

PROGRAMME MEMORANDUM DATED 26 JANUARY 2026



ABSA GROUP LIMITED

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

**ZAR110,000,000,000
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 and on 3 September 2021 (the **Previous Programme Memoranda**) 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 26 January 2026 (the **Programme Date**) and will in respect of such Notes supersede and replace the Previous Programme Memoranda in their 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 Flac Notes" (the **Flac 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, the Flac 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 Memoranda will continue to apply to such Notes. Notes to be issued under the Programme may comprise (i) unsubordinated Notes (the **Unsubordinated Notes**), (ii) Notes with terms capable of qualifying such Notes as Flac Instruments (**Flac Notes**), (iii) Notes which are subordinated as described in this Programme Memorandum with a maturity date and with terms capable of qualifying such Notes as Tier 2 Capital (as defined in the Tier 2 Terms and Conditions) (the **Tier 2 Notes**), or (iv) 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 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**).

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 ZAR110,000,000,000 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 and Flac Notes, to such minimum maturities as may be required from time to time by the applicable Capital Regulations and the Flac Requirements (as applicable) 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.

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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 Financial 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 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 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 and redemption procedures for a Tranche of Notes listed on another Financial Exchange will take place in accordance with the rules and operating procedures for the time being of the relevant Financial Exchange.

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. 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.

As at the Programme Date, the Issuer is rated by a Rating Agency, which rating will be reflected in the Applicable Pricing Supplement. As at the Programme Date, 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.

Arranger, Dealer and Debt Sponsor

**Absa Bank Limited,
acting through its Corporate and Investment Banking division**

IMPORTANT NOTICES

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 and Specialist Securities 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 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.

No Financial Exchange (including the JSE) takes 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. No Financial Exchange (including the JSE) makes any 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. A Financial Exchange's approval (including 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, no Financial Exchange (including the JSE) will 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.

None of the Arranger, the Dealers, their respective affiliates, other professional advisers nor any Financial Exchange has 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 any Financial Exchange as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. None of the Arranger, the Dealers, their respective affiliates, other professional advisers nor any Financial Exchange 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 any Financial Exchange.

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. None of the Arranger, the Dealers, the Debt Sponsor, their respective affiliates, other professional advisers nor any Financial Exchange 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, the Dealers, their respective affiliates, other professional advisers nor any Financial Exchange.

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 Programme Date or that any other financial statements or other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Investors should review, *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 Arranger, the Dealers, the Debt Sponsor nor any Financial Exchange makes any representation or warranties as to the settlement procedures of the Central Securities Depository or any Financial 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 any Financial Exchange (including 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 any Financial Exchange (including 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 "Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 applicable 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.*

CONTENTS

Clause	Page
Important Notices	3
Documents Incorporated by Reference	7
General Description of the Programme	11
Overview of the Programme	12
Summary of the Programme	13
Form of the Notes	34
Risk Factors	36
Pro Forma Applicable Pricing Supplement of the Unsubordinated Notes	37
Terms and Conditions of the Unsubordinated Notes	52
Pro Forma Applicable Pricing Supplement of the Flac Notes	121
Terms and Conditions of the Flac Notes	133
Pro Forma Applicable Pricing Supplement of the Tier 2 Notes	204
Terms and Conditions of the Tier 2 Notes	217
Pro Forma Applicable Pricing Supplement of the Additional Tier 1 Notes	296
Terms and Conditions of the Additional Tier 1 Notes	305
Use of Proceeds	389
Description of the Issuer	390
Settlement, Clearing and Transfer of Notes	391
South African Taxation	392
Subscription and Sale	393
Exchange Control	394
General Information	395
Corporate Information	396

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 Programme Date, 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) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme on or after the Programme Date (and listed on a Financial Exchange);
- (c) the audited annual consolidated financial statements of the Issuer (including reports thereon and notes thereto, attached or intended to be read with such financial statements) for the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024, and for each financial year ended thereafter, as and when they become available;
- (d) the unaudited interim consolidated financial results of the Issuer (including reports thereon and notes thereto) for the financial half-year ended 30 June 2025 and for each financial half-year thereafter, as and when they become available;
- (e) each annual report prepared by the Issuer from time to time;
- (f) each annual Pillar 3 risk management report prepared by the Issuer from time to time;
- (g) the following corporate governance and policy disclosure documents in respect of the Issuer:
 - (i) Disclosure on King IV (as amended and, when applicable, implemented pursuant to the relevant Debt Listings Requirements), 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;
- (h) a document entitled "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme*" (the **Absa Group Risk Factors and 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 disclosures (including the Issuer's directors and debt officer prescribed by the JSE Debt and Specialist Securities 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;
- (viii) 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
- (ix) 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) and the financial statements of the Issuer referred to above will also be available on the website of the Issuer (<https://www.absa.africa/absafrica/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 any Financial Exchange.

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 and Specialist Securities Listings Requirements. The Issuer's annual consolidated financial statements (including reports thereon and notes thereto) 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.

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 and Specialist Securities Listings Requirements or such other Financial Exchange, as the case may be, will require the approval of the JSE or such other Financial Exchange.

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)
(a)	Programme Memorandum, any amendments and/or supplements to this Programme Memorandum.	Yes, available at: https://www.absa.africa/absa_africa/investor-relations/debt-investors/	Yes
(b)	Each Applicable Pricing Supplements relating to listed Notes in issue under the Programme.	Yes, available at: https://www.absa.africa/absa_africa/investor-relations/debt-investors/	Yes
(e)	Audited annual consolidated financial statements and unaudited interim consolidated financial results of the Issuer (together with the reports thereon and notes thereto).	Yes, available at: https://www.absa.africa/absa_africa/investor-relations/	Yes
(c)	Annual reports of the Issuer	Yes, available at: https://www.absa.africa/absa_africa/investor-relations/	Yes
(d)	Annual Pillar 3 risk management report	Yes, available at: https://www.absa.africa/investor-relations/capital-risk-management/	Yes
(f)	Constitutional documents of the Issuer.	Yes, available at: https://www.absa.africa/absa_africa/about-us/corporate-governance/	Yes
(g)	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: - Conflicts of Interest;	Yes, King Code application, available at: https://www.absa.africa/absa_africa/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)
	- Nomination of Directors.	<p>Conflicts of Interest Register available at:</p> <p>https://www.absa.africa/absa_africa/about-us/corporate-governance/</p> <p>Nomination policy available at:</p> <p>https://www.absa.africa/absa_africa/about-us/corporate-governance/</p>	
(h)	Absa Group Risk Factors and Disclosures Schedule – DMTN Programme	<p>Yes, available at:</p> <p>https://www.absa.africa/absa_africa/investor-relations/debt-investors/</p>	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 ZAR110,000,000,000 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 any Financial Exchange as may be determined by the Issuer and the Dealer(s) and subject to any Applicable Laws. Unlisted Notes may also be issued.

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 relevant 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 has been established, and updated, 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) as at the Programme Date, the Issuer is rated by a Rating Agency, which rating (if applicable) will be reflected in the Applicable Pricing Supplement. As at the Programme Date, 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 fulfil 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 " <i>Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme</i> ". 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 " <i>Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme</i> " 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, ZAR110,000,000,000 Domestic Medium Term Note Programme.
Size of the Programme	Up to ZAR110,000,000,000 (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

Deon Raju, Group Financial Director 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 and Specialist Securities Listings Requirements, to:

- (a) act as a central contact person in order to assist Noteholders with any issues pertaining to compliance with (i) the Relevant Terms and Conditions and/or any Applicable Pricing Supplement and (ii) the JSE Debt and Specialist Securities 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 the Registered Notes (as recorded in the Register).

Relevant Terms and Conditions	The General Terms and Conditions, the Flac Terms and Conditions, the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions, as applicable.
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".
Flac Terms and Conditions	The terms and conditions of the Flac Notes as set out below in this Programme Memorandum under the section "Terms and Conditions of the Flac 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 "Terms and Conditions of the Tier 2 Notes".
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 "Terms and Conditions of the Additional Tier 1 Notes".
Form of Notes	Notes will be issued in the form of Registered Notes as described in this Programme Memorandum under the section "Form of the Notes".
Notes	Save as stated below, Notes may, subject to Applicable Laws, the Capital Rules and the Flac Requirements, as applicable, comprise:
	Fixed Rate Notes: Fixed Rate Notes will bear interest at a fixed interest rate, as indicated in the Applicable Pricing Supplement;
	Floating Rate Notes: Floating Rate Notes will bear interest at a floating rate, as indicated in the Applicable Pricing Supplement;
	Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment;
	Indexed Notes: payments in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes will be calculated by reference to such index and/or formula as may be indicated in the Applicable Pricing Supplement;
	Mixed Rate Notes: Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, each as specified in the Applicable Pricing Supplement;
	Instalment Notes: the Applicable Pricing Supplement in respect of each issue of Notes that are redeemable in two or more

instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed;

Partly Paid Notes: the Issue Price of Partly Paid Notes will be payable in two or more instalments as set out in the Applicable Pricing Supplement. Partly Paid Notes will not be listed on the JSE;

Exchangeable Notes: Notes which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement; and

Other Notes: terms applicable to Notes other than those specifically contemplated under this Programme Memorandum will be set out in the Applicable Pricing Supplement.

Flac Notes, Tier 2 Notes and Additional Tier 1 Notes will not comprise Zero Coupon Notes, Indexed Notes, Instalment Notes or Partly Paid Notes.

Currencies South African Rand or, subject to all Applicable Laws and, in the case of Notes listed on a Financial Exchange, the rules of the Financial Exchange, 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 (except in the case of Flac Notes, Tier 2 Notes and Additional Tier 1 Notes) 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 21 (Negative Pledge) unsecured obligations of the Issuer, all as described in Condition 5.2 (Status of the Unsubordinated Notes) of the General Terms and Conditions and the Applicable Pricing Supplement.

Status of the Flac Notes The Flac Notes are issued, and qualify, as Flac Instruments. Subject to Applicable Laws, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the holders of Flac Notes will rank in accordance with the Ranking Legislation.

Status of the Tier 2 Notes	The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 5.1 (Status of the Tier 2 Notes) 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 (Status) 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 <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 Additional Tier 1 Notes. Additional Tier 1 Notes thus rank <i>pari passu</i> 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.
Negative Pledge	Unsubordinated Notes will have the benefit of a negative pledge as described in Condition 21 (Negative Pledge) of the General Terms and Conditions.
Cross Default	Unsubordinated Notes will have the benefit of a cross default as described in Condition 11 (Events of Default) of the General Terms and Conditions.
Flac Notes and Flac Requirements	In order for the proceeds of the issue of a Tranche of Flac Notes to qualify as Flac Instruments, the Flac Notes must comply with the applicable Flac Requirements. The Issuer will specify in the Applicable Pricing Supplement whether any issue of Notes is an issue of Flac Notes, the proceeds of which are intended to qualify as Flac Instruments.
Subordinated Notes and Capital Regulations	In order for the Subordinated Notes to qualify as Tier 2 Capital or Additional Tier 1 Capital, as the case may be, Subordinated Notes must comply with the Tier 2 Capital Regulations or the Additional Tier 1 Capital Regulations (as applicable) (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 Tier 2 Notes or Additional Tier 1 Notes 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 Flac Notes and Subordinated Notes, to such minimum maturities as may be required from time to time by the applicable Flac Requirements, the Tier 2 Capital Regulations and the Additional Tier 1 Capital Regulations (as applicable) and, in relation to specific currencies, to compliance with all Applicable Laws.

Subject to the applicable Flac Requirements, Flac Notes will have a minimum initial maturity of 2 years and one day.

Subject to the applicable Tier 2 Capital Regulations Tier 2 Notes will have a minimum maturity of 5 years and one day.

Subject to the applicable Additional Tier 1 Capital Regulations, Additional Tier 1 Notes will be issued without a maturity date.

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. Unsubordinated 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.

Subject to the applicable Flac Requirements, Flac Notes may be redeemed prior to the Maturity Date (i) provided that such redemption is not prohibited by the Flac Requirements, including the requirement that Flac Notes shall have a minimum remaining maturity of twelve (12) months; or (ii) to the extent required by the Flac Requirements, if the Issuer has sought the written approval of the Resolution Authority of its intention to redeem, substitute, vary or purchase and cancel the relevant Flac Notes and written approval of the same has been received from the Resolution Authority, as applicable.

Subject to the applicable Tier 2 Capital Regulations, Tier 2 Notes may be redeemed prior to the Maturity Date (after a minimum period of 5 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 Tier 2 Capital Regulations as described in Condition 10.5 (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 Additional Tier 1 Capital Regulations so require, Additional Tier 1 Notes may be redeemed only at the option of the Issuer, after a minimum period of 5 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 (i) in the case of Flac Notes, the prior approval of the Resolution Authority, and; (ii) 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 9.2 (Redemption for tax reasons) of the General Terms and Conditions, Condition 9.2 (Redemption for tax reasons) of the Flac Terms and Conditions, Condition 10.2 (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 (i) Flac Notes in whole (but not in part) is permitted at the option of the Issuer. If a Flac Disqualification Event occurs and is continuing on the relevant interest payment date as described in Condition 9.3 (Redemption following a Flac Disqualification Event) of the Flac Terms and Conditions, and; (ii) 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 10.3 (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 Tier 2 Securities.

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 Other Tier 2 Securities 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 Other Tier 2 Securities 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 8.2 (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 8.2 (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 8.3 (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. Accordingly, 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 Tier 2 Securities.

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.

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 (only to the extent that the Additional Tier 1 Notes are liability accounted) 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); and
- (b) the Additional Tier 1 Notes shall be Converted in whole, or in part, on a pro rata basis with Other Additional Tier 1 Securities.

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 Other Additional Tier 1 Securities 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 Other Additional Tier 1 Securities 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. Accordingly, 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 (only to the extent that the Additional Tier 1 Notes are liability accounted) 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); and
- (b) the Additional Tier 1 Notes shall be Written-off in whole, or in part, on a pro rata basis with Other Additional Tier 1 Securities.

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.

Interest

Notes may be interest-bearing or non-interest bearing. Flac Notes, Tier 2 Notes and Additional Tier 1 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 Flac Notes and 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 Programme Date, 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 pursuant to Condition 9.2 (Redemption for tax reasons) of the General Terms and Conditions, Condition 9.2 (Redemption for tax reasons) of the Flac Terms and Conditions, Condition 10.2 (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, 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 10 (Taxation) of the General Terms and Conditions, Condition 10 (Taxation) of the Flac Terms and Conditions, Condition 11 (Taxation) 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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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.

Recognition of RSA Bail-in Powers

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, 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, or determination under the Resolution Framework, which may include and result in certain Resolution Actions, all in accordance and as more fully described in Condition 22 (Recognition of RSA Bail-In Powers) of the General Terms and Conditions, Condition 21 (Recognition of RSA Bail-In Powers) of the Flac Terms and Conditions, Condition 22 (Recognition of RSA Bail-In Powers) of the Tier 2 Terms and Conditions and Condition 23 (Recognition of RSA Bail-In Powers) of the Additional Tier 1 Terms and Conditions.

Listing

This Programme Memorandum is registered with, and has been approved by, 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 and, in respect of Uncertificated Notes, the Uncertificated Securities Register.
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 " <i>Subscription and Sale</i> " in the document incorporated by reference entitled " <i>Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme</i> ".
Emigrant Capital	Emigrant Capital (formerly known as " <i>Blocked Rand</i> ") may be used to subscribe for or to purchase Notes, subject to South African Exchange Control Regulations, 1961, promulgated under the Currency and Exchanges Act, 1933. See the section headed " <i>Exchange Control</i> " in the document incorporated by reference entitled " <i>Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme</i> ".
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.
Participants	The persons accepted by the Central Securities Depository as participants in terms of the Financial Markets Act. As at the Programme Date, the Participants are Absa Bank Limited, Citibank N.A., South Africa Branch, Computershare Custodial Services, FirstRand Bank Limited, JSE Investor Services CSDP Proprietary Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Société Générale, Johannesburg Branch, 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 may hold Notes through their Participant. See the section headed " <i>Settlement, Clearing and Transfer of Notes</i> " in the document incorporated by

reference entitled "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme*".

FORM OF THE NOTES

General

Each Series of Notes issued under the Programme will be issued as Registered Notes.

Uncertificated Notes

An issue of the Notes which is listed on a Financial Exchange must, subject to Applicable Laws and Applicable Procedures, be issued in registered uncertificated form in accordance with the applicable provisions of the Financial Markets Act.

Uncertificated Notes will not be represented by any certificate or written instrument. An issue of Notes issued in uncertificated form will be held in the Central Securities Depository (see the section entitled "*Notes held in the Central Securities Depository*" below) in accordance with the Applicable Procedures and the relevant Holder will be named in the Register as the Holder of those Notes.

Certificated Notes

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Individual Certificates in accordance with Condition 12 (Exchange of Beneficial Interests for an Individual Certificate) of the General Terms and Conditions, Condition 12 (Exchange of Beneficial Interests for an Individual Certificate) of the Flac Terms and Conditions, Condition 13 (Exchange of Beneficial Interests for an Individual Certificate) of the Tier 2 Terms and Conditions or Condition 14 (Exchange of Beneficial Interests for an Individual Certificate) of Additional Tier 1 Terms and Conditions, as applicable. Notes held in certificated form will at all times be in the form of Individual Certificates issued to each Noteholder in respect of their respective holdings.

Each Individual Certificate will be registered in the Register in the name of the individual holder(s) of that Individual Certificate.

Notes held in the Central Securities Depository

The Holder of each issue of the Notes listed on a Financial Exchange and held in the Central Securities Depository will be reflected in the Register in accordance with the Applicable Procedures. All amounts to be paid in respect of Notes held in the Central Securities Depository will be paid to the relevant Participant on behalf of the relevant Holders pursuant to the Applicable Procedures. All rights to be exercised in respect of Notes held in the Central Securities Depository will be exercised by the relevant Holder of such Notes.

Beneficial Interests

The Central Securities Depository maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, Citibank N.A., South Africa Branch, Computershare Custodial Services, FirstRand Bank Limited, JSE Investor Services CSDP Proprietary Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Société Générale, Johannesburg Branch, 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, (Clearstream Luxembourg) may hold Notes through their respective Participant.

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 outstanding nominal amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the outstanding nominal amount of such Notes standing to the account of any person, shall be *prima facie* proof of such Beneficial Interest. However, the registered holder of such Notes named in the Register will be treated by the Issuer, the Paying Agent, the Transfer Agent and the Central Securities Depository as the holder of that outstanding nominal amount of such Notes for all purposes.

Subject to Applicable Laws and the Applicable Procedures, title to Beneficial Interests held by holders through the Central Securities Depository will be freely transferable and pass on transfer thereof by electronic book entry in the central securities accounts maintained by the Central Securities Depository or relevant Participants for such holders. Holders of Beneficial Interests vote in accordance with the Relevant Terms and Conditions and the Applicable Procedures.

RISK FACTORS

Investing in the Notes involves certain risks. The Issuer has prepared a separate document entitled "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme*" (**Absa Group Risk Factors and 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 Absa Group Risk Factors and 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 ZAR110,000,000,000 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 26 January 2026, 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	Deon Raju, Group Financial Director of Absa Group Limited
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] / [Mixed Rate] / [Zero Coupon] / [Indexed Interest] / [Indexed Redemption Amount] / [Partly Paid] / [Instalment] / [Exchangeable/other]

7.	Form of Notes	Registered Notes
8.	Security	Unsecured
9.	Automatic/Optional Conversion from one Interest/Payment Basis to another	<i>[insert details including date for conversion]</i>
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 – <i>insert details</i>]
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 [] per cent first and subsequent instalments after the due date for payment of such instalments

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) [●], [●], [●] 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)	[●], [●], [●] 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)	[●], [●], [●] 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) Day Count Fraction []

(g) 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 [ZAR-JIBAR-SAFEX] / [Prime Rate] / [ZARONIA] / [Other]
- (b) Interest Determination Date(s) [•]
(To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is ZARONIA)
- (c) Relevant Screen Page [•]
- (d) Relevant Time [•]
- (e) Reference Banks [•] / [Not Applicable]
- (f) Relevant Financial Centre [•]
- (g) Linear Interpolation [Applicable] / [Not Applicable]

(h) Calculation Method	[ZARONIA Weighted Average] / [ZARONIA Compounded Daily] / [ZARONIA Index Determination] / [Other ZARONIA Method]
(i) Compounded Index	[Compounded ZARONIA Index] / [Not applicable]
(j) Observation Method	[Lock-out] / [Lookback Without Observation Shift] / [Lookback With Observation Shift] / [Not Applicable]
(k) Observation Look-back Period	[•] / [Not Applicable]
	<i>(The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lookback With Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable")</i>
(l) SARB Policy Rate Spread Adjustment	[Applicable] / [Not Applicable] <i>(If applicable, specify the SARB Policy Rate Spread) [•]</i>
(m) D	[365/360/[•]] / [Not Applicable]
(n) Relevant Decimal Place:	[Five] / [Seven] / [•]
39. 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	[]
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/Indexred 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.\[\]](http://www.[])

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

The Index Level is published [daily/monthly] on [www.\[\]](http://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.\[\]](http://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) [●], [●], [●] and [●], in each year until the Maturity Date, commencing on [●] and, subject to the terms hereof, ending on [●]

(h) Interest Rate Determination Date(s) [●], [●], [●] 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 [Yes] / [No]
applicable?

(b) Noteholders' Exchange Right [Yes] / [No]
applicable?

(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 [Yes] / [No] (Call Option): if yes:

(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 9.3 (Redemption at the option of the Issuer (Issuer Call)) of the Terms and Conditions) []

(e) If redeemable in part:

(f) Minimum Redemption Amount(s) []

(g) Higher Redemption Amount(s) []

(h) Other terms applicable on [] Redemption

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

(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 9.3
(Redemption at the option of the
Issuer (Issuer Call)) of the Terms
and Conditions) []

(d) If redeemable in part:

(e) Minimum Redemption []
Amount(s) []

(f) Higher Redemption Amount(s)

(g) Other terms applicable on []
Redemption

(h) Attach *pro forma* put notice(s)

48. Early Redemption Amount(s) []

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

(b) Early Termination Amount [Principal Amount] / [Other specified amount] / [In
the case of Zero Coupon Notes: either: (i) the
amount calculated in terms of Condition 9.6 (Early
redemption of Zero Coupon Notes) of these Terms
and Conditions; or (ii) other specified amount]

49. (a) Do the General 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]]

(b) Trigger Event(s) []

(c) Early Redemption Date []

GENERAL

50. Additional selling restrictions [] / [Not Applicable]

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. Credit rating assigned to the Issuer, date of issue of such rating and date for review of such rating []

58. Credit rating assigned to [the Programme] / [the Notes] (if any), date of issue of such rating and date for review of such rating []

59. Rating Agency(ies) []

60. Governing law (if the laws of South Africa are not applicable) [] / [Not Applicable]

61. Other Banking Jurisdiction []

62. 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]

63. Books Closed Period [Not Applicable (*if the reference rate is ZARONIA*)] / [The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date]

64. Debt Sponsor []

65. Stabilisation Manager (if any) []

66.	Pricing Methodology	[]
67.	Authorised amount of the Programme	[]
68.	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)	[]
69.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any)	[]
70.	Negative Pledge	Condition 21 (Negative Pledge) [Applicable] / [Not Applicable]
71.	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
72.	Exchange control approval	[Applicable] / [Not Applicable]
73.	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] / [specify other], the applicable 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 report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The [JSE] / [specify other] 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] / [specify other] 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] / [specify other]'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] / [specify other] 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 ZAR110,000,000,000, 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 Memorandum was registered with the [JSE] / [specify other] on [26 January 2026] / [specify other date].

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 published in terms of the Banks Act, 1990 under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994 (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 auditors of the Issuer as at the Issue Date are [●] and [●].

[●] and [●] have acted as the auditors of the Issuer's latest audited financial statements.

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)

[●], the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme do not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

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 relevant Financial Exchange 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 Definitions

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

1.1.1 Absa Bank	Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06;
1.1.2 Absa CIB	Absa Bank Limited, acting through its Corporate and Investment Banking division;
1.1.3 Absa Group	the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer;
1.1.4 Additional Amount	shall have the meaning defined in Condition 10 (Taxation);
1.1.5 Agency Agreement	the amended and restated agency agreement dated 26 January 2026 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;
1.1.6 Applicable Laws	In relation to a person, means all and any: <ul style="list-style-type: none">(a) statutes and subordinate legislation;(b) regulations, ordinances and directives;(c) by-laws;

		<ul style="list-style-type: none"> (d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and (e) other similar provisions, from time to time;
1.1.7	Applicable Supplement	Pricing 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 pro forma pricing supplement which is set out in the section of the Programme Memorandum headed "Pro Forma Applicable Pricing Supplement of the Unsubordinated Notes";
1.1.8	Applicable Procedures	the rules and operating procedures for the time being of the Central Securities Depository, Participants, the JSE and/or any Financial Exchange, as the case may be;
1.1.9	Arranger	Absa CIB;
1.1.10	Banks Act	the Banks Act, 1990;
1.1.11	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;
1.1.12	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 redemptions;
1.1.13	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;
1.1.14	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;
1.1.15	Call Option	has the meaning given in the Applicable Pricing Supplement;
1.1.16	Central Depository Securities	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 relevant Financial Exchange;
1.1.17	Companies Act	the Companies Act, 2008;
1.1.18	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;
1.1.19	Debt Requirements	Listings in the case of the JSE, the JSE Debt and Specialist Securities Listings Requirements or, in the case of any other Financial Exchange, the debt listings requirements of such Financial Exchange in force from time to time, as applicable;
1.1.20	Designated Institution	a " <i>designated institution</i> " under, and as defined in section 1(1) of, the Financial Sector Regulation Act;
1.1.21	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 9.6 (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;
1.1.22	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 9.6 (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;

1.1.23	Event of Default	any of the events described in Condition 11 (Events of Default);
1.1.24	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;
1.1.25	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;
1.1.26	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;
1.1.27	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;
1.1.28	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;
1.1.29	Extraordinary Resolution	Written 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;
1.1.30	Final Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.31	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;
1.1.32	Financial Exchange	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.1.33	Financial Markets Act	the Financial Markets Act, 2012;
1.1.34	Financial Sector Regulation Act	Sector the Financial Sector Regulation Act, 2017;
1.1.35	First Optional Redemption Date	has the meaning given in the Applicable Pricing Supplement;
1.1.36	Fixed Interest Rate	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.1.37	Fixed Rate Notes	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.38	Flac Instrument	" <i>flac instrument</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.39	Flac Notes	shall have the meaning defined in the Flac Terms and Conditions;
1.1.40	Flac Terms and Conditions	the terms and conditions applicable to Flac Notes issued under the Programme Memorandum headed " <i>Flac Terms and Conditions</i> ";
1.1.41	Floating Rate Notes	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.42	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;
1.1.43	Group	the Issuer and its consolidated subsidiaries taken as a whole;
1.1.44	Income Tax Act	the Income Tax Act, 1962;
1.1.45	Implied Yield	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
1.1.46	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;

1.1.47	Indexed Note	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
1.1.48	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;
1.1.49	Individual Certificate	a Note in the definitive registered form of a single certificate and being a certificate exchanged for a Beneficial Interest in the Notes in accordance with Condition 12 (Exchange of Beneficial Interests for an Individual Certificate) and any further certificate issued in consequence of a transfer thereof;
1.1.50	Initial Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.51	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;
1.1.52	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;
1.1.53	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 (Interest on Fixed Rate Notes), 6.2 (Interest on Floating Rate Notes), 6.2.7 (Determination of Interest Rate and calculation of Interest Amount) and 6.4 (Indexed Notes) respectively;
1.1.54	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;
1.1.55	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;
1.1.56	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;

1.1.57	Interest Rate	the rate or rates of interest applicable to Notes other than Zero Coupon Notes and Fixed Rate Notes;
1.1.58	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 and Specialist Securities Listings Requirements) may be listed, subject to all Applicable Laws;
1.1.59	ISDA	International Swaps and Derivatives Association, Inc.;
1.1.60	ISDA Definitions	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.1.61	Issue Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.62	Issue Price	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.63	Issuer	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.1.64	Issuer Agent	Absa CIB, 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.
1.1.65	Issuer Ordinary Shares	the ordinary shares in the share capital of the Issuer;
1.1.66	JSE	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;
1.1.67	JSE Debt and Specialist Securities Listings Requirements	all listings requirements for debt and specialist securities promulgated by the JSE from time to time;
1.1.68	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;
1.1.69	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;

1.1.70 **Margin** has the meaning ascribed thereto in the Applicable Pricing Supplement;

1.1.71 **Material Subsidiary** any subsidiary of the Issuer:

- (a) 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
- (b) 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
- (c) 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

- (i) 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

		(ii) 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;
1.1.72	Maturity Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.73	Maximum Interest Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.74	Minimum Interest Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.75	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 (Mixed Rate Notes);
1.1.76	Noteholders	the holders of the Registered Notes (as recorded in the Register);
1.1.77	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;
1.1.78	Notes	the notes issued or to be issued by the Issuer under the Programme;
1.1.79	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;
1.1.80	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;
1.1.81	Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement;
1.1.82	Optional Redemption Date (Put)	has the meaning given in the Applicable Pricing Supplement;

1.1.83 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;
1.1.84 Ordinary Shares	ordinary shares in the issued share capital of the Issuer;
1.1.85 Outstanding	in relation to the Notes, all the Notes issued other than: <ul style="list-style-type: none"> (a) <i>Redeemed or purchased</i>: those which have been redeemed in full or purchased in accordance with the applicable provisions of the Relevant Terms and Conditions; (b) <i>Due date</i>: those in respect of which the due date for redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Paying Agent and remain available for payment; (c) <i>Prescribed</i>: those which have become prescribed under the applicable provisions of the Relevant Terms and Conditions; (d) <i>Replaced</i>: those represented by an Individual Certificate which has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to the applicable provisions of the Relevant Terms and Conditions; (e) <i>Meetings</i>: for the purposes of the provisions of meetings of Noteholders set out in the Relevant Terms and Conditions, those that are held by, or by any person for the benefit of, the Issuer;
1.1.86 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;
1.1.87 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);
1.1.88 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;
1.1.89	Payment Day	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
1.1.90	Principal Amount	the nominal amount of each Note;
1.1.91	Programme	the ZAR110,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.1.92	Programme Memorandum	this Programme Memorandum dated 26 January 2026, as amended and/or supplemented from time to time;
1.1.93	Prudential Authority	the Prudential Authority established in terms of the Financial Sector Regulation Act;
1.1.94	Put Option	has the meaning given in the Applicable Pricing Supplement;
1.1.95	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;
1.1.96	Rating Agency	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;
1.1.97	Redemption Amount	as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), 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;
1.1.98	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;
1.1.99	Reference Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.100	Register	the register maintained by the Transfer Agent in terms of Condition 14 (Register) and, in respect of Uncertificated Notes, the Uncertificated Securities Register;
1.1.101	Registered Holder	means:
		(a) 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
(b)	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;
1.1.102 Registered Note	a Note issued in registered form and transferable in accordance with Condition 13.1 (Transfer of Beneficial Interests);
1.1.103 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;
1.1.104 Relevant Screen Page	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.105 Relevant Terms and Conditions	these Terms and Conditions, the Flac Terms and Conditions, the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions, as applicable;
1.1.106 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;
1.1.107 Resolution	"resolution" as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.108 Resolution Action	"resolution action" as defined in section 1(1) of the Financial Sector Regulation;
1.1.109 Resolution Authority	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;
1.1.110 Resolution Event	the event that occurs when the Minister of Finance of South Africa makes a written determination, addressed to the Governor of the SARB, placing a Designated Institution

	in Resolution in terms of section 166J(2) of the Financial Sector Regulation Act;
1.1.111 Resolution Framework	Chapter 12A of the Financial Sector Regulation Act and any other Applicable Law applicable to the Issuer or any of its Subsidiaries that are Designated Institutions at the relevant time pursuant to, or which implement, or are enacted within the context of, Chapter 12A of the Financial Sector Regulation Act, establishing a framework for the recovery and Resolution of Designated Institutions;
1.1.112 RSA Bail-in Power	any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under the Resolution Framework (including, without limitation, under section 166S and section 166T of the Financial Sector Regulation Act) or any Applicable Law relating to the Resolution of Designated Institutions in effect and applicable in South Africa to the Issuer and its Subsidiaries which are Designated Institutions, pursuant to which any obligation of a Designated Institution 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;
1.1.113 SARB	the South African Reserve Bank as referred to in section 223 of the Constitution of the Republic of South Africa, 1996, read with the South African Reserve Bank Act, 1989 of South Africa, or the relevant replacement or successor regulator;
1.1.114 Screen Rate Determination	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.115 SENS	the Stock Exchange News Service, or other similar service, established by the JSE;
1.1.116 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;
1.1.117 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;

1.1.118 South Africa	the Republic of South Africa;
1.1.119 Specified Currency	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on a Financial Exchange, subject to the relevant Debt Listings Requirements, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;
1.1.120 Specified Denomination	has the meaning given in the Applicable Pricing Supplement;
1.1.121 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 these Terms and Conditions, as the case may be;
1.1.122 Sustainable 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;
1.1.123 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 10 (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);
1.1.124 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;

1.1.125 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;
1.1.126 Terms and Conditions	the terms and conditions incorporated in this section headed "Terms and Conditions of the Unsubordinated Notes" and in accordance with which the Unsubordinated Notes will be issued;
1.1.127 Tranche	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
1.1.128 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;
1.1.129 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;
1.1.130 Trigger Event	an event specified as a " <i>trigger event</i> " by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.1.131 Uncertificated Notes	a Note which is uncertificated as contemplated in the relevant provisions of the Financial Markets Act;
1.1.132 Uncertificated Securities Register	has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
1.1.133 Unsubordinated Notes	Notes issued with the status and characteristics set out in Condition 5 (Status) as specified in the Applicable Pricing Supplement;
1.1.134 ZAR	the lawful currency of South Africa, being South African Rand, or any successor currency;
1.1.135 ZAR-JIBAR-SAFEX	the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFETY Page as at 12h00, South African time, on the relevant date, or any successor rate; and

1.1.136 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.
----------------------------------	---

1.2 Interpretation

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

- (a) one gender includes a reference to the others;
- (b) the singular includes the plural and *vice versa*;
- (c) natural persons include juristic persons and *vice versa*;
- (d) a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- (e) 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;
- (f) a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- (g) 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;
- (h) **assets** includes present and future properties, revenues and rights of every description;
- (i) **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- (j) **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;
- (k) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (l) a default being **continuing** means that it has not been remedied or waived;
- (m) a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- (n) a time of day is a reference to South African time.

1.2.2 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.

- 1.2.3 Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions.
- 1.2.4 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.
- 1.2.5 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.
- 1.2.6 These Terms and Conditions apply only to Unsubordinated Notes. The Flac Terms and Conditions, the Tier 2 Terms and Conditions and the Additional Tier 1 Terms and Conditions shall not apply to Unsubordinated Notes.

2. ISSUE

- 2.1 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.
- 2.2 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.
- 2.3 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

A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by any Financial Exchange. 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.

3.2 Form

- 3.2.1 The Notes in a Tranche of Notes will be issued in 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 an Individual Certificate in accordance with Condition 12 (Exchange of Beneficial Interests for an Individual Certificate).

3.3 **Denomination**

The Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

4. TITLE

4.1 General

4.1.1 Subject as set out below, title to Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 13 (Transfer of 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.

4.2 Notes issued in uncertificated form

Each person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of Uncertificated 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 Notes for all purposes.

4.3 Beneficial Interests in Notes held in the Central Securities Depository

4.3.1 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.

4.3.2 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.

4.3.3 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.

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

4.3.5 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

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 21 (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

6.2.1 *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.

6.2.2 *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 6.2.2:

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 6.2.2 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 6.2.7 (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 6.2.2.

6.2.3

Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)

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 relevant Financial Exchange'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 6.2.3, 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 6.2.3, 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 6.2.3 the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

6.2.4

Screen Rate Determination for Floating Rate Notes which reference ZARONIA

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined and the Reference Rate specified in the Applicable Pricing Supplement is ZARONIA:

(a) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "ZARONIA Compounded Daily", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded Daily ZARONIA (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded Daily ZARONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Relevant ZARONIA}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

D is the number specified in the Applicable Pricing Supplement;

d is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

d_o is, in relation to any Interest Accrual Period, the number of Johannesburg Business Days in such Interest Accrual Period;

i is, in relation to any Interest Accrual Period, a series of whole numbers from one to do, each representing the relevant Johannesburg Business Day in chronological order from, and including, the first Johannesburg Business Day in such Interest Accrual Period;

Interest Accrual Period means in relation to any Interest Period:

- (i) where "*Lookback Without Observation Shift*" or "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, such Interest Period;
- (ii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the ZARONIA Observation Period relating to such Interest Period;

Johannesburg Business Day means a day (other than a Saturday, a Sunday or an official public holiday) on which commercial banks are open for general business in Johannesburg, South Africa;

Lock-out Period means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

Lookback Period means the period specified as such in the Applicable Pricing Supplement;

n_i, for any Johannesburg Business Day "*i*" in the relevant Interest Accrual Period, means the number of calendar days from and including such Johannesburg Business Day "*i*" up to but excluding the following Johannesburg Business Day;

p means, for any Interest Period:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, zero; and
- (iii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

r means:

- (i) where "*Lookback Without Observation Shift*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, in respect of any Johannesburg Business

Day, the ZARONIA Reference Rate in respect of such Johannesburg Business Day; and

(ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement:

(A) in respect of any Johannesburg Business Day "i" that is a Reference Day, the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding such Reference Day, and

(B) in respect of any Johannesburg Business Day "i" that is not a Reference Day (being a Johannesburg Business Day in the Lock-out Period), the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

Reference Day means each Johannesburg Business Day in the relevant Interest Period, other than any Johannesburg Business Day in the Lock-out Period;

Relevant Decimal Place shall be the number of decimal places specified in the Applicable Pricing Supplement and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be 5 (five));

Relevant ZARONIA_i means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for:

(i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling "p" Johannesburg Business Days prior to the relevant Johannesburg Business Day "i"; or

(ii) where "*Lock-out*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the relevant Johannesburg Business Day "i";

SARB's Website means the website of the SARB currently at <http://www.resbank.co.za>, or any successor page or website of the SARB (or a successor administrator of ZARONIA) or any successor source; and

ZARONIA Observation Period means, in respect of any Interest Period, the period from and including the date falling "p" Johannesburg Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable);

ZARONIA Reference Rate means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not

specified or is unavailable at the Relevant Time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the Johannesburg Business Day immediately following such Johannesburg Business Day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily ZARONIA only compounds the ZARONIA Reference Rate in respect of any Johannesburg Business Day. The ZARONIA Reference Rate applied to a day that is not a Johannesburg Business Day will be taken by applying the ZARONIA Reference Rate for the previous Johannesburg Business Day.

(b) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Weighted Average*", the Interest Rate for each Interest Period will, subject to as provided below, be the Weighted Average ZARONIA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

Lock-out Period has the meaning given to it in Condition 6.2.4(a);

Reference Day has the meaning given to it in Condition 6.2.4(a);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

Weighted Average ZARONIA Rate means:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, *provided that* for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out

Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a).

(c) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Index Determination*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded ZARONIA Index Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin, all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded ZARONIA Index Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR during the Observation Period corresponding to such Interest Accrual Period (with ZARONIA as the Reference Rate for the calculation of interest) by reference to the Compounded ZARONIA Index, as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left(\frac{\text{Compounded ZARONIA Index End}}{\text{Compounded ZARONIA Index Start}} - 1 \right) \times \frac{D}{d}$$

where:

Compounded ZARONIA Index means the screen rate or index for compounded daily ZARONIA rates administered by the SARB (or any successor administrator of ZARONIA) as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the relevant Interest Determination Date;

Compounded ZARONIA Index_{End} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to (A) in respect of an Interest Accrual Period, the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period;

Compounded ZARONIA Index_{START} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to the first day of such Interest Period;

Compounded ZARONIA Index Value means, in relation to any Johannesburg Business Day, the value of the Compounded ZARONIA Index as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such value of the Compounded ZARONIA Index cannot be obtained from such authorised distributors, as published on the SARB's Website, on such Johannesburg Business Day;

D is the number specified in the Applicable Pricing Supplement;

d means the number of calendar days in the relevant ZARONIA Observation Period;

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

p is the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

SARB's Website has the meaning given to it in Condition 6.2.4(a); and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a),

provided that, if, with respect to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value is not available for the determination of either or both of Compounded ZARONIA Index_{START} or Compounded ZARONIA Index_{End}, then the Calculation Agent shall calculate the Interest Rate for that Interest Accrual Period as if Index Determination was not specified as the Calculation Method in the Applicable Pricing Supplement and as if Compounded Daily was specified instead as the Calculation Method in the Applicable Pricing Supplement and where Lookback Without Observation Shift was specified as the Observation Method and, for this purpose, the "*Relevant Screen Page*" shall be deemed to be the "*Relevant Fallback Screen Page*" as specified in the Applicable Pricing Supplement.

- (d) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*Other ZARONIA Method*", the Interest Rate for each Interest Period will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date in the manner set out in the Applicable Pricing Supplement.
- (e) If, in respect of any Johannesburg Business Day in the relevant ZARONIA Observation Period, the ZARONIA Reference Rate is not available on the Relevant Screen Page, has not otherwise been published by the relevant authorised distributors or is not published on the SARB's Website, such Reference Rate shall be:

- (i) the ZARONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Johannesburg Business Day on which the ZARONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the **Historic ZARONIA Reference Rate**); or
- (ii) if the Historic ZARONIA Reference Rate is not available, the sum of (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day, and (B) if "*SARB Policy Rate Spread Adjustment*" is specified as applicable in the Applicable Pricing Supplement, the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement,

and in each case, "*r*" shall be interpreted accordingly.

- (f) In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.2.4, the Interest Rate shall be:
 - (i) that determined as at the last preceding Interest Determination Date (though substituting, 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, in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period); or
 - (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 9 (Redemption and Purchase) or Condition 11 (Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Interest Rate on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

6.2.5

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.

6.2.6

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).

6.2.7

Determination of Interest Rate and calculation of Interest Amount

- (a) 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.
- (b) **Day Count Fraction** means, in respect of the calculation of the Interest Amount for any Interest Period, Actual/365, unless otherwise specified in the Applicable Pricing Supplement; where **Actual/365** means 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.

6.2.8

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 central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed, 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, any central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed.

6.2.9

Notifications etc. 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 6.2.8 (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 relevant Financial Exchange 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 SAFETY 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 16 (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 6.2.3 (Scree Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) to ascertain a rate.

6.7 **Notes listed on a Financial Exchange**

In the case of Notes listed on a Financial Exchange, the amount of any interest payable in respect of the Notes in terms of this Condition 6 will be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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:

- 6.8.1 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 6.2.6 (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
- 6.8.2 the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 6.8.3 the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 6.8.4 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 wilful 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.

6.10

Benchmark Discontinuation

6.10.1

Application of Benchmark Discontinuation Provisions

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement and Benchmark Discontinuation is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 6.2 (Interest on Floating Rate Notes), if the Issuer (in consultation with the Calculation Agent) 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, with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate determined in accordance with the provisions of this Condition 6.10 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 6.10 with respect to the Replacement Reference Rate).

6.10.2

Determination of Replacement Reference Rate

- (a) The Reference Rate that will replace the Original Reference Rate (the **Replacement Reference Rate**) pursuant to this Condition 6.10 shall be:
 - (i) if the Original Reference Rate (or a component thereof) is JIBAR and ZARONIA Fallback Rate is specified as applicable in the Applicable Pricing Supplement, the Compounded Daily ZARONIA; or
 - (ii) in any other case, the first of the following Reference Rates determined by the Issuer (in consultation with the Calculation Agent), with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date, in the following order of application and precedence:

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

(b) If:

- (i) Condition 6.10.2(a)(ii) applies;
- (ii) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 6.10 prior to the relevant Interest Determination Date occurring immediately after the Replacement Reference Rate Determination Cut-off Date; and
- (iii) there are no fallback provisions provided for in Condition 6.2.3 (Scree Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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*:

- (A) 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
- (B) this Condition 6.10.2(b) 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 6.10.

6.10.3 *Adjustment Spread*

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.10.2(a)(ii), the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) 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.

- (b) No Adjustment Spread shall be applied to the Final Fallback Rate.

6.10.4 *Benchmark Amendments*

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.10.2(a)(ii) and/or (if applicable) any Adjustment Spread is determined in accordance with Condition 6.10.3 (Adjustment Spread) and the Issuer (in consultation with the Calculation Agent) determines (acting reasonably and in good faith):
 - (i) 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:
 - (A) the definition or determination of Interest Periods and/or Interest Determination Dates;
 - (B) the timing and frequency of determining rates and making payments of interest;
 - (C) rounding of amounts or tenors; and
 - (D) any other administrative provisions related to the calculation or application of interest,
 - (E) 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 (in consultation with the Calculation Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) determines is reasonably necessary) (such amendments, variations and/or modifications, the **Benchmark Amendments**); and

- (ii) 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 6.10.5 (*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.

- (b) Any Benchmark Amendments shall constitute technical and/or administrative amendments for the purposes of Condition 18 (Amendment of these Conditions) and the Issuer shall comply with:
 - (i) the requirements of Condition 18 (Amendment of these Conditions) in giving effect to such Benchmark Amendments; and
 - (ii) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the relevant Debt Listings Requirements applicable to such Benchmark Amendments.

6.10.5 *Notice and Implementation of Benchmark Replacement*

- (a) 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 6.10.5(b).
- (b) The Issuer shall deliver a written notice (the **Benchmark Replacement Notice**) to the Noteholders in accordance with Condition 16 (Notices), the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent, which Benchmark Replacement Notice shall:
 - (i) specify:
 - (A) the Benchmark Event and its related Benchmark Event Date;
 - (B) the Benchmark Cessation Effective Date;
 - (C) the Replacement Reference Rate;
 - (D) the applicable Adjustment Spread (if any);
 - (E) the terms of any Benchmark Amendments (if any);
 - (F) the Benchmark Replacement Date; and
 - (G) the Independent Adviser appointed by the Issuer (if any); and
 - (ii) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:
 - (A) that a Benchmark Event and its related Benchmark Event Date has occurred;

- (B) the Replacement Reference Rate;
- (C) the applicable Adjustment Spread (if any);
- (D) the terms of any Benchmark Amendments (if any); and
- (E) the Benchmark Replacement Date,

in each case determined in accordance with this Condition 6.10 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 6.10.

- (c) A Benchmark Replacement Notice shall be irrevocable.

6.10.6

Binding Determinations

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 6.10, 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 (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate), the Paying Agent and the Noteholders. The Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent will be entitled to conclusively rely on any determinations made by the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer and/or the Independent Adviser pursuant to this Condition 6.10.

6.10.7

Survival of Original Reference Rate Provisions

- (a) Without prejudice to the obligations of the Issuer under this Condition 6.10, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.3 (Scree Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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 6.10.5 (Notice and Implementation of Benchmark Replacement).
- (b) 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 6.10.5 (Notice and Implementation of Benchmark Replacement), then, unless Condition 6.10.2(b) 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 6.2.3 (Scree Rate Determination including fallback provisions (other

than Floating Rate Notes which reference ZARONIA)) will (if applicable) continue to apply to such determination.

(c) Condition 6.10.7(b) 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 6.10.

6.10.8 *Independent Adviser*

(a) 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 6.10, including:

- (i) the occurrence of a Benchmark Event and the related Benchmark Event Date;
- (ii) the determination of the Replacement Reference Rate; and
- (iii) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.

(b) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.

(c) 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 6.10, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.

(d) 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 (in consultation with the Calculation Agent) 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.

(e) An Independent Adviser appointed pursuant to this Condition 6.10.8 shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent (or any other party responsible for determining the Interest Rate, and acting independently of the Issuer, as specified in the Applicable Pricing Supplement), 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, decision or election made by the Issuer pursuant to this Condition 6.10.

6.10.9 *Definitions*

In this Condition 6.10:

(a) **Adjusted Replacement Reference Rate** means:

- (i) in the case of Condition 6.10.2(a)(i), the ZARONIA Fallback Rate; or

- (ii) in the case of Condition 6.10.2(a)(ii), the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.10.2(a)(ii) and (if any) the Adjustment Spread applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.10.3 (Adjustment Spread).

(b) **Adjustment Spread** means, in respect of a Replacement Reference Rate determined in accordance with Condition 6.10.2(a)(ii), 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:

- (i) 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;
- (ii) 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;
- (iii) in the case of an Alternative Reference Rate or (where paragraphs (i) and 6.10.9(b)(ii) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer (in consultation with the Calculation Agent), 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
- (iv) if the Issuer (in consultation with the Calculation Agent), 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 6.10.9(b)(iii) above and paragraphs 6.10.9(b)(i) and 6.10.9(b)(i) above do not apply, the Issuer (in consultation with the Calculation Agent), 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

- (v) if no such industry standard is recognised or acknowledged as contemplated in paragraph 6.10.9(b)(iv) above, the Issuer (in consultation with the Calculation Agent), 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*".
- (c) **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.
- (d) **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.
- (e) **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 (in consultation with the Calculation Agent) (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 ZAR and of a comparable duration to the relevant Interest Period or, if the Issuer (in consultation with the Calculation Agent) determines that there is no such rate, such other rate which the Issuer (in consultation with the Calculation Agent) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.
- (f) **Benchmark Amendments** has the meaning given to it in Condition 6.10.4 (Benchmark Amendments).
- (g) **Benchmark Event** means:
 - (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
 - (ii) 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
 - (iii) 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

- (iv) 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
- (v) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (vi) 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
- (vii) 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.

(h) **Benchmark Event Date** means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:

- (i) the date of the occurrence of the relevant Benchmark Event; and
- (ii) notwithstanding paragraph (i) above, where the relevant Benchmark Event is a public announcement or statement within paragraphs (g)(ii), (g)(iii), (g)(iv), (g)(v) or (g)(vi) 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.

(i) **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:

- (i) in the case of the Benchmark Event under paragraph (g)(i), (g)(vi) or (g)(vii) of the definition of "*Benchmark Event*", the date of the occurrence of such Benchmark Event;
- (ii) in the case of the Benchmark Event under paragraph (g)(ii) of the definition of "*Benchmark Event*", the date of the cessation of the publication of the Original Reference Rate;
- (iii) in the case of the Benchmark Event under paragraph (g)(iii) of the definition of "*Benchmark Event*", the date of the permanent discontinuation of the Original Reference Rate;
- (iv) in the case of the Benchmark Event under paragraph (g)(iv) of the definition of "*Benchmark Event*", the date on which the Original Reference Rate is prohibited from being used; and

- (v) in the case of the Benchmark Event under paragraph (g)(v) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.
- (j) **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:
 - (i) 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
 - (ii) the Benchmark Cessation Effective Date.
- (k) **Benchmark Replacement Notice** means has the meaning given to it in Condition 6.10.5(b).
- (l) **Compounded Daily ZARONIA** means, with respect to an Interest Period commencing after the Benchmark Replacement Date, the rate of return of a daily compound interest investment (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{ZARONIA_{i-5 JBD} \times n_i}{D} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of Johannesburg Business Days in the relevant Interest Period;

i is, in relation to any Interest Period, a series of whole numbers from 1 to **d_o**, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business Day in the relevant Interest Period to (and including) the last Johannesburg Business Day in such Interest Period;

Interest Determination Date means, for the purpose of this definition only, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date;

n_i, for any Johannesburg Business Day “*i*” in the relevant Interest Period, means the number of calendar days from (and including) such Johannesburg Business Day “*i*” up to (but excluding) the following Johannesburg Business Day;

ZARONIA_{i - 5 JBD}, means, in respect of any Johannesburg Business Day “*i*” falling in the relevant Interest Period, the ZARONIA Reference Rate for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five

Johannesburg Business Days prior to the relevant Johannesburg Business Day “*i*”,

provided that:

- (i) if, for any reason, the Compounded Daily ZARONIA needs to be determined for a period other than an Interest Period, the Compounded Daily ZARONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period; and
- (ii) if, in respect of any Johannesburg Business Day, ZARONIA is not available on the SARB's Website, such Reference Rate shall be:
 - (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day as adjusted, if SARB Policy Rate Spread Adjustment is specified as applicable in the Applicable Pricing Supplement, by the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement; or
 - (B) subject to this Condition 6.10, if such SARB Policy Rate is not available, the ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website,
- (iii) and if the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, such Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is zero, and in each case, “ZARONIA_{i-5 JBD}” shall be interpreted accordingly.

- (m) **Final Fallback Rate** has the meaning given to it in Condition 6.10.2(b).
- (n) **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 6.10.8 (Independent Adviser).
- (o) **JIBAR** means the Johannesburg Interbank Average Rate (being the South African Rand wholesale funding rate known as JIBAR) administered by the SARB (or a successor Administrator).
- (p) **Johannesburg Business Day or JBD** means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Johannesburg, South Africa.
- (q) **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).

- (r) **Replacement Reference Rate** has the meaning given to it in Condition 6.10.2(a).
- (s) **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.
- (t) **SARB Policy Rate** means, in respect of any relevant day (including any day “*i*”), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.
- (u) **SARB's Website** means the website of the SARB currently at <http://www.resbank.co.za>, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source.
- (v) **Supervisor** means, in respect of an Original Reference Rate:
 - (i) 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
 - (ii) 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.
- (w) **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.
- (x) **ZARONIA** means the South African Overnight Index Average administered by the SARB (or a successor Administrator) (known as **ZARONIA**).
- (y) **ZARONIA Fallback Adjustment Spread** means the term adjusted ZARONIA spread (which may be positive, negative or zero) relating to JIBAR as at the ZARONIA Fallback Adjustment Spread Fixing Date, for a period corresponding to the duration of the relevant Interest Period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted ZARONIA and the spread) (**BISL**) on the Fallback Rate (ZARONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (ZARONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for JIBAR accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen

<HP> <GO>) or any other published source designated by BISL.

- (z) **ZARONIA Fallback Adjustment Spread Fixing Date** means the first date on which a Benchmark Event Date occurs with respect to JIBAR (or if that date is not a Johannesburg Business Day, the next following Johannesburg Business Day).
- (aa) **ZARONIA Fallback Rate** means, for an Interest Period and in respect of an Interest Determination Date (as defined in the definition of "*Compounded Daily ZARONIA*"), the rate determined by the Calculation Agent to be the Compounded Daily ZARONIA for that Interest Period and Interest Determination Date plus the relevant ZARONIA Fallback Adjustment Spread.
- (bb) **ZARONIA Observation Period** means, in respect of the relevant Interest Period, the period from (and including) the date falling 5 (five) Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling 5 (five) Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date), or (b) the date falling 5 (five) Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable.
- (cc) **ZARONIA Reference Rate** means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB as the Administrator of ZARONIA (or any successor Administrator of ZARONIA), on the SARB's Website, in each case at the Publication Time on the Johannesburg Business Day immediately following such Johannesburg Business Day, and if the aggregate of such ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, the ZARONIA Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of the ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is zero.

7. PAYMENTS

7.1 General

- 7.1.1 Only Noteholders of Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes.
- 7.1.2 Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 7 (Payments).
- 7.1.3 Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in South Africa. Any reference in these Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any Additional Amounts which may be payable thereunder.

7.2 Method of Payment

7.2.1 The Paying Agent will, on behalf of the Issuer, pay or cause to be paid all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- (a) in the case of Notes issued in uncertificated form, in accordance with the Applicable Procedures;
- (b) in the case of Notes represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes.

7.2.2 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, control, power grid failure or systemic power disruption (blackouts or rolling blackouts) or any other cause or contingency beyond the control of the Issuer (each a **Payment Disruption Event**), then:

- (a) 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 16 (Notices); and
- (b) the:
 - (i) 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
 - (ii) 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 16 (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 16 (Notices)).

7.3 Beneficial Interests

7.3.1 Following payment on behalf of the Issuer to the relevant Participant in accordance with the Applicable Procedures of amounts due and payable in respect of Notes pursuant to Condition 7.2 (Method of Payment) of these Terms and Conditions, the relevant funds will be transferred by the Participants, to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures.

7.3.2 Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants as the holders of Beneficial Interests in Notes, will look solely to the Central Securities Depository or the relevant Participant for such person's share

of each payment so made by Paying Agent, on behalf of the Issuer, to the registered holder of such Notes.

7.3.3 Neither the Paying Agent nor the Issuer will 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 Beneficial Interests.

7.3.4 Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository distinguishing between interest, principal and any other amount, and such record of payments by the Central Securities Depository will be *prima facie* proof of such payments.

7.3.5 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 10 (Taxation).

7.4 Surrender of Individual Certificates

7.4.1 On or before the Last Day to Register prior to any Redemption Date of a Note (including a Redemption Date relating to redemption in part), the holder of an Individual 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 Individual 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 Individual Certificates.

7.4.2 Should the holder of an Individual Certificate refuse or fail to surrender the Individual Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to such holder 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 Individual Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

7.4.3 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.

7.5 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:

7.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and

7.5.2 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.

7.6 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:

- 7.6.1 any Additional Amounts which may be payable with respect to principal under Condition 10 (Taxation);
- 7.6.2 the Final Redemption Amount of the Notes or the Early Redemption Amount (Tax) of the Notes or the Early Termination Amount of the Notes, as the case may be;
- 7.6.3 the Optional Redemption Amount(s) (if any) of the Notes;
- 7.6.4 in relation to Instalment Notes, the Instalment Amounts;
- 7.6.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Condition 9.6 (Early redemption of Zero Coupon Notes)); and
- 7.6.6 any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

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 10 (Taxation).

8. PRESCRIPTION

The Notes will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date.

9. REDEMPTION AND PURCHASE

9.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Unsubordinated Notes will be redeemed at their Final Redemption Amount on the Maturity Date.

9.2 Redemption for tax reasons

- 9.2.1 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 16 (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.

9.2.2 Prior to the publication of any notice of redemption pursuant to Condition 9.2.1, the Issuer shall deliver to the Noteholders in accordance with Condition 16 (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 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

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

If "*Redemption 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

- (a) in the case of Redeemed Notes represented by Individual Certificates, individually by lot; and
- (b) in the case of Redeemed Notes held in uncertificated form, in accordance with the Applicable Procedures,

and in each case, 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 16 (Notices) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Beneficial Interests in 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 9.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (Notices) at least five days prior to the Selection Date.

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

9.4.1 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 9.4, 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. Notes may be redeemed under this Condition 9.4 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.

9.4.2 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 the Transfer Agent at any time during normal business hours of such 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, 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 9.4.2 and the nominal amount thereof to be redeemed and, if less than the full nominal amount of Notes so surrendered is to be redeemed, an address to which a new Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 13 (Transfer of Notes).

9.4.3 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.

9.4.4 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 9.4 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 9.4.

9.5 **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 9.1 (Scheduled redemption) to Condition 9.4 (Redemption at the option of Noteholders (Put Option)).

9.6 **Early redemption of Zero Coupon Notes**

9.6.1 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.

9.6.2 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 9.6 or, if none is so specified, a Day Count Fraction of Actual/365.

9.7 **Purchase**

Subject to the relevant Debt Listings Requirements, 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 9.8 (Cancellation).

9.8 **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.

10. TAXATION

- 10.1 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.
- 10.2 In such event, the Issuer will pay such additional amounts (**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:
 - 10.2.1 presented for payment (to the extent presentation is required) in South Africa; or
 - 10.2.2 presented for payment or 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
 - 10.2.3 presented for payment or 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
 - 10.2.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Individual Certificate in accordance with these Terms and Conditions) the relevant Individual 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

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

11. EVENTS OF DEFAULT

11.1 Events of Default relating to Unsubordinated Notes

This Condition 11.1 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:

11.1.1 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

11.1.2 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

11.1.3 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 11.1.3, 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

11.1.4 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

11.1.5 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

11.1.6 if proceedings are initiated against the Issuer or any Material Subsidiary under any applicable liquidation, insolvency, business rescue, composition, reorganisation or other similar laws or an administrator, business rescue practitioner, manager, administrative receiver or other receiver is appointed in relation to the Issuer or any Material Subsidiary including, without limitation, the following:

- (a) 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);
- (b) the Issuer is wound-up, liquidated, deregistered or placed under 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;
- (c) 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;
- (d) 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;
- (e) 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;
- (f) the Issuer is deemed to be unable to pay its debts in terms section 131(4) of the Companies Act; or
- (g) 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 a similar process, or any resolution is passed to this effect; or

11.1.7 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.

11.2 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 a Financial Exchange (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange and to the Central Securities Depository.

12. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE

12.1 Exchange of Beneficial Interests

12.1.1 Upon notice from a Participant pursuant to Condition 12.1.3 requesting the exchange or partial exchange of a Beneficial Interest in Notes for an Individual Certificate(s), the Transfer Agent shall deliver the relevant Individual Certificate(s) in accordance with the Agency Agreement.

12.1.2 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 an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

12.1.3 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 Individual 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 Individual 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 Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

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

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

12.1.5 An Individual Certificate shall, in relation to a Beneficial Interest:

- 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

(b) 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 the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

12.1.6 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by an Individual Certificate in accordance with this Condition 12, such Notes (now represented by an Individual Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the Central Securities Depository. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

12.2 **Costs**

Individual Certificates shall be provided (whether by way of 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 Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual 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.

12.3 **Death, sequestration or liquidation of Noteholder**

Any person becoming entitled to 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 12 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 12, may transfer such Notes. The Issuer and (if applicable) the Central Securities Depository and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

12.4 **Replacement**

If any Individual 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 Individual Certificates must be surrendered before replacements will be issued.

13. TRANSFER OF NOTES

13.1 Transfer of Beneficial Interests

13.1.1 Beneficial Interests in the Notes may be transferred in accordance with the Applicable Procedures through the Central Securities Depository.

13.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

13.1.3 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, in accordance with the Applicable Procedures.

13.1.4 Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

13.2 Transfer of Notes represented by Individual Certificates

13.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a 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 Individual Certificate in question for cancellation or, if only part of the Notes represented by an Individual Certificate is transferred, a new Individual Certificate for the balance will be delivered to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent.

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

13.2.3 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.

13.2.4 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 Individual Certificate in respect of the Notes transferred.

13.2.5 No transfer will be registered during the Books Closed Period.

13.2.6 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. REGISTER

14.1 The Register shall:

- 14.1.1 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;
- 14.1.2 reflect the number of Notes issued and Outstanding and the date upon which each of the Noteholders was registered as such;
- 14.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of Notes;
- 14.1.4 set out the Principal Amount of the Notes issued to such Noteholders and shall show the date of such issue;
- 14.1.5 show the serial number of Individual Certificates issued in respect of Notes;
- 14.1.6 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
- 14.1.7 be closed during the Books Closed Period.

14.2 The Transfer Agent will only recognise, 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.

14.3 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.

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

15.1 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.

15.2 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:

15.2.1 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

15.2.2 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.

16. NOTICES

16.1 Notice by the Issuer

Notices to Noteholders shall be valid and effective:

16.1.1 in the case of Uncertificated Notes listed on a Financial Exchange, if delivered to:

- (a) such Financial Exchange and electronically published on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange; and
- (b) the Central Securities Depository; or

16.1.2 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange); or

16.1.3 in the case of Notes represented by an Individual Certificate 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 in an English language daily newspaper of general circulation in South Africa.

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.

16.2 Notice by the Noteholders

16.2.1 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address.

16.2.2 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 Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participant 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.

16.3 Notice in relation to Notes listed on a Financial Exchange

For so long as any Notes are listed on a Financial Exchange, notwithstanding Condition 16.1, all notices in respect of such listed Notes shall be made by way of an announcement on SENS in the case of the JSE and in the case of any other Financial

Exchange, the relevant electronic news service accepted by that relevant Financial Exchange.

17. MEETINGS OF NOTEHOLDERS

17.1 Directions of Noteholders

17.1.1 This Condition 17 contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the amendment of any of these Terms and Conditions. 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 in the case of listed Notes, the relevant Debt Listings Requirements.

17.1.2 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.

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

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

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

17.2 Demand to call a meeting

17.2.1 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.

17.2.2 Upon receiving the request to call a meeting as described in Condition 17.2.1, the Issuer must:

17.2.3 immediately:

- (i) inform the relevant Financial Exchange in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
- (ii) release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the relevant Debt Listing Requirements, specifying the date and time of the meeting; and

(b) within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange (the **Notice of Meeting**) specifying the information set out in Condition 17.2.4 below.

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

- (a) the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;
- (b) the time of the scheduled meeting; and
- (c) 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.

17.2.5 The Issuer shall release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange within 2 (two) Business Days after the meeting setting out the details of the outcome thereof.

17.2.6 In the event of liquidation or winding-up 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 17.2.3(b) above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 17.2.4(a) above shall be reduced to 5 (five) Business Days.

17.2.7 At the meeting:

- (a) Noteholders shall exercise their voting through polling and not by the show of hands; and
- (b) a chairperson shall be elected by Noteholders as voted in accordance with Condition 17.2.7(a) above.

17.2.8 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 relevant Financial Exchange 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 17.2.1.

17.3 **Notice of meeting**

17.3.1 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.

17.3.2 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.

17.3.3 For as long as any Notes are listed on a Financial Exchange, notices of meetings in respect of such listed Notes, shall be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange, 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.

17.3.4 A notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 17.2 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.

17.4 **Quorum**

17.4.1 A quorum at a meeting shall:

- for the purposes of considering an Ordinary Resolution, consist of Noteholders or a class of Noteholders, as the case may be, 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
- for the purposes of considering an Extraordinary Resolution, consist of Noteholders or a class of Noteholders, as the case may be, 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.

17.4.2 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.

17.4.3 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.

17.5 **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.

17.6 **Adjournment**

- 17.6.1 Subject to the provisions of this Condition 17, 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.
- 17.6.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 17.6.3 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 17.4.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

17.7 **How questions are decided**

- 17.7.1 At a meeting, a resolution put to the vote will be decided on a poll.
- 17.7.2 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.

17.8 **Votes**

- 17.8.1 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.
- 17.8.2 Notwithstanding any other provision contained in this Condition 17, the holders of Beneficial Interests must vote in accordance with the Applicable Procedures. Holders of Beneficial Interests must exercise their respective rights to vote through their respective Participants. The respective Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of the Beneficial Interest in Registered Notes, in accordance with the Applicable Procedures.

17.9 **Proxies and representatives**

- 17.9.1 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.

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

17.9.3 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.

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

17.9.5 Notwithstanding Condition 17.9.4, 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.

17.9.6 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.

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

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 a Financial Exchange, be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 16 (Notices). Non-publication shall not invalidate any such resolution.

17.11 **Minutes**

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

17.11.2 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.

17.12 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.

18. AMENDMENT OF THESE CONDITIONS

18.1 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:

18.1.1 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

18.1.2 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 relevant Financial Exchange immediately after the amendment is made and release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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.

18.2 Save as provided in Condition 18.1 and subject to Condition 18.3, 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.

18.3 If any amendment, variation or modification of these Terms and Conditions does not fall within the provisions of Condition 18.1 then, in the case of any Tranche of Notes listed on a Financial Exchange:

18.3.1 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 relevant Financial Exchange in accordance with the relevant Debt Listings Requirements;

18.3.2 subsequent to receiving the conditional formal approval from the relevant Financial Exchange contemplated by Condition 18.3.1, 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 16 (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;

18.3.3 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 of 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;

18.3.4 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

18.3.5 the Issuer must release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange announcement, a separate announcement is not required in terms of this Condition 18.3.5;

18.3.6 if approval from the relevant Noteholders or the relevant 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 relevant Financial Exchange by or on behalf of the Issuer and the Issuer shall also provide a letter to such Financial Exchange 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 Financial Exchange;

18.3.7 within 48 hours after the meeting or the responses from the relevant Noteholders on the proposed written resolution have been obtained, a SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service

accepted by that relevant Financial Exchange 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

18.3.8 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 relevant Financial Exchange.

18.4 No amendment to these Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the relevant Debt Listings Requirements.

18.5 Any such modification of these Terms and Conditions made pursuant to this Condition 18 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 16 (Notices) and to the Financial Exchange as soon as practicable thereafter.

19. 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.

20. 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.

21. NEGATIVE PLEDGE

This Condition 21 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:

- 21.1 all amounts payable by it under the Unsubordinated Notes are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- 21.2 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 21:

- (a) **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.

- (b) **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.

22. RECOGNITION OF RSA BAIL-IN POWERS

22.1 Contractual recognition of RSA Bail-in Power

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, 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, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof:

- 22.1.1 the reduction or write-off of all, or a portion of, the Amounts Due, including on a permanent basis;
- 22.1.2 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) including by means of an amendment, modification or variation of the terms of the Notes, in which

case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

22.1.3 the cancellation of the Notes;

22.1.4 the replacement or substitution of the Issuer;

22.1.5 transfer of the Notes;

22.1.6 the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or

22.1.7 the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority,

which 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. The exercise of the RSA Bail-Powers, and the taking of any Resolution Action, by the Resolution Authority and the implementation, and the rights of the Noteholders in respect, thereof shall be as prescribed and/or determined by the Resolution Framework.

22.2 **Variation of rights**

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

22.3 **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, or the taking of any Resolution Action, 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 of any RSA Bail-in Power, or the taking of any Resolution Action, 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 Applicable Laws of South Africa applicable to the Issuer.

22.4 **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 a Resolution Event occurs in relation to the Issuer or the Resolution Authority exercises any RSA Bail-in Power, or takes any Resolution Action, 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.

22.5 **No Event of Default**

22.5.1 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, or the taking of any Resolution Action, by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of, or otherwise constitute non-performance of a contractual obligation under, these Terms and Conditions for any purpose or entitle any Noteholder to any remedies (including equitable remedies) which are hereby expressly waive.

22.5.2 Neither the placing, or the proposed placing, of the Issuer in Resolution nor the taking, or the proposed taking, of any Resolution Action in relation to the Issuer following the occurrence of a Resolution Event in relation to the Issuer shall constitute an Event of Default, or breach of these Terms and Conditions or entitle the Noteholders to declare the Notes to be due and payable.

22.6 **No Acceleration**

22.6.1 No provision of these Terms and Conditions or any other agreement relating to the Notes is of any effect to the extent that the provision accelerates or varies an obligation of the Issuer upon, or as a result of, the occurrence of a Resolution Event in relation to the Issuer or as a result of any Resolution Action or proposed Resolution Action being taken in relation to the Issuer.

22.7 **Notice**

Upon:

22.7.1 the occurrence of a Resolution Event in relation to the Issuer; or

22.7.2 the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to any Notes,

the Issuer shall give notice of the same to the Noteholders (in accordance with Condition 16 (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 or the taking of any Resolution Action nor the effects on the Notes described in Condition 22.1 (Contractual recognition of RSA Bail-in Power) and/or Condition 22.2 (Variation of rights).

22.8 **Interpretation**

For the purposes of this Condition 22:

22.8.1 **Amounts Due** means the Principal Amount of, and any accrued but unpaid interest, and Additional Amounts (if any), due 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;

22.8.2 the **Noteholders** includes any person holding a Beneficial Interest in the Notes; and

22.8.3 the **Notes** includes any Beneficial Interest in the Notes.

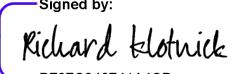
ABSA GROUP LIMITED

By: 
Deon Raju
EE4D00A80A8047C...

Name: Deon Raju

Capacity: Authorised Signatory

Date: 26 January 2026

By: 
Richard Klotnick
D737C340741A4CD...

Name: Richard Klotnick

Capacity: Authorised Signatory

Date: 26 January 2026

PRO FORMA APPLICABLE PRICING SUPPLEMENT OF THE FLAC NOTES

Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Flac 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 ZAR110,000,000,000 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 26 January 2026, 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 Flac Terms and Conditions. References in this Applicable Pricing Supplement to the Flac Terms and Conditions are to the section of the Programme Memorandum "Terms and Conditions of the Flac Notes". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Flac Terms and Conditions.

DESCRIPTION OF THE NOTES

1.	Issuer	Absa Group Limited
2.	Debt Officer	Deon Raju, Group Financial Director of Absa Group Limited
3.	Status of Notes	Flac Instruments in accordance with Condition 5 (Status)
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	ZAR1,000,0000
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 – <i>insert details</i>]
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) [●], [●], [●] 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) [●], [●], [●] 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) [●], [●], [●] 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	[ZAR-JIBAR-SAFEX] / [Prime Rate] / [ZARONIA] / [Other]
	(b) Interest Determination Date(s)	[●]

<i>(To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is ZARONIA)</i>		
(c)	Relevant Screen Page	[•]
(d)	Relevant Time	[•]
(e)	Reference Banks	[•] / [Not Applicable]
(f)	Relevant Financial Centre	[•]
(g)	Linear Interpolation	[Applicable] / [Not Applicable]
(h)	Calculation Method	[ZARONIA Weighted Average] / [ZARONIA Compounded Daily] / [ZARONIA Index Determination] / [Other ZARONIA Method]
(i)	Compounded Index	[Compounded ZARONIA Index] / [Not applicable]
(j)	Observation Method	[Lock-out] / [Lookback Without Observation Shift] / [Lookback With Observation Shift] / [Not Applicable]
(k)	Observation Look-back Period	[•] / [Not Applicable]
<i>(The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lookback With Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable")</i>		
(l)	SARB Policy Rate Spread Adjustment	[Applicable] / [Not Applicable] <i>(If applicable, specify the SARB Policy Rate Spread) [•]</i>
(m)	D	[365/360/[•]] / [Not Applicable]
(n)	Relevant Decimal Place:	[Five] / [Seven] / [•]
37.	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	[]
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) Manner in which the Interest Amount/Final Redemption Amount is to be determined []

(d) 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)

OTHER NOTES

[Applicable] / [Not Applicable]

40. If the Flac Notes are not Fixed Rate Notes, Floating Rate Notes or Mixed Rate Notes, set out the relevant description and any additional Terms and Conditions relating to such Flac Notes Not Applicable

PROVISIONS REGARDING REDEMPTION

41. Only to the extent required under the Flac Requirements, prior consent of Resolution Authority required for any redemption prior to the Maturity Date Yes

42. Redemption at the option of the Issuer (Call Option): if yes: Yes

(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 9.4
 (Redemption at the option of
 Noteholders (Put Option))

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

(f) Other terms applicable on []
 Redemption

43. 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 []

44. Do the Flac 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: No

GENERAL

45. Additional selling restrictions [] / [Not Applicable]

46. (a) International Securities Identification Number (ISIN) []
 (b) Stock Code []

47. Financial Exchange []

48. Clearing System [Strate Proprietary Limited]

49. Method of distribution []

50. If syndicated, names of managers

51.	Credit rating assigned to the Issuer, date of issue of such rating and date for review of such rating	[]
52.	Credit rating assigned to [the Programme] / [the Notes] (if any), date of issue of such rating and date for review of such rating	[]
53.	Rating Agency(ies)	[]
54.	Governing law	South African law
55.	Other Banking Jurisdiction	[]
56.	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]
57.	Books Closed Period	[Not Applicable (<i>if the reference rate is ZARONIA</i>) / [The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date]]
58.	Debt Sponsor	[]
59.	Stabilisation Manager (if any)	[]
60.	Pricing Methodology	[]
61.	Authorised amount of the Programme	[]
62.	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)	[]
63.	Set out the relevant description of any additional/other Terms and Conditions relating to the Flac Notes (including covenants, if any)	Not Applicable
64.	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
65. Exchange control approval	[Applicable] / [Not Applicable]
66. 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] / [specify other], the applicable 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 report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The [JSE] / [specify other] 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] / [specify other]'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] / [specify other] 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 ZAR110,000,000,000, 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 Memorandum was registered with the [JSE] / [specify other] on [26 January 2026] / [specify other date].

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 published in terms of the Banks Act, 1990 under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994 (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 auditors of the Issuer as at the Issue Date are [●] and [●].

[●] and [●] have acted as the auditors of the Issuer's latest audited financial statements.

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)

[●], being the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme do not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

TERMS AND CONDITIONS OF THE FLAC NOTES

The following are the Terms and Conditions of the Flac Notes to be issued by the Issuer (the **Flac Terms and Conditions**). Flac Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Flac Notes. Before the Issuer issues any Tranche of Flac Notes, the Issuer shall complete, sign and deliver to the relevant Financial Exchange 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 Flac Notes"), setting out details of such Flac Notes. The Applicable Pricing Supplement in relation to any Tranche of Flac Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Flac Terms and Conditions, replace or modify the following Flac Terms and Conditions for the purpose of such Tranche of Flac Notes. The Flac Terms and Conditions set out below and the Applicable Pricing Supplement will be deemed to be incorporated by reference into each Individual Certificate evidencing any Flac Notes.

1. INTERPRETATION

1.1 Definitions

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

1.1.1	Absa Bank	Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06;
1.1.2	Absa Group	the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer;
1.1.3	Absa CIB	Absa Bank, acting through its Corporate and Investment Banking division;
1.1.4	Additional Amount	shall have the meaning defined in Condition 10 (Taxation);
1.1.5	Additional Tier 1 Capital	"Additional Tier 1 Capital" as defined in section 1(1) of the Banks Act;
1.1.6	Additional Tier 1 Notes	shall have the meaning defined in the Additional Tier 1 Terms and Conditions;
1.1.7	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 "Terms and Conditions of the Additional Tier 1 Notes";
1.1.8	Agency Agreement	the amended and restated agency agreement dated 26 January 2026 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;
1.1.9	Applicable Laws	In relation to a person, means all and any:
		(a) statutes and subordinate legislation;
		(b) regulations, ordinances and directives;
		(c) by-laws;
		(d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and
		(e) other similar provisions, from time to time;
1.1.10	Applicable Supplement	Pricing 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 pro forma pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement of the Flac Notes</i> ";
1.1.11	Applicable Procedures	the rules and operating procedures for the time being of the Central Securities Depository, Participants, the JSE and/or any Financial Exchange, as the case may be;
1.1.12	Arranger	Absa CIB;
1.1.13	Banks Act	the Banks Act, 1990;
1.1.14	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;
1.1.15	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;
1.1.16	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;
1.1.17	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;
1.1.18	Call Option	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.19	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 relevant Financial Exchange;
1.1.20	Common Equity Tier 1 Capital	" <i>common equity tier 1 capital</i> " as defined in section 1(1) of the Banks Act;
1.1.21	Companies Act	the Companies Act, 2008;
1.1.22	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;
1.1.23	Debt Listings Requirements	in the case of the JSE, the JSE Debt and Specialist Securities Listings Requirements or, in the case of any other Financial Exchange, the debt listings requirements of such Financial Exchange in force from time to time, as applicable;
1.1.24	Designated Institution	a " <i>designated institution</i> " under, and as defined in section 1(1) of, the Financial Sector Regulation Act;
1.1.25	Early Redemption Amount (Regulatory)	in respect of each Note in a Tranche of Flac Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.1.26	Early Redemption Amount (Tax)	in respect of each Note in a Tranche of Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.1.27	Early Termination Amount	in respect of each Note in a Tranche of Notes, its Principal Amount (or the relevant part thereof) plus accrued interest (if any) or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.1.28	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;
1.1.29	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;
1.1.30	Final Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.31	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;
1.1.32	Financial Exchange	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.1.33	Financial Markets Act	the Financial Markets Act, 2012;
1.1.34	Financial Sector Regulation Act	the Financial Sector Regulation Act, 2017;
1.1.35	First Call Date	in relation to a Tranche of Flac Notes, the earliest date on which the Issuer may, subject to the applicable Flac Requirements redeem, the Flac Notes, provided that such date occurs no earlier than the point at which the Notes would otherwise cease to qualify as Flac instruments under the Flac Standard, including the requirement that Flac Notes maintain a minimum remaining maturity of twelve (12) months;
1.1.36	First Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement and is subject to the First Call Date;
1.1.37	Fixed Interest Rate	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.1.38	Fixed Rate Notes	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.39	Flac Disqualification Event	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 Flac Notes are fully or, to the extent permitted by the Flac Requirements, partially excluded from qualifying as Flac Instruments of the

	Issuer on a solo and/or consolidated basis (save it shall not constitute a Flac Disqualification Event where such non-qualification is only as a result of any applicable limitation on the amount of such instrument qualifying as a Flac Instrument under the Flac Requirements in the final year to maturity);
1.1.40 Flac Instrument	" <i>flac instrument</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.41 Flac Notes	Notes specified as such in the Applicable Pricing Supplement and complying with the Flac Requirements issued pursuant to these Terms and Conditions;
1.1.42 Flac Requirements	at any time, any law, legislation, regulations, prudential standards (including the Flac Standard), directives, rules, requirements, guidance notes, guidelines and policies relating to Flac Instruments then in effect in South Africa in relation to Designated Institutions (and where relevant, the rules applicable specifically to the Issuer) with which the unsecured debt instruments contemplated in the Flac Standard (including the Flac Notes) must comply in order for such unsecured debt instruments to qualify and rank as Flac Instruments;
1.1.43 Flac Standard	the prudential standard titled " <i>Prudential Standard RA03: Flac Instrument Requirements for Designated Institutions</i> " made by the Relevant Regulator under section 105(2)(c), read with sections 30(1A) and 42(b)(vi) of the Financial Sector Regulation Act, and published on 11 December 2024, as amended from time to time;
1.1.44 Floating Rate Notes	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.45 General Terms and Conditions	the terms and conditions applicable to Notes (other than Flac Notes, Tier 2 Notes and Additional Tier 1 Notes) issued under the Programme as set out in the section of this Programme Memorandum headed "Terms and Conditions of the Unsubordinated Notes";

1.1.46	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;
1.1.47	Income Tax Act	the Income Tax Act, 1962;
1.1.48	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;
1.1.49	Individual Certificate	a Note in the definitive registered form of a single certificate and, a certificate exchanged for a Beneficial Interest in accordance with Condition 12 (Exchange of Beneficial Interests for an Individual Certificate) and any further certificate issued in consequence of a transfer thereof;
1.1.50	Initial Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.51	Interest Amount	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes and Floating Rate Notes, as determined in accordance with Conditions 6.1 (Interest on Fixed Rate Notes), 6.2 (Interest on Floating Rate Notes) and 6.2.7 (Determination of Interest Rate and calculation of Interest Amount) and 6.4 (Indexed Interest Notes) respectively;
1.1.52	Interest Commencement Date	the first date from which interest on the Notes will accrue, as specified in the Applicable Pricing Supplement;
1.1.53	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;

1.1.54	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;
1.1.55	Interest Rate	the rate or rates of interest applicable to Notes other than Fixed Rate Notes;
1.1.56	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 and Specialist Securities Listings Requirements) may be listed, subject to all Applicable Laws;
1.1.57	ISDA	International Swaps and Derivatives Association, Inc.;
1.1.58	ISDA Definitions	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.1.59	Issue Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.60	Issue Price	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.61	Issuer	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.1.62	Issuer Agent	Absa CIB, 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.
1.1.63	JSE	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;
1.1.64	JSE Debt and Specialist Securities Listings Requirements	all listings requirements for debt and specialist securities promulgated by the JSE from time to time;

1.1.65 Junior Securities	in relation to the Flac Notes:
	(a) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital;
	(b) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Additional Tier 1 Capital;
	(c) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Tier 2 Capital; and
	(d) any securities issued by, or any other obligations of the Issuer which rank, or are expressed to rank, junior to the Flac Notes on liquidation, winding-up or bankruptcy of the Issuer;
1.1.66 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;
1.1.67 Margin	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.68 Maturity Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.69 Maximum Interest Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.70 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 or or Indexed Interest Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.3 (Mixed Rate NotesMixed Rate Notes);
1.1.71 Noteholders	the holders of the Registered Notes (as recorded in the Register);
1.1.72 Notes	the notes issued or to be issued by the Issuer under the Programme;

1.1.73	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;
1.1.74	Optional Redemption Date (Call)	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.75	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;
1.1.76	Other Flac Securities	in relation to the Flac Notes, any loans, debt instruments, securities or other instruments or obligations of the Issuer (other than the Flac Notes):
		<ul style="list-style-type: none"> (a) which upon issue qualified (or were intended to qualify) as Flac Instruments; or (b) which otherwise rank (or are expressed to rank) on a liquidation, bankruptcy or winding-up of the Issuer <i>pari passu</i> with Flac Instruments or with other obligations or securities falling within (a) above;
1.1.77	Outstanding	in relation to the Notes, all the Notes issued other than:
		<ul style="list-style-type: none"> (a) <i>Redeemed or purchased</i>: those which have been redeemed in full or purchased in accordance with the applicable provisions of the Relevant Terms and Conditions (as applicable); (b) <i>Due date</i>: those in respect of which the due date for redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Paying Agent and remain available for payment; (c) <i>Prescribed</i>: those which have become prescribed under the applicable provisions of the Relevant

	Terms and Conditions (as applicable);
(d)	<i>Replaced</i> : those represented by an Individual Certificate which has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to the applicable provisions of the Relevant Terms and Conditions (as applicable);
(e)	<i>Meetings</i> : for the purposes of the provisions of meetings of Noteholders set out in the Relevant Terms and Conditions (as applicable), those that are held by, or by any person for the benefit of, the Issuer;
1.1.78 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;
1.1.79 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;
1.1.80 Payment Day	any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes;
1.1.81 Principal Amount	the nominal amount of each Note;
1.1.82 Programme	the ZAR110,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.1.83 Programme Memorandum	this programme memorandum dated 26 January 2026, as amended and/or supplemented from time to time;
1.1.84 Qualifying Flac Securities	securities issued by the Issuer that:
	(a) have terms not materially less favourable to a holder of the Flac Notes than the terms of the current Flac Notes (as reasonably determined by the Issuer, and

provided that a certification to such effect of 2 authorised signatories of the Issuer shall have been delivered to the Noteholders prior to the issue or, as appropriate, variation of the relevant securities) provided that they shall:

- (i) rank *pari passu* with the ranking of the Flac Notes,
- (ii) have the same Interest Rate or rate of return and Interest Payment Dates from time to time applying to the Flac Notes,
- (iii) preserve any existing rights under the Terms and Conditions to any accrued interest or other amounts which have not been paid, and

(b) comply with the then current minimum requirements of the Relevant Regulator in relation to the Flac Instruments; and

(c) if the Flac Notes are listed (i) are listed on the JSE, or (ii) are listed on such other Financial Exchange at the time as selected by the Issuer;

1.1.85 Ranking Legislation

the Insolvency Act, 1936 as read with and amended by section 166W of the Financial Sector Regulation Act, and any other law or regulation from time to time which is applicable to the Issuer and relevant for determining the rights of members and creditors of the Issuer in respect of the ranking of their respective claims against the Issuer in a winding-up, liquidation or bankruptcy of the Issuer;

1.1.86 Rating Agency

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;

1.1.87 Redemption Amount

as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory), the Optional Redemption Amount (Call), 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;
1.1.88	Redemption Date	each date on which any Notes are to be redeemed, partially or finally, as the case may be, in terms of these Terms and Conditions;
1.1.89	Reference Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.90	Register	the register maintained by the Transfer Agent in terms of Condition 14 (Register) and, in respect of Uncertificated Notes, the Uncertificated Securities Register;
1.1.91	Registered Holder	means: <ul style="list-style-type: none"> (a) 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 (b) 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;
1.1.92	Registered Note	a Flac Note issued in registered form and transferable in accordance with Condition 13 (Transfer of Notes);
1.1.93	Regulatory Change	a change in, or amendment to, the Flac Requirements or any change in the application of or official or generally published guidance or interpretation of the Flac Requirements, which change or amendment becomes, or would become, effective on or after the Issue Date of the first Tranche of Notes of the relevant Series;
1.1.94	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;
1.1.95	Relevant Regulator	the Prudential Authority established under the Financial Sector Regulation Act, and any successor or replacement thereto, or other authority having primary responsibility for prudential oversight and supervision over the Issuer;
1.1.96	Relevant Screen Page	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.97	Relevant Terms Conditions	and these Terms and Conditions, the General Terms and Conditions, the Tier 2 Terms and Conditions or the Additional Tier 1 Terms and Conditions, as applicable;
1.1.98	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;
1.1.99	Resolution	" <i>resolution</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.100	Resolution Action	" <i>resolution action</i> " as defined in section 1(1) of the Financial Sector Regulation;
1.1.101	Resolution Authority	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;
1.1.102	Resolution Event	the event that occurs when the Minister of Finance of South Africa makes a written determination, addressed to the Governor of the SARB, placing a Designated Institution in Resolution in terms of section 166J(2) of the Financial Sector Regulation Act;

1.1.103 Resolution Framework

Chapter 12A of the Financial Sector Regulation Act and any other Applicable Law applicable to the Issuer or any of its Subsidiaries that are Designated Institutions at the relevant time pursuant to, or which implement, or are enacted within the context of, Chapter 12A of the Financial Sector Regulation Act, establishing a framework for the recovery and Resolution of Designated Institutions;

1.1.104 RSA Bail-in Power

any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under the Resolution Framework (including, without limitation, under section 166S and section 166T of the Financial Sector Regulation Act) or any Applicable Law relating to the Resolution of Designated Institutions in effect and applicable in South Africa to the Issuer and its Subsidiaries which are Designated Institutions, pursuant to which any obligation of a Designated Institution 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;

1.1.105 SARB

the South African Reserve Bank as referred to in section 223 of the Constitution of the Republic of South Africa, 1996, read with the South African Reserve Bank Act, 1989 of South Africa, or the relevant replacement or successor regulator;

1.1.106 Screen Rate Determination

has the meaning ascribed thereto in the Applicable Pricing Supplement;

1.1.107 SENS

the Stock Exchange News Service, or other similar service, established by the JSE;

1.1.108 Senior Creditors

in relation to the Flac Notes, creditors of the Issuer:

- (a) who are unsubordinated creditors of the Issuer; and
- (b) (other than those creditors of the Issuer whose claims are (i) claims under, or in respect of, Junior Securities, or (ii) claims under, or in

	respect of Flac Instruments) whose claims are or are expressed to be subordinated (whether only in the event of a dissolution, liquidation or winding-up of the Issuer or otherwise) to the claims of other creditors of the Issuer;
1.1.109 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;
1.1.110 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;
1.1.111 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;
1.1.112 South Africa	the Republic of South Africa;
1.1.113 Specified Currency	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed Notes, subject to the relevant Debt Listings Requirements, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;
1.1.114 Specified Denomination	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.115 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 these Terms and Conditions, as the case may be;

1.1.116 Sustainable 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;

1.1.117 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 10 (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);

1.1.118 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;

1.1.119 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;
1.1.120	Terms and Conditions	the terms and conditions incorporated in this section headed " <i>Terms and Conditions of the Flac Notes</i> " and in accordance with which the Flac Notes will be issued;
1.1.121	Tier 2 Capital	" <i>Tier 2 Capital</i> " as defined in section 1(1) of the Banks Act;
1.1.122	Tier 2 Notes	shall have the meaning defined in the Tier 2 Terms and Conditions;
1.1.123	Tier 2 Terms and Conditions	the terms and conditions applicable to Tier 2 Notes issued under the Programme as set out in the section of this Programme Memorandum headed " <i>Terms and Conditions of the Tier 2 Notes</i> ";
1.1.124	Tranche	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
1.1.125	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;
1.1.126	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;
1.1.127	Uncertificated Notes	a Note which is uncertificated as contemplated in the relevant provisions of the Financial Markets Act;
1.1.128	Uncertificated Register	Securities has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
1.1.129	ZAR	the lawful currency of South Africa, being South African Rand, or any successor currency; and

1.1.130 ZAR-JIBAR-SAFEX

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFETY Page as at 12h00, South African time, on the relevant date, or any successor rate.

1.2 Interpretation

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

- (a) one gender include a reference to the others;
- (b) the singular includes the plural and *vice versa*;
- (c) natural persons include juristic persons and *vice versa*;
- (d) a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- (e) 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;
- (f) a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- (g) 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;
- (h) **assets** includes present and future properties, revenues and rights of every description;
- (i) **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- (j) **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;
- (k) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (l) a **default** being continuing means that it has not been remedied or waived;
- (m) a **party** or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- (n) a time of day is a reference to South African time.

1.2.2 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.

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

1.2.4 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.

1.2.5 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.

1.3 **Application of these Terms and Conditions**

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

2. ISSUE

2.1 **Issuance of Flac Notes**

Subject to the prior written approval of the Relevant Regulator (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.

2.2 **Compliance with the Flac Requirements**

The Notes issued pursuant to these Terms and Conditions are issued in compliance with the requirements of the Flac Requirements, including without limitation, the following:

2.2.1 *External Flac Instrument requirement:* The Flac Notes constitute "external Flac instruments", as defined in the Flac Standard.

2.2.2 *Fully paid:* The Flac Notes are fully paid-up.

2.2.3 *No derivative-linked features:* The Flac Notes do not contain any derivative-linked features.

2.2.4 *Prescribed Minimum Denomination:* The Flac Notes are issued with a Specified Denomination that is equal to or exceeds the minimum denomination prescribed by the Relevant Regulator from time to time under the Flac Requirements.

2.3 **Applicable Pricing Supplement**

2.3.1 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), provided that no such replacement, modification or supplementation shall amend or override any provisions of these Terms and Conditions that relate to the requirements

set out in the Flac Standard and approved by the Resolution Authority. To the extent so specified in the Applicable Pricing Supplement or to the extent inconsistent with these Terms and Conditions (other than the aforementioned provisions), such other terms and conditions shall apply to that Tranche of Notes.

2.3.2 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

A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by any Financial Exchange. 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.

3.2 Form

3.2.1 The Notes in a Tranche of Notes will be issued in 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 an Individual Certificate in accordance with Condition 12 (Exchange of Beneficial Interests for an Individual Certificate).

3.3 Denomination

The Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

4. TITLE

4.1 General

4.1.1 Subject as set out below, title to Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 13.1 (Transfer of Beneficial Interests).

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.

4.2 Notes issued in uncertificated form

Each person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of Uncertificated 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 Notes for all purposes.

4.3 Beneficial Interests in Notes held in the Central Securities Depository

4.3.1 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.

4.3.2 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.

4.3.3 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.

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

4.3.5 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

5.1 Status and Ranking of the Flac Notes

5.1.1 The Flac Notes are issued, and qualify, as Flac Instruments.

5.1.2 Subject to Applicable Laws, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up, the claims of the holders of Flac Notes shall rank in accordance with the Ranking Legislation.

5.1.3 Subject to the Ranking Legislation, the Flac Notes constitute direct and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and (save for the claims of those creditors that have been accorded by law preferential rights):

- (i) at least *pari passu* with any Other Flac Securities;
- (ii) senior and in priority to any Junior Securities; and
- (iii) junior to the present and/or future claims of Senior Creditors.

5.2 No Set-off or Netting

Subject to Applicable Laws, no Noteholder may exercise, claim, plead or apply any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer

under or in connection with the Flac Notes and each Flac Noteholder shall, by virtue of being the holder of any Flac Notes, be deemed to have waived all such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any Flac Noteholder by the Issuer is discharged by set-off, compensation, retention and/or netting (whether by operation of law or otherwise), such Flac Noteholder shall, unless such payment is prohibited by Applicable Law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or Resolution, the liquidator or (as the case may be) resolution practitioner or similar officer 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, as the case may be, the liquidator or (as the case may be) resolution practitioner or similar officer of the Issuer, 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.

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 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 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.

6.1.4 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

6.2.1 *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

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

6.2.2 *ISDA Determination*

- (a) 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).
- (b) For the purposes of this Condition 6.2.2:
 - (i) **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.
 - (c) **Floating Rate, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those expressions in the ISDA Definitions.
 - (d) When this Condition 6.2.2 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 6.2.7 (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 6.2.2.

6.2.3

Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)

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 relevant Financial Exchange'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) below, no such offered quotation appears or, in the case of paragraph (b) below, 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 6.2.3, 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 6.2.3, 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 6.2.3 the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

6.2.4

Screen Rate Determination for Floating Rate Notes which reference ZARONIA

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined and the Reference Rate specified in the Applicable Pricing Supplement is ZARONIA:

(a) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Compounded Daily*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded Daily ZARONIA (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded Daily ZARONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Relevant ZARONIA}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

D is the number specified in the Applicable Pricing Supplement;

d is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

d_o is, in relation to any Interest Accrual Period, the number of Johannesburg Business Days in such Interest Accrual Period;

i is, in relation to any Interest Accrual Period, a series of whole numbers from one to do, each representing the relevant Johannesburg Business Day in chronological order from, and including, the first Johannesburg Business Day in such Interest Accrual Period;

Interest Accrual Period means in relation to any Interest Period:

- (i) where "*Lookback Without Observation Shift*" or "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, such Interest Period;
- (ii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the ZARONIA Observation Period relating to such Interest Period;

Johannesburg Business Day means a day (other than a Saturday, a Sunday or an official public holiday) on which commercial banks are open for general business in Johannesburg, South Africa;

Lock-out Period means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

Lookback Period means the period specified as such in the Applicable Pricing Supplement;

n_i, for any Johannesburg Business Day "*i*" in the relevant Interest Accrual Period, means the number of calendar days from and including such Johannesburg Business Day "*i*" up to but excluding the following Johannesburg Business Day;

p means, for any Interest Period:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, zero; and
- (iii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

r means:

- (i) where "*Lookback Without Observation Shift*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, in respect of any Johannesburg Business

Day, the ZARONIA Reference Rate in respect of such Johannesburg Business Day; and

(ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement:

(A) in respect of any Johannesburg Business Day "i" that is a Reference Day, the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding such Reference Day, and

(B) in respect of any Johannesburg Business Day "i" that is not a Reference Day (being a Johannesburg Business Day in the Lock-out Period), the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

Reference Day means each Johannesburg Business Day in the relevant Interest Period, other than any Johannesburg Business Day in the Lock-out Period;

Relevant Decimal Place shall be the number of decimal places specified in the Applicable Pricing Supplement and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be 5 (five));

Relevant ZARONIA_i means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for:

(i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling "p" Johannesburg Business Days prior to the relevant Johannesburg Business Day "i"; or

(ii) where "*Lock-out*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the relevant Johannesburg Business Day "i";

SARB's Website means the website of the SARB currently at <http://www.resbank.co.za>, or any successor page or website of the SARB (or a successor administrator of ZARONIA) or any successor source; and

ZARONIA Observation Period means, in respect of any Interest Period, the period from and including the date falling "p" Johannesburg Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable);

ZARONIA Reference Rate means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not

specified or is unavailable at the Relevant Time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the Johannesburg Business Day immediately following such Johannesburg Business Day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily ZARONIA only compounds the ZARONIA Reference Rate in respect of any Johannesburg Business Day. The ZARONIA Reference Rate applied to a day that is not a Johannesburg Business Day will be taken by applying the ZARONIA Reference Rate for the previous Johannesburg Business Day.

(b) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Weighted Average*", the Interest Rate for each Interest Period will, subject to as provided below, be the Weighted Average ZARONIA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

Lock-out Period has the meaning given to it in Condition 6.2.4(a);

Reference Day has the meaning given to it in Condition 6.2.4(a);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

Weighted Average ZARONIA Rate means:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, *provided that* for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out

Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a).

(c) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "ZARONIA Index Determination", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded ZARONIA Index Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin, all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded ZARONIA Index Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR during the Observation Period corresponding to such Interest Accrual Period (with ZARONIA as the Reference Rate for the calculation of interest) by reference to the Compounded ZARONIA Index, as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left(\frac{\text{Compounded ZARONIA Index End}}{\text{Compounded ZARONIA Index Start}} - 1 \right) \times \frac{D}{d}$$

where:

Compounded ZARONIA Index means the screen rate or index for compounded daily ZARONIA rates administered by the SARB (or any successor administrator of ZARONIA) as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the relevant Interest Determination Date;

Compounded ZARONIA Index_{End} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to (A) in respect of an Interest Accrual Period, the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period;

Compounded ZARONIA Index_{START} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to the first day of such Interest Period;

Compounded ZARONIA Index Value means, in relation to any Johannesburg Business Day, the value of the Compounded ZARONIA Index as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such value of the Compounded ZARONIA Index cannot be obtained from such authorised distributors, as published on the SARB's Website, on such Johannesburg Business Day;

D is the number specified in the Applicable Pricing Supplement;

d means the number of calendar days in the relevant ZARONIA Observation Period;

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

p is the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

SARB's Website has the meaning given to it in Condition 6.2.4(a); and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a),

provided that, if, with respect to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value is not available for the determination of either or both of Compounded ZARONIA Index_{START} or Compounded ZARONIA Index_{End}, then the Calculation Agent shall calculate the Interest Rate for that Interest Accrual Period as if Index Determination was not specified as the Calculation Method in the Applicable Pricing Supplement and as if Compounded Daily was specified instead as the Calculation Method in the Applicable Pricing Supplement and where Lookback Without Observation Shift was specified as the Observation Method and, for this purpose, the "*Relevant Screen Page*" shall be deemed to be the "*Relevant Fallback Screen Page*" as specified in the Applicable Pricing Supplement.

- (d) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*Other ZARONIA Method*", the Interest Rate for each Interest Period will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date in the manner set out in the Applicable Pricing Supplement.
- (e) If, in respect of any Johannesburg Business Day in the relevant ZARONIA Observation Period, the ZARONIA Reference Rate is not available on the Relevant Screen Page, has not otherwise been published by the relevant authorised distributors or is not published on the SARB's Website, such Reference Rate shall be:

- (i) the ZARONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Johannesburg Business Day on which the ZARONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the **Historic ZARONIA Reference Rate**); or
- (ii) if the Historic ZARONIA Reference Rate is not available, the sum of (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day, and (B) if "*SARB Policy Rate Spread Adjustment*" is specified as applicable in the Applicable Pricing Supplement, the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement,

and in each case, "*r*" shall be interpreted accordingly.

- (f) In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.2.4, the Interest Rate shall be:
 - (i) that determined as at the last preceding Interest Determination Date (though substituting, 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, in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period); or
 - (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 9 (Redemption and Purchase) or Condition 11 (Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Interest Rate on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

6.2.5

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.

6.2.6

Interest Payment Dates

Each Floating Rate Note bears interest on its Principal Amount 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).

6.2.7

Determination of Interest Rate and calculation of Interest Amount

- (a) 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.
- (b) **Day Count Fraction** means, in respect of the calculation of the Interest Amount for any Interest Period, Actual/365, unless otherwise specified in the Applicable Pricing Supplement; where **Actual/365** means 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.

6.2.8

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 central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed, 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, any central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed.

6.2.9

Notifications etc. 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 6.2.8 (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 relevant Financial Exchange 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 or Indexed Interest 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 Interest Notes, as the case may be.

6.4 **Indexed Interest Notes**

In the case of Indexed Interest Notes, if the Interest Rate 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 **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 SAFETY page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- 6.5.1 the date on which all amounts due in respect of such Note have been paid; and
- 6.5.2 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 16 (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 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) to ascertain a rate.

6.6 **Notes listed on a Financial Exchange**

In the case of Notes listed on a Financial Exchange the amount of any interest payable in respect of the Notes in terms of this Condition 6 will be announced on SENS in the case of

the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange at least 3 (three) Business Days before the relevant Interest Payment Date.

6.7 **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:

- 6.7.1 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 6.2.6 (Interest Payment Dates/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
- 6.7.2 the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 6.7.3 the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 6.7.4 the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

6.8 **General**

6.8.1 *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.

6.8.2 *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 wilful 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.

6.9 Benchmark Discontinuation

6.9.1 *Application of Benchmark Discontinuation Provisions*

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement and Benchmark Discontinuation is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 6.2 (Interest on Floating Rate Notes/Interest on Floating Rate Notes), if the Issuer (in consultation with the Calculation Agent) 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, with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate determined in accordance with the provisions of this Condition 6.9 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 6.9 with respect to the Replacement Reference Rate).

6.9.2 *Determination of Replacement Reference Rate*

- (a) The Reference Rate that will replace the Original Reference Rate (the **Replacement Reference Rate**) pursuant to this Condition 6.9 shall be:
 - (i) if the Original Reference Rate (or a component thereof) is JIBAR and ZARONIA Fallback Rate is specified as applicable in the Applicable Pricing Supplement, the Compounded Daily ZARONIA; or
 - (ii) in any other case, the first of the following Reference Rates determined by the Issuer (in consultation with the Calculation Agent), with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date, in the following order of application and precedence:
 - (A) first, the Supervisor Recommended Reference Rate;
 - (B) second, if the Issuer (in consultation with the Calculation Agent) determines that there is no Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate; and
 - (C) third, if the Issuer (in consultation with the Calculation Agent) determines that there is no Administrator Recommended Reference Rate, the Alternative Reference Rate.
- (b) If:
 - (i) Condition 6.9.2(a)(ii) applies;
 - (ii) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 6.9 prior to the relevant Interest Determination Date occurring

immediately after the Replacement Reference Rate Determination Cut-off Date; and

- (iii) there are no fallback provisions provided for in Condition 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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:*

- (A) 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
- (B) this Condition 6.9.2(b) 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 6.9.

6.9.3

Adjustment Spread

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.9.2(a)(ii)6.10.2(a)(ii) (*Determination of Replacement Reference Rate*), the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) 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.
- (b) No Adjustment Spread shall be applied to the Final Fallback Rate.

- (a) If any Replacement Reference Rate is determined in accordance with Condition 6.9.2(a)(ii) and/or (if applicable) any Adjustment Spread is determined in accordance with Condition 6.9.3 (Adjustment Spread) and the Issuer (in consultation with the Calculation Agent) determines (acting reasonably and in good faith):
 - (i) 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:
 - (A) the definition or determination of Interest Periods and/or Interest Determination Dates;
 - (B) the timing and frequency of determining rates and making payments of interest;
 - (C) rounding of amounts or tenors; and
 - (D) any other administrative provisions related to the calculation or application of interest,
 - (E) 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 (in consultation with the Calculation Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) determines is reasonably necessary) (such amendments, variations and/or modifications, the **Benchmark Amendments**); and
 - (ii) 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 6.9.5 (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.

- (b) Any Benchmark Amendments shall constitute technical and/or administrative amendments for the purposes of Condition 18 (Amendment of these Conditions) and the Issuer shall comply with:
 - (i) the requirements of Condition 18 (Amendment of these Conditions) in giving effect to such Benchmark Amendments; and

- (ii) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the relevant Debt Listings Requirements applicable to such Benchmark Amendments.

6.9.5

Notice and Implementation of Benchmark Replacement

- (a) 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 6.9.5(b).
- (b) The Issuer shall deliver a written notice (the **Benchmark Replacement Notice**) to the Noteholders in accordance with Condition 16 (Notices), the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent, which Benchmark Replacement Notice shall:
 - (i) specify:
 - (A) the Benchmark Event and its related Benchmark Event Date;
 - (B) the Benchmark Cessation Effective Date;
 - (C) the Replacement Reference Rate;
 - (D) the applicable Adjustment Spread (if any);
 - (E) the terms of any Benchmark Amendments (if any);
 - (F) the Benchmark Replacement Date; and
 - (G) the Independent Adviser appointed by the Issuer (if any); and
 - (ii) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:
 - (A) that a Benchmark Event and its related Benchmark Event Date has occurred;
 - (B) the Replacement Reference Rate;
 - (C) the applicable Adjustment Spread (if any);
 - (D) the terms of any Benchmark Amendments (if any); and
 - (E) the Benchmark Replacement Date,in each case determined in accordance with this Condition 6.9 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 6.9.
- (c) A Benchmark Replacement Notice shall be irrevocable.

6.9.6

Binding Determinations

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 6.9, 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 (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate), the Paying Agent and the Noteholders. The Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent will be entitled to conclusively rely on any determinations made by the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer and/or the Independent Adviser pursuant to this Condition 6.9.

6.9.7

Survival of Original Reference Rate Provisions

- (a) Without prejudice to the obligations of the Issuer under this Condition 6.9, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA) 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 6.9.5 (Notice and Implementation of Benchmark Replacement)).
- (b) 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 6.9.5 (Notice and Implementation of Benchmark Replacement), then, unless Condition 6.9.2(b) (*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 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA) will (if applicable) continue to apply to such determination.
- (c) Condition 6.9.7(b) 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 6.9.

6.9.8

Independent Adviser

- (a) 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 6.9, including:

- (i) the occurrence of a Benchmark Event and the related Benchmark Event Date;
- (ii) the determination of the Replacement Reference Rate; and
- (iii) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.

- (b) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.
- (c) 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 6.9, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.
- (d) 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 (in consultation with the Calculation Agent) 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.
- (e) An Independent Adviser appointed pursuant to this Condition 6.9.8 shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent (or any other party responsible for determining the Interest Rate, and acting independently of the Issuer, as specified in the Applicable Pricing Supplement), 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, decision or election made by the Issuer pursuant to this Condition 6.9.

6.9.9

Regulatory Override

Notwithstanding any other provision of this Condition 6.9, no Replacement Reference Rate or Adjustment Spread will be adopted, nor will any other amendment to the Terms and Conditions of any Series of Notes be made to effect the Benchmark Amendments (if any):

- (a) without the prior approval of the Resolution Authority if required under the Flac Requirements; and/or
- (b) if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Notes as Flac Instruments.

6.9.10

Definitions

In this Condition 6.9:

- (a) **Adjusted Replacement Reference Rate** means:

- (i) in the case of Condition 6.9.2(a)(i), the ZARONIA Fallback Rate; or

- (ii) in the case of Condition 6.9.2(a)(ii), the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.9.2(a)(ii) and (if any) the Adjustment Spread applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.9.3 (Adjustment Spread).
- (b) **Adjustment Spread** means, in respect of a Replacement Reference Rate determined in accordance with Condition 6.9.2(a)(ii), 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:
 - (i) 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;
 - (ii) 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;
 - (iii) in the case of an Alternative Reference Rate or (where paragraphs 6.9.10(b)(i) and 6.9.10(b)(ii) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer (in consultation with the Calculation Agent), 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
 - (iv) if the Issuer (in consultation with the Calculation Agent), 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 6.9.10(b)(iii) above and paragraphs 6.9.10(b)(i) and 6.9.10(b)(ii) above do not apply, the Issuer (in consultation with the Calculation Agent), 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

- (v) if no such industry standard is recognised or acknowledged as contemplated in paragraph 6.9.10(b)(iv) above, the Issuer (in consultation with the Calculation Agent), 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*".
- (c) **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.
- (d) **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.
- (e) **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 (in consultation with the Calculation Agent) (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 ZAR and of a comparable duration to the relevant Interest Period or, if the Issuer (in consultation with the Calculation Agent) determines that there is no such rate, such other rate which the Issuer (in consultation with the Calculation Agent) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.
- (f) **Benchmark Amendments** has the meaning given to it in Condition 6.9.4 (Benchmark Amendments).
- (g) **Benchmark Event** means:
 - (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
 - (ii) 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
 - (iii) 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

- (iv) 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
- (v) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (vi) 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
- (vii) 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.

(h) **Benchmark Event Date** means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:

- (i) the date of the occurrence of the relevant Benchmark Event; and
- (ii) notwithstanding paragraph 6.9.10(g)(i) above, where the relevant Benchmark Event is a public announcement or statement within paragraphs 6.9.10(g)(ii), 6.9.10(g)(iii), 6.9.10(g)(iv), 6.9.10(g)(v) or 6.9.10(g)(vi) 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.

(i) **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:

- (i) in the case of the Benchmark Event under paragraph 6.9.10(g)(i)6.10.9(g)(i), 6.9.10(g)(vi) or 6.9.10(g)(vii) of the definition of "*Benchmark Event*", the date of the occurrence of such Benchmark Event;
- (ii) in the case of the Benchmark Event under paragraph 6.9.10(g)(ii) of the definition of "*Benchmark Event*", the date of the cessation of the publication of the Original Reference Rate;
- (iii) in the case of the Benchmark Event under paragraph 6.9.10(g)(iii) of the definition of "*Benchmark Event*", the date of the permanent discontinuation of the Original Reference Rate;
- (iv) in the case of the Benchmark Event under paragraph 6.9.10(g)(iv)6.10.9(g)(iv) of the definition of "*Benchmark Event*", the date on which the Original Reference Rate is prohibited from being used; and

- (v) in the case of the Benchmark Event under paragraph 6.9.10(g)(v) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.
- (j) **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:
 - (i) 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
 - (ii) the Benchmark Cessation Effective Date.
- (k) **Benchmark Replacement Notice** means has the meaning given to it in Condition 6.9.5(b).
- (l) **Compounded Daily ZARONIA** means, with respect to an Interest Period commencing after the Benchmark Replacement Date, the rate of return of a daily compound interest investment (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{ZARONIA_{i-5 JBD} \times n_i}{D} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of Johannesburg Business Days in the relevant Interest Period;

i is, in relation to any Interest Period, a series of whole numbers from 1 to **d_o**, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business Day in the relevant Interest Period to (and including) the last Johannesburg Business Day in such Interest Period;

Interest Determination Date means, for the purpose of this definition only, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date;

n_i, for any Johannesburg Business Day “*i*” in the relevant Interest Period, means the number of calendar days from (and including) such Johannesburg Business Day “*i*” up to (but excluding) the following Johannesburg Business Day;

ZARONIA_{i - 5 JBD}, means, in respect of any Johannesburg Business Day “*i*” falling in the relevant Interest Period, the ZARONIA Reference Rate for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five

Johannesburg Business Days prior to the relevant Johannesburg Business Day “*i*”,

provided that:

- (i) if, for any reason, the Compounded Daily ZARONIA needs to be determined for a period other than an Interest Period, the Compounded Daily ZARONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period; and
- (ii) if, in respect of any Johannesburg Business Day, ZARONIA is not available on the SARB's Website, such Reference Rate shall be:
 - (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day as adjusted, if SARB Policy Rate Spread Adjustment is specified as applicable in the Applicable Pricing Supplement, by the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement; or
 - (B) subject to this Condition 6.9, if such SARB Policy Rate is not available, the ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website,
- (iii) and if the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, such Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is zero, and in each case, “ZARONIA_{i-5 JBD}” shall be interpreted accordingly.

- (m) **Final Fallback Rate** has the meaning given to it in Condition 6.9.2(b).
- (n) **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 6.9.8 (Independent Adviser).
- (o) **JIBAR** means the Johannesburg Interbank Average Rate (being the South African Rand wholesale funding rate known as JIBAR) administered by the SARB (or a successor Administrator).
- (p) **Johannesburg Business Day or JBD** means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Johannesburg, South Africa.
- (q) **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).

- (r) **Replacement Reference Rate** has the meaning given to it in Condition 6.9.2(a).
- (s) **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.
- (t) **SARB Policy Rate** means, in respect of any relevant day (including any day “*t*”), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.
- (u) **SARB's Website** means the website of the SARB currently at <http://www.resbank.co.za>, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source.
- (v) **Supervisor** means, in respect of an Original Reference Rate:
 - (i) 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
 - (ii) 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.
- (w) **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.
- (x) **ZARONIA** means the South African Overnight Index Average administered by the SARB (or a successor Administrator) (known as ZARONIA).
- (y) **ZARONIA Fallback Adjustment Spread** means the term adjusted ZARONIA spread (which may be positive, negative or zero) relating to JIBAR as at the ZARONIA Fallback Adjustment Spread Fixing Date, for a period corresponding to the duration of the relevant Interest Period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted ZARONIA and the spread) (**BISL**) on the Fallback Rate (ZARONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (ZARONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for JIBAR accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.

- (z) **ZARONIA Fallback Adjustment Spread Fixing Date** means the first date on which a Benchmark Event Date occurs with respect to JIBAR (or if that date is not a Johannesburg Business Day, the next following Johannesburg Business Day).
- (aa) **ZARONIA Fallback Rate** means, for an Interest Period and in respect of an Interest Determination Date (as defined in the definition of "*Compounded Daily ZARONIA*"), the rate determined by the Calculation Agent to be the Compounded Daily ZARONIA for that Interest Period and Interest Determination Date plus the relevant ZARONIA Fallback Adjustment Spread.
- (bb) **ZARONIA Observation Period** means, in respect of the relevant Interest Period, the period from (and including) the date falling 5 (five) Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling 5 (five) Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date), or (b) the date falling 5 (five) Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable.
- (cc) **ZARONIA Reference Rate** means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB as the Administrator of ZARONIA (or any successor Administrator of ZARONIA), on the SARB's Website, in each case at the Publication Time on the Johannesburg Business Day immediately following such Johannesburg Business Day, and if the aggregate of such ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, the ZARONIA Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of the ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is zero.

7. PAYMENTS

7.1 General

- 7.1.1 Only Noteholders of Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes.
- 7.1.2 Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 7 (Payments).
- 7.1.3 Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in South Africa. Any reference in these Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any Additional Amounts which may be payable thereunder.

7.2 Method of Payment

- 7.2.1 The Paying Agent will, on behalf of the Issuer, pay or cause to be paid all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- (a) in the case of Notes issued in uncertificated form, in accordance with the Applicable Procedures;
- (b) in the case of Notes represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes.

7.2.2 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 power grid failure or systemic power disruption (blackouts or rolling blackouts) control or any other cause or contingency beyond the control of the Issuer (each a **Payment Disruption Event**), then:

- (a) 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 16 (Notices); and
- (b) the:
 - (i) 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
 - (ii) 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 16 (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 16 (Notices).

7.3 **Beneficial Interests**

- 7.3.1 Following payment on behalf of the Issuer to the relevant Participant in accordance with the Applicable Procedures of amounts due and payable in respect of Notes pursuant to Condition 7.2 (Method of Payment) of these Terms and Conditions, the relevant funds will be transferred by the Participants, to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures.
- 7.3.2 Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants as the holders of Beneficial Interests in Notes, will look solely to the Central Securities Depository or the relevant Participant for such person's share of each payment so made by Paying Agent, on behalf of the Issuer, to the registered holder of such Notes.
- 7.3.3 Neither the Paying Agent nor the Issuer will 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 Beneficial Interests.

7.3.4 Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository distinguishing between interest, principal and any other amount, and such record of payments by the Central Securities Depository will be *prima facie* proof of such payments.

7.3.5 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 10 (Taxation).

7.4 Surrender of Individual Certificates

7.4.1 On or before the Last Day to Register prior to any Redemption Date of a Note (including a Redemption Date relating to redemption in part), the holder of an Individual 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 Individual 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 Individual Certificates.

7.4.2 Should the holder of an Individual Certificate refuse or fail to surrender the Individual Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to such holder 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 Individual Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

7.4.3 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.

7.5 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:

7.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and

7.5.2 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.

7.6 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:

7.6.1 any Additional Amounts which may be payable with respect to principal under Condition 10 (Taxation);

7.6.2 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;

7.6.3 the Optional Redemption Amount(s) (Call) (if any) of the Notes; and

7.6.4 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 10 (Taxation).

8. PRESCRIPTION

The Notes will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date.

9. REDEMPTION AND PURCHASE

9.1 Scheduled redemption

Subject to Condition 9.5 (Conditions to redemption, substitution or variation of Flac Notes), unless previously redeemed, or purchased and cancelled, the Flac Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 7 (Payments). Subject to the applicable Flac Requirements, Flac Notes shall have a minimum initial maturity of 2 years and one day, and, accordingly, the Maturity Date specified pursuant to this Condition 9.1 shall comply with this requirement.

9.2 Redemption for tax reasons

9.2.1 The Notes in a Series of Notes may (subject to Condition 9.5 (Conditions to redemption, substitution or variation of Flac 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 16 (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.

9.2.2 Prior to the publication of any notice of redemption pursuant to this Condition 9.2, the Issuer shall deliver to the Noteholders in accordance with Condition 16 (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 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

9.3 **Redemption following a Flac Disqualification Event**

9.3.1 The Flac Notes in a Series of Notes may (subject to Condition 9.5 (Conditions to redemption, substitution or variation of Flac Notes)) be redeemed at the option of the Issuer in whole, but not in part:

- (a) at any time (if the provisions applicable to Floating Rate Notes are specified in the Applicable Pricing Supplement as not being applicable or, if they are, such provisions are not applicable at the time of redemption);
- (b) on any Interest Payment Date (if the provisions applicable to Floating Rate 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 16 (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 Flac Disqualification Event occurs and is continuing.

9.3.2 Prior to the publication of any notice of redemption pursuant to this Condition 9.3, the Issuer shall deliver to the Noteholders in accordance with Condition 16 (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 Resolution Authority has confirmed to the Issuer that a Flac Disqualification Event applies to the relevant Flac Notes, an opinion of independent legal advisers of recognised standing to the effect that a Flac Disqualification Event has occurred. Upon the expiry of any such notice as is referred to in this Condition 9.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.3.

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

If "*Redemption at the option of the Issuer (Call Option)*" is specified in the Applicable Pricing Supplement as being applicable, the Flac Notes in a Series of Notes may (subject to Condition 9.5 (Conditions to redemption, substitution or variation of Flac 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:

- 9.4.1 in the case of Redeemed Notes represented by Individual Certificates, individually by lot; and
- 9.4.2 in the case of Redeemed Notes in uncertificated form, in accordance with the Applicable Procedures,

and in each case, 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 Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (Notices) not less than 15 days prior to the date fixed for redemption. No exchange of Beneficial Interests in 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 9.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (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.

9.5 **Conditions to redemption, substitution or variation of Flac Notes**

9.5.1 Subject to the applicable Flac Requirements, Flac Notes may be redeemed, substituted or varied by the Issuer pursuant to Condition 9.2 (Redemption for tax reasons), Condition 9.3 (Redemption following a Flac Disqualification Event), Condition 9.4 (Redemption at the option of the Issuer (Issuer Call)) or Condition 9.8 (Purchase):

- (a) provided that such redemption, purchase, modification, substitution or variation is not prohibited by the Flac Requirements, including the requirement that Flac Notes shall have a minimum remaining maturity of twelve (12) months at all times; or
- (b) to the extent required by the Flac Requirements, if the Issuer has sought the written approval of the Resolution Authority of its intention to redeem, substitute, vary or purchase and cancel the relevant Flac Notes and written approval of the same has been received from the Resolution Authority,

as applicable.

9.5.2 This Condition 9.5 does not apply in respect of a redemption in whole, but not in part, of the Flac Notes upon a Flac Disqualification Event in accordance with Condition 9.3 (Redemption following a Flac Disqualification Event).

9.6 **Substitution or variation instead of redemption**

9.6.1 If a Tax Event or Flac Disqualification Event has occurred and is continuing, then the Issuer may instead of giving notice to redeem, subject to Condition 9.5 (Conditions to redemption, substitution or variation of Flac 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 and, in accordance with Condition 16 (Notices), to the Noteholders of Flac Notes (which notice shall be irrevocable), substitute at any time all (but not some only) of the relevant Series of Flac Notes for, or vary the terms of the relevant Series of Flac Notes so that they remain, Qualifying Flac Securities, and subject to the following provisions of this Condition 9.6.1 and subject to the issue of the certificate of the 2 authorised signatories of the Issuer referred to in the definition of Qualifying Flac 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.

9.6.2 Upon expiry of such notice, the Issuer shall vary the terms of or substitute, as the case may be, the relevant Series of Flac Notes in accordance with this Condition 9.6.

9.6.3 In connection with any substitution or variation in accordance with this Condition 9.6, 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.

9.7 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 9.1 (Scheduled redemption) to 9.6 (Substitution or variation instead of redemption).

9.8 Purchase

Subject to the Debt Listings Requirements, any applicable Flac Requirements and Condition 9.5 (Conditions to redemption, substitution or variation of Flac 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 9.9 (Cancellation).

9.9 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.

10. TAXATION

10.1 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.

10.2 In such event, the Issuer will, subject to the Issuer's right to redeem such Notes in terms of Condition 9 (Redemption and Purchase), pay such additional amounts (**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:

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

10.2.2 presented for payment or 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

10.2.3 presented for payment or 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

10.2.4 where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Individual Certificate in accordance with these Terms and Conditions) the relevant Individual 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 Individual Certificate for payment on such thirtieth day assuming that day to have been a Payment Date; or

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

11. ENFORCEMENT

11.1 Limited Right to Institute Winding-up Proceedings

Notwithstanding any of the provisions below in this Condition 11.1, 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 Flac 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 Noteholder of Flac Notes of that Series may, subject to the Flac Requirements and section 166D of the Financial Sector Regulation Act, and subject further 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 Noteholder of Flac Notes 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 Noteholder(s) of Flac Notes.

11.2 Enforcement of Payment Obligations upon Winding-up

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), any holder of Flac Notes of the Series may, by written notice to the Issuer and delivered to the Issuer, declare the Flac Notes of the Series held by such Noteholder to be immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

11.3 Enforcement of Non-Payment Obligations

Without prejudice to Condition 11.1 (Limited Right to Institute Winding-up Proceedings) or Condition 11.2 (Enforcement of Payment Obligations upon Winding-up), if the Issuer breaches any of its obligations under the Flac Notes of the relevant Series (other than any obligation in respect of the payment of principal or interest on such Notes) then each Noteholder of Flac Notes 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 Flac Notes sooner than the same would otherwise have been payable by it.

11.4 **Notification**

If the Issuer becomes aware of the occurrence of any event or circumstances under Condition 11.1 (Limited Right to Institute Winding-up Proceedings) or Condition 11.2 (Enforcement of Payment Obligations upon Winding-up), the Issuer will forthwith upon becoming aware of such event or circumstances, give notice thereof (along with details of such event or circumstances) 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 a Financial Exchange (within one Business Day of becoming aware of the occurrence of event or circumstances), to the Noteholders through SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange and to the Central Securities Depository.

12. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE

12.1 **Exchange of Beneficial Interests**

12.1.1 Upon notice from a Participant pursuant to Condition 12.1.3 requesting the exchange or partial exchange of a Beneficial Interest in Notes for an Individual Certificate(s), the Transfer Agent shall deliver the relevant Individual Certificate(s) in accordance with the Agency Agreement.

12.1.2 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 an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

12.1.3 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 Individual 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 Individual 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 Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

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

- (a) 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
- (b) the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.

12.1.5 An Individual Certificate shall, in relation to a Beneficial Interest:

- (a) 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
- (b) 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,
- (c) 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 the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

12.1.6 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by an Individual Certificate in accordance with this Condition 12, such Notes (now represented by an Individual Certificate) will cease to be listed on any Financial Exchange and will no longer be lodged in the Central Securities Depository. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

12.2 **Costs**

Individual 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 Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual 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.

12.3 **Death, sequestration or liquidation of Noteholder**

Any person becoming entitled to 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 12 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 12, may transfer such Notes. The Issuer and (if applicable) the Central Securities Depository and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

12.4 **Replacement**

If any Individual 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 Individual Certificates must be surrendered before replacements will be issued.

13. TRANSFER OF NOTES

13.1 Transfer of Beneficial Interests

13.1.1 Beneficial Interests in the Notes may be transferred in accordance with the Applicable Procedures through the Central Securities Depository.

13.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

13.1.3 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, in accordance with the Applicable Procedures.

13.1.4 Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

13.2 Transfer of Notes represented by Individual Certificates

13.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a 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 Individual Certificate in question for cancellation or, if only part of the Notes represented by an Individual Certificate is transferred, a new Individual Certificate for the balance will be delivered to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent.

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

13.2.3 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.

13.2.4 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 Individual Certificate in respect of the Notes transferred.

13.2.5 No transfer will be registered during the Books Closed Period.

- 13.2.6 In the event of a partial redemption of Notes, the Issuer and the Transfer Agent shall not be required:
- 13.2.7 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
- 13.2.8 to register the transfer of any Note, or part of a Note, called for partial redemption.

14. REGISTER

- 14.1 The Register shall:
 - 14.1.1 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;
 - 14.1.2 reflect the number of Notes issued and Outstanding and the date upon which each of the Noteholders was registered as such;
 - 14.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of Notes;
 - 14.1.4 set out the Principal Amount of the Notes issued to such Noteholders and shall show the date of such issue;
 - 14.1.5 show the serial number of Individual Certificates issued in respect of Notes;
 - 14.1.6 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
 - 14.1.7 be closed during the Books Closed Period.
- 14.2 The Transfer Agent will only recognise, 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.
- 14.3 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 Notes of which it is notified in accordance with these Terms and Conditions.

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

- 15.1 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.
- 15.2 To the extent that the Issuer acts as the Transfer Agent, Calculation Agent or Paying Agent, all references in these Terms and Conditions to:
 - 15.2.1 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

15.2.2 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.

16. NOTICES

16.1 Notice by the Issuer

Notices to Noteholders shall be valid and effective:

16.1.1 in the case of Uncertificated Notes listed on a Financial Exchange, if delivered to:

- (a) such Financial Exchange and electronically published on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange; and
- (b) the Central Securities Depository; or

16.1.2 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange); or

16.1.3 in the case of Notes represented by an Individual Certificate 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 in an English language daily newspaper of general circulation in South Africa.

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.

16.2 Notice by the Noteholders

16.2.1 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address.

16.2.2 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 Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participant 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.

16.3 Notice in relation to Notes listed on a Financial Exchange

For so long as any Notes are listed on a Financial Exchange, notwithstanding Condition 16.1, all notices in respect of such listed Notes shall be made by way of an announcement on SENS in the case of the JSE and in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange.

17. MEETINGS OF NOTEHOLDERS

17.1 Directions of Noteholders

17.1.1 This Condition 17 contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the amendment of any of these Terms and Conditions. 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, in the case of listed Notes, the relevant Debt Listings Requirements.

17.1.2 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.

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

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

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

17.2 Demand to call a meeting

17.2.1 The Issuer may at any time convene a meeting of all Noteholders or separate meetings of holders of any Series of Flac 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 Flac Notes; or
- (b) 10 per cent. of the value of a specific class of Flac Notes, as the case may be.

17.2.2 Upon receiving the request to call a meeting as described in this Condition 17.2, the Issuer must:

- (a) immediately:
 - (i) inform the relevant Financial Exchange in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and

- (ii) release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the relevant Debt Listing Requirements, specifying the date and time of the meeting; and
- (b) within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange (the Notice of Meeting) specifying the information set out in Condition 17.2.3 below.

17.2.3

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

- (a) the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;
- (b) the time of the scheduled meeting; and
- (c) 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.

17.2.4

The Issuer shall release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange within 2 (two) Business Days after the meeting setting out the details of the outcome thereof.

17.2.5

In the event of liquidation or winding-up 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 17.2.2 and 17.2.6(b) above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 17.2.3 and 17.2.3(a) above shall be reduced to 5 (five) Business Days.

17.2.6

At the meeting:

- (a) Noteholders shall exercise their voting through polling and not by the show of hands; and
- (b) a chairperson shall be elected by Noteholders as voted in accordance with Condition 17.2.6(a) above.

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 relevant Financial Exchange 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 17.2.1.

17.3

Notice of meeting

17.3.1

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.

17.3.2 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.

17.3.3 For as long as any Notes are listed on a Financial Exchange, notices of meetings in respect of such listed Notes, shall be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange, 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.

17.3.4 A notice by Noteholders requesting a meeting of Noteholders pursuant to Condition 17.2 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 Office of the Issuer.

17.4 **Quorum**

17.4.1 A quorum at a meeting shall:

- (a) for the purposes of considering an Ordinary Resolution, consist of Noteholders or a class of Noteholders, as the case may be, 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, consist of Noteholders or a class of Noteholders, as the case may be, 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.

17.4.2 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.

17.4.3 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.

17.5 **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.

17.6 **Adjournment**

- 17.6.1 Subject to the provisions of this Condition 17, 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.
- 17.6.2 No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 17.6.3 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 17.4.318.4.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

17.7 **How questions are decided**

- 17.7.1 At a meeting, a resolution put to the vote will be decided on a poll.
- 17.7.2 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.

17.8 **Votes**

- 17.8.1 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.
- 17.8.2 Notwithstanding any other provision contained in this Condition 17, the holders of Beneficial Interests must vote in accordance with the CSD Procedures. Holders of Beneficial Interests must exercise their respective rights to vote through their respective Participants. The respective Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of the Beneficial Interest in Registered Notes, in accordance with the CSD Procedures.

17.9 **Proxies and representatives**

- 17.9.1 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.
- 17.9.2 A person appointed to act as proxy need not be a Noteholder.
- 17.9.3 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.

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

17.9.5 Notwithstanding Condition 17.9.4, 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.

17.9.6 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 these Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

17.10 Notice of the result of voting on any resolution

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 a Financial Exchange, be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 16 (Notices). Non-publication shall not invalidate any such resolution.

17.11 Minutes

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

17.11.2 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.

17.12 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.

18. AMENDMENT OF THESE CONDITIONS

- 18.1 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 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa, provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the relevant Financial Exchange immediately after the amendment is made and release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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.
- 18.2 Save as provided in Condition 18.1 and subject to Condition 18.3, 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.
- 18.3 If any amendment, variation or modification of these Terms and Conditions does not fall within the provisions of Condition 18.1 then, in the case of any Tranche of Notes listed on a Financial Exchange:
 - 18.3.1 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 relevant Financial Exchange in accordance with the relevant Debt Listings Requirements;
 - 18.3.2 subsequent to receiving the conditional formal approval from the relevant Financial Exchange contemplated by Condition 18.3.1, 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 16 (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;
 - 18.3.3 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 of 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;

18.3.4 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;

18.3.5 the Issuer must release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange announcement, a separate announcement is not required in terms of this Condition 18;

18.3.6 if approval from the relevant Noteholders or the relevant 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 relevant Financial Exchange by or on behalf of the Issuer and the Issuer shall also provide a letter to such Financial Exchange 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 Financial Exchange;

18.3.7 within 48 hours after the meeting or the responses from the relevant Noteholders on the proposed written resolution have been obtained, a SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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

- 18.3.8 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 relevant Financial Exchange.
- 18.4 No amendment to these Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the relevant Debt Listings Requirements.
- 18.5 Any such modification of these Terms and Conditions made pursuant to this Condition 18 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 16 (Notices) and to the Financial Exchange as soon as practicable thereafter.

19. 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 which are identical to 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.

20. 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.

21. RECOGNITION OF RSA BAIL-IN POWERS

21.1 Contractual recognition of RSA Bail-in Power

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, 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, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof:

- 21.1.1 the reduction or write-off of all, or a portion of, the Amounts Due, including on a permanent basis;
- 21.1.2 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) including by means of an amendment, modification or variation of the terms of the Notes, in which

case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;

21.1.3 the cancellation of the Notes;

21.1.4 the replacement or substitution of the Issuer;

21.1.5 transfer of the Notes;

21.1.6 the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or

21.1.7 the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority,

which 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. The exercise of the RSA Bail-Powers, and the taking of any Resolution Action, by the Resolution Authority and the implementation, and the rights of the Noteholders in respect, thereof shall be as prescribed and/or determined by the Resolution Framework.

21.2 Variation of rights

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

21.3 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, or the taking of any Resolution Action, 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 of any RSA Bail-in Power, or the taking of any Resolution Action, 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 Applicable Laws of South Africa applicable to the Issuer.

21.4 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 a Resolution Event occurs in relation to the Issuer or the Resolution Authority exercises any RSA Bail-in Power, or takes any Resolution Action, 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.

21.5 **No Event of Default**

21.5.1 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, or the taking of any Resolution Action, by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes, will constitute an event of default or a default or breach of, or otherwise constitute non-performance of a contractual obligation under, these Terms and Conditions for any purpose or entitle any Noteholder to any remedies (including equitable remedies) which are hereby expressly waive.

21.5.2 Neither the placing, or the proposed placing, of the Issuer in Resolution nor the taking, or the proposed taking, of any Resolution Action in relation to the Issuer following the occurrence of a Resolution Event in relation to the Issuer shall constitute an event of default, or breach of these Terms and Conditions or entitle the Noteholders to declare the Notes to be due and payable.

21.6 **No Acceleration**

21.6.1 No provision of these Terms and Conditions or any other agreement relating to the Notes is of any effect to the extent that the provision accelerates or varies an obligation of the Issuer upon, or as a result of, the occurrence of a Resolution Event in relation to the Issuer or as a result of any Resolution Action or proposed Resolution Action being taken in relation to the Issuer.

21.7 **Notice**

Upon:

21.7.1 the occurrence of a Resolution Event in relation to the Issuer; or

21.7.2 the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to any Notes,

the Issuer shall give notice of the same to the Noteholders (in accordance with Condition 16 (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 or the taking of any Resolution Action nor the effects on the Notes described in Condition 21.1 (Contractual recognition of RSA Bail-in Power) and/or Condition 21.2 (Variation of rights).

21.8 **Interpretation**

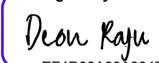
For the purposes of this Condition 21:

21.8.1 **Amounts Due** means the Principal Amount of, and any accrued but unpaid interest, and Additional Amounts (if any), due 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;

21.8.2 the **Noteholders** includes any person holding a Beneficial Interest in the Notes; and

21.8.3 the **Notes** includes any Beneficial Interest in the Notes.

ABSA GROUP LIMITED

Signed by:
By: 
FF4D00A80A8047C...

Name: Deon Raju
Capacity: Authorised Signatory
Date: 26 January 2026

Signed by:
By: 
D737C340741A4CD...

Name: Richard Klotnick
Capacity: Authorised Signatory
Date: 26 January 2026

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 ZAR110,000,000,000 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 26 January 2026, 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	Deon Raju, Group Financial Director of Absa Group Limited
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] / [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.	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 – <i>insert details</i>]
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) [●], [●], [●] 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) [●], [●], [●] 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) [●], [●], [●] 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)	Day Count Fraction	[]
(g)	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	[ZAR-JIBAR-SAFEX] / [Prime Rate] / [ZARONIA] / [Other]
(b)	Interest Determination Date(s)	[●]

		(To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is ZARONIA)
(c)	Relevant Screen Page	[•]
(d)	Relevant Time	[•]
(e)	Reference Banks	[•] / [Not Applicable]
(f)	Relevant Financial Centre	[•]
(g)	Linear Interpolation	[Applicable] / [Not Applicable]
(h)	Calculation Method	[ZARONIA Weighted Average] / [ZARONIA Compounded Daily] / [ZARONIA Index Determination] / [Other ZARONIA Method]
(i)	Compounded Index	[Compounded ZARONIA Index] / [Not applicable]
(j)	Observation Method	[Lock-out] / [Lookback Without Observation Shift] / [Lookback With Observation Shift] / [Not Applicable]
(k)	Observation Look-back Period	[•] / [Not Applicable]
		(The Observation Look-back Period should be at least as many Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lookback With Observation Shift" is selected as the Observation Method; otherwise select "Not Applicable")
(l)	SARB Policy Rate Spread Adjustment	[Applicable] / [Not Applicable] (If applicable, specify the SARB Policy Rate Spread) [•]
(m)	D	[365/360/[•]] / [Not Applicable]
(n)	Relevant Decimal Place:	[Five] / [Seven] / [•]
37.	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	[]
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) Manner in which the Interest Amount/Final Redemption Amount is to be determined []

(d) 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)

OTHER NOTES

[Applicable] / [Not Applicable]

40. If the Tier 2 Notes are not Fixed Rate Notes, Floating Rate Notes or Mixed Rate Notes, set out the relevant description and any additional Terms and Conditions relating to such Tier 2 Notes []

PROVISIONS REGARDING REDEMPTION

41. Prior consent of Prudential Authority [Yes] required for any redemption prior to the Maturity Date

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

(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 10.4 (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 []

43. 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 []

44. 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

45. 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 8 (Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes) []

46. Write-off upon the occurrence of a Non-Viability Trigger Event [Yes] / [No] (*Note: Insert mechanics, if relevant*)

GENERAL

47. Additional selling restrictions [] / [Not Applicable]

48. Additional terms or special conditions [] / [Not applicable]

49. (a) International Securities Identification Number (ISIN) []

(b) Stock Code []

50. Financial Exchange []

51. Clearing System [Strate Proprietary Limited]

52. Method of distribution []

53. If syndicated, names of managers []

54. Credit rating assigned to the Issuer, date of issue of such rating and date for review of such rating []

55. Credit rating assigned to [the Programme] / [the Notes] (if any), date of issue of such rating and date for review of such rating []

56. Rating Agency(ies) []

57. Governing law (if the laws of South Africa are not applicable) [] / [Not Applicable]

58.	Other Banking Jurisdiction	[]
59.	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]
60.	Books Closed Period	[Not Applicable (<i>if the reference rate is ZARONIA</i>)] / [The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date]
61.	Debt Sponsor	[]
62.	Stabilisation Manager (if any)	[]
63.	Pricing Methodology	[]
64.	Authorised amount of the Programme	[]
65.	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)	[]
66.	Set out the relevant description of any additional/other Terms and Conditions relating to the Tier 2 Notes (including covenants, if any)	[]
67.	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
68.	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

69. Exchange control approval	[Applicable] / [Not Applicable]
70. 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] / [specify other], the applicable 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 report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The [JSE] / [specify other] 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] / [specify other]'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] / [specify other] 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 ZAR110,000,000,000, 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 Memorandum was registered with the [JSE] / [specify other] on [26 January 2026] / [specify other date].

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 published in terms of the Banks Act, 1990 under Government Notice number 2172 published in Government Gazette number 16167, dated 14 December 1994 (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 auditors of the Issuer as at the Issue Date are [●] and [●].

[●] and [●] have acted as the auditors of the Issuer's latest audited financial statements.

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)

[●], being the auditor of the Issuer, has confirmed that nothing has come to its attention to indicate that this issue of Notes issued under the Programme do not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

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 relevant Financial Exchange 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 Definitions

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

1.1.1	Absa Bank	Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06;
1.1.2	Absa CIB	Absa Bank Limited, acting through its Corporate and Investment Banking division;
1.1.3	Absa Group	the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer;
1.1.4	Additional Amount	shall have the meaning defined in Condition 11 (Taxation);
1.1.5	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;
1.1.6	Additional Tier 1 Capital	"Additional Tier 1 Capital" as defined in section 1(1) of the Banks Act;
1.1.7	Additional Tier 1 Noteholder	shall have the meaning defined in the Additional Tier 1 Terms and Conditions;

1.1.8	Additional Tier 1 Notes	shall have the meaning defined in the Additional Tier 1 Terms and Conditions;
1.1.9	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 "Terms and Conditions of the Additional Tier 1 Notes";
1.1.10	Agency Agreement	the amended and restated agency agreement dated 26 January 2026 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;
1.1.11	Applicable Laws	In relation to a person, means all and any:
		(a) statutes and subordinate legislation;
		(b) regulations, ordinances and directives;
		(c) by-laws;
		(d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and
		(e) other similar provisions, from time to time;
1.1.12	Applicable Supplement	Pricing 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 pro forma pricing supplement which is set out in the section of the Programme Memorandum headed "Pro Forma Applicable Pricing Supplement of the Tier 2 Notes";
1.1.13	Applicable Procedures	the rules and operating procedures for the time being of the Central Securities Depository, Participants, the JSE and/or any Financial Exchange, as the case may be;
1.1.14	Arranger	Absa CIB;
1.1.15	Banks Act	the Banks Act, 1990;

1.1.16	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;
1.1.17	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;
1.1.18	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, 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;
1.1.19	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 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;
1.1.20	Call Option	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.21	Capital Disqualification Event	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);

1.1.22	Capital Regulations	at any time, any law, legislation, regulations, rules, requirements, guidelines, guidance notes, directives, prudential standards 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 " <i>the business of a bank</i> " (as defined in the Banks Act) in South Africa and "controlling companies" registered under the Banks Act, including the Banks Act, the Regulations Relating to Banks and any regulations, requirements, guidelines, guidance notes, directives, prudential standards and policies relating to capital adequacy adopted or made by the Prudential Authority applicable to the Issuer from time to time (whether or not such requirements, guidelines, guidance notes or policies have the force of law and whether or not such requirements, guidelines, guidance notes, directives, prudential standards or policies are applied generally or specifically to the Issuer or to the Issuer and any subsidiary of the Issuer), in each case as amended, supplemented or replaced from time to time, and in each case as applied by the Prudential Authority;
1.1.23	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 relevant Financial Exchange;
1.1.24	Common Equity Tier 1 Capital	<i>"common equity tier 1 capital"</i> as defined in section 1(1) of the Banks Act;
1.1.25	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;
1.1.26	Common Equity Tier 1 Capital Securities	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);
1.1.27	Companies Act	the Companies Act, 2008;
1.1.28	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 8.2 (Conversion of Tier 2 Notes upon a

		Non-Viability Trigger Event), and its cognates shall bear the same meaning;
1.1.29	Conversion Amount	has the meaning as defined in Condition 8.2.2 of these Terms and Conditions;
1.1.30	Conversion Date	has the meaning as defined in Condition 8.2.3 of these Terms and Conditions;
1.1.31	Conversion Last Day to Trade	the date which is 5 (five) Business Days prior to a Conversion Record Date;
1.1.32	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;
1.1.33	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;
1.1.34	Conversion Shares	has the meaning as defined in Condition 8.2.7 of these Terms and Conditions;
1.1.35	Converted	having undergone the Conversion process set out in Condition 8 (Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes) to these Terms and Conditions;
1.1.36	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;
1.1.37	Current Principal Amount	with respect to: <ul style="list-style-type: none"> (a) 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 (b) any Other Tier 2 Securities, 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;

1.1.38 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;
1.1.39 Debt Listings Requirement	in the case of the JSE, the JSE Debt and Specialist Securities Listings Requirements or, in the case of any other Financial Exchange, the debt listings requirements of such Financial Exchange in force from time to time, as applicable;
1.1.40 Designated Institution	a " <i>designated institution</i> " under, and as defined in section 1(1) of, the Financial Sector Regulation Act;
1.1.41 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;
1.1.42 Early Redemption Amount (Tax)	in respect of each Note in a Tranche of 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, or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.1.43 Early Termination Amount	in respect of each Note in a Tranche of 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, or such other amount as may be specified in, or determined in accordance with, the Applicable Pricing Supplement, as the case may be;
1.1.44 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;
1.1.45 Event of Default	any of the events described in Condition 12 (Events of Default);
1.1.46 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;
1.1.47	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;
1.1.48	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;
1.1.49	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;
1.1.50	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;
1.1.51	Extraordinary Resolution	Written 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;
1.1.52	Final Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.53	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;

1.1.54	Financial Exchange	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.1.55	Financial Markets Act	the Financial Markets Act, 2012;
1.1.56	Financial Sector Regulation Act	the Financial Sector Regulation Act, 2017;
1.1.57	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;
1.1.58	First Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement and is subject to the First Call Date;
1.1.59	Fixed Interest Rate	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.1.60	Fixed Rate Notes	Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.61	Flac Instrument	" <i>flac instrument</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.62	Flac Notes	shall have the meaning defined in the Flac Terms and Conditions;
1.1.63	Flac Terms and Conditions	the terms and conditions applicable to Flac Notes issued under the Programme Memorandum headed " <i>Flac Terms and Conditions</i> ";
1.1.64	Floating Rate Notes	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.65	General Terms and Conditions	the terms and conditions applicable to Notes (other than Flac Notes, Tier 2 Notes and Additional Tier 1 Notes) issued under the Programme as set out in the section of this Programme Memorandum headed "Terms and Conditions of the Unsubordinated Notes";
1.1.66	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;

1.1.67	Income Tax Act	the Income Tax Act, 1962;
1.1.68	Individual Certificate	a Note in the definitive registered form of a single certificate and being a certificate exchanged for a Beneficial Interest in accordance with Condition 13 (Exchange of Beneficial Interests for an Individual Certificate) and any further certificate issued in consequence of a transfer thereof;
1.1.69	Initial Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.70	Interest Amount	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes and Floating Rate Notes, as determined in accordance with Conditions 6.1 (Interest on Fixed Rate Notes), 6.2 (Interest on Floating Rate Notes) and 6.2.7 (Determination of Interest Rate and calculation of Interest Amount) respectively;
1.1.71	Interest Commencement Date	the first date from which interest on the Notes will accrue, as specified in the Applicable Pricing Supplement;
1.1.72	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;
1.1.73	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;
1.1.74	Interest Rate	the rate or rates of interest applicable to Notes other than Fixed Rate Notes;
1.1.75	Interest Rate Market of the JSE	the separate platform or sub-market of the JSE designated as the "Interest Rate Market" 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 and Specialist Securities Listings Requirements) may be listed, subject to all Applicable Laws;
1.1.76	ISDA	International Swaps and Derivatives Association, Inc.;

1.1.77	ISDA Definitions	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.1.78	Issue Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.79	Issue Price	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.80	Issuer	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.1.81	Issuer Agent	Absa CIB, 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.
1.1.82	Issuer Ordinary Shares	the ordinary shares in the share capital of the Issuer;
1.1.83	JSE	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;
1.1.84	JSE Debt and Securities Requirements	Specialist Listings all listings requirements for debt and specialist securities promulgated by the JSE from time to time;
1.1.85	Junior Securities	in relation to the Tier 2 Notes: <ul style="list-style-type: none"> (a) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Common Equity Tier 1 Capital; (b) any securities issued by the Issuer which qualify (or were intended to qualify at issue) as Additional Tier 1 Capital; and (c) 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;

1.1.86	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;
1.1.87	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;
1.1.88	Margin	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.89	Maturity Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.90	Maximum Interest Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.91	Mixed Rate Notes	Notes which will bear interest over respective periods at differing interest rates applicable to any combination of Fixed Rate Notes or Floating Rate Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.3 (Mixed Rate Notes);
1.1.92	Non-Viability Loss Absorption Condition	has the meaning as set out in Condition 8 (Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes);
1.1.93	Non-Viability Trigger Event	<p>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:</p> <ul style="list-style-type: none"> (a) a decision that a write-off, without which the Issuer would become non-viable, is necessary as determined by the 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.

1.1.94	Non-Viability Trigger Event Notice	has the meaning as set out in Condition 8.1.2;
1.1.95	Noteholders	the holders of the Registered Notes (as recorded in the Register);
1.1.96	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;
1.1.97	Notes	the notes issued or to be issued by the Issuer under the Programme;
1.1.98	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;
1.1.99	Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement;
1.1.100	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;
1.1.101	Ordinary Shares	ordinary shares in the issued share capital of the Issuer;
1.1.102	Other Tier 2 Securities	in relation to the Tier 2 Notes, any loans, debt instruments, securities or other instruments or obligations of the Issuer (other than the Tier 2 Notes): (a) which upon issue qualified (or were intended to qualify) as Tier 2 Capital; or (b) 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 (a) above
1.1.103	Outstanding	in relation to the Notes, all the Notes issued other than: (a) <i>Redeemed or purchased</i> : those which have been redeemed in full or purchased in

accordance with the applicable provisions of the Relevant Terms and Conditions;

- (b) *Due date*: those in respect of which the due date for redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Paying Agent and remain available for payment;
- (c) *Prescribed*: those which have become prescribed under the applicable provisions of the Relevant Terms and Conditions;
- (d) *Replaced*: those represented by an Individual Certificate which has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to the applicable provisions of the Relevant Terms and Conditions;
- (e) *Meetings*: for the purposes of the provisions of meetings of Noteholders set out in the Relevant Terms and Conditions, those that are held by, or by any person for the benefit of, the Issuer;

1.1.104 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;

1.1.105 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;

1.1.106 Payment Day

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

1.1.107 Principal Amount

the nominal amount of each Note;

1.1.108 Programme

the ZAR110,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

1.1.109 Programme Memorandum

the Programme Memorandum dated 26 January 2026, as amended and/or supplemented from time to time;

1.1.110 Prudential Authority	the Prudential Authority established in terms the Financial Sector Regulation Act;
1.1.111 Qualifying Tier 2 Capital Securities	<p>securities whether debt, equity or otherwise, issued by the Issuer that:</p> <ul style="list-style-type: none"> (a) 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: <ul style="list-style-type: none"> (i) rank at least equal to that of the Tier 2 Notes, (ii) 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, (iii) be issued in an amount at least equal to Principal Amount, and (b) comply with the then current requirements of the SARB in relation to Tier 2 Capital; and (c) if listed (i) are listed on the JSE, or (ii) are listed on such other Financial Exchange at the time as selected by the Issuer;
1.1.112 Ranking Legislation	the Insolvency Act, 1936 as read with and amended by section 166W of the Financial Sector Regulation Act, and any other law or regulation from time to time which is applicable to the Issuer and relevant for determining the rights of members and creditors of the Issuer in respect of the ranking of their respective claims against the Issuer in a winding-up, liquidation or bankruptcy of the Issuer;
1.1.113 Rating Agency	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;
1.1.114 Redemption Amount	as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory), the Optional Redemption Amount (Call), 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;
1.1.115 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;
1.1.116 Reference Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.117 Register	the register maintained by the Transfer Agent in terms of Condition 15 (Register) and, in respect of Uncertificated Notes, the Uncertificated Securities Register;
1.1.118 Registered Holder	means: <ul style="list-style-type: none"> (a) 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 (b) 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;
1.1.119 Registered Note	a Note issued in registered form and transferable in accordance with Condition 14 (Transfer of Notes);
1.1.120 Regulations Relating to Banks	the Regulations relating to Banks promulgated under section 90 of the Banks Act (published under Government Notice R1029 in Government Gazette 35950 of 12 December 2012), as such Regulations may be or may have been amended, supplemented or replaced from time to time and any other prevailing capital adequacy regulations promulgated under the Banks Act and applicable to the Issuer, as supplemented, amended or replaced from time to time;
1.1.121 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 Notes of the relevant Series;

1.1.122 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;
1.1.123 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;
1.1.124 Relevant Screen Page	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.125 Relevant Terms Conditions	and these Terms and Conditions, the General Terms and Conditions, the Flac Terms and Conditions or the Additional Tier 1 Terms and Conditions, as applicable;
1.1.126 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;
1.1.127 Resolution	<i>"resolution"</i> as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.128 Resolution Action	<i>"resolution action"</i> as defined in section 1(1) of the Financial Sector Regulation;
1.1.129 Resolution Authority	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;
1.1.130 Resolution Event	the event that occurs when the Minister of Finance of South Africa makes a written determination, addressed to the Governor of the SARB, placing a Designated Institution in Resolution in terms of

section 166J(2) of the Financial Sector Regulation Act;

1.1.131 Resolution Framework

Chapter 12A of the Financial Sector Regulation Act and any other Applicable Law applicable to the Issuer or any of its Subsidiaries that are Designated Institutions at the relevant time pursuant to, or which implement, or are enacted within the context of, Chapter 12A of the Financial Sector Regulation Act, establishing a framework for the recovery and Resolution of Designated Institutions;

1.1.132 RSA Bail-in Power

any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under the Resolution Framework (including, without limitation, under section 166S and section 166T of the Financial Sector Regulation Act) or any Applicable Law relating to the Resolution of Designated Institutions in effect and applicable in South Africa to the Issuer and its Subsidiaries which are Designated Institutions, pursuant to which any obligation of a Designated Institution 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;

1.1.133 SARB

the South African Reserve Bank as referred to in section 223 of the Constitution of the Republic of South Africa, 1996, read with the South African Reserve Bank Act, 1989 of South Africa, or the relevant replacement or successor regulator;

1.1.134 Screen Rate Determination

has the meaning ascribed thereto in the Applicable Pricing Supplement;

1.1.135 SENS

the Stock Exchange News Service, or other similar service, established by the JSE;

1.1.136 Senior Creditors

in relation to the Tier 2 Notes, creditors of the Issuer:

- (a) who are unsubordinated creditors of the Issuer; or
- (b) (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, liquidation or winding-

up of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer (including for the avoidance of doubt the claims of holders of Flac Instruments);

1.1.137 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;

1.1.138 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;

1.1.139 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;

1.1.140 South Africa

the Republic of South Africa;

1.1.141 Specified Currency

in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on a Financial Exchange, subject to the relevant Debt Listings Requirements, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;

1.1.142 Specified Denomination

has the meaning given in the Applicable Pricing Supplement;

1.1.143 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;

1.1.144 Sustainable 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;

1.1.145 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);

1.1.146 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;

1.1.147 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;
1.1.148 Terms and Conditions	the terms and conditions incorporated in this section headed "Terms and Conditions of the Tier 2 Notes" and in accordance with which the Tier 2 Notes will be issued;
1.1.149 Tier 2 Capital	"Tier 2 Capital" as defined in section 1(1) of the Banks Act;
1.1.150 Tier 2 Capital Regulations	Regulation 38(12) of the Regulations Relating to Banks 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;
1.1.151 Tier 2 Noteholder	a Registered Holder of a Tier 2 Note;
1.1.152 Tier 2 Notes	Notes specified as such in the Applicable Pricing Supplement and complying with the Tier 2 Capital Regulations;
1.1.153 Tranche	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
1.1.154 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;
1.1.155 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;
1.1.156 Trigger Event	an event specified as a "trigger event" by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.1.157 Uncertificated Notes	a Note which is uncertificated as contemplated in the relevant provisions of the Financial Markets Act;

1.1.158 **Uncertificated Register** **Securities** has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);

1.1.159 **Write-off** in respect of Tier 2 Notes:

- (a) the Tier 2 Notes shall be cancelled (in the case of a Write-off in whole) or written-down in part on a pro rata basis (in the case of a Write-off in part), in accordance with the Capital Regulations and as determined by the Prudential Authority; and
- (b) 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,

and the term **Written-off** shall be construed accordingly;

1.1.160 **ZAR** the lawful currency of South Africa, being South African Rand, or any successor currency; and

1.1.161 **ZAR-JIBAR-SAFEX** the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFETY Page as at 12h00, South African time, on the relevant date, or any successor rate.

1.2 **Interpretation**

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

- (a) one gender include a reference to the others;
- (b) the singular includes the plural and vice versa;
- (c) natural persons include juristic persons and vice versa;
- (d) a **subsidiary or holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- (e) 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;

- (f) a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- (g) 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;
- (h) **assets** includes present and future properties, revenues and rights of every description;
- (i) **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- (j) **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;
- (k) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
- (l) a default being **continuing** means that it has not been remedied or waived;
- (m) a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- (n) a time of day is a reference to South African time.

- 1.2.2 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.
- 1.2.3 Headings are inserted for the sake of convenience only and do not in any way affect the interpretation of these Terms and Conditions.
- 1.2.4 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.
- 1.2.5 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.
- 1.2.6 These Terms and Conditions apply only to Tier 2 Notes. The General Terms and Conditions, the Flac Terms and Conditions and the Additional Tier 1 Terms and Conditions shall not apply to Tier 2 Notes.

2. ISSUE

- 2.1 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.

2.2 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.

2.3 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

A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by any Financial Exchange. 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.

3.2 Form

3.2.1 The Notes in a Tranche of Notes will be issued in 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 an Individual Certificate in accordance with Condition 13 (Exchange of Beneficial Interests for an Individual Certificate).

3.3 Denomination

The Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

4. TITLE

4.1 General

4.1.1 Subject as set out below, title to Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 14 (Transfer of 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.

4.2 **Notes issued in uncertificated form**

Each person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of Uncertificated 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 Notes for all purposes.

4.3 **Beneficial Interests in Notes held in the Central Securities Depository**

- 4.3.1 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.
- 4.3.2 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.
- 4.3.3 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.
- 4.3.4 Beneficial Interests may be transferred only in accordance with the Applicable Procedures.
- 4.3.5 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

5.1 **Status of the Tier 2 Notes**

The Tier 2 Notes constitute direct, unsecured and, in accordance with Condition 5.2 (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.

5.2 **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.

5.3 **No Set-off**

Subject to Applicable Laws, no Tier 2 Noteholder may exercise, claim or plead any right of set-off, netting, 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, netting, 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 and/or netting (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 Resolution, the liquidator or (as the case may be) the resolution practitioner or similar officer 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 (as the case may be) the resolution practitioner or similar officer of the Issuer, 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.

5.4 **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.

5.5 **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 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 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

6.2.1 *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.

6.2.2

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 6.2.2:

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 6.2.2 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 6.2.7 (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 6.2.2.

6.2.3

Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)

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 relevant Financial Exchange'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 6.2.3, 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 6.2.3, 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 6.2.3 the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined and the Reference Rate specified in the Applicable Pricing Supplement is ZARONIA:

- (a) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Compounded Daily*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded Daily ZARONIA (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded Daily ZARONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{Relevant ZARONIA}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

D is the number specified in the Applicable Pricing Supplement;

d is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

d₀ is, in relation to any Interest Accrual Period, the number of Johannesburg Business Days in such Interest Accrual Period;

i is, in relation to any Interest Accrual Period, a series of whole numbers from one to d₀, each representing the relevant Johannesburg Business Day in chronological order from, and including, the first Johannesburg Business Day in such Interest Accrual Period;

Interest Accrual Period means in relation to any Interest Period:

- (i) where "*Lookback Without Observation Shift*" or "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, such Interest Period;
- (ii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the ZARONIA Observation Period relating to such Interest Period;

Johannesburg Business Day means a day (other than a Saturday, a Sunday or an official public holiday) on which commercial banks are open for general business in Johannesburg, South Africa;

Lock-out Period means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

Lookback Period means the period specified as such in the Applicable Pricing Supplement;

n_i, for any Johannesburg Business Day "i" in the relevant Interest Accrual Period, means the number of calendar days from and including such Johannesburg Business Day "i" up to but excluding the following Johannesburg Business Day;

p means, for any Interest Period:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, zero; and
- (iii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

r means:

- (i) where "*Lookback Without Observation Shift*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, in respect of any Johannesburg Business Day, the ZARONIA Reference Rate in respect of such Johannesburg Business Day; and
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement:
 - (A) in respect of any Johannesburg Business Day "i" that is a Reference Day, the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding such Reference Day, and
 - (B) in respect of any Johannesburg Business Day "i" that is not a Reference Day (being a Johannesburg Business Day in the Lock-out Period), the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

Reference Day means each Johannesburg Business Day in the relevant Interest Period, other than any Johannesburg Business Day in the Lock-out Period;

Relevant Decimal Place shall be the number of decimal places specified in the Applicable Pricing Supplement and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be 5 (five));

Relevant ZARONIA_i means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling "p" Johannesburg Business Days prior to the relevant Johannesburg Business Day "I"; or
- (ii) where "*Lock-out*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the relevant Johannesburg Business Day "I";

SARB's Website means the website of the SARB currently at <http://www.resbank.co.za>, or any successor page or website of the SARB (or a successor administrator of ZARONIA) or any successor source; and

ZARONIA Observation Period means, in respect of any Interest Period, the period from and including the date falling "p" Johannesburg Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable);

ZARONIA Reference Rate means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the Relevant Time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the Johannesburg Business Day immediately following such Johannesburg Business Day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily ZARONIA only compounds the ZARONIA Reference Rate in respect of any Johannesburg Business Day. The ZARONIA Reference Rate applied to a day that is not a Johannesburg Business Day will be taken by applying the ZARONIA Reference Rate for the previous Johannesburg Business Day.

- (b) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Weighted Average*", the Interest Rate for each Interest Period will, subject to as provided below, be the Weighted Average ZARONIA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement)

the Margin (if any) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

Lock-out Period has the meaning given to it in Condition 6.2.4(a);

Reference Day has the meaning given to it in Condition 6.2.4(a);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

Weighted Average ZARONIA Rate means:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, *provided that* for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a).

- (c) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Index Determination*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded ZARONIA Index Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin, all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded ZARONIA Index Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR during the Observation Period corresponding to such Interest Accrual Period (with ZARONIA as the Reference Rate for the calculation of interest) by reference to the Compounded ZARONIA Index, as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left(\frac{\text{Compounded ZARONIA Index End}}{\text{Compounded ZARONIA Index Start}} - 1 \right) \times \frac{D}{d}$$

where:

Compounded ZARONIA Index means the screen rate or index for compounded daily ZARONIA rates administered by the SARB (or any successor administrator of ZARONIA) as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the relevant Interest Determination Date;

Compounded ZARONIA Index_{End} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to (A) in respect of an Interest Accrual Period, the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period);

Compounded ZARONIA Index_{START} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to the first day of such Interest Period;

Compounded ZARONIA Index Value means, in relation to any Johannesburg Business Day, the value of the Compounded ZARONIA Index as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such value of the Compounded ZARONIA Index cannot be obtained from such authorised distributors, as published on the SARB's Website, on such Johannesburg Business Day;

D is the number specified in the Applicable Pricing Supplement;

d means the number of calendar days in the relevant ZARONIA Observation Period;

Johannesburg Business Day has the meaning given to it in Condition 6.2.4(a);

p is the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

Relevant Decimal Place has the meaning given to it in Condition 6.2.4(a);

SARB's Website has the meaning given to it in Condition 6.2.4(a); and

ZARONIA Observation Period has the meaning given to it in Condition 6.2.4(a),

provided that, if, with respect to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value is not available for the determination of either or both of Compounded ZARONIA Index_{START} or Compounded ZARONIA Index_{End}, then the Calculation Agent shall calculate the Interest Rate for that Interest Accrual Period as if Index Determination was not specified as the Calculation Method in the Applicable Pricing Supplement and as if Compounded Daily was specified instead as the Calculation Method in the Applicable Pricing Supplement and where Lookback Without Observation Shift was specified as the Observation Method and, for this purpose, the "*Relevant Screen Page*" shall be deemed to be the "*Relevant Fallback Screen Page*" as specified in the Applicable Pricing Supplement.

- (d) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*Other ZARONIA Method*", the Interest Rate for each Interest Period will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date in the manner set out in the Applicable Pricing Supplement.
- (e) If, in respect of any Johannesburg Business Day in the relevant ZARONIA Observation Period, the ZARONIA Reference Rate is not available on the Relevant Screen Page, has not otherwise been published by the relevant authorised distributors or is not published on the SARB's Website, such Reference Rate shall be:
 - (i) the ZARONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Johannesburg Business Day on which the ZARONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the **Historic ZARONIA Reference Rate**); or
 - (ii) if the Historic ZARONIA Reference Rate is not available, the sum of (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day, and (B) if "*SARB Policy Rate Spread Adjustment*" is specified as applicable in the Applicable Pricing Supplement, the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement,

and in each case, "*r*" shall be interpreted accordingly.

- (f) In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 6.2.4, the Interest Rate shall be:

- (i) that determined as at the last preceding Interest Determination Date (though substituting, 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, in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 10 (Redemption and Purchase) or Condition 12 (Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Interest Rate on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

6.2.5 *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.

6.2.6 *Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount 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).

6.2.7 *Determination of Interest Rate and calculation of Interest Amount*

- (a) 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.
- (b) **Day Count Fraction** means, in respect of the calculation of the Interest Amount for any Interest Period, Actual/365, unless otherwise specified in the Applicable Pricing Supplement; where **Actual/365** means 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.

6.2.8 *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 central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed, 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, any central securities depository in which the Notes are held and, in the case of Notes listed on a Financial Exchange, the Financial Exchange on which such Notes are for the time being listed.

6.2.9 *Notifications etc. 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 6.2.8 (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 relevant Financial Exchange 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 or Floating Rate 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 or Floating Rate Notes, as the case may be.

6.4 **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 SAFETY page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- 6.4.1 the date on which all amounts due in respect of such Note have been paid; and
- 6.4.2 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 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA) to ascertain a rate.

6.5 **Notes listed on a Financial Exchange**

In the case of Notes listed on a Financial Exchange, the amount of any interest payable in respect of the Notes in terms of this Condition 6 will be announced on SENS in each case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by the relevant Financial Exchange at least 3 (three) Business Days before the relevant Interest Payment Date.

6.6 **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:

- 6.6.1 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 6.2.6 (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
- 6.6.2 the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 6.6.3 the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would

thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or

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

6.7 **General**

6.7.1 *Calculation of other Amounts*

If the Applicable Pricing Supplement specifies that any other amount, rate 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 and or formula is to be determined, calculate the relevant amount, rate and/or formula in the manner specified in the Applicable Pricing Supplement.

6.7.2 *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).

6.7.3 *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 wilful 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.

6.8 **Benchmark Discontinuation**

6.8.1 *Application of Benchmark Discontinuation Provisions*

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement and Benchmark Discontinuation is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 6.2 (Interest on Floating Rate Notes), if the Issuer (in consultation with the Calculation Agent) determines (acting in good faith and in a commercially reasonably 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, with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate determined in accordance with the provisions of this Condition 6.8 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 6.8 with respect to the Replacement Reference Rate).

6.8.2

Determination of Replacement Reference Rate

(a) The Reference Rate that will replace the Original Reference Rate (the **Replacement Reference Rate**) pursuant to this Condition 6.8 shall be:

- (i) if the Original Reference Rate (or a component thereof) is JIBAR and ZARONIA Fallback Rate is specified as applicable in the Applicable Pricing Supplement, the Compounded Daily ZARONIA; or
- (ii) in any other case, the first of the following Reference Rates determined by the Issuer (in consultation with the Calculation Agent), with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date, in the following order of application and precedence:
 - (A) first, the Supervisor Recommended Reference Rate;
 - (B) second, if the Issuer (in consultation with the Calculation Agent) determines that there is no Supervisor Recommended Reference Rate, the Administrator Recommended Reference Rate; and
 - (C) third, if the Issuer (in consultation with the Calculation Agent) determines that there is no Administrator Recommended Reference Rate, the Alternative Reference Rate.

(b) If:

- (i) Condition 6.8.2(a)(ii) applies;
- (ii) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 6.8 prior to the relevant Interest Determination Date occurring immediately after the Replacement Reference Rate Determination Cut-off Date; and
- (iii) there are no fallback provisions provided for in Condition 6.2.3 (Scree Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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*:

- (A) 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

(B) this Condition 6.8.2(b) 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 6.8.

6.8.3 *Adjustment Spread*

(a) If any Replacement Reference Rate is determined in accordance with Condition 6.8.2(a)(ii), the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) 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.

(b) No Adjustment Spread shall be applied to the Final Fallback Rate.

6.8.4 *Benchmark Amendments*

(a) If any Replacement Reference Rate is determined in accordance with Condition 6.8.2(a)(ii) and/or (if applicable) any Adjustment Spread is determined in accordance with Condition 6.8.3 (Adjustment Spread) and the Issuer (in consultation with the Calculation Agent) determines (acting reasonably and in good faith):

(i) 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:

(A) the definition or determination of Interest Periods and/or Interest Determination Dates;

(B) the timing and frequency of determining rates and making payments of interest;

(C) rounding of amounts or tenors; and

(D) any other administrative provisions related to the calculation or application of interest,

- (E) 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 (in consultation with the Calculation Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) determines is reasonably necessary) (such amendments, variations and/or modifications, the **Benchmark Amendments**); and

- (ii) 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 6.8.5 (*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.

- (b) Any Benchmark Amendments shall constitute technical and/or administrative amendments for the purposes of Condition 19 (Amendment of these Conditions) and the Issuer shall comply with:
 - (i) the requirements of Condition 19 (Amendment of these Conditions) in giving effect to such Benchmark Amendments; and
 - (ii) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the relevant Debt Listings Requirements applicable to such Benchmark Amendments.

6.8.5

Notice and Implementation of Benchmark Replacement

- (a) 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 6.8.5(b).
- (b) The Issuer shall deliver a written notice (the **Benchmark Replacement Notice**) to the Noteholders in accordance with Condition 17 (Notices), the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent, which Benchmark Replacement Notice shall:
 - (i) specify:
 - (A) the Benchmark Event and its related Benchmark Event Date;
 - (B) the Benchmark Cessation Effective Date;
 - (C) the Replacement Reference Rate;

- (D) the applicable Adjustment Spread (if any);
- (E) the terms of any Benchmark Amendments (if any);
- (F) the Benchmark Replacement Date; and
- (G) the Independent Adviser appointed by the Issuer (if any); and

(ii) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:

- (A) that a Benchmark Event and its related Benchmark Event Date has occurred;
- (B) the Replacement Reference Rate;
- (C) the applicable Adjustment Spread (if any);
- (D) the terms of any Benchmark Amendments (if any); and
- (E) the Benchmark Replacement Date,

in each case determined in accordance with this Condition 6.8 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 6.8.

(c) A Benchmark Replacement Notice shall be irrevocable.

6.8.6 *Binding Determinations*

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 6.8, 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 (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate), the Paying Agent and the Noteholders. The Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent will be entitled to conclusively rely on any determinations made by the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer and/or the Independent Adviser pursuant to this Condition 6.8.

6.8.7 *Survival of Original Reference Rate Provisions*

(a) Without prejudice to the obligations of the Issuer under this Condition 6.8, the Original Reference Rate and the fallback provisions provided for in Condition 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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 6.8.5 (Notice and Implementation of Benchmark Replacement).

- (b) 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 6.8.5 (Notice and Implementation of Benchmark Replacement), then, unless Condition 6.8.2(b) 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 6.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) will (if applicable) continue to apply to such determination.
- (c) Condition 6.8.7(b) 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 6.8.

6.8.8 *Independent Adviser*

- (a) 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 6.8, including:
 - (i) the occurrence of a Benchmark Event and the related Benchmark Event Date;
 - (ii) the determination of the Replacement Reference Rate; and
 - (iii) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.
- (b) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.
- (c) 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 6.8, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.
- (d) 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 (in consultation with the Calculation Agent) 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.
- (e) An Independent Adviser appointed pursuant to this Condition 6.8.8 shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent (or any other party responsible for determining the Interest Rate, and acting independently of the Issuer, as specified in the

Applicable Pricing Supplement), 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, decision or election made by the Issuer pursuant to this Condition 6.8.

6.8.9 *Regulatory Override*

Notwithstanding any other provision of this Condition 6.8, no Replacement Reference Rate or Adjustment Spread will be adopted, nor will any other amendment to the Terms and Conditions of any Series of Notes be made to effect the Benchmark Amendments (if any):

- (a) without the prior approval of the Prudential Authority if required under the Capital Regulations; and/or
- (b) if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Notes as Tier 2 Capital.

6.8.10 *Definitions*

In this Condition 6.8:

- (a) **Adjusted Replacement Reference Rate** means:
 - (i) in the case of Condition 6.8.2(a)(i), the ZARONIA Fallback Rate; or
 - (ii) in the case of Condition 6.8.2(a)(ii), the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.8.2(a)(ii) and (if any) the Adjustment Spread applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 6.8.3 (Adjustment Spread).
- (b) **Adjustment Spread** means, in respect of a Replacement Reference Rate determined in accordance with Condition 6.8.2(a)(ii), 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:
 - (i) 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;
 - (ii) 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;

- (iii) in the case of an Alternative Reference Rate or (where paragraphs 6.8.10(b)(i) and 6.8.10(b)(ii) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer (in consultation with the Calculation Agent), 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
- (iv) if the Issuer (in consultation with the Calculation Agent), 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 6.8.10(b)(iii) above and paragraphs 6.8.10(b)(i) and 6.8.10(b)(ii) above do not apply, the Issuer (in consultation with the Calculation Agent), 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
- (v) if no such industry standard is recognised or acknowledged as contemplated in paragraph 6.8.10(b)(iv) above, the Issuer (in consultation with the Calculation Agent), 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*".

(c) **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.

(d) **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.

(e) **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 (in consultation with the Calculation Agent) (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 ZAR and of a comparable duration to the relevant Interest Period or, if the Issuer (in consultation with the Calculation Agent) determines that there is no such rate, such other rate which the Issuer (in consultation with the Calculation Agent) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.

- (f) **Benchmark Amendments** has the meaning given to it in Condition 6.8.4 (Benchmark Amendments).
- (g) **Benchmark Event** means:
 - (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
 - (ii) 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
 - (iii) 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
 - (iv) 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
 - (v) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
 - (vi) 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
 - (vii) 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.
- (h) **Benchmark Event Date** means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:
 - (i) the date of the occurrence of the relevant Benchmark Event; and
 - (ii) notwithstanding paragraph 6.8.10(h)(i) above, where the relevant

Benchmark Event is a public announcement or statement within paragraphs 6.8.10(g)(ii), 6.8.10(g)(iii), 6.8.10(g)(iv), 6.10.9(g)(v) or 6.8.10(g)(vi) 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.

(i) **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:

- (i) in the case of the Benchmark Event under paragraph, 6.8.10(g)(i), 6.8.10(g)(vi) or 6.8.10(g)(vii) of the definition of “*Benchmark Event*”, the date of the occurrence of such Benchmark Event;
- (ii) in the case of the Benchmark Event under paragraph 6.8.10(g)(ii) of the definition of “*Benchmark Event*”, the date of the cessation of the publication of the Original Reference Rate;
- (iii) in the case of the Benchmark Event under paragraph 6.8.10(g)(iii) of the definition of “*Benchmark Event*”, the date of the permanent discontinuation of the Original Reference Rate;
- (iv) in the case of the Benchmark Event under paragraph 6.8.10(g)(iv) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate is prohibited from being used; and
- (v) in the case of the Benchmark Event under paragraph 6.8.10(g)(v) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.

(j) **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:

- (i) 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
- (ii) the Benchmark Cessation Effective Date.

(k) **Benchmark Replacement Notice** means has the meaning given to it in Condition 6.8.5(b).

(l) **Compounded Daily ZARONIA** means, with respect to an Interest Period commencing after the Benchmark Replacement Date, the rate of return of a daily compound interest investment (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{ZARONIA_{i-5 JBD} \times n_i}{D} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d₀ is the number of Johannesburg Business Days in the relevant Interest Period;

i is, in relation to any Interest Period, a series of whole numbers from 1 to **d₀**, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business Day in the relevant Interest Period to (and including) the last Johannesburg Business Day in such Interest Period;

Interest Determination Date means, for the purpose of this definition only, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date;

n_i, for any Johannesburg Business Day “*i*” in the relevant Interest Period, means the number of calendar days from (and including) such Johannesburg Business Day “*i*” up to (but excluding) the following Johannesburg Business Day;

ZARONIA_{i-5 JBD}, means, in respect of any Johannesburg Business Day “*i*” falling in the relevant Interest Period, the ZARONIA Reference Rate for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five Johannesburg Business Days prior to the relevant Johannesburg Business Day “*i*”,

provided that:

- (i) if, for any reason, the Compounded Daily ZARONIA needs to be determined for a period other than an Interest Period, the Compounded Daily ZARONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period; and
- (ii) if, in respect of any Johannesburg Business Day, ZARONIA is not available on the SARB's Website, such Reference Rate shall be:
 - (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day as adjusted, if SARB Policy Rate Spread Adjustment is specified as applicable in the Applicable Pricing Supplement, by the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement; or
 - (B) subject to this Condition 6.8, if such SARB Policy Rate is not available, the ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website,

- (iii) and if the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, such Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is zero, and in each case, "ZARONIA_{i-5 JBD}" shall be interpreted accordingly.
- (m) **Final Fallback Rate** has the meaning given to it in Condition 6.8.2(b).
- (n) **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 6.8.8 (Independent Adviser).
- (o) **JIBAR** means the Johannesburg Interbank Average Rate (being the South African Rand wholesale funding rate known as JIBAR) administered by the SARB (or a successor Administrator).
- (p) **Johannesburg Business Day or JBD** means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Johannesburg, South Africa.
- (q) **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).
- (r) **Replacement Reference Rate** has the meaning given to it in Condition 6.8.2(a).
- (s) **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.
- (t) **SARB Policy Rate** means, in respect of any relevant day (including any day "i"), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.
- (u) **SARB's Website** means the website of the SARB currently at <http://www.resbank.co.za>, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source.
- (v) **Supervisor** means, in respect of an Original Reference Rate:
 - (i) 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

- (ii) 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.
- (w) **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.
- (x) **ZARONIA** means the South African Overnight Index Average administered by the SARB (or a successor Administrator) (known as ZARONIA).
- (y) **ZARONIA Fallback Adjustment Spread** means the term adjusted ZARONIA spread (which may be positive, negative or zero) relating to JIBAR as at the ZARONIA Fallback Adjustment Spread Fixing Date, for a period corresponding to the duration of the relevant Interest Period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted ZARONIA and the spread) (**BISL**) on the Fallback Rate (ZARONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (ZARONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for JIBAR accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.
- (z) **ZARONIA Fallback Adjustment Spread Fixing Date** means the first date on which a Benchmark Event Date occurs with respect to JIBAR (or if that date is not a Johannesburg Business Day, the next following Johannesburg Business Day).
- (aa) **ZARONIA Fallback Rate** means, for an Interest Period and in respect of an Interest Determination Date (as defined in the definition of "*Compounded Daily ZARONIA*"), the rate determined by the Calculation Agent to be the Compounded Daily ZARONIA for that Interest Period and Interest Determination Date plus the relevant ZARONIA Fallback Adjustment Spread.
- (bb) **ZARONIA Observation Period** means, in respect of the relevant Interest Period, the period from (and including) the date falling 5 (five) Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling 5 (five) Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date), or (b) the date falling 5 (five) Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable.
- (cc) **ZARONIA Reference Rate** means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB as the Administrator of ZARONIA (or any successor Administrator of ZARONIA), on the SARB's Website, in each case at the Publication Time on the Johannesburg Business Day immediately following such Johannesburg Business Day, and if the aggregate of such ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is

less than zero, the ZARONIA Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of the ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is zero.

7. PAYMENTS

7.1 General

7.1.1 Only Noteholders of Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes.

7.1.2 Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 7 (Payments).

7.1.3 Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in South Africa. Any reference in these Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any Additional Amounts which may be payable thereunder.

7.2 Method of Payment

7.2.1 The Paying Agent will, on behalf of the Issuer, pay or cause to be paid all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- (a) in the case of Notes issued in uncertificated form, in accordance with the Applicable Procedures;
- (b) in the case of Notes represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes.

7.2.2 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, control or power grid failure or systemic power disruption (blackouts or rolling blackouts) or any other cause or contingency beyond the control of the Issuer (each a **Payment Disruption Event**), then:

7.2.3 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

7.2.4 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).

7.3 **Beneficial Interests**

7.3.1 Following payment on behalf of the Issuer to the relevant Participant in accordance with the Applicable Procedures of amounts due and payable in respect of Notes pursuant to Condition 7.2 (Method of Payment) of these Terms and Conditions, the relevant funds will be transferred by the Participants, to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures.

7.3.2 Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants as the holders of Beneficial Interests in Notes, will look solely to the Central Securities Depository or the relevant Participant for such person's share of each payment so made by Paying Agent, on behalf of the Issuer, to the registered holder of such Notes.

7.3.3 Neither the Paying Agent nor the Issuer will 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 Beneficial Interests.

7.3.4 Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository distinguishing between interest, principal and any other amount, and such record of payments by the Central Securities Depository will be *prima facie* proof of such payments.

7.3.5 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).

7.4 **Surrender of Individual Certificates**

7.4.1 On or before the Last Day to Register prior to any Redemption Date of a Note (including a Redemption Date relating to redemption in part), the holder of an Individual 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 Individual 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 Individual Certificates.

7.4.2 Should the holder of an Individual Certificate refuse or fail to surrender the Individual Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to such holder 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 Individual Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

7.4.3 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.

7.5 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:

7.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and

7.5.2 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.

7.6 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:

7.6.1 any Additional Amounts which may be payable with respect to principal under Condition 11 (Taxation);

7.6.2 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;

7.6.3 the Optional Redemption Amount(s) (if any) of the Notes; and

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

This Condition 8 is referred to as the "**Non-Viability Loss Absorption Condition**" in these Terms and Conditions.

8.1 Non-Viability Trigger Event

8.1.1 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.

8.1.2 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 17 (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 8.2 (Conversion of Tier 2 Notes upon a Non-Viability Trigger Event) or Condition 8.3 (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.

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

8.2.1 This Condition 8.2 applies only to Tier 2 Notes to which Conversion is specified as applicable in the Applicable Pricing Supplement.

8.2.2 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 Tier 2 Securities.

8.2.3 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.

8.2.4 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.

8.2.5 To the extent that the Conversion or Write-off of any Other Tier 2 Securities 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 Other Tier 2 Securities which is not effective shall not be taken into account in determining the Conversion Amount of the Tier 2 Notes.

8.2.6 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 17 (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.

8.2.7 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.

8.2.8 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 8.2, the Issuer shall procure that such Conversion Shares are, upon issue, likewise listed on that Financial Exchange.

8.2.9 If, when calculating the number of Conversion Shares as contemplated in Condition 8.2.7, 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.

8.2.10 As soon as reasonably possible after the Conversion Date, the Issuer shall in accordance with Condition 17 (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.

8.2.11 Any Conversion of Tier 2 Notes or the Relevant Part thereof in accordance with this Condition 8.2 will be final and binding in the absence of manifest error or fraud.

8.2.12 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 8.2.2(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 8.3 (Write-off of Tier 2 Notes upon a Non-Viability Trigger Event).

8.2.13 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.

8.2.14 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.

8.2.15 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.

8.2.16 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.

8.2.17 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 8.2. 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.

8.3 Write-off of Tier 2 Notes upon a Non-Viability Trigger Event

8.3.1 This Condition 8.3 applies only to Tier 2 Notes to which Write-off is specified as applicable in the Applicable Pricing Supplement.

8.3.2 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 Tier 2 Securities.

8.3.3 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.

8.3.4 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.

8.3.5 To the extent that the conversion or write-off of any Other Tier 2 Securities 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 Other Tier 2 Securities which is not effective shall not be taken into account in determining the Written-off Amount of the Tier 2 Notes.

8.3.6 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.

8.3.7 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.

8.3.8 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.

8.3.9 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.

8.4 **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).

8.5 **Acknowledgement of contractual bail-in upon the occurrence of a Non-Viability Trigger Event or statutory bail-in pursuant to the RSA Bail-in Power in Resolution**

Notwithstanding any other term of the Tier 2 Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Tier 2 Notes), each Noteholder by its acquisition of the Tier 2 Notes will be deemed to acknowledge, accept, and agree that the Tier 2 Notes may either be bailed-in (i) under the Resolution Framework in accordance with the exercise of the RSA Bail-in Power, or the taking of Resolution Action, by the Resolution Authority upon the occurrence of a Resolution Event in relation to the Issuer, or (ii) pursuant to the operation of this Condition 8 (Loss Absorption following a Non-Viability Trigger Event in respect of Tier 2 Notes) upon the occurrence of a Non-Viability Trigger Event.

9. **PRESCRIPTION**

The Notes will become void unless presented for payment of principal and interest within a period of 3 years after the Relevant Date.

10. **REDEMPTION AND PURCHASE**

10.1 **Scheduled redemption**

Subject to Condition 10.5 (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 10.1 shall comply with this requirement.

10.2 **Redemption for tax reasons**

10.2.1 The Notes in a Series of Notes may (subject to Condition 10.5 (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 the provisions applicable to Floating Rate Notes are specified in the Applicable Pricing Supplement as not 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 are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),
- (c) 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 this Condition 10.2, 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 following a Capital Disqualification Event**

10.3.1 The Tier 2 Notes in a Series of Notes may (subject to Condition 10.5 (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 the provisions applicable to Floating Rate Notes are specified in the Applicable Pricing Supplement as not 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 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 (Regulatory), together with interest accrued (if any) to (but excluding) the date fixed for redemption, if a Capital Disqualification Event occurs and is continuing.

10.3.2 Prior to the publication of any notice of redemption pursuant to this Condition 10.3, 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) 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 10.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.3.

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

If "Redemption 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 10.5 (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:

- (a) in the case of Redeemed Notes represented by Individual Certificates, individually by lot; and
- (b) in the case of Redeemed Notes held in uncertificated form, in accordance with the Applicable Procedures,

and in each case, 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 Individual 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 Beneficial Interests in 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 10.4 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. Neither the First Optional Redemption Date (Call) nor any Optional Redemption Date (Call) shall fall earlier than the First Call Date.

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

10.5.1 Subject to the applicable Capital Regulations, Tier 2 Notes may be redeemed, substituted or varied by the Issuer pursuant to Condition 10.2 (Redemption for tax reasons), Condition 10.3 (Redemption following a Capital Disqualification Event), Condition 10.4 (Redemption at the option of the Issuer (Issuer Call)) or Condition 10.8 (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 10.2 (Redemption for tax reasons), Condition 10.3 (Redemption following a Capital Disqualification Event), Condition 10.4 (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 10, 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 Capital 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).

10.5.2 This Condition 10.5 does not apply in respect of a redemption in whole, but not in part, of the Tier 2 Notes upon a Capital Disqualification Event in accordance with Condition 10.3 (Redemption following a Capital Disqualification Event).

10.5.3 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 10.1 (Scheduled redemption) shall comply with this requirement.

10.6 **Substitution or variation instead of redemption**

10.6.1 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 10.5 (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 17 (Notices), to the Noteholders of Tier 2 Notes (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 10.6 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.

10.6.2 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 10.6.

10.6.3 In connection with any substitution or variation in accordance with this Condition 10.6, 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.

10.7 **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 10.1 (Scheduled redemption) to 10.6 (Substitution or variation instead of redemption).

10.8 **Purchase**

Subject to the Debt Listings Requirements, any applicable Capital Regulations and Condition 10.5 (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 10.9 (Cancellation).

10.9 **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, subject to the Issuer's right to redeem such Notes in terms of Condition 10 (Redemption and Purchase), pay such additional amounts (**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 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 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 Individual Certificate in accordance with these Terms and Conditions) the relevant Individual 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 Individual 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 Tier 2 Notes

- 12.1.1 Notwithstanding any of the provisions below in this Condition 12.1, 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 Noteholder of Tier 2 Notes of that Series may, subject to Condition 5.2 (Subordination) and section 166D of the Financial Sector Regulation Act, and subject further 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 Noteholder of Tier 2 Notes 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 Noteholder(s) of the Tier 2 Notes.
- 12.1.2 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 5.2 (Subordination)) without further action or formality.

12.1.3 Without prejudice to Condition 12.1.1 or 12.1.2, 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.

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 a Financial Exchange (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange and to the Central Securities Depository.

13. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE

13.1 **Exchange of Beneficial Interests**

13.1.1 Upon notice from a Participant pursuant to Condition 13.1.3 requesting the exchange or partial exchange of a Beneficial Interest in Notes for an Individual Certificate(s), the Transfer Agent shall deliver the relevant Individual Certificate(s) in accordance with the Agency Agreement.

13.1.2 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 an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

13.1.3 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 Individual 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 Individual 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 Individual Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.

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

- (a) 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
- (b) the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.

13.1.5 An Individual Certificate shall, in relation to a Beneficial Interest:

- (a) 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
- (b) 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 the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

13.1.6 Subject always to Applicable Laws and Applicable Procedures, upon the replacement of a Beneficial Interest in Notes with Notes in definitive form represented by an Individual Certificate in accordance with this Condition 13, such Notes (now represented by an Individual Certificate) will cease to be listed on the Financial Exchange and will no longer be lodged in the Central Securities Depository. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

13.2 Costs

Individual Certificates shall be provided (whether by way of 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 Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual 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.

13.3 Death, sequestration or liquidation of Noteholder

Any person becoming entitled to 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 (if applicable) the Central Securities Depository and the relevant Participant shall be entitled to retain any amount payable upon the Notes

to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

13.4 **Replacement**

If any Individual 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 Individual Certificates must be surrendered before replacements will be issued.

14. TRANSFER OF NOTES

14.1 **Transfer of Beneficial Interests**

- 14.1.1 Beneficial Interests in the Notes may be transferred in accordance with the Applicable Procedures through the Central Securities Depository.
- 14.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 14.1.3 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, in accordance with the Applicable Procedures.
- 14.1.4 Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

14.2 **Transfer of Notes represented Individual Certificates**

- 14.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a 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 Individual Certificate in question for cancellation or, if only part of the Notes represented by an Individual Certificate is transferred, a new Individual Certificate for the balance will be delivered to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent.
- 14.2.2 The transferor of any Notes represented by an Individual Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.

14.2.3 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.

14.2.4 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 Individual Certificate in respect of the Notes transferred.

14.2.5 No transfer will be registered during the Books Closed Period.

14.2.6 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. 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 the date upon which each of the Noteholders was registered as such;

15.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of 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 Individual 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 authorised in writing by any Noteholder; and

15.1.7 be closed during the Books Closed Period.

15.2 The Transfer Agent will only recognise, 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 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 Calculation Agent, Transfer 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 Notice by the Issuer

Notices to Noteholders shall be valid and effective:

17.1.1 in the case of Uncertificated Notes listed on a Financial Exchange, if delivered to:

(a) such Financial Exchange and electronically published on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange; 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange); or

17.1.3 in the case of Notes represented by an Individual Certificate 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 in an English language daily newspaper of general circulation in South Africa.

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.

17.2 Notice by the Noteholder

17.2.1 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the Specified Office of the Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address.

17.2.2 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 Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participant 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.

17.3 **Notice in relation to Notes listed on a Financial Exchange**

For so long as any Notes are listed on a Financial Exchange, notwithstanding Condition 17.1, all notices in respect of such listed Notes shall be made by way of an announcement on SENS in the case of the JSE and in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange.

18. MEETINGS OF NOTEHOLDERS

18.1 Directions of Noteholders

18.1.1 This Condition 18 contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the amendment of any of these Terms and Conditions. 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, in the case of listed Notes, the relevant 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 these Terms and Conditions:

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

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

- (a) immediately:
 - (i) inform the relevant Financial Exchange in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
 - (ii) release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the relevant Debt Listing Requirements, specifying the date and time of the meeting; and
- (b) within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange (**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:

- (a) the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;
- (b) the time of the scheduled meeting; and
- (c) 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 winding-up 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(b) above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 18.2.3(a) above shall be reduced to 5 (five) Business Days.

18.2.6 At the meeting:

- (a) Noteholders shall exercise their voting through polling and not by the show of hands; and
- (b) a chairperson shall be elected by Noteholders as voted in accordance with Condition 18.2.6(a) 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 relevant Financial Exchange 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 a Financial Exchange, notices of meetings in respect of such listed Notes, shall be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange, 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 Office 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 or a class of Noteholder, as the case may be, 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, consist of Noteholders or a class of Noteholders, as the case may be, 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.

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

18.8.1 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.

18.8.2 Notwithstanding any other provision contained in this Condition 18, the holders of Beneficial Interests must vote in accordance with Applicable Procedures. Holders of Beneficial Interests must exercise their respective rights to vote through their respective Participants. The respective Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of the Beneficial Interest in Registered Notes, in accordance with 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 these 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**

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 a Financial Exchange, be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 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 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa, provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the relevant Financial Exchange immediately after the amendment is made and release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 a Financial Exchange:

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

relevant Financial Exchange in accordance with the relevant Debt Listings Requirements;

19.3.2 subsequent to receiving the conditional formal approval from the relevant Financial Exchange 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 of 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;

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;

19.3.5 the Issuer must release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 relevant 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 relevant Financial Exchange by or on behalf of the Issuer and the Issuer shall also provide a letter such

Financial Exchange 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 Financial Exchange;

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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 relevant Financial Exchange.

19.4 No amendment to these Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the relevant Debt Listings Requirements.

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. RECOGNITION OF RSA BAIL-IN POWERS

22.1 Contractual recognition of RSA Bail-in Power

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, 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, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof:

- 22.1.1 the reduction or write-off of all, or a portion of, the Amounts Due, including on a permanent basis;
- 22.1.2 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) including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
- 22.1.3 the cancellation of the Notes;
- 22.1.4 the replacement or substitution of the Issuer;
- 22.1.5 transfer of the Notes;
- 22.1.6 the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or
- 22.1.7 the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority,

which 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. The exercise of the RSA Bail-Powers, and the taking of any Resolution Action, by the Resolution Authority and the implementation, and the rights of the Noteholders in respect, thereof shall be as prescribed and/or determined by the Resolution Framework.

22.2 Variation of rights

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

22.3 **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, or the taking of any Resolution Action, 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 of any RSA Bail-in Power, or the taking of any Resolution Action, 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 Applicable Laws of South Africa applicable to the Issuer.

22.4 **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 a Resolution Event occurs in relation to the Issuer or the Resolution Authority exercises any RSA Bail-in Power, or takes any Resolution Action, 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.

22.5 **No Event of Default**

22.5.1 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, or the taking of any Resolution Action, by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of, or otherwise constitute non-performance of a contractual obligation under, these Terms and Conditions for any purpose or entitle any Noteholder to any remedies (including equitable remedies) which are hereby expressly waive.

22.5.2 Neither the placing, or the proposed placing, of the Issuer in Resolution nor the taking, or the proposed taking, of any Resolution Action in relation to the Issuer following the occurrence of a Resolution Event in relation to the Issuer shall constitute an Event of Default, or breach of these Terms and Conditions or entitle the Noteholders to declare the Notes to be due and payable.

22.6 **No Acceleration**

22.6.1 No provision of these Terms and Conditions or any other agreement relating to the Notes is of any effect to the extent that the provision accelerates or varies an obligation of the Issuer upon, or as a result of, the occurrence of a Resolution Event in relation to the Issuer or as a result of any Resolution Action or proposed Resolution Action being taken in relation to the Issuer.

22.7 **Ranking of claims in Resolution**

In the event of any inconsistency or conflict between the provisions of Condition 5.2 (Subordination) and the Ranking Legislation, (subject to any Applicable Law providing to the contrary) the provisions of the Ranking Legislation shall prevail.

22.8 **Notice**

Upon:

22.8.1 the occurrence of a Resolution Event in relation to the Issuer; or
22.8.2 the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to any Notes,

the Issuer shall give notice of the same to the Noteholders (in accordance with Condition 17 (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 or the taking of any Resolution Action nor the effects on the Notes described in Condition 22.1 (Contractual recognition of RSA Bail-in Power) and/or Condition 22.2 (Variation of rights).

22.9 **Interpretation**

For the purposes of this Condition 22:

22.9.1 **Amounts Due** means the Current Principal Amount of, and any accrued but unpaid interest, and Additional Amounts (if any), due 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;
22.9.2 the **Noteholders** includes any person holding a Beneficial Interest in the Notes; and
22.9.3 the **Notes** includes any Beneficial Interest in the Notes.

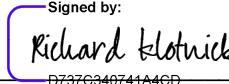
ABSA GROUP LIMITED

Signed by:
By: 
EF4D00A00A0047C...

Name: Deon Raju

Capacity: Authorised Signatory

Date: 26 January 2026

Signed by:
By: 
D797C940741A4CD...

Name: Richard Klotnick

Capacity: Authorised Signatory

Date: 26 January 2026

PRO FORMA APPLICABLE PRICING SUPPLEMENT OF THE ADDITIONAL TIER 1 NOTES

Set out below is the form of Applicable 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 ZAR110,000,000,000 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 26 January 2026, 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, Group Financial Director of Absa Group Limited
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 – <i>insert details</i>]
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)	[●], [●], [●] 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) Interest Rate Determination Date(s)	[●], [●], [●] and [●], in each year, with the first Interest Determination Date being [●]
(f) Day Count Fraction	[]
(g) 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)	[●], [●], [●] 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) Day Count Fraction []
- (g) 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 Determination/other (insert details)] Rate

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) [●], [●], [●] 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 subparagraphs, 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

MIXED RATE NOTES [Applicable] / [Not Applicable]

36. 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 []

OTHER ADDITIONAL TIER 1 NOTES [Applicable] / [Not Applicable]

37. 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

38. Prior consent of Prudential Authority Yes required for any redemption

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

(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:

(f) Minimum Redemption Amount(s) []

(g) Higher Redemption Amount(s) []

(h) Approval(s) of Prudential Authority Applicable

(i) Other terms applicable on Redemption []

40. 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 []

41. 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

42. 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

43. Write-off upon the occurrence of a Non-Viability Trigger Event [Yes/No] (*Note: Insert mechanics, if relevant*)

GENERAL

44. Additional selling restrictions [] / [Not Applicable]

45. Additional terms or special conditions [] / [Not Applicable]

46. (a) International Securities Identification Number (ISIN) []
 (b) Stock Code []

47. Financial Exchange []

48. Clearing System [Strate Proprietary Limited]

49. Method of distribution []

50. If syndicated, names of managers

51. Credit rating assigned to the Issuer, date of issue of such rating and date for review of such rating []

52. Credit rating assigned to [the Programme] / [the Notes] (if any), date of issue of such rating and date for review of such rating

53. Rating Agency(ies) []

54. Governing law (if the laws of South Africa are not applicable) [] / [Not Applicable]

55. Other Banking Jurisdiction []

56. 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]]

57. Books Closed Period [Not Applicable (*if the reference rate is ZARONIA*)] / [The Register will be closed from

		[] to [] and from [] to [] (all dates inclusive) in each year]
58.	Debt Sponsor	[]
59.	Stabilisation Manager (if any)	[]
60.	Pricing Methodology	[]
61.	Authorised amount of the Programme	[]
62.	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)	[]
63.	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes (including covenants, if any)	[]
64.	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
65.	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
66.	Exchange control approval	[Applicable] / [Not Applicable]
67.	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] / [specify other], the applicable 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 report of the Issuer and any amendments or supplements to the aforementioned documents from time to time, except as otherwise stated therein.

The [JSE] / [specify other] 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] / [specify other] 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] / [specify other]'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] / [specify other] 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 ZAR110,000,000,000, 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 Memorandum was registered with the [JSE] / [specify other] on [26 January 2026] / [specify other date].

ABSA GROUP LIMITED

By: _____ By: _____

Name: _____ Name: _____

Capacity: Authorised Signatory Capacity: Authorised Signatory

Date: _____ 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 relevant Financial Exchange 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 Definitions

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

1.1.1	Absa Bank	Absa Bank Limited, a company incorporated in accordance with the laws of South Africa, registration number 1986/004794/06;
1.1.2	Absa CIB	Absa Bank Limited, acting through its Corporate and Investment Banking division;
1.1.3	Absa Group	the Issuer and any of the respective wholly-owned consolidated subsidiaries of the Issuer;
1.1.4	Absa Group Subsidiary	a subsidiary of the Absa Group;
1.1.5	Additional Amount	shall have the meaning defined in Condition 12 (Taxation);
1.1.6	Additional Tier 1 Capital	"Additional Tier 1 Capital" as defined in section 1(1) of the Banks Act;
1.1.7	Additional Tier 1 Capital Regulations	Regulation 38(11)(b) of the Regulations Relating to Banks 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;

1.1.8	Additional Tier 1 Notes	Notes specified as such in the Applicable Pricing Supplement and complying with the Additional Tier 1 Capital Regulations;
1.1.9	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;
1.1.10	Agency Agreement	the amended and restated agency agreement dated 26 January 2026 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;
1.1.11	Applicable Laws	in relation to a person, means all and any:
		<ul style="list-style-type: none"> (a) statutes and subordinate legislation; (b) regulations, ordinances and directives; (c) by-laws; (d) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and (e) other similar provisions, from time to time;
1.1.12	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";

1.1.13 Applicable Procedures

the rules and operating procedures for the time being of the Central Securities Depository, Participants, the JSE and/or any Financial Exchange, as the case may be;

1.1.14 Arranger

Absa CIB;

1.1.15 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, business rescue practitioner or administrator of the Issuer (if applicable) may determine;

1.1.16 Banks Act

the Banks Act, 1990;

1.1.17 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;

1.1.18 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;

1.1.19 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;

1.1.20 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;

1.1.21 Call Option

has the meaning given in the Applicable Pricing Supplement;

1.1.22 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);

1.1.23 Capital Regulations

at any time, any law, legislation, regulations, rules, requirements, guidelines, guidance notes, directives, prudential standards 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*" (as defined in the Banks Act) in South Africa and "*controlling companies*" registered under the Banks Act, including the Banks Act, the Regulations Relating to Banks and any regulations, requirements, guidelines, guidance notes, directives, prudential standards and policies relating to capital adequacy adopted or made by the Prudential Authority applicable to the Issuer from time to time (whether or not such requirements, guidelines, guidance notes or policies have the force of law and whether or not such requirements, guidelines, guidance notes, directives, prudential standards or policies are applied generally or specifically to the Issuer or to the Issuer and any subsidiary of the Issuer), in each case as amended, supplemented or

	replaced from time to time, and in each case as applied by the Prudential Authority;
1.1.24 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;
1.1.25 Certificate	a Definitive Certificate;
1.1.26 Common Equity Tier 1 Capital	<i>"common equity tier 1 capital"</i> as defined in section 1(1) of the Banks Act;
1.1.27 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;
1.1.28 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 (Conversion of Additional Tier 1 Notes upon a Non-Viability Trigger Event), and its cognates shall bear the same meaning;
1.1.29 Conversion Amount	has the meaning as set out in Condition 9.2.2 of these Terms and Conditions;
1.1.30 Conversion Date	has the meaning as set out in Condition 9.2.3 of these Terms and Conditions;
1.1.31 Conversion Last Day to Trade	the date which is 5 (five) Business Days prior to a Conversion Record Date;
1.1.32 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;
1.1.33 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;
1.1.34 Conversion Shares	has the meaning as set out in Condition 9.2.7 of these Terms and Conditions;

1.1.35 Companies Act	the Companies Act, 2008;
1.1.36 Converted	having undergone the Conversion process set out in Condition 9 (Loss Absorption following a Non-Viability Trigger Event) to these Terms and Conditions;
1.1.37 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;
1.1.38 Current Principal Amount	with respect to:
	(a) 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
	(b) any Other Additional Tier 1 Securities, 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;
1.1.39 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;
1.1.40 Debt Listings Requirements	in the case of the JSE, the JSE Debt and Specialist Securities Listings Requirements or, in the case of any other Financial Exchange, the debt listings requirements of such Financial Exchange in force from time to time as applicable;
1.1.41 Designated Institution	a " <i>designated institution</i> " under, and as defined in section 1(1) of, the Financial Sector Regulation Act;

1.1.42	Early Redemption (Regulatory)	Amount	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;
1.1.43	Early Redemption Amount (Tax)		in respect of each Note in a Tranche of 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;
1.1.44	Early Termination Amount		in respect of each Note in a Tranche of 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;
1.1.45	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;
1.1.46	Event of Default		any of the events described in Condition 13 (Events of Default), the occurrence of which shall be signified by a Noteholder's ability to institute proceedings against the Issuer;
1.1.47	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;;
1.1.48	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;
1.1.49	Financial Exchange	the JSE or any other financial exchange(s) on which any Notes may be listed;
1.1.50	Financial Markets Act	the Financial Markets Act, 2012;
1.1.51	Financial Sector Regulation Act	the Financial Sector Regulation Act, 2017;
1.1.52	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;
1.1.53	First Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement and is subject to the First Call Date;
1.1.54	Fixed Interest Rate	the rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
1.1.55	Fixed Rate Notes	Additional Tier 1 Notes which will bear interest at the Fixed Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.56	Flac Instrument	" <i>flac instrument</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.57	Flac Notes	shall have the same meaning defined in the Flac Terms and Conditions;
1.1.58	Flac Terms and Conditions	the Terms and Conditions applicable to Flac Notes issued under the Programme Memorandum headed " <i>Flac Terms and Conditions</i> ";
1.1.59	Floating Rate Notes	Additional Tier 1 Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement;
1.1.60	General Terms and Conditions	the terms and conditions applicable to Notes (other than Flac Notes, Tier 2 Notes and Additional Tier 1 Notes) issued under the Programme as set out in the section of this

	Programme Memorandum headed "Terms and Conditions of the Unsubordinated Notes";
1.1.61 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;
1.1.62 Group	the Issuer and its consolidated subsidiaries taken as a whole;
1.1.63 Income Tax Act	the Income Tax Act, 1962;
1.1.64 Individual Certificate	a Note in the definitive registered form of a single certificate and being a certificate exchanged for a Beneficial Interest in accordance with Condition 14 (Exchange of Beneficial Interests for an Individual Certificate) and any further certificate issued in consequence of a transfer thereof;
1.1.65 Initial Broken Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.66 Interest Amount	the amount of interest payable in respect of each Principal Amount of Fixed Rate Notes and Floating Rate Notes, as determined in accordance with Conditions 7.1 (Interest on Fixed Rate Notes), 7.2 (Interest on Floating Rate Notes) and 7.2.7 (Determination of Interest Rate and calculation of Interest Amount) respectively;
1.1.67 Interest Commencement Date	the first date from which interest on the Additional Tier 1 Notes, will accrue, as specified in the Applicable Pricing Supplement;
1.1.68 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;

1.1.69 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;
1.1.70 Interest Rate	the rate or rates of interest applicable to Additional Tier 1 Notes other than Fixed Rate Notes;
1.1.71 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 and Specialist Securities Listings Requirements) may be listed, subject to all Applicable Laws;
1.1.72 ISDA	International Swaps and Derivatives Association, Inc.;
1.1.73 ISDA Definitions	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time);
1.1.74 Issue Date	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.75 Issue Price	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.76 Issuer	Absa Group Limited, a public company incorporated in accordance with the laws of South Africa (registration number 1986/003934/06);
1.1.77 Issuer Agent	Absa CIB, 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;
1.1.78 Issuer Ordinary Shares	the ordinary shares in the share capital of the Issuer;
1.1.79 JSE	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;

1.1.80	JSE Debt and Specialist Securities Listings Requirements	all listings requirements for debt and specialist securities promulgated by the JSE from time to time;
1.1.81	Junior Securities	in relation to the Additional Tier 1 Notes:
		(a) 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
		(b) 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;
1.1.82	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;
1.1.83	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;
1.1.84	Margin	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.85	Maximum Interest Rate	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.86	Maximum Redemption Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.87	Minimum Redemption Amount	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.88	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 or Floating Rate Notes, each as indicated in the Applicable Pricing Supplement

			and as more fully described in Condition 7.3 (Mixed Rate Notes);
1.1.89	Non-Redeemable Preference Shares	Non-Cumulative	non-redeemable non-cumulative preference shares in the issued share capital of the Issuer, if any;
1.1.90	Non-Viability Condition	Loss Absorption	has the meaning as set out in Condition 9 (Loss Absorption following a Non-Viability Trigger Event);
1.1.91	Non-Viability Trigger Event		shall occur when:
		(a)	a " <i>trigger event</i> " specified in writing by the Prudential Authority in accordance with the Capital Regulations has occurred; provided that, as a minimum, the aforesaid " <i>trigger event</i> " 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;
1.1.92	Non-Viability Trigger Event Notice		has the meaning set out in Condition 9.1.2 of these Terms and Conditions;
1.1.93	Noteholders		the holders of the Registered Notes (as recorded in the Register);

1.1.94 Notes	the notes issued or to be issued by the Issuer under the Programme;
1.1.95 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;
1.1.96 Optional Redemption Date (Call)	has the meaning given in the Applicable Pricing Supplement;
1.1.97 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;
1.1.98 Ordinary Shares	ordinary shares in the issued share capital of the Issuer;
1.1.99 Other Additional Tier 1 Security	in relation to the Additional Tier 1 Notes, any loans, debt instruments, securities or other instruments or obligations of the Issuer (other than the Additional Tier 1 Notes): (a) which upon issue qualified (or were intended to qualify) as Additional Tier 1 Capital; or (b) which otherwise rank or are expressed to rank on a liquidation, bankruptcy or winding-up of the Issuer <i>pari passu</i> with the Additional Tier 1 Notes or with other obligations or securities falling within (a) above;
1.1.100 Outstanding	in relation to the Notes, all the Notes issued other than: (a) <i>Redeemed or purchased</i> : those which have been redeemed in full or purchased in accordance with the applicable provisions of the Relevant Terms and Conditions; (b) <i>Due date</i> : those in respect of which the due date for redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the

	Paying Agent and remain available for payment;
(c)	<i>Prescribed</i> : those which have become prescribed under the applicable provisions of the Relevant Terms and Conditions;
(d)	<i>Replaced</i> : those represented by an Individual Certificate which has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to the applicable provisions of the Relevant Terms and Conditions;
(e)	<i>Meetings</i> : for the purposes of the provisions of meetings of Noteholders set out in the Relevant Terms and Conditions, those that are held by, or by any person for the benefit of, the Issuer;
1.1.101 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;
1.1.102 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;
1.1.103 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;

1.1.104 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;
1.1.105 Principal Amount	the nominal amount of each Additional Tier 1 Note;
1.1.106 Programme	the ZAR110,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
1.1.107 Programme Memorandum	this Programme Memorandum dated 26 January 2026, as amended and/or supplemented from time to time;
1.1.108 Prudential Authority	the Prudential Authority established in terms the Financial Sector Regulation Act;
1.1.109 Rating Agency	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;
1.1.110 Qualifying Additional Tier 1 Capital Securities	<p>securities whether debt, equity or otherwise, issued by the Issuer that:</p> <ul style="list-style-type: none"> (a) 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: <ul style="list-style-type: none"> (i) rank at least equal to that of the Additional Tier 1 Notes, (ii) 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,
	(iii)	be issued in an amount at least equal to Principal Amount, and
(b)		comply with the then current requirements of the SARB in relation to Additional Tier 1 Capital; and
	(c)	if listed (i) are listed on the JSE, or (ii) are listed on such other Financial Exchange at the time as selected by the Issuer;
1.1.111 Qualifying Tier 2 Capital Securities		shall have the meaning defined in the Tier 2 Terms and Conditions;
1.1.112 Ranking Legislation		the Insolvency Act, 1936 as read with and amended by section 166W of the Financial Sector Regulation Act, and any other law or regulation from time to time which is applicable to the Issuer and relevant for determining the rights of members and creditors of the Issuer in respect of the ranking of their respective claims against the Issuer in a winding-up, liquidation or bankruptcy of the Issuer;
1.1.113 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;
1.1.114 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 Terms and Conditions;
1.1.115 Reference Rate		has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.116 Register		the register maintained by the Transfer Agent in terms of Condition 16 (Register) and, in respect of Uncertificated Notes, the Uncertificated Securities Register;

1.1.117 Registered Holder

means:

- (a) 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
- (b) 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;

1.1.118 Registered Note

an Additional Tier 1 Note issued in registered form and transferable in accordance with Condition 15 (Transfer of Notes);

1.1.119 Regulations Relating to Banks

the Regulations relating to Banks promulgated under section 90 of the Banks Act (published under Government Notice R1029 in Government Gazette 35950 of 12 December 2012), as such Regulations may be or may have been amended, supplemented or replaced from time to time and any other prevailing capital adequacy regulations promulgated under the Banks Act and applicable to the Issuer, as supplemented, amended or replaced from time to time;

1.1.120 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;

1.1.121 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;
1.1.122 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;
1.1.123 Relevant Screen Page	has the meaning ascribed thereto in the Applicable Pricing Supplement;
1.1.124 Relevant Terms and Conditions	these Terms and Conditions, the General Terms and Conditions, the Flac Terms and Conditions or the Tier 2 Terms and Conditions, as applicable;
1.1.125 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;
1.1.126 Resolution	" <i>resolution</i> " as defined in section 1(1) of the Financial Sector Regulation Act;
1.1.127 Resolution Action	" <i>resolution action</i> " as defined in section 1(1) of the Financial Sector Regulation;
1.1.128 Resolution Authority	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;
1.1.129 Resolution Event	the event that occurs when the Minister of Finance of South Africa makes a written determination, addressed to the Governor of the SARB, placing a Designated Institution in Resolution in terms of section 166J(2) of the Financial Sector Regulation Act;
1.1.130 Resolution Framework	Chapter 12A of the Financial Sector Regulation Act and any other Applicable Law applicable to the Issuer or any of its Subsidiaries that are Designated Institutions at the relevant time pursuant to, or which implement, or are enacted

within the context of, Chapter 12A of the Financial Sector Regulation Act, establishing a framework for the recovery and Resolution of Designated Institutions;

1.1.131 RSA Bail-in Power

any write-down, write-off, conversion, transfer, modification, suspension or similar or related power existing from time to time under the Resolution Framework (including, without limitation, under section 166S and section 166T of the Financial Sector Regulation Act) or any Applicable Law relating to the Resolution of Designated Institutions in effect and applicable in South Africa to the Issuer and its Subsidiaries which are Designated Institutions, pursuant to which any obligation of a Designated Institution 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;

1.1.132 SARB

the South African Reserve Bank as referred to in section 223 of the Constitution of the Republic of South Africa, 1996, read with the South African Reserve Bank Act, 1989 of South Africa, or the relevant replacement or successor regulator;

1.1.133 SARB Policy Rate

in respect of any relevant day (including any day "l"), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day;

1.1.134 Screen Rate Determination

has the meaning ascribed thereto in the Applicable Pricing Supplement;

1.1.135 SENS

the Stock Exchange News Service, or other similar service, established by the JSE;

1.1.136 Senior Creditors

in relation to the Additional Tier 1 Notes, creditors of the Issuer:

- (a) who are unsubordinated creditors of the Issuer;
- (b) (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 (including for the avoidance of doubt the claims of holders of Flac Instruments); or

- (c) 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, *pari passu* with, or junior to the claims of the Additional Tier 1 Noteholders;

1.1.137 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;

1.1.138 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;

1.1.139 Solvency Claims

has the meaning given to it in Condition 5.5 (Solvency Claims);

1.1.140 Solvency Condition

has the meaning given to it in Condition 5.4 (Solvency Condition);

1.1.141 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;
1.1.142 South Africa	the Republic of South Africa;
1.1.143 Specified Currency	in relation to a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on a Financial Exchange, subject to the relevant Debt Listings Requirements of the JSE, has the meaning given in the Applicable Pricing Supplement relating to that Tranche;
1.1.144 Specified Denomination	has the meaning given in the Applicable Pricing Supplement;
1.1.145 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 these Terms and Conditions, as the case may be;
1.1.146 Sustainable 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;
1.1.147 Tax Event	<p>an event where:</p> <ul style="list-style-type: none"> (a) as a result of a Tax Law Change, <ul style="list-style-type: none"> (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);

1.1.148 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;

1.1.149 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;

1.1.150 Terms and Conditions

the terms and conditions incorporated in this section headed "Terms and Conditions of the Additional Tier 1 Notes" and in accordance with which the Additional Tier 1 Notes will be issued;

1.1.151 Tier 2 Notes

shall have the meaning defined in the Tier 2 Terms and Conditions;

1.1.152 Tier 2 Terms and Conditions

the terms and conditions applicable to Tier 2 Notes issued under the Programme as set out in the section of this Programme Memorandum

	headed "Terms and Conditions of the Tier 2 Notes";
1.1.153 Tranche	in relation to any particular Series, all Additional Tier 1 Notes which are identical in all respects (including as to listing);
1.1.154 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;
1.1.155 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;
1.1.156 Trigger Event	an event specified as a " <i>trigger event</i> " by the Prudential Authority, or any successive authority, in accordance with the Capital Regulations;
1.1.157 Uncertificated Notes	an Additional Tier 1 Note which is uncertificated as contemplated in the relevant provisions of the Financial Markets Act;
1.1.158 Uncertificated Securities Register	has the meaning ascribed thereto in the Financial Markets Act (as read together with the Companies Act);
1.1.159 Write-off	<p>in respect of Additional Tier 1 Notes:</p> <ul style="list-style-type: none"> (a) the Additional Tier 1 Notes shall be cancelled (in the case of a Write-off in whole) or written-down in part on a pro rata basis (in the case of a Write-off in part), in accordance with the Capital Regulations and as determined by the Prudential Authority; and (b) 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,

and the term **Written-off** shall be construed accordingly;

1.1.160 **ZAR**

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

1.1.161 **ZAR-JIBAR-SAFEX**

the mid-market rate for deposits in ZAR for a period of the Designated Maturity which appears on the Reuters Screen SAFETY Page as at 12h00, South African time, on the relevant date, or any successor rate.

1.2 **Interpretation**

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

- (a) one gender include a reference to the others;
- (b) the singular includes the plural and *vice versa*;
- (c) natural persons include juristic persons and *vice versa*;
- (d) a **subsidiary** or **holding company** shall be interpreted in accordance with section 1 of the Companies Act;
- (e) 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;
- (f) a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- (g) 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;
- (h) **assets** includes present and future properties, revenues and rights of every description;
- (i) **disposal** means a sale, transfer, grant, lease or other disposal (whether voluntary or involuntary);
- (j) **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;
- (k) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;

- (l) a default being **continuing** means that it has not been remedied or waived;
- (m) a party or any other person includes that person's permitted successor, transferee, cessionary and/or delegate; and
- (n) a time of day is a reference to South African time.

1.2.2 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.

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

1.2.4 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.

1.2.5 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.

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

2. ISSUE

2.1.1 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.

2.1.2 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.

2.1.3 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

A Tranche of Notes may be issued in the form of listed or unlisted Registered Notes. Unlisted Registered Notes are not regulated by any Financial Exchange. 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.

3.2 Form

3.2.1 The Notes in a Tranche of Notes will be issued in 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 an Individual Certificate in accordance with Condition 14 (Exchange of Beneficial Interests for an Individual Certificate).

3.3 Denomination

The Specified Currency and Specified Denomination of a Tranche of Notes will be specified in the Applicable Pricing Supplement.

4. TITLE

4.1 General

4.1.1 Subject as set out below, title to Notes will pass upon registration of transfer in the Register or in the Uncertificated Securities Register in accordance with Condition 15 (Transfer of 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 Note may be subject.

4.2 Notes issued in uncertificated form

Each person recorded in the Uncertificated Securities Register as a registered Noteholder of a particular Tranche of Uncertificated 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 Notes for all purposes.

4.3 Beneficial Interests in Notes held in the Central Securities Depository

4.3.1 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.

4.3.2 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.

4.3.3 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.

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

4.3.5 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

5.1 Status of the Additional Tier 1 Notes

The Additional Tier 1 Notes constitute direct, unsecured and, in accordance with Condition 5.2 (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.

5.2 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,

(c) 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.

5.3

No Set-off

Subject to Applicable Laws, no Additional Tier 1 Noteholder may exercise, claim or plead any right of set-off, netting, 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, netting, 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 and/or netting (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 Resolution, the liquidator or (as the case may be) the resolution practitioner or similar officer 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 (as the case may be) the resolution practitioner or similar officer of the Issuer, 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.

5.4

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.

5.5

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 5.2 (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.

5.6 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.

5.7 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 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal such Initial 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.

7.2 Interest on Floating Rate Notes

7.2.1 *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,
- (d) all as specified in the Applicable Pricing Supplement.

7.2.2 *ISDA Determination*

(a) 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).

(b) For the purposes of this Condition 7.2.2:

(i) **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.

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

(d) When this Condition 7.2.2 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 7.2.7 (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 7.2.2.

7.2.3

Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)

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 relevant Financial Exchange'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 7.2.3, 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 7.2.3, 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 7.2.3 the 4 leading banks in the South African inter-bank market selected by the Calculation Agent and approved by the Issuer.

7.2.4

Screen Rate Determination for Floating Rate Notes which reference ZARONIA

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined and the Reference Rate specified in the Applicable Pricing Supplement is ZARONIA:

- (a) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Compounded Daily*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded Daily ZARONIA (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded Daily ZARONIA means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant

Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{Relevant ZARONIA}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

D is the number specified in the Applicable Pricing Supplement;

d is, in relation to any Interest Accrual Period, the number of calendar days in such Interest Accrual Period;

d_o is, in relation to any Interest Accrual Period, the number of Johannesburg Business Days in such Interest Accrual Period;

i is, in relation to any Interest Accrual Period, a series of whole numbers from one to **d_o**, each representing the relevant Johannesburg Business Day in chronological order from, and including, the first Johannesburg Business Day in such Interest Accrual Period;

Interest Accrual Period means in relation to any Interest Period:

- (i) where "*Lookback Without Observation Shift*" or "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, such Interest Period;
- (ii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the ZARONIA Observation Period relating to such Interest Period;

Johannesburg Business Day means a day (other than a Saturday, a Sunday or an official public holiday) on which commercial banks are open for general business in Johannesburg, South Africa;

Lock-out Period means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

Lookback Period means the period specified as such in the Applicable Pricing Supplement;

n_i, for any Johannesburg Business Day "**i**" in the relevant Interest Accrual Period, means the number of calendar days from and including such Johannesburg Business Day "**i**" up to but excluding the following Johannesburg Business Day;

p means, for any Interest Period:

- (i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified

in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, zero; and
- (iii) where "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

r means:

- (i) where "*Lookback Without Observation Shift*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, in respect of any Johannesburg Business Day, the ZARONIA Reference Rate in respect of such Johannesburg Business Day; and
- (ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement:
 - (A) in respect of any Johannesburg Business Day "i" that is a Reference Day, the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding such Reference Day, and
 - (B) in respect of any Johannesburg Business Day "i" that is not a Reference Day (being a Johannesburg Business Day in the Lock-out Period), the ZARONIA Reference Rate in respect of the Johannesburg Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);

Reference Day means each Johannesburg Business Day in the relevant Interest Period, other than any Johannesburg Business Day in the Lock-out Period;

Relevant Decimal Place shall be the number of decimal places specified in the Applicable Pricing Supplement and will be rounded up or down, if necessary (with half of the highest decimal place being rounded upwards) (or, if no such number is specified, it shall be 5 (five));

Relevant ZARONIA_i means, in relation to any Interest Accrual Period, the applicable Reference Rate as set out in the definition of "r" above for:

- (i) **where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling "p" Johannesburg Business Days prior to the relevant Johannesburg Business Day "i"; or**
- (ii) **where "*Lock-out*" or "*Lookback With Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the relevant Johannesburg Business Day "i";**

SARB's Website means the website of the SARB currently at <http://www.resbank.co.za>, or any successor page or website of the SARB (or a successor administrator of ZARONIA) or any successor source; and

ZARONIA Observation Period means, in respect of any Interest Period, the period from and including the date falling "p" Johannesburg Business Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable);

ZARONIA Reference Rate means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the Relevant Time, as otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the Johannesburg Business Day immediately following such Johannesburg Business Day.

For the avoidance of doubt, the formula for the calculation of Compounded Daily ZARONIA only compounds the ZARONIA Reference Rate in respect of any Johannesburg Business Day. The ZARONIA Reference Rate applied to a day that is not a Johannesburg Business Day will be taken by applying the ZARONIA Reference Rate for the previous Johannesburg Business Day.

(b) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Weighted Average*", the Interest Rate for each Interest Period will, subject to as provided below, be the Weighted Average ZARONIA Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place, where:

Johannesburg Business Day has the meaning given to it in Condition 7.2.4(a);

Lock-out Period has the meaning given to it in Condition 7.2.4(a);

Reference Day has the meaning given to it in Condition 7.2.4(a);

Relevant Decimal Place has the meaning given to it in Condition 7.2.4(a);

Weighted Average ZARONIA Rate means:

(i) where "*Lookback Without Observation Shift*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the

number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and

(ii) where "*Lock-out*" is specified as the Observation Method in the Applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, *provided that* for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Johannesburg Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Johannesburg Business Day immediately preceding such calendar day; and

ZARONIA Observation Period has the meaning given to it in Condition 7.2.4(a).

(c) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "*ZARONIA Index Determination*", the Interest Rate for each Interest Period will, subject as provided below, be the Compounded ZARONIA Index Rate (as defined below) plus or minus (as indicated in the Applicable Pricing Supplement) the Margin, all as determined by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement), where:

Compounded ZARONIA Index Rate means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment in ZAR during the Observation Period corresponding to such Interest Accrual Period (with ZARONIA as the Reference Rate for the calculation of interest) by reference to the Compounded ZARONIA Index, as calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date, in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left(\frac{\text{Compounded ZARONIA Index End}}{\text{Compounded ZARONIA Index Start}} - 1 \right) \times \frac{D}{d}$$

where:

Compounded ZARONIA Index means the screen rate or index for compounded daily ZARONIA rates administered by the SARB (or any successor administrator of ZARONIA) as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as

otherwise published by such authorised distributors or, if such daily ZARONIA rate cannot be obtained from such authorised distributors, as published on the SARB's Website, on the relevant Interest Determination Date;

Compounded ZARONIA Index_{End} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to (A) in respect of an Interest Accrual Period, the Interest Payment Date for such Interest Accrual Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Accrual Period;

Compounded ZARONIA Index_{Start} means, in relation to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value on the day falling "p" Johannesburg Business Days prior to the first day of such Interest Period;

Compounded ZARONIA Index Value means, in relation to any Johannesburg Business Day, the value of the Compounded ZARONIA Index as provided by the SARB, as the administrator of ZARONIA (or any successor administrator of ZARONIA) to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is not specified or is unavailable at the relevant time, as otherwise published by such authorised distributors or, if such value of the Compounded ZARONIA Index cannot be obtained from such authorised distributors, as published on the SARB's Website, on such Johannesburg Business Day;

D is the number specified in the Applicable Pricing Supplement;

d means the number of calendar days in the relevant ZARONIA Observation Period;

Johannesburg Business Day has the meaning given to it in Condition 7.2.4(a);

p is the number of Johannesburg Business Days included in the Lookback Period specified in the Applicable Pricing Supplement (or, if no such number is specified 5 (five) Johannesburg Business Days);

Relevant Decimal Place has the meaning given to it in Condition 7.2.4(a);

SARB's Website has the meaning given to it in Condition 7.2.4(a); and

ZARONIA Observation Period has the meaning given to it in Condition 7.2.4(a),

provided that, if, with respect to any Interest Accrual Period, the relevant Compounded ZARONIA Index Value is not available for the determination of either or both of Compounded ZARONIA Index_{Start} or Compounded ZARONIA Index_{End}, then the Calculation Agent shall calculate the Interest Rate for that Interest Accrual Period as if Index Determination was not specified as the Calculation Method in the Applicable Pricing Supplement and as if Compounded Daily was specified instead as the Calculation Method in the Applicable Pricing Supplement and where Lookback Without Observation Shift was specified as the Observation Method and, for this purpose, the "*Relevant Screen Page*" shall be deemed to be the "*Relevant Fallback Screen Page*" as specified in the Applicable Pricing Supplement.

(d) Where the Calculation Method in respect of the relevant Tranche of Floating Rate Notes is specified in the Applicable Pricing Supplement as being "Other ZARONIA Method", the Interest Rate for each Interest Period will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Interest Rate, as specified in the Applicable Pricing Supplement) on the relevant Interest Determination Date in the manner set out in the Applicable Pricing Supplement.

(i) If, in respect of any Johannesburg Business Day in the relevant ZARONIA Observation Period, the ZARONIA Reference Rate is not available on the Relevant Screen Page, has not otherwise been published by the relevant authorised distributors or is not published on the SARB's Website, such Reference Rate shall be:

- (A) the ZARONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Johannesburg Business Day on which the ZARONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) (the **Historic ZARONIA Reference Rate**); or
- (B) if the Historic ZARONIA Reference Rate is not available, the sum of (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day, and (B) if "SARB Policy Rate Spread Adjustment" is specified as applicable in the Applicable Pricing Supplement, the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement,

and in each case, " r " shall be interpreted accordingly.

(e) In the event that the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7.2.4(a), the Interest Rate shall be:

- (i) that determined as at the last preceding Interest Determination Date (though substituting, 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, in place of the Margin or Maximum Interest Rate or Minimum Interest Rate relating to that last preceding Interest Period); or
- (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Interest Rate or Minimum Interest Rate applicable to the first Interest Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11 (Redemption and Purchase) or Condition 13 (Events of Default), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the Applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Interest

Rate on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

7.2.5 *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.

7.2.6 *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).

7.2.7 *Determination of Interest Rate and calculation of Interest Amount*

- (a) 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.
- (b) **Day Count Fraction** means, in respect of the calculation of the Interest Amount for any Interest Period, Actual/365, unless otherwise specified in the Applicable Pricing Supplement; where **Actual/365** means 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.

7.2.8 *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.

7.2.9 *Notifications etc. 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 7.2.8 (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 relevant Financial Exchange 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 or Floating Rate Notes or 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 or Floating Rate Notes, as the case may be.

7.4 **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 SAFETY page as at 12h00 (South African time) on the presentation date, or any successor rate) until whichever is the earlier of:

- 7.4.1 the date on which all amounts due in respect of such Additional Tier 1 Note have been paid; and
- 7.4.2 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 7.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) to ascertain a rate.

7.5 **Notes listed on a Financial Exchange**

In the case of Notes listed on a Financial Exchange, the amount of any interest payable in respect of the Notes in terms of this Condition 7 will be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange at least 3 (three) Business Days before the relevant Interest Payment Date.

7.6 **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:

- 7.6.1 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 7.2.6 (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
- 7.6.2 the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- 7.6.3 the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- 7.6.4 the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

7.7 **General**

7.7.1 *Calculation of other Amounts*

If the Applicable Pricing Supplement specifies that any other amount, rate 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 and or formula is to be determined, calculate the relevant amount, rate and/or formula in the manner specified in the Applicable Pricing Supplement.

7.7.2

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).

7.7.3

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 wilful 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 7.

7.8

Benchmark Discontinuation

7.8.1

Application of Benchmark Discontinuation Provisions

If Screen Rate Determination is specified as applicable in the Applicable Pricing Supplement and Benchmark Discontinuation is specified as applicable in the Applicable Pricing Supplement, then notwithstanding the provisions of Condition 7.2 (Interest on Floating Rate Notes), if the Issuer (in consultation with the Calculation Agent) 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, with effect from the Benchmark Replacement Date, the Adjusted Replacement Reference Rate determined in accordance with the provisions of this Condition 7.8 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 7.8 with respect to the Replacement Reference Rate).

7.8.2

Determination of Replacement Reference Rate

- (a) The Reference Rate that will replace the Original Reference Rate (the **Replacement Reference Rate**) pursuant to this Condition 7.8 shall be:
 - (i) if the Original Reference Rate (or a component thereof) is JIBAR and ZARONIA Fallback Rate is specified as applicable in the Applicable Pricing Supplement, the Compounded Daily ZARONIA; or
 - (ii) in any other case, the first of the following Reference Rates determined by the Issuer (in consultation with the Calculation Agent), with effect from the Benchmark Event Date and by not later than the Replacement Reference Rate Determination Cut-off Date, in the following order of application and precedence:

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

(b) If:

- (i) Condition 7.8.2(a)(ii) applies;
- (ii) no Replacement Reference Rate and (if any) the applicable Adjustment Spread is determined and notified to the Calculation Agent pursuant to this Condition 7.8 prior to the relevant Interest Determination Date occurring immediately after the Replacement Reference Rate Determination Cut-off Date; and
- (iii) there are no fallback provisions provided for in Condition 7.2.3 (Screen Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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*:

- (A) 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
- (B) this Condition 7.8.2(b) 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 7.8.

7.8.3 *Adjustment Spread*

- (a) If any Replacement Reference Rate is determined in accordance with Condition 7.8.2(a)(ii), the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) 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.

- (b) No Adjustment Spread shall be applied to the Final Fallback Rate.

7.8.4

Benchmark Amendments

- (a) If any Replacement Reference Rate is determined in accordance with Condition 7.8.2(a)(ii) and/or (if applicable) any Adjustment Spread is determined in accordance with Condition 7.8.3 (Adjustment Spread) and the Issuer (in consultation with the Calculation Agent) determines (acting reasonably and in good faith):
 - (i) 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:
 - (A) the definition or determination of Interest Periods and/or Interest Determination Dates;
 - (B) the timing and frequency of determining rates and making payments of interest;
 - (C) rounding of amounts or tenors; and
 - (D) any other administrative provisions related to the calculation or application of interest,
 - (E) 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 (in consultation with the Calculation Agent) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (in consultation with the Calculation Agent) 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 (in consultation with the Calculation Agent) determines is reasonably necessary) (such amendments, variations and/or modifications, the **Benchmark Amendments**); and

- (ii) 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 7.8.5 (*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.

- (b) 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:
 - (i) the requirements of Condition 20 (Amendment of these Conditions) in giving effect to such Benchmark Amendments; and
 - (ii) if the Notes are for the time being listed or admitted to trading on any Financial Exchange, the relevant Debt Listings Requirements applicable to such Benchmark Amendments.

7.8.5

Notice and Implementation of Benchmark Replacement

- (a) 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 7.8.5(b).
- (b) The Issuer shall deliver a written notice (the **Benchmark Replacement Notice**) to the Noteholders in accordance with Condition 18 (Notices), the Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent, which Benchmark Replacement Notice shall:
 - (i) specify:
 - (A) the Benchmark Event and its related Benchmark Event Date;
 - (B) the Benchmark Cessation Effective Date;
 - (C) the Replacement Reference Rate;
 - (D) the applicable Adjustment Spread (if any);
 - (E) the terms of any Benchmark Amendments (if any);
 - (F) the Benchmark Replacement Date; and
 - (G) the Independent Adviser appointed by the Issuer (if any); and
 - (ii) be accompanied by a certificate signed by two of the Issuer's authorised signatories confirming:
 - (A) that a Benchmark Event and its related Benchmark Event Date has occurred;

- (B) the Replacement Reference Rate;
- (C) the applicable Adjustment Spread (if any);
- (D) the terms of any Benchmark Amendments (if any); and
- (E) the Benchmark Replacement Date,

in each case determined in accordance with this Condition 7.8 and certifying that such Benchmark Amendments are necessary to give effect to any application of this Condition 7.8.

- (c) A Benchmark Replacement Notice shall be irrevocable.

7.8.6

Binding Determinations

Any determination, decision or election made by the Issuer (or, if applicable, the Independent Adviser) pursuant to this Condition 7.8, 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 (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate), the Paying Agent and the Noteholders. The Calculation Agent (or any other party specified in the Applicable Pricing Supplement as being responsible for calculating the Interest Rate) and the Paying Agent will be entitled to conclusively rely on any determinations made by the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer and/or the Independent Adviser pursuant to this Condition 7.8.

7.8.7

Survival of Original Reference Rate Provisions

- (a) Without prejudice to the obligations of the Issuer under this Condition 7.8, the Original Reference Rate and the fallback provisions provided for in Condition 7.2.3 (Scree Rate Determination including fallback provisions (other than Floating Rate Notes which reference ZARONIA)) 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 7.8.5 (Notice and Implementation of Benchmark Replacement).
- (b) 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 7.8.5 (Notice and Implementation of Benchmark Replacement), then, unless Condition 7.8.2(b) 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 7.2.3 (Scree Rate Determination including fallback provisions (other than Floating

Rate Notes which reference ZARONIA)) will (if applicable) continue to apply to such determination.

(c) Condition 7.8.7(b) 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 7.8.

7.8.8 *Independent Adviser*

(a) 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 7.8, including:

- (i) the occurrence of a Benchmark Event and the related Benchmark Event Date;
- (ii) the determination of the Replacement Reference Rate; and
- (iii) the determination of the Adjustment Spread or a formula or methodology for determining the applicable Adjustment Spread.

(b) If an Independent Adviser is appointed, the Issuer shall notify the Noteholders of such appointment in the Benchmark Replacement Notice.

(c) 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 7.8, unless the Issuer notifies the Noteholders otherwise prior to the Benchmark Replacement Date.

(d) 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 (in consultation with the Calculation Agent) 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.

(e) An Independent Adviser appointed pursuant to this Condition 7.8.8 shall act in good faith and in a commercially reasonable manner as an independent expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Calculation Agent (or any other party responsible for determining the Interest Rate, and acting independently of the Issuer, as specified in the Applicable Pricing Supplement), 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, decision or election made by the Issuer pursuant to this Condition 7.8.

7.8.9 *Regulatory Override*

Notwithstanding any other provision of this Condition 7.8, no Replacement Reference Rate or Adjustment Spread will be adopted, nor will any other amendment to the Terms and Conditions of any Series of Notes be made to effect the Benchmark Amendments (if any):

- (a) without the prior approval of the Prudential Authority if required under the Capital Regulations; and/or
- (b) if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the relevant Series of Notes as Additional Tier 1 Capital.

7.8.10 *Definitions*

In this Condition 7.8:

- (a) **Adjusted Replacement Reference Rate** means:
 - (i) in the case of Condition 7.8.2(a)(i), the ZARONIA Fallback Rate; or
 - (ii) in the case of Condition 7.8.2(a)(ii), the sum of the Replacement Reference Rate determined by the Issuer in accordance with Condition and (if any) the Adjustment Spread applicable to the Replacement Reference Rate determined by the Issuer in accordance with Condition 7.8.3 (Adjustment Spread).
- (b) **Adjustment Spread** means, in respect of a Replacement Reference Rate determined in accordance with Condition 7.8.2(a)(ii), 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:
 - (i) 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;
 - (ii) 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;
 - (iii) in the case of an Alternative Reference Rate or (where paragraphs 7.8.10(b)(i) and 7.8.10(b)(ii) above do not apply) in the case of a Supervisor Recommended Reference Rate or an Administrator Recommended Reference Rate (as applicable), the Issuer (in consultation with the Calculation Agent), 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

- (iv) if the Issuer (in consultation with the Calculation Agent), 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 7.8.10(b)(iii) above and paragraphs 7.8.10(b)(i) and 7.8.10(b)(ii) above do not apply, the Issuer (in consultation with the Calculation Agent), 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
- (v) if no such industry standard is recognised or acknowledged as contemplated in paragraph 7.8.10(b)(iv) above, the Issuer (in consultation with the Calculation Agent), 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*".

(c) **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.

(d) **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.

(e) **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 (in consultation with the Calculation Agent) (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 ZAR and of a comparable duration to the relevant Interest Period or, if the Issuer (in consultation with the Calculation Agent) determines that there is no such rate, such other rate which the Issuer (in consultation with the Calculation Agent) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the Original Reference Rate.

(f) **Benchmark Amendments** has the meaning given to it in Condition 7.8.4 (Benchmark Amendments).

(g) **Benchmark Event** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) 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
- (iii) 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
- (iv) 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
- (v) the Supervisor of the Administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (vi) 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
- (vii) 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.

(h) **Benchmark Event Date** means, in respect of an Original Reference Rate and a related Benchmark Event, the date which is the later of:

- (i) the date of the occurrence of the relevant Benchmark Event; and
- (ii) notwithstanding paragraph 7.8.10(h)(i) above, where the relevant Benchmark Event is a public announcement or statement within paragraphs 7.8.10(g)(ii), 7.8.10(g)(iii), 7.8.10(g)(iv), 7.8.10(g)(v) 6.10.9(g)(v) or 7.8.10(g)(vi) 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.

(i) **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:

- (i) in the case of the Benchmark Event under paragraph, 7.8.10(g)(i), 7.8.10(g)(vi) or 6.8.10(g)(vii) of the definition of “*Benchmark Event*”, the date of the occurrence of such Benchmark Event;
- (ii) in the case of the Benchmark Event under paragraph 7.8.10(g)(ii) of the definition of “*Benchmark Event*”, the date of the cessation of the publication of the Original Reference Rate;
- (iii) in the case of the Benchmark Event under paragraph 7.8.10(g)(iii) of the definition of “*Benchmark Event*”, the date of the permanent discontinuation of the Original Reference Rate;
- (iv) in the case of the Benchmark Event under paragraph 7.8.10(g)(iv) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate is prohibited from being used; and
- (v) in the case of the Benchmark Event under paragraph 7.8.10(g)(v) of the definition of “*Benchmark Event*”, the date on which the Original Reference Rate becomes subject to restrictions or adverse consequences.

(j) **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:

- (i) 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
- (ii) the Benchmark Cessation Effective Date.

(k) **Benchmark Replacement Notice** means has the meaning given to it in Condition 7.8.5(b).

(l) **Compounded Daily ZARONIA** means, with respect to an Interest Period commencing after the Benchmark Replacement Date, the rate of return of a daily compound interest investment (with ZARONIA as the Reference Rate for the calculation of interest) as calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{ZARONIA_{i-5 JBD} \times n_i}{D} \right) - 1 \right] \times \frac{365}{d}$$

where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of Johannesburg Business Days in the relevant Interest Period;

i is, in relation to any Interest Period, a series of whole numbers from 1 to **d_o**, each representing the relevant Johannesburg Business Day in chronological order from (and including) the first Johannesburg Business

Day in the relevant Interest Period to (and including) the last Johannesburg Business Day in such Interest Period;

Interest Determination Date means, for the purpose of this definition only, the Johannesburg Business Day falling five Johannesburg Business Days before the relevant Interest Payment Date;

n_i, for any Johannesburg Business Day “*i*” in the relevant Interest Period, means the number of calendar days from (and including) such Johannesburg Business Day “*i*” up to (but excluding) the following Johannesburg Business Day;

ZARONIA_{i-5 JBD}, means, in respect of any Johannesburg Business Day “*i*” falling in the relevant Interest Period, the ZARONIA Reference Rate for the Johannesburg Business Day (being a Johannesburg Business Day falling in the relevant ZARONIA Observation Period) falling five Johannesburg Business Days prior to the relevant Johannesburg Business Day “*i*”,

provided that:

- (i) if, for any reason, the Compounded Daily ZARONIA needs to be determined for a period other than an Interest Period, the Compounded Daily ZARONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period; and
- (ii) if, in respect of any Johannesburg Business Day, ZARONIA is not available on the SARB's Website, such Reference Rate shall be:
 - (A) the SARB Policy Rate prevailing at close of business on the relevant Johannesburg Business Day as adjusted, if SARB Policy Rate Spread Adjustment is specified as applicable in the Applicable Pricing Supplement, by the SARB Policy Rate Spread as specified in the Applicable Pricing Supplement; or
 - (B) subject to this Condition 7.8, if such SARB Policy Rate is not available, the ZARONIA rate published on the SARB's Website for the first preceding Johannesburg Business Day on which the ZARONIA rate was published on the SARB's Website,
- (iii) and if the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, such Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of such Reference Rate and the ZARONIA Fallback Adjustment Spread is zero, and in each case, “ZARONIA_{i-5 JBD}” shall be interpreted accordingly.

- (m) **Final Fallback Rate** has the meaning given to it in Condition 7.8.2(b).
- (n) **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 7.8.8 (Independent Adviser).

- (o) **JIBAR** means the Johannesburg Interbank Average Rate (being the South African Rand wholesale funding rate known as JIBAR) administered by the SARB (or a successor Administrator).
- (p) **Johannesburg Business Day or JBD** means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Johannesburg, South Africa.
- (q) **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).
- (r) **Replacement Reference Rate** has the meaning given to it in Condition 7.8.2(a).
- (s) **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.
- (t) **SARB Policy Rate** means, in respect of any relevant day (including any day “*i*”), the repo rate (or any successor rate) which is the main policy rate of the SARB as determined and set by the monetary policy committee of the SARB and published by the SARB from time to time, in effect on that day.
- (u) **SARB's Website** means the website of the SARB currently at <http://www.resbank.co.za>, any successor website of the SARB (or a successor administrator of ZARONIA) or any successor source.
- (v) **Supervisor** means, in respect of an Original Reference Rate:
 - (i) 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
 - (ii) 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.
- (w) **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.

- (x) **ZARONIA** means the South African Overnight Index Average administered by the SARB (or a successor Administrator) (known as ZARONIA).
- (y) **ZARONIA Fallback Adjustment Spread** means the term adjusted ZARONIA spread (which may be positive, negative or zero) relating to JIBAR as at the ZARONIA Fallback Adjustment Spread Fixing Date, for a period corresponding to the duration of the relevant Interest Period, provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted ZARONIA and the spread) (**BISL**) on the Fallback Rate (ZARONIA) Screen (or by other means), or provided to, and published by, authorised distributors where **Fallback Rate (ZARONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for JIBAR accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL.
- (z) **ZARONIA Fallback Adjustment Spread Fixing Date** means the first date on which a Benchmark Event Date occurs with respect to JIBAR (or if that date is not a Johannesburg Business Day, the next following Johannesburg Business Day).
- (aa) **ZARONIA Fallback Rate** means, for an Interest Period and in respect of an Interest Determination Date (as defined in the definition of "*Compounded Daily ZARONIA*"), the rate determined by the Calculation Agent to be the Compounded Daily ZARONIA for that Interest Period and Interest Determination Date plus the relevant ZARONIA Fallback Adjustment Spread.
- (bb) **ZARONIA Observation Period** means, in respect of the relevant Interest Period, the period from (and including) the date falling 5 (five) Johannesburg Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on (and include) the Interest Commencement Date) and ending on (but excluding) (a) the date falling 5 (five) Johannesburg Business Days prior to the Interest Payment Date for such Interest Period (and the last Interest Period shall end on (but exclude) the Maturity Date), or (b) the date falling 5 (five) Johannesburg Business Days prior to such earlier date, if any, on which the Notes become due and payable.
- (cc) **ZARONIA Reference Rate** means, in respect of any Johannesburg Business Day, a reference rate equal to the daily ZARONIA rate for such Johannesburg Business Day as provided by the SARB as the Administrator of ZARONIA (or any successor Administrator of ZARONIA), on the SARB's Website, in each case at the Publication Time on the Johannesburg Business Day immediately following such Johannesburg Business Day, and if the aggregate of such ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is less than zero, the ZARONIA Reference Rate for such Johannesburg Business Day shall be deemed to be such a rate that the aggregate of the ZARONIA Reference Rate and the ZARONIA Fallback Adjustment Spread is zero.

8. PAYMENTS

8.1 General

- 8.1.1 Only Noteholders of Notes named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Notes.

8.1.2 Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 8 (Payments).

8.1.3 Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in South Africa. Any reference in these Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any Additional Amounts which may be payable thereunder.

8.2 **Method of Payment**

8.2.1 The Paying Agent will, on behalf of the Issuer, pay or cause to be paid all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes:

- (a) in the case of Notes issued in uncertificated form, in accordance with the Applicable Procedures;
- (b) in the case of Notes represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account.

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, control or power grid failure or systemic power disruption (blackouts or rolling blackouts) or any other cause or contingency beyond the control of the Issuer (each a **Payment Disruption Event**), then:

- (a) 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
- (b) the:
 - (i) 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
 - (ii) 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 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 **Beneficial Interests**

8.3.1 Following payment on behalf of the Issuer to the relevant Participant in accordance with the Applicable Procedures of amounts due and payable in respect of Notes pursuant to Condition 8.2 (Method of Payment) of these Terms and Conditions, the relevant funds will be transferred by the Participants, to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures.

8.3.2 Each of the persons reflected in the records of the Central Securities Depository or the relevant Participants as the holders of Beneficial Interests in Notes, will look solely to the Central Securities Depository or the relevant Participant for such person's share of each payment so made by Paying Agent, on behalf of the Issuer, to the registered holder of such Notes.

8.3.3 Neither the Paying Agent nor the Issuer will 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 Beneficial Interests.

8.3.4 Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository distinguishing between interest, principal and any other amount, and such record of payments by the Central Securities Depository will be *prima facie* proof of such payments.

8.3.5 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).

8.4 **Surrender of Individual Certificates**

8.4.1 On or before the Last Day to Register prior to any Redemption Date of a Note (including a Redemption Date relating to redemption in part), the holder of an Individual 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 Individual 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 Individual Certificates.

8.4.2 Should the holder of an Individual Certificate refuse or fail to surrender the Individual Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to such holder 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 Individual Certificate, and interest shall cease to accrue to such Noteholder from the Redemption Date in respect of the amount redeemed.

8.4.3 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.

8.5 **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:

8.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and

8.5.2 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.

8.6 Interpretation of principal and interest

8.6.1 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.

8.6.2 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 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 (only to the extent that the Additional Tier 1 Notes are liability accounted) 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); and
- (b) the Additional Tier 1 Notes shall be Converted in whole, or in part, on a pro rata basis with Other Additional Tier 1 Securities.

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 Other Additional Tier 1 Securities 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 Other Additional Tier 1 Securities 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 (only to the extent that the Additional Tier 1 Notes are liability accounted) 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); and
- (b) the Additional Tier 1 Notes shall be Written-off in whole, or in part, on a pro rata basis with Other Additional Tier 1 Securities.

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 Other Additional Tier 1 Securities 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 Other Additional Tier 1 Securities 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 **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).

9.5 **Acknowledgement of contractual bail-in upon the occurrence of a Non-Viability Trigger Event or statutory bail-in pursuant to the RSA Bail-in Power in Resolution**

Notwithstanding any other term of the Additional Tier 1 Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Additional Tier 1 Notes), each Noteholder by its acquisition of the Additional Tier 1 Notes will be deemed to acknowledge, accept, and agree that the Additional Tier 1 Notes may either be bailed-in (i) under the Resolution Framework in accordance with the exercise of the RSA Bail-in Power, or the taking of Resolution Action, by the Resolution Authority upon the occurrence of a Resolution Event in relation to the Issuer, or (ii) pursuant to the operation of this Condition 9 (Loss Absorption following a Non-Viability Trigger Event) upon the occurrence of a Non-Viability Trigger Event.

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.

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 5.2 (Subordination) and without prejudice to Condition 5.5 (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 the provisions applicable to Floating Rate Notes are specified in the Applicable Pricing Supplement as not 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 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:

- (c) 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
- (d) 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 this 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 the provisions applicable to Floating Rate Notes are specified in the Applicable Pricing Supplement as not 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 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 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:

- (a) in the case of Redeemed Notes represented by Individual Certificates, individually by lot; and
- (b) in the case of Redeemed Notes held in uncertificated form, in accordance with the Applicable Procedures,

and in each case, 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 Individual 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 Beneficial Interests in 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**

11.5.1 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 Capital 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).

11.5.2 This Condition 11.5 does not apply in respect of a redemption in whole, but not in part, of the Additional Tier 1 Notes upon a Capital Disqualification Event in accordance with Condition 11.3 (Redemption following a Capital Disqualification Event).

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 applicable Debt Listings Requirements, 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 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.

12.2 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 (**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:

- 12.2.1 presented for payment (to the extent presentation is required) in South Africa; or
- 12.2.2 presented for payment or 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
- 12.2.3 presented for payment or 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 Individual Certificate in accordance with these Terms and Conditions) the relevant Individual 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 Individual 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 Additional Tier 1 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. No principal, premium, interest or any other amount (including Additional Amounts) 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).
- 13.1.2 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 5.25.4 (Subordination) and section 166D of the Financial Sector Regulation Act, and subject further 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).

13.1.3 Without prejudice to Condition 13.1.2, 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 a Financial Exchange (within one Business Day of becoming aware of the occurrence of an Event of Default), to the Noteholders through SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange and to the Central Securities Depository.

14. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE

14.1 **Exchange of Beneficial Interests**

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 an Individual 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 Individual 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 Individual 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 Individual 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:

- (a) 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
- (b) 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.

14.1.4

An Individual Certificate shall, in relation to a Beneficial Interest:

- (a) 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
- (b) 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 the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

14.1.5

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 an Individual Certificate in accordance with this Condition 14, such Additional Tier 1 Notes (now represented by an Individual 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.

14.2

Costs

Individual Certificates shall be provided (whether by way of 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 Individual Certificates and/or the transfer of Additional Tier 1 Notes may be levied by other persons, such as a Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual 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.

14.3

Death, sequestration or liquidation of Noteholder

Any person becoming entitled to 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 (if applicable) the Central Securities Depository and the relevant Participant 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.

14.4 **Replacement**

If any Individual 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 Individual Certificates must be surrendered before replacements will be issued.

15. TRANSFER OF NOTES

15.1 **Transfer of Beneficial Interests**

15.1.1 Beneficial Interests in the Additional Tier 1 Notes may be transferred in accordance with the Applicable Procedures through the Central Securities Depository.

15.1.2 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.

15.1.3 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, in accordance with the Applicable Procedures.

15.1.4 Beneficial Interests may be transferred only in accordance with these Terms and Conditions, and the Applicable Procedures.

15.2 **Transfer of Notes represented by Individual Certificates**

15.2.1 In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register and for the transfer to be recognised by the Issuer, each transfer of a 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 Individual Certificate in question for cancellation or, if only part of the Notes represented by an Individual Certificate is transferred, a new Individual Certificate for the balance will be delivered to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent.

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

15.2.3 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.

15.2.4 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 Individual Certificate in respect of the Additional Tier 1 Notes transferred.

15.2.5 No transfer will be registered during the Books Closed Period.

15.2.6 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 the date upon which each of the Noteholders was registered as such;

16.1.3 to the extent permitted by Applicable Laws, contain the name, address, and bank account details of the Noteholders of 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 Individual 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 recognise, 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 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 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 Notice by the Issuer

Notices to Noteholders shall be valid and effective:

18.1.1 in the case of Uncertificated Notes listed on a Financial Exchange, if delivered to:

(a) such Financial Exchange and electronically published on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange; 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange); 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 in an English language daily newspaper of general circulation in South Africa.

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.

18.2 Notice by the Noteholders

18.2.1 A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the Specified Office of the

Transfer Agent. The Issuer may change its Specified Office upon prior written notice to the Noteholders specifying such new address.

18.2.2 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 Participant in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participant 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.

18.3 **Notice in relation to Notes listed on a Financial Exchange**

For so long as any Notes are listed on a Financial Exchange, notwithstanding Condition 18.1, all notices in respect of such listed Notes shall be made by way of an announcement on SENS in the case of the JSE and in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange.

19. MEETINGS OF NOTEHOLDERS

19.1 Directions of Noteholders

19.1.1 This Condition 19 contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the amendment of any of these Terms and Conditions. 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, in the case of listed Notes, the relevant 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 these Terms and Conditions:

(a) by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by these Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by these Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by these Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of these 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 this Condition 19.2.1, the Issuer must:

- (a) immediately:
 - (i) inform the relevant Financial Exchange in writing that it has received a request to call a meeting, and specifying the purpose of the meeting; and
 - (ii) release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange stating that the Issuer has received a demand to call a meeting from Noteholders pursuant to the relevant Debt Listing Requirements, specifying the date and time of the meeting; and
- (b) within 5 (five) Business Days from the date of receipt of the request to call a meeting, release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange (**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:

- (a) the date of the meeting, which is not to exceed 7 (seven) Business Days from the date that the Notice of Meeting is issued;
- (b) the time of the scheduled meeting; and
- (c) 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 winding-up 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(b) above shall be reduced to 2 (two) Business Days and 7 (seven) Business Days in Condition 19.2.3(a) above shall be reduced to 5 (five) Business Days.

19.2.6 At the meeting:

- (a) Noteholders shall exercise their voting through polling and not by the show of hands; and
- (b) a chairperson shall be elected by Noteholders as voted in accordance with Condition 19.2.6(a) 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 relevant Financial Exchange 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 a Financial Exchange, notices of meetings in respect of such listed Notes, shall be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange, 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 Office 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 or a class of Noteholders, as the case may be, 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, 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.

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

19.8.1 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.

19.8.2 Notwithstanding any other provision contained in this Condition 19, the holders of Beneficial Interests must vote in accordance with the Applicable Procedures. Holders of Beneficial Interests must exercise their respective rights to vote through their respective Participants. The respective Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of the Beneficial Interest in Registered Notes, in accordance with 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**

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 a Financial Exchange, be announced on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 which is of a technical nature, made to correct a manifest error or to comply with mandatory provisions of the law of South Africa, provided that the Issuer shall provide the amended Terms and Conditions or the supplement to these Terms and Conditions to the relevant Financial Exchange immediately after the amendment is made and release an announcement on SENS in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 a Financial Exchange:

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 relevant Financial Exchange in accordance with the relevant Debt Listings Requirements;

20.3.2 subsequent to receiving the conditional formal approval from the relevant Financial Exchange 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 of 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange announcement, a separate announcement is not required in terms of this Condition 20.3.5;

20.3.6 if approval from the relevant Noteholders or the relevant 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 these Terms and Conditions or the signed supplement to these Terms and Conditions shall be submitted to the relevant Financial Exchange by or on behalf of the Issuer and the

Issuer shall also provide a letter to such Financial Exchange 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 Financial Exchange;

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 in the case of the JSE or, in the case of any other Financial Exchange, the relevant electronic news service accepted by that relevant Financial Exchange 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 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 Additional Tier 1 Note on the relevant Financial Exchange.

20.4 No amendment to these Terms and Conditions (or applicable Terms and Conditions) may be effected unless such amendment or modification complies with the applicable provisions of the relevant Debt Listings Requirements.

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 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.

23. RECOGNITION OF RSA BAIL-IN POWERS

23.1 Contractual recognition of RSA Bail-in Power

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understandings between any of the parties thereto or between the Issuer and any Noteholder (including each holder of a Beneficial Interest in the Notes), each Noteholder by its acquisition of the Notes will be deemed to acknowledge, accept, and agree that, upon the occurrence of a Resolution Event in relation to the Issuer, 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, or determination under the Resolution Framework, which may include and result in any of the following Resolution Actions, or some combination thereof:

- 23.1.1 the reduction or write-off of all, or a portion of, the Amounts Due, including on a permanent basis;
- 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) including by means of an amendment, modification or variation of the terms of the Notes, in which case the Noteholder agrees to accept in lieu of its rights under the Notes any such shares, other securities or other obligations of the Issuer or another person;
- 23.1.3 the cancellation of the Notes;
- 23.1.4 the replacement or substitution of the Issuer;
- 23.1.5 transfer of the Notes;
- 23.1.6 the amendment or alteration of the maturity of the Notes, or the amendment of the amount of interest, and any Additional Amounts (if any), due or payable on the Notes, or the dates on which interest, and any Additional Amounts (if any), becomes payable, including by suspending payment for any period contemplated in the Resolution Framework; and/or
- 23.1.7 the variation of the terms of the Notes, as determined by the Resolution Authority, to give effect to the exercise of the RSA Bail-in Power by the Resolution Authority,

which 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. The exercise of the RSA Bail-Powers, and the taking of any Resolution Action, by the Resolution Authority and the implementation, and the rights of the Noteholders in respect, thereof shall be as prescribed and/or determined by the Resolution Framework.

23.2 Variation of rights

Each Noteholder further acknowledges, consents, agrees and accepts that the rights of the Noteholders are subject to, and may, without the consent of Noteholders be varied, if necessary, solely to give effect to, the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, 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, or the taking of any Resolution Action, 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 of any RSA Bail-in Power, or the taking of any Resolution Action, 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 Applicable Laws 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 a Resolution Event occurs in relation to the Issuer or the Resolution Authority exercises any RSA Bail-in Power, or takes any Resolution Action, 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**

23.5.1 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, or the taking of any Resolution Action, by the Resolution Authority with respect to the Issuer, nor the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to the Notes, will constitute an Event of Default or a default or breach of, or otherwise constitute non-performance of a contractual obligation under, these Terms and Conditions for any purpose or entitle any Noteholder to any remedies (including equitable remedies) which are hereby expressly waive.

23.5.2 Neither the placing, or the proposed placing, of the Issuer in Resolution nor the taking, or the proposed taking, of any Resolution Action in relation to the Issuer following the occurrence of a Resolution Event in relation to the Issuer shall constitute an Event of Default, or breach of these Terms and Conditions or entitle the Noteholders to declare the Notes to be due and payable.

23.6 **No Acceleration**

23.6.1 No provision of these Terms and Conditions or any other agreement relating to the Notes is of any effect to the extent that the provision accelerates or varies an obligation of the Issuer upon, or as a result of, the occurrence of a Resolution Event in relation to the Issuer or as a result of any Resolution Action or proposed Resolution Action being taken in relation to the Issuer.

23.7 **Ranking of claims in Resolution**

In the event of any inconsistency or conflict between the provisions of Condition 5.2 (Subordination) and the Ranking Legislation, (subject to any Applicable Law providing to the contrary) the provisions of the Ranking Legislation shall prevail.

23.8 **Notice**

Upon:

23.8.1 the occurrence of a Resolution Event in relation to the Issuer; or
23.8.2 the exercise of any RSA Bail-in Power, or the taking of any Resolution Action, by the Resolution Authority with respect to any Notes,

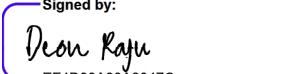
the Issuer shall give notice of the same to the Noteholders (in accordance with Condition 18 (Notices). Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and/or enforceability of exercise of any RSA Bail-in Power or the taking of any Resolution Action nor the effects on the Notes described in Condition 23.1 (Contractual recognition of RSA Bail-in Power) and/or 23.2 (Variation of rights).

23.9 **Interpretation**

For the purposes of this Condition 23:

23.9.1 **Amounts Due** means the Current Principal Amount of, and any accrued but unpaid interest, and Additional Amounts (if any), due 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;
23.9.2 the **Noteholders** includes any person holding a Beneficial Interest in the Notes; and
23.9.3 the **Notes** includes any Beneficial Interest in the Notes.

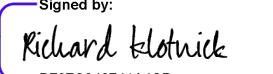
ABSA GROUP LIMITED

Signed by:
By: 
EF4D00A00F0047C...

Name: Deon Raju

Capacity: Authorised Signatory

Date: 26 January 2026

Signed by:
By: 
D797C040741A4CD...

Name: Richard Klotnick

Capacity: Authorised Signatory

Date: 26 January 2026

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 "Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note Programme" (Absa Group Risk Factors and 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 Absa Group Risk Factors and 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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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 28 May 2025.

Listing

This Programme Memorandum has been approved by, and 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.

Litigation

Other than those disclosed in the document incorporated by reference entitled "*Risk Factors and Disclosures Schedule relating to the Absa Group Limited ZAR110,000,000,000 Domestic Medium Term Note 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.

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 KPMG Inc. (**KPMG**) and PricewaterhouseCoopers Inc. (**PwC**) in making the aforementioned statement.

Auditors

KPMG and PwC have acted as the auditor of the financial statements of the Issuer for the financial years ended 31 December 2022, 2023 and 2024, and in respect of these years, have issued unqualified audit reports in respect of the Issuer.

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 AND 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: 011 895 6000

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: 011 895 6000

CALCULATION AGENT, TRANSFER AGENT AND 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: 011 895 6000

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: 011 501 5444

ATTORNEYS TO THE ISSUER, ARRANGER AND DEBT SPONSOR

Webber Wentzel
90 Rivonia Road
Sandhurst
Sandton, 2196
South Africa

Contact: Banking & Finance – Debt Capital Markets
Tel: 011 530 5452

AUDITORS TO THE ISSUER

KPMG Inc.
85 Empire Road
Parktown, 2193
South Africa
Tel: 011 647 7111

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City, Jukkle View
Johannesburg, 2090
Tel: 011 797 4000

DEBT OFFICER

Absa Group Limited
Deon Raju
Group Financial Director of Absa Group Limited
15 Alice Lane
Sandown
Sandton, 2196
South Africa
Email: Deon.Raju@absa.africa
Tel: 011 350 4000