
APPLICABLE PRICING SUPPLEMENT OF THE ADDITIONAL TIER 1 NOTES



Absa Group Limited

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

Issue of ZAR3,009,000,000 Additional Tier 1 Notes with Stock Code AGT09

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 03 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	Deon Raju
3.	Status of Notes	Subordinated Notes: Additional Tier 1 Notes Additional Tier 1 Notes issued pursuant to this Applicable Pricing Supplement will be subject to Write-off upon the occurrence of a Non-Viability Trigger Event in accordance with the Capital Regulations
4.	(a) Tranche Number	1
	(a) Series Number	37
5.	Aggregate Principal Amount	ZAR3,009,000,000
6.	Interest/Payment Basis	Floating Rate
7.	Form of Notes	Registered Notes

8.	Security	Unsecured
9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	Not Applicable
10.	Issue Date	9 July 2025
11.	Business Centre	Johannesburg
12.	Additional Business Centre	Not Applicable
13.	Principal Amount	ZAR1,000,000
14.	Specified Denomination	Notes are subject to a minimum denomination of ZAR1,000,000
15.	Issue Price	100%
16.	Interest Commencement Date	9 July 2025
17.	Specified Currency	ZAR
18.	Applicable Business Day Convention	Modified Following Business Day
19.	Calculation Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
20.	Specified Office of the Calculation Agent	15 Alice Lane, Sandown, Sandton, 2196
21.	Paying Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
22.	Specified Office of the Paying Agent	15 Alice Lane, Sandown, Sandton, 2196
23.	Transfer Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
24.	Specified Office of the Transfer Agent	15 Alice Lane, Sandown, Sandton, 2196
25.	Settlement Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
26.	Specified Office of the Issuer Agent	15 Alice Lane, Sandown, Sandton, 2196
27.	Issuer Agent	Absa Bank Limited, acting through its Corporate and Investment Banking division
28.	Specified Office of the Settlement Agent	15 Alice Lane, Sandown, Sandton, 2196

29.	Redemption Amount	Redemption Amount as per definition of “ <i>Redemption Amount</i> ” in Condition 1 (<i>Interpretation</i>)
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FIXED RATE NOTES

Not Applicable

FLOATING RATE NOTES

30. Floating Rate Note Provisions:

Applicable

(a) Interest Payment Date(s)

Means 9 October, 9 January, 9 April and 9 July, in each year, commencing on 9 October 2025 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) 9 October 2025 (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)

Not Applicable

(d) Minimum Interest Rate

Not Applicable

(e) Maximum Interest Rate

Not Applicable

(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)

Not Applicable

31. Manner in which the Interest Rate is to be determined

Screen Rate Determination

32. Margin

257bps per annum to be added to the relevant Reference Rate

33. If ISDA Determination

Not Applicable

34. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) 3 (three) month ZAR-JIBAR-SAFEX
 - (b) Interest Rate Determination Date(s) Means 9 July, 9 October, 9 January and 9 April, in each year, with the first Interest Determination Date being 4 July 2025
 - (c) Relevant Screen Page and Reference Code Reuters Screen SAFEX page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR)
35. 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 Not Applicable
36. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest Not Applicable

INDEXED NOTES Not Applicable

MIXED RATE NOTES Not Applicable

OTHER ADDITIONAL TIER 1 NOTES Not Applicable

PROVISIONS REGARDING REDEMPTION

37. Prior consent of Prudential Authority required for any redemption Yes
38. Redemption at the option of the Issuer (Call Option): if yes: Yes
- (a) First Optional Redemption Date (Call) 9 July 2031
 - (b) Optional Redemption Date(s) (Call) The First Optional Redemption Date or any Interest Payment Date after the First Optional Redemption Date
 - (c) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) Principal Amount plus accrued interest (if any) to the date fixed for redemption
 - (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) Not Applicable
 - (e) If redeemable in part: Not Applicable

	(f)	Approval(s) of Prudential Authority	Applicable
	(g)	Other terms applicable on Redemption	Not Applicable
39.		Early Redemption Amount(s)	Yes
	(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	Not Applicable
40.		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)?	No

NON-VIABILITY LOSS ABSORPTION

41.		Conversion upon the occurrence of a Non-Viability Trigger Event	Not Applicable
42.		Write-off upon the occurrence of a Non-Viability Trigger Event	Yes, Condition 9.3 (<i>Write-off of Additional Tier 1 Notes upon a Non-Viability Trigger Event</i>) applies
43.		Option to dis-apply Non-Viability Loss Absorption Condition pursuant to Condition 9.4 (<i>Disapplication of Non-Viability Loss Absorption Condition</i>)	Applicable

GENERAL

44.		Additional selling restrictions	Not Applicable
45.		Additional terms or special conditions	Not Applicable
46.	(a)	International Securities Identification Number (ISIN)	ZAG000217076
	(a)	Stock Code	AGT09
47.		Financial Exchange	JSE
48.		Clearing System	Strate Proprietary Limited
49.		Method of distribution	Auction

50.	If syndicated, names of managers	Not Applicable
51.	Credit Rating assigned to the Issuer (if any), date of such rating and date for review of such rating	Aa2.za Moody's national Long Term affirmed on 06 March 2024
52.	Issuer rating and date of issue	As per paragraph 51
53.	Governing law (if the laws of South Africa are not applicable)	Not Applicable
54.	Other Banking Jurisdiction	Not Applicable
55.	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	By 17h00 on 28 September, 29 December 29 March and 28 June, or if such day is not a Business Day, the Business Day before each Books Closed Period, in each year
56.	Books Closed Period	The Register will be closed from 29 September to 8 October, 30 December to 8 January, 30 March to 8 April and 29 June to 8 July (all dates inclusive) in each year
57.	Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division
58.	Stabilisation Manager (if any)	Not Applicable
59.	Pricing Methodology	Auction
60.	Authorised amount of the Programme	ZAR50,000,000,000
61.	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)	ZAR15,891,000,000
62.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any)	<p>For the purposes of the Tranche of Notes to which this Applicable Pricing Supplement applies:</p> <p>(a) a new Condition 7.9 (<i>Benchmark Discontinuation</i>) as set out in Schedule 1 (<i>Benchmark Discontinuation</i>) of this Applicable Pricing Supplement shall be inserted into the Terms and Conditions; and</p>

	(b)	a new Condition 23 (<i>Recognition of RSA Bail-in Powers</i>) as set out in Schedule 2 (<i>Recognition of RSA Bail-in Powers</i>) of this Applicable Pricing Supplement shall be inserted into the Terms and Conditions
63.	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, dated 10 March 2025. As at the date of this Applicable Pricing Supplement, there has been no involvement by KPMG Incorporated and PricewaterhouseCoopers, the auditors of the Issuer, in making the aforementioned statement
64.	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
65.	Exchange control approval	Not Applicable
66.	Use of proceeds	General corporate purposes

RESPONSIBILITY

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the 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 Debt and Specialist Securities Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in the 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 the 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 the 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 the 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 made to list this issue of Notes on 9 July 2025 pursuant to the Absa Group Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on 3 September 2021.

ABSA GROUP LIMITED

By: Richard Favis
Richard Favis (Jul 4, 2025 15:52 GMT+2)

Name: **Richard Favis**

Capacity: Authorised Signatory

Date: **04/07/2025**

By: Rolf van den Heever
Rolf van den Heever (Jul 4, 2025 16:01 GMT+2)

Name: **Rolf van den Heever**

Capacity: Authorised Signatory

Date: **04/07/2025**

SCHEDULE 1

BENCHMARK DISCONTINUATION

7.9 Benchmark Discontinuation

(a) *Application of Benchmark Discontinuation Provisions*

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 7.2 (*Interest on Floating Rate Notes*) or the provisions of the Applicable Pricing Supplement, if the Issuer determines (acting in good faith and in a commercially reasonable manner) that a Benchmark Event and its related Benchmark Event Date has occurred in relation to an Original Reference Rate for any Series of Notes when any Interest Rate (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then, the Issuer shall determine a Replacement Reference Rate in respect of such Series in accordance with the provisions of this Condition 7.9 and with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate will replace the Original Reference Rate to determine the relevant Interest Rate (or the relevant component part thereof) and the Interest Amounts in respect of all Interest Periods commencing on or after the Benchmark Replacement Date (subject to any subsequent application of this Condition 7.9 with respect to the Replacement Reference Rate).

(b) *Determination of Replacement Reference Rate*

(i) The Issuer shall, with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date determine (acting in good faith and in a commercially reasonable manner) the Reference Rate that will replace the Original Reference Rate (the “**Replacement Reference Rate**”) which shall be the first of the following Reference Rates determined by the Issuer in the following order of application and precedence:

- (A) first, the Supervisor Recommended Reference Rate;
- (B) second, if the Issuer determines that there is no Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate; and
- (C) third, if the Issuer determines that there is no Administrator Recommended Reference Rate, the Alternative Reference Rate.

(ii) If:

- (A) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 7.9 prior to the relevant Interest Determination Date occurring immediately after the Replacement Reference Rate Determination Cut-off Date; and
- (B) there are no fallback provisions provided for in Condition 7.2 (*Interest on Floating Rate Notes*) and/or the Applicable Pricing Supplement for the purposes of determining the Interest Rate on such Interest Determination Date in relation to the Original Reference Rate,

the Interest Rate applicable to the next succeeding Interest Period shall be equal to the Interest Rate last determined in relation to the Notes in respect of the

immediately preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Interest Rate for the next succeeding Interest Period shall be the initial Interest Rate) (the “**Final Fallback Rate**”); *provided that:*

- (I) where a different Margin or Maximum Interest Rate or Minimum Interest Rate is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Interest Rate or Minimum Interest Rate relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period; and
- (II) this Condition 7.9(b)(ii) and the Final Fallback Rate shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.9.

(c) *Adjustment Spread*

- (i) If any Replacement Reference Rate is determined in accordance with Condition 7.9(a) (*Determination of Replacement Reference Rate*), the Issuer shall, with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date determine (acting in good faith and in a manner which is commercially reasonable and (if any) substantially consistent with market practice in domestic debt capital markets transactions which reference the Original Reference Rate and taking into account the requirements of the definition of “*Adjustment Spread*”) whether an Adjustment Spread should be applied to such Replacement Reference Rate and, if the Issuer so determines (which may include consultation with an Independent Adviser (if appointed)) that an Adjustment Spread should be so applied, determine the Adjustment Spread (which may be expressed as a specified quantum or a formula or methodology for determining the applicable Adjustment Spread) in accordance with the requirements of the definition of “*Adjustment Spread*”, which Adjustment Spread shall be applied to such Replacement Reference Rate for each subsequent determination of an Interest Rate (or a relevant component part thereof) by reference to such Replacement Reference Rate. If the Issuer is unable to determine the quantum of, or a formula or methodology for determining the Adjustment Spread, then the Replacement Reference Rate will apply without an Adjustment Spread.
- (ii) No Adjustment Spread shall be applied to the Final Fallback Rate.

(d) *Benchmark Amendments*

- (i) If any Replacement Reference Rate and (if applicable) any Adjustment Spread is determined in accordance with this Condition 7.9 and the Issuer determines (acting reasonably and in good faith):
 - (A) that technical, operational and/or operational amendments, variations and/or modifications to these Terms and Conditions and/or the Applicable Pricing Supplement are necessary to ensure the proper operation of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread, including, without limitation, changes to:

- (I) the definition or determination of Interest Periods and/or Interest Determination Dates;
- (II) the timing and frequency of determining rates and making payments of interest;
- (III) rounding of amounts or tenors; and
- (IV) any other administrative provisions related to the calculation or application of interest,

to reflect the adoption of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the applicable Replacement Reference Rate and/or the applicable Adjustment Spread exists, in such other manner as the Issuer determines is reasonably necessary) (such amendments, variations and/or modifications, the “**Benchmark Amendments**”); and

- (B) the terms of the Benchmark Amendments,

then the Issuer shall, subject to the Issuer having to give notice thereof to the Noteholders, the Calculation Agent and the Paying Agent in accordance with Condition 7.9(e) (*Notice and Implementation of Benchmark Replacement*), without any requirement for the consent or approval of Noteholders, the Calculation Agent or the Paying Agent amend, vary or modify these Terms and Conditions and/or the Applicable Pricing Supplement to give effect to such Benchmark Amendments with effect from the Benchmark Replacement Date.

- (ii) Any Benchmark Amendments shall constitute technical and/or administrative amendments for the purposes of Condition 20 (Amendment of these Conditions) and the Issuer shall comply with:

- (A) the requirements of Condition 20 (*Amendment of these Conditions*) in giving effect to such Benchmark Amendments; and
- (B) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the listings requirements of such Financial Exchange applicable to such Benchmark Amendments.

(e) *Notice and Implementation of Benchmark Replacement*

- (i) The applicable Replacement Reference Rate, Adjustment Spread (if any) and Benchmark Amendments (if any) shall take effect on the Benchmark Replacement Date and after delivery of a Benchmark Replacement Notice in accordance with Condition 7.9(e)(ii).
- (ii) The Issuer shall deliver a written notice (the “**Benchmark Replacement Notice**”) to the Noteholders in accordance with Condition 17 (Notices), the Calculation Agent and the Paying Agent which Benchmark Replacement Notice shall:
 - (A) specify:
 - (I) the Benchmark Event and its related Benchmark Event Date;
 - (II) the Benchmark Cessation Effective Date;

- (III) the Replacement Reference Rate;
- (IV) the applicable Adjustment Spread (if any);
- (V) the terms of any Benchmark Amendments (if any); and
- (V) the Benchmark Replacement Date; and
- (B) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:
 - (I) that a Benchmark Event and its related Benchmark Event Date has occurred;
 - (II) the Replacement Reference Rate;
 - (III) the applicable Adjustment Spread (if any);
 - (IV) the terms of any Benchmark Amendments (if any); and
 - (V) the Benchmark Replacement Date,
 in each case determined in accordance with this Condition 7.9 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 7.9

(iii) A Benchmark Replacement Notice shall be irrevocable.

(f) *Binding Determinations*

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 7.9, including, without limitation, the determination of the occurrence of a Benchmark Event and its related Benchmark Event Date, the selection or determination of the Replacement Reference Rate and/or the Adjustment Spread, the determination of the Benchmark Replacement Date and/or the Benchmark Cessation Effective Date and the determination of any Benchmark Amendments, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agent and the Noteholders.

(g) *Survival of Original Reference Rate Provisions*

- (i) Without prejudice to the obligations of the Issuer under this Condition 7.9, the Original Reference Rate and the fallback provisions provided for in Condition 7.2C. (*Screen Rate Determination*) (unless Condition 7.2C (*Screen Rate Determination*) is expressly disappplied in the Applicable Pricing Supplement) or the Applicable Pricing Supplement (as applicable) will continue to apply unless and until a Benchmark Event and its related Benchmark Event Date has occurred, and the Noteholders and the Calculation Agent have been notified of the Replacement Reference Rate, the applicable Adjustment Spread, any Benchmark Amendments, and the Benchmark Replacement Date, in each case in accordance with Condition 7.9(e) (*Notice and Implementation of Benchmark Replacement*).
- (ii) If, following the occurrence of a Benchmark Event and its related Benchmark Event Date and in relation to the determination of the Interest Rate on the relevant Interest Determination Date, no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Noteholders and Calculation Agent in accordance with Condition 7.9(e) (*Notice and Implementation of Benchmark Replacement*), then, unless

Condition 7.9(b)(ii) (*Determination of Replacement Reference Rate*) applies, the Original Reference Rate will continue to apply for the purposes of determining such Interest Rate on such Interest Determination Date, with the effect that the fallback provisions provided for in Condition 7.2C. (*Screen Rate Determination*) (unless Condition 7.2C (*Screen Rate Determination*) is expressly disappplied in the Applicable Pricing Supplement) or the Applicable Pricing Supplement (as applicable) will (if applicable) continue to apply to such determination.

- (iii) Condition 7.9(g)(ii) shall apply to the determination of the Interest Rate on the relevant Interest Determination Date only and the Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.9.

(h) *Independent Adviser*

- (i) The Issuer may, at its sole discretion and expense, appoint an Independent Adviser to make any or all of the determinations, decisions or elections required under this Condition 7.9, including:
 - (A) the occurrence of a Benchmark Event and the related Benchmark Event Date;
 - (B) the determination of the Replacement Reference Rate; and
 - (C) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.
- (ii) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.
- (iii) Any determination, decision or election made by the Independent Adviser shall be deemed to be a determination by the Issuer for the purposes of this Condition 7.9, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.
- (iv) If no Independent Adviser is appointed, or if the Independent Adviser fails to make a determination within a reasonable period as determined by the Issuer, the Issuer shall make such determinations itself, acting in good faith and in a manner which is commercially reasonable and (if any) substantially consistent with market practice in domestic debt capital markets transactions which reference the Original Reference Rate.
- (v) An Independent Adviser appointed pursuant to this Condition 7.9(h) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent, the Paying Agent or the Noteholders for any determination, decision or election made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 7.9.

(i) *Definitions*

In this Condition 7.9:

“Adjusted Replacement Reference Rate” means the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition 7.9(b)(i) (*Determination of Replacement Reference Rate*) and (if any) the Adjustment Spread

applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 7.9(c) (*Adjustment Spread*).

“Adjustment Spread” means, in respect of a Replacement Reference Rate determined in accordance with Condition 7.9(b)(i) (*Determination of Replacement Reference Rate*), either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in each case to be applied to the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Original Reference Rate with the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (A) in the case of a Supervisor Recommended Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Supervisor Recommended Reference Rate by the Supervisor;
- (B) in the case of an Administrator Recommended Reference Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Administrator Recommended Reference Rate by the Administrator or the Supervisor of the Administrator;
- (C) in the case of an Alternative Reference Rate or (where paragraphs (A) and (B) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer, acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) is customarily applied in domestic debt capital markets transactions which reference the Original Reference Rate to produce an industry accepted replacement rate for the Original Reference Rate, where the Original Reference Rate has been replaced by the Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate or the Alternative Reference Rate (as applicable); or
- (D) if the Issuer, acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) that no such spread is customarily applied as contemplated in paragraph (C) above and paragraphs (A) and (B) above do not apply, the Issuer, acting in good faith and in a commercially reasonable manner, determines (which may include consultation with an Independent Adviser (if appointed)) is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where the Original Reference Rate has been replaced by the relevant Supervisor Recommended Reference Rate, Administrator Recommended Reference Rate or Alternative Reference Rate (as applicable); or
- (E) if no such industry standard is recognised or acknowledged as contemplated in paragraph (D) above, the Issuer, in its discretion and acting in good faith and in a commercially reasonable manner, determines to be appropriate, which may include consultation with an Independent Adviser (if appointed) and shall take into account the requirements of this definition of “*Adjustment Spread*”.

“Administrator” means, in respect of any Original Reference Rate, the administrator

for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark, and, in each case, any successor administrator or, as applicable, any successor administrator or provider.

“Administrator Recommended Reference Rate” means in respect of an Original Reference Rate, a successor to or replacement of that Original Reference Rate which is formally recommended by the Administrator of that Original Reference Rate.

“Alternative Reference Rate” means, in circumstances where there is no Supervisor Recommended Reference Rate or Administrator Recommended Reference Rate as at an Interest Determination Date, an alternative rate to the Original Reference Rate which the Issuer (acting in good faith, in a commercially reasonable manner and by reference to such sources and available information as it deems appropriate taking into account prevailing market practices, any recommendations by any relevant industry body(ies) or working group established for the domestic debt capital markets and any applicable regulatory guidance) determines has replaced the Original Reference Rate in customary market usage in the domestic debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for debt securities denominated in the same Specified Currency as the Notes and of a comparable duration to the relevant Interest Period or, if the Issuer determines that there is no such rate, such other rate which the Issuer determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.

“Benchmark Amendments” has the meaning given to it in Condition 7.9(d) (*Benchmark Amendments*).

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (B) the Administrator of the Original Reference Rate publicly announces that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor Administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or
- (D) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) the Supervisor of the Administrator of the Original Reference Rate publicly announces that use of the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (F) the Supervisor of the Administrator of the Original Reference Rate makes a public announcement or publishes information stating that the Original Reference Rate is no longer or, as of a specified future date will no longer be, representative of the underlying market or economic reality that it is intended to measure and that representativeness will not be restored (as determined by such Supervisor); or
- (G) it has or will prior to the next Interest Determination Date become unlawful or otherwise prohibited for the Calculation Agent, the Paying Agent or the Issuer

to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

“Benchmark Event Date” means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:

- (A) the date of the occurrence of the relevant Benchmark Event; and
- (B) notwithstanding paragraph (A) above, where the relevant Benchmark Event is a public announcement or statement within paragraphs (B), (C), (D), (E) or (F) of the definition of “*Benchmark Event*” and the relevant specified future date in the public announcement or statement is more than six months after the date of that public announcement or statement, the date falling six months prior to such specified future date.

“Benchmark Cessation Effective Date” means the earliest to occur on or after the relevant Benchmark Event Date of the following events with respect to the Original Reference Rate:

- (A) in the case of the Benchmark Event under paragraph (A), (F) or (G) of the definition of “*Benchmark Event*”, the date of the occurrence of such Benchmark Event;
- (B) in the case of the Benchmark Event under paragraph (B) of the definition of “*Benchmark Event*”, the date of the cessation of the publication of the Original Reference Rate;
- (C) in the case of the Benchmark Event under paragraph (C) of the definition of “*Benchmark Event*”, the date of the permanent discontinuation of the Original Reference Rate;
- (D) in the case of the Benchmark Event under paragraph (D) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate is prohibited from being used; and
- (E) in the case of the Benchmark Event under paragraph (E) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.

“Benchmark Replacement Date” means the date specified as such by the Issuer in the Benchmark Replacement Notice, being a date not earlier than the earlier of:

- (A) 5 Business Days following the date of delivery of the Benchmark Replacement Notice (or such shorter period as the Issuer determines (acting reasonably and in good faith) is practicable in the circumstances); and
- (B) the Benchmark Cessation Effective Date.

“Benchmark Replacement Notice” means has the meaning given to it in Condition 7.9(e)(ii) (*Notice and Implementation of Benchmark Replacement*).

“Final Fallback Rate” has the meaning given to it in Condition 7.9(b)(ii) (*Determination of Replacement Reference Rate*).

“Independent Adviser” means an independent financial institution or financial adviser of recognised standing and with appropriate experience in the domestic capital markets, selected and appointed by the Issuer in accordance with Condition 7.9(h) (*Independent Adviser*).

“Original Reference Rate” means the Reference Rate originally specified in the

Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (*provided that* if, following one or more Benchmark Events and the related Benchmark Event Date(s), such Reference Rate originally specified in the Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (or any Replacement Reference Rate which has replaced it) has been replaced by a (or a further) Replacement Reference Rate and a Benchmark Event and its related Benchmark Event Date subsequently occurs in respect of such Replacement Reference Rate, the term Original Reference Rate shall include any such Replacement Reference Rate).

“Replacement Reference Rate” has the meaning given to it in Condition 7.9(b)(i) (*Determination of Replacement Reference Rate*).

“Replacement Reference Rate Determination Cut-off Date” means the date, after the Benchmark Event Date, that is no later than 5 Business Days prior to the Interest Determination Date relating to the first Interest Period commencing after the relevant Benchmark Cessation Effective Date.

“Supervisor” means, in respect of an Original Reference Rate:

- (A) the central bank, supervisor, regulator or other supervisory authority that is responsible for supervising (i) that Applicable Benchmark Rate, and/or (ii) the Administrator of that Original Benchmark Rate; or
- (B) any working group or committee officially endorsed or convened by, chaired or co-chaired by or constituted at the request of any such central bank, supervisor, or regulator or other supervisory authority or a group of the aforementioned central bank, supervisors, regulators or other supervisory authorities.

“Supervisor Recommended Reference Rate” means, in respect of an Original Reference Rate, a successor to or replacement of that Original Reference Rate which is formally recommended by the Supervisor of that Original Reference Rate.

SCHEDULE 2

RECOGNITION OF RSA BAIL-IN POWERS

23. RECOGNITION OF RSA BAIL-IN POWERS

23.1 Application

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understanding between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder acknowledges and accepts that any Amounts Due arising under the Notes may be subject to the exercise of any RSA Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by the exercise of any RSA Bail-in Power by the Resolution Authority which may result in:

- 23.1.1 the reduction or write-off of all, or a portion of, the Amounts Due;
- 23.1.2 the conversion of all, or a portion, of the Amounts Due into ordinary shares or other securities or other obligations of the Issuer or another person (or the issue to or conferring on the Noteholder of such shares, securities or obligations);
- 23.1.3 the cancellation of the Notes; and/or
- 23.1.4 the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest due on the Notes, or the dates on which interest becomes payable, including by suspending payment for any period contemplated in the RSA Bail-in Power,

which such RSA Bail-in Power may be exercised by means of amendment, modification or variation of the terms of the Notes to give effect to any exercise of any RSA Bail-in Power by the Resolution Authority.

23.2 Variation of rights

Each Noteholder further acknowledges and agrees that the rights of the Noteholders are subject to, and will, without the consent of Noteholders be varied, if necessary, solely to give effect to, the exercise of any RSA Bail-in Power by the Resolution Authority.

23.3 Payments of Amounts Due

No Amounts Due in relation to the Notes will become due and payable or be paid after the exercise of any RSA Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, written-down, written-off, converted, cancelled, amended or altered as a result of such exercise, unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of South Africa applicable to the Issuer.

23.4 **Recission of redemption**

If the Issuer has elected to redeem the Notes but prior to the payment of the Redemption Amount with respect to such redemption the Resolution Authority exercises any RSA Bail-in Power with respect to the Notes, the relevant redemption notices shall be automatically rescinded and shall be of no force and effect, and no payment of the Redemption Amount (or any other amount that would otherwise be payable as a result of such redemption) will be due and payable.

23.5 **No Event of Default**

None of a reduction, write-off, write-down or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of any RSA Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of these Terms and Conditions for any purpose.

23.6 **Notice**

Upon the exercise of any RSA Bail-in Power by the Resolution Authority with respect to any Notes, the Issuer shall give notice of the same to the Noteholders in accordance with Condition 18 (Notices). Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and/or enforceability of exercise of any RSA Bail-in Power.

23.7 **Interpretation**

23.7.1 For the purposes of this Condition 23:

- (a) **Amounts Due** means the Principal Amount of, and any accrued but unpaid interest on, the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any RSA Bail-in Power by the Resolution Authority;
- (b) **Financial Sector Regulation Act** mean the Financial Sector Regulation Act, 2017;
- (c) **Resolution Authority** means the SARB in accordance with the Financial Sector Regulation Act or any successor or replacement thereto and/or such other authority in South Africa with the ability to exercise the RSA Bail-in Powers; and
- (d) **RSA Bail-in Power** means any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under any laws, regulations, rules, directives, standards or requirements relating to the resolution of banks, bank controlling companies, credit institutions and/or investment firms incorporated in South Africa in effect and applicable in South Africa to the Issuer or other members of the Absa Group, including but not limited to any such laws, regulations, rules, directives, standards or requirements which are implemented, adopted or enacted within the context of the South African resolution regime under the Financial Sector Regulation Act, as same

may be amended or replaced from time to time (whether pursuant to secondary legislation or otherwise), pursuant to which any obligation of a bank, bank controlling company, credit institution and/or investment firm or any of its affiliates can be reduced, written-off, cancelled, modified, transferred and/or converted into shares, other securities or other obligations of the obligor or any other person (or suspended for a temporary period) or pursuant to which any right in a contract governing such obligation may be deemed to have been exercised.