distributed to the relevant Noteholders. In either instance, if the notification to the relevant Noteholders was distributed via a SENS announcement, a separate announcement is not required in terms of this Condition 20.3.5;

20.3.6 if approval from all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, is obtained, confirmation of such approval and the signed amendment of the Terms and Conditions or the signed supplement to the Terms and Conditions shall be submitted to the JSE by or on behalf of the Issuer and the Issuer shall also provide a letter to the JSE confirming that the signed amendment of these Terms and Conditions or the signed supplement to the Terms and Conditions is identical, other than in minor respects, to the draft conditionally formally approved by the JSE;

20.3.7 within 48 hours after the meeting or the responses from the relevant Noteholders on the proposed written resolution have been obtained, a SENS announcement shall be released by the Issuer containing the details of the voting results in respect of the proposed resolution/s and the announcement shall include the following:

- (a) the proposed resolution/s;
- (b) the Additional Tier 1 Notes voted in person or by proxy disclosed as a number and a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Additional Tier 1 Notes or the total Principal Amount of all of the Additional Tier 1 Notes, as the case may be); and
- (c) the votes abstained disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Additional Tier 1 Notes or the total Principal Amount of all of the Notes, as the case may be) and the votes carried (i) for and (ii) against each resolution, disclosed as a percentage (in relation to the total Principal Amount of the relevant Tranche or Series of Additional Tier 1 Notes or the total Principal Amount of all of the Notes, as the case may be); and

20.3.8 the amendment of the Terms and Conditions or the supplement to the Terms and Conditions must be available for inspection for at least 2 (two) Business Days before the listing of any Additional Tier 1 Note on the Interest Rate Market of the JSE by the Issuer.

20.4 No amendment to the Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the JSE Debt Listings Requirements or such other Financial Exchange, as the case may be.

20.5 Any such modification of the Terms and Conditions made pursuant to this Condition 20 shall be binding on all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, and any such amendment shall be

notified to all of the Noteholders or the Noteholders of the relevant Tranche or Series of Additional Tier 1 Notes, as the case may be, in accordance with Condition 18 (Notices) and to the Financial Exchange as soon as practicable thereafter.

21. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Additional Tier 1 Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price, the Issue Date and the Interest Commencement Date so that the further Additional Tier 1 Notes shall be consolidated to form a single Series with the Outstanding Additional Tier 1 Notes.

22. GOVERNING LAW

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Additional Tier 1 Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

ABSA GROUP LIMITED

By: _____

By: _____

Name:

Name:

Capacity: Authorised Signatory

Capacity: Authorised Signatory

Date: _____

Date: _____

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer as follows:

- (a) for its general corporate purposes; or
- (b) to finance or refinance, in whole or in part, projects and activities that promote climate friendly and other environmental purposes (“**Green Projects**”) meeting prescribed eligibility criteria, in which case the Applicable Pricing Supplement will specify that such Notes are “Green Bonds” (“**Green Bonds**”) and will provide additional information in relation to the intended use of proceeds in respect of such Notes; or
- (c) finance or refinance, in whole or in part, projects and activities that are aimed at reducing economic and social inequality (“**Social Projects**”) meeting prescribed eligibility criteria, in which case the Applicable Pricing Supplement will specify that such Notes are “Social Bonds” (“**Social Bonds**”) and will provide additional information in relation to the intended use of proceeds in respect of such Notes; or
- (d) to finance or refinance, in whole or in part, projects and activities that have both a positive environmental and social impact (“**Sustainable Projects**”) meeting prescribed eligibility criteria, in which case the Applicable Pricing Supplement will specify that such Notes are “Sustainable Bonds” (“**Sustainable Bonds**”) and will provide additional information in relation to the intended use of proceeds in respect of such Notes; or
- (e) as otherwise may be described in the Applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” (“AGL Risk Factors and Other Disclosures Schedule – DMTN Programme”) which, amongst other things, sets out the description of the Issuer, its business, legal status, management and corporate governance. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (see the section of this Programme Memorandum entitled “Documents Incorporated by Reference”).

Prospective investors are to ensure that they have read the AGL Risk Factors and Other Disclosures Schedule – DMTN Programme to reach their own views on the Issuer, its business, legal status, management and corporate governance prior to making any investment decision.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” which, amongst other things, sets out a description of “Settlement, Clearing and Transfer of Notes”. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (see the section of this Programme Memorandum entitled “*Documents Incorporated by Reference*”).

SOUTH AFRICAN TAXATION

The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” which, amongst other things, sets out a description of “South African Taxation”. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (see the section of this Programme Memorandum entitled “*Documents Incorporated by Reference*”).

SUBSCRIPTION AND SALE

The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” which, amongst other things, sets out a description of “Subscription and Sale”. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (see the section of this Programme Memorandum entitled “*Documents Incorporated by Reference*”).

EXCHANGE CONTROL

The Issuer has prepared a separate document entitled “AGL Risk Factors and Other Disclosures Schedule – DMTN Programme” which, amongst other things, sets out a description of “Exchange Control”. This separate document is incorporated by reference and is available on the website of the Issuer at <https://www.absa.africa/absafrica/investor-relations/debt-investors/> (see the section of this Programme Memorandum entitled “*Documents Incorporated by Reference*”).

GENERAL INFORMATION

AUTHORISATION

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the update of the Programme and will be obtained from time to time for the issue of Notes under the Programme, and for the Issuer, Transfer Agent, Calculation Agent and Paying Agent to undertake and perform their respective obligations under the Notes and the Programme Memorandum. The Issuer is, as at the Programme Date, in compliance with the provisions of the Companies Act and is acting in conformity with its memorandum of incorporation.

No exchange control approval is required for the establishment of the Programme. If exchange control approval is required for the issue of any Tranche of Notes, such exchange control approval will be obtained prior to the issue of such Tranche of Notes.

The update of the Programme in terms of this Programme Memorandum was duly authorised in terms of a resolution of the board of directors of the Issuer passed at a meeting of the board of directors held on 2 June 2021.

LISTING

This Programme is registered with the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any successor exchange and/or such other or further Financial Exchange(s) as may be agreed between the Issuer and the Dealer(s) and subject to any relevant ruling law. Unlisted Notes may also be issued.

CLEARING SYSTEMS

The Notes listed on the Interest Rate Market of the JSE have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system and may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

The settlement, clearing and redemption procedures for trades of Notes issued on an exchange other than the JSE, irrespective of whether the Notes are listed on the Interest Rate Market of the JSE as well, will be specified in the Applicable Pricing Supplements.

PARTICIPANTS

As at the Programme Date, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are Absa Bank Limited, acting through its Corporate and Investment Banking division, Citibank N.A., South Africa branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, and the SARB. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

AUDITORS

Ernst & Young Inc. has acted as the auditor of the financial statements of the Issuer for the financial years ended 31 December 2018, 2019 and 2020. In respect of these years, it has issued unqualified audit reports in respect of the Issuer.

LITIGATION

Other than those disclosed in the AGL Risk Factors and Other Disclosures Schedule – DMTN Programme, the Issuer is not engaged in any legal, arbitration, administration or other proceedings, including any proceedings that are pending or threatened, of which the Issuer is aware, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the financial position of the Issuer.

DOCUMENTS

So long as any Note remains outstanding, one copy of this Programme Memorandum and each of the documents referred to in the section of this Programme Memorandum headed “*Documents Incorporated by Reference*” will be available for inspection by the Noteholders at the Specified Office of the Issuer.

MATERIAL CHANGE

As at the Programme Date, and after due and careful enquiry, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of its latest audited financial statements. As at the Programme Date, there has been no involvement by Ernst & Young Inc. in making the aforementioned statement.

Signed at _____ on behalf of Absa Group Limited on September 2021.

Name:
Capacity:
Who warrants his/her authority
hereto

Signed at _____ on behalf of Absa Group Limited on September 2021.

Name:
Capacity:
Who warrants his/her authority
hereto

CORPORATE INFORMATION

ISSUER

Absa Group Limited
7th Floor
Absa Towers West
15 Troye Street
Johannesburg, 2001
South Africa
Contact: Head of Investor Relations
Email: ir@absa.africa
Tel: 011 350 4000

ARRANGER

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: Head: Debt Capital Markets
Email: ibddcm@absa.africa
Tel: 0118956000

DEALER

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: Head: Debt Capital Markets
Email: ibddcm@absa.africa
Tel: 0118956000

DEBT SPONSOR

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: IBD JSE Sponsor
Email: IBDJSESponsor@absa.africa
Tel: 0118956000

CALCULATION AGENT

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown,
Sandton, 2196
South Africa
Contact: CIB Africa CM Bonds
Email: AbcapCMBonds@absa.africa
Tel: 0118956000

TRANSFER AGENT

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: CIB Africa CM Bonds
Email: AbcapCMBonds@absa.africa
Tel: 0118956000

PAYING AGENT

Absa Bank Limited, acting through its Corporate and Investment Banking division
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: CIB Africa CM Bonds
Email: AbcapCMBonds@absa.africa
Tel: 0118956000

**ATTORNEYS TO THE ISSUER,
ARRANGER AND DEBT SPONSOR**

Allen & Overy (South Africa) LLP
6th Floor
90 Grayston Drive
Sandton, 2196
South Africa
Contact: DCM Practice
Email:
Reception.Johannesburg@AllenOvery.com
Tel: (010) 597 9850

SETTLEMENT AGENT

**Absa Bank Limited, acting through its
Corporate and Investment Banking division**
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Contact: Absa Investor Services (AIS)
Email: AISBonds@absa.africa
Tel: 0115015444

AUDITOR TO THE ISSUER

Ernst & Young
Wanderers Office Park
52 Corlett Drive
Illovo
South Africa
Contact: Lead Account Partner
Tel: 011 772 3000

DEBT OFFICER

Absa Group Limited
Jason Quinn
Interim Group Chief Executive Officer
15 Alice Lane
Sandown
Sandton, 2196
Email: Jason.Quinn@absa.africa
Tel: 011 350 4000