

**Amended and Restated Nedbank Limited Warrant and Exchange Traded Note Programme
Memorandum dated 27 August 2010**



NEDBANK LIMITED

(incorporated with limited liability under registration number 1951/000009/06 in the Republic of South Africa)

**WARRANT AND EXCHANGE TRADED NOTE PROGRAMME
FOR THE ISSUANCE OF WARRANTS AND
EXCHANGE TRADED NOTES TO BE LISTED ON
JSE LIMITED**

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IMPORTANT NOTICE

General

Under this Nedbank Limited Warrant and Exchange Traded Note Programme (the “**Programme**”), Nedbank Limited (the “**Issuer**”) may from time to time issue Warrants, Exchange Traded Notes, Share Instalments and Protected Share Investments (collectively, the “**Instruments**”) pursuant to this Programme Memorandum, dated 27 August 2010, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed “*Definitions and Interpretation*”, unless separately defined in this Programme Memorandum. References in this Programme Memorandum to the “**Conditions**” are to the section of this Programme Memorandum headed “*Terms and Conditions*”.

The Issuer accepts full responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

A Series of Warrants may include, but is not limited to, domestic and foreign Equity Warrants, Fixed Income Debt Warrants, Commodity Warrants (including Basket Warrants in relation to the aforesaid Warrants), Currency Warrants, Index Warrants, Commodity Reference Warrants, and Currency Reference Warrants.

Warrants are specialist securities: (warrants), as contemplated in section 19 of the JSE Listings Requirements, and will be listed on the Specialist Security Section of the JSE.

Exchange Traded Notes are specialist securities: (exchange traded notes), as contemplated in the JSE Listings Requirements and will be listed on the Specialist Products Section of the JSE or such other Section of the JSE as may be selected by the Issuer with the approval of the JSE.

Protected Share Investments are specialist securities, as contemplated in the JSE Listings Requirements and will be listed on the Specialist Products Section of the JSE or such other Section of the JSE as may be selected by the Issuer with the approval of the JSE.

Share Instalments are specialist securities, as contemplated in the JSE Listings Requirements and will be listed on the Specialist Products Section of the JSE or such other Section of the JSE as may be selected by the Issuer with the approval of the JSE.

A Series of Warrants will be issued on, and subject to, the Part A of the Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Series of Warrants set out in the Supplement.

A Series of Exchange Traded Notes will be issued on, and subject to, Part B of the Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Series of Exchange Traded Notes set out in the Supplement.

A Series of Protected Share Investments will be issued on, and subject to, Part C of the Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Series of Protected Share Investments set out in the Supplement.

A Series of Share Instalments will be issued on, and subject to, Part D of the Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Series of Share Instalments set out in the Supplement.

The Supplement relating to a particular Series of Instruments that are to be listed on the JSE, will be delivered to the JSE on or prior to the date of listing of such Series of Instruments.

This Programme Memorandum is to be read and construed in conjunction with any amendment or supplement hereto, with any Supplement and with all documents which are deemed to be incorporated herein (see “*Documents Incorporated by Reference*” in Condition 15 of Part A of the Conditions); provided that any such amendment or Supplement and any such document incorporated herein by reference shall not form part of the Particulars.

Application has been made to the JSE for the Issuer to issue Instruments under the Programme during the relevant period of the Programme Memorandum. The Issuer may also issue unlisted Instruments.

The Issuer confirms that Instruments which are listed on the JSE will comply with Section 19 and/or (if applicable) Section 20, of the JSE Listings Requirements in connection with the listing of Instruments on the JSE. The Issuer undertakes that if at any time after the publication of the Particulars:

- a) there is a significant change affecting any matter contained in the Particulars the inclusion of which was required by the JSE Listings Requirements, or by the JSE; or
- b) a significant new matter arises, the inclusion of which would have been so required if it had arisen when the Particulars were prepared;

the Issuer shall give to the JSE Listing Division full details about such change or matter and shall publish such supplementary particulars as may be required by the JSE (in a form approved by the JSE Listing Division), and shall otherwise comply with the JSE Listing Requirements in that regard.

Disclosure of Risks

Prospective purchasers of any Instruments should ensure that they fully understand the nature of the Instruments and the extent of their exposure to risks, and that they consider the suitability of the particular Instruments as an investment in the light of their own circumstances and financial position.

The holding of Warrants may involve a high degree of risk, including the risk that they may not have a value on the Exercise Date. Potential purchasers of Warrants should be prepared to sustain a total or great loss of their investment in Warrants (see “*Risk Factors*” set out in section 3 of this Programme Memorandum). Investing in Exchange Traded Notes may involve a significant degree of risk, particularly where the Exchange Traded Notes provide geared exposure to financial instruments, assets or indices. In this event, the risks of investing in Exchange Traded Notes are greater than the risks of investing a similar amount directly in such financial instruments, assets or indices (see section 3 of this Programme Memorandum headed “*Risk Factors*”). Protected Share Investments are generally subject to a lesser degree of risk, in that unlike Warrants (in certain circumstances), Protected Share Investments will not expire worthless and will entitle the Holder to at least such number of Underlying Securities comprising the Underlying Parcel as has a market value equal to such Holder’s initial investment (see section 2 of this Programme Memorandum headed “*Introduction*” and “*Risk Factors*” set out in section 3 of this Programme Memorandum). Share Instalments are similarly subject to a lesser degree of risk than Warrants, in that unlike Warrants (in certain circumstances), Protected Share Investments will not expire worthless where the Reset Price is less than or equal to the Completion Payment. Share Instalments will, however, entitle the Holders to all cash dividends received by the Trustee in respect of the relevant Underlying Securities (see section 2 of this Programme Memorandum headed “*Introduction*” and “*Risk Factors*” set out in section 3 of this Programme Memorandum). The risks (if any) of investing in particular types of Instruments which are not set out in, or covered by, this Programme Memorandum will be set out in the relevant Supplement.

United States Registration

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, and trading in the Warrants has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act. The Instruments may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade or maintain a position in the Instruments.

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SECTION 1

DEFINITIONS AND INTERPRETATION

In this Programme Memorandum (including the Conditions) and each Supplement, unless inconsistent with the context or separately defined in the relevant Supplement, the following expressions shall have the following meanings:

“**Actual Exercise Date**” means the date on which a valid Exercise Notice is received, or deemed to be received, by the Issuer under Condition 4 (*Exercise of Warrants*) or, in the case of Warrants which are the subject of Automatic Exercise, the Expiration Date, as the case may be;

“**American Style Warrants**” means Warrants which are exercisable by the Holder on any date during the Exercise Period in accordance with the Conditions;

“**Automatic Exercise**” means the process by which a Holder receives, all of a portion of, the Cash Settlement Amount as provided for in Conditions 4.1 (*Automatic Exercise*), 5.10 (*Instrument Warrants, Commodity Warrants and Currency Warrants - Cash Settlement for Automatic Exercise*), 5.11 (*Index Warrants - Cash Settlement Only*) and 5.15 (*Commodity Reference Warrants and Currency Reference Warrants - Cash Settlement Only*);

“**Barrier Warrant**” means a Warrant which is subject to a Barrier Level as specified in the Supplement;

“**Barrier Level**” means in relation to any relevant Series, the amount set out in the relevant Supplement, as adjusted (if applicable) in accordance with the Conditions;

“**Basket Warrants**” means Instrument Warrants or Commodity Warrants consisting of a basket of the relevant Underlying Securities;

“**Basket of Securities**” means the Shares, Debt Instruments, or Reference Commodities underlying a Basket Warrant;

“**Beneficial Interest**” means, in relation to a Series of Instruments which is held in Strate, the beneficial interest as co-owner of an undivided share of all of the Instruments in that Series, as contemplated in section 41(1) of the Securities Services Act;

“**Business Day**” means a day (other than a Saturday or Sunday or official public holiday in South Africa) on which banks are open for business in South Africa and Strate and the JSE are open for business;

“**Call Style Warrant**” means a Warrant entitling the Holder, at the Issuer’s discretion, to take delivery of the Underlying Parcel against payment of the Exercise Price, or to receive the Cash Settlement Amount, as the case may be;

“**Calculation Agent**” means unless and until another person is appointed as such under Condition 8.8 (*Change in Calculation Agent or Transfer Secretary*), Nedbank or its successor;

“**Cash Settlement Amount**” means in relation to a Group of Warrants, the amount determined as such by the Calculation Agent under Condition 5 (*Settlement Following Exercise*) in respect of that Group;

“**Cash Settlement Date**” means in relation to an Actual Exercise Date, the third Business Day after the Valuation Date;

“**Certificate**” means, in the circumstances contemplated in the 2nd paragraph of Condition 1.2 (*Issue of Certificates*), a certificate issued, by or on behalf of the Issuer and signed by the Transfer Secretary, representing Instruments for which a Beneficial Interest has been exchanged, all in compliance with the requirements of the JSE and in accordance with this Programme Memorandum;

“**Closing Price**” means in relation to the Underlying Securities, the closing price on each Business Day as published by the JSE or the Exchange, as the case may be, or if the particular Underlying Security is not listed by the JSE or the Exchange, as the case may be, the mark to market value of the Underlying Securities on each Business Day and, in relation to Commodity Reference Warrants and Currency Reference Warrants, the closing price as quoted by the source specified in the Supplement;

“**Closing Price Level**” means in relation to Index Warrants, (i) the final “*Expiry Price*” in respect of the Index quoted by the Index Sponsor on the Expiration Date, or (ii) if that price is not published, the “*Closing Price*” in respect of the Index quoted by the JSE or the Exchange, as the case may be, on the Expiration

Date, or (iii) if neither of the aforesaid prices are published and the Index is a Substitute Index, the final price on the Expiration Date of the Substitute Index published by the person who publishes the Index, or (iv) if none of the above prices are published, the final price of the Index on the Expiration Date as calculated by the Calculation Agent;

“**Commodity Reference Warrant**” means a Warrant, settled only by payment of the Cash Settlement Amount, which Cash Settlement Amount is calculated by reference to the Closing Price of a specific Reference Commodity;

“**Commodity Series**” means Warrants relating to a Reference Commodity;

“**Commodity Warrant**” means a Warrant issued over a Reference Commodity, settled (at the Issuer’s discretion) either by delivery of that Reference Commodity, against payment of the Exercise Price, or by payment of the Cash Settlement Amount, as the case may be;

“**Companies Act**” means the Companies Act, 1973 (as amended);

“**Company**” means the relevant company which issues Shares in the context specified in the Supplement and which company complies with the provisions of section 19.7 of the JSE Listings Requirements;

“**Conditions**” means the terms and conditions set out in section 4 of this Programme Memorandum;

“**Constituent Property**” means in relation to Commodity Reference Warrants, the underlying Reference Commodity or, in the case of Currency Reference Warrants, the underlying Reference Currency or, in the case of Index Warrants, the underlying property specified in the Supplement (including, without limitation, Shares in the relevant Company) in terms of which the value of any particular Index is determined by the Index Sponsor;

“**Conversion Rate**” means the relevant conversion rate as specified in the Supplement as on the Valuation Date, and as determined by the Calculation Agent from the relevant source as specified in the Supplement;

“**CSD**”, “**Central Securities Depository**” and “**Strate**” means Strate Limited (Registration No. 1998/022242/06) licensed as a central securities depository in terms of the Securities Services Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer;

“**CSD Participant**” means a person accepted by Strate as a participant in terms of the Securities Services Act;

“**CSD Procedures**” means the rules and operating procedures for the time being of the Central Securities Depository, the JSE Rules and the JSE Listings Requirements, collectively;

“**Currency Reference Warrant**” means a Warrant, settled only by payment of the Cash Settlement Amount, which Cash Settlement Amount is calculated by reference to the Closing Price of a specific Reference Currency;

“**Currency Series**” means Warrants relating to a Reference Currency;

“**Currency Warrant**” means a Warrant issued over a Reference Currency, settled (at the Issuer’s discretion) either by delivery of that Reference Currency, against payment of the Exercise Price, or by payment of the Cash Settlement Amount, as the case may be;

“**Debt Instrument**” means the relevant Debt Instrument as specified in the Supplement over which the Warrants are issued in terms of this Programme Memorandum;

“**Encumbrance**” means any mortgage, notarial bond, charge, lien, pledge, assignment, hypothecation, preferential right, or any other security interest or arrangement;

“**Equity Series**” means Warrants relating to a Share;

“**Equity Warrant**” means a Warrant issued over a Share settled (at the Issuer’s discretion) either by delivery of that Share, against payment of the Exercise Price, or by payment of the Cash Settlement Amount, as the case may be;

“**European Style Warrants**” means Warrants which are only exercisable by the Holder on the Expiration Date in accordance with the Conditions;

“**Exchange**” means any exchange, other than the JSE, specified as such in the Supplement;

“**Exchange Traded Note**” means securities, which may be cash settled or physically settled, as stipulated in the relevant Supplement, which are issued over one or more domestic Shares or domestic equity indices and the performance of which securities is linked to the performance of the underlying Share/s or equity indices;

“**Exercise Date**” means in respect of American Style Warrants (other than Index Warrants, Commodity Reference Warrants and Currency Reference Warrants), the date during the Exercise Period that the Warrant is exercised, or deemed to be exercised, in accordance with the Conditions and, in respect of European Style Warrants, Index Warrants, Commodity Reference Warrants, Currency Reference Warrants and Protected Share Investments, the Expiration Date;

“**Exercise Expenses**” means in relation to the exercise of a Group of Warrants, all STT and other direct costs and charges (not including the Issuer’s administration costs) of transferring the relevant Underlying Parcel to a Holder, or the Issuer taking delivery of the relevant Underlying Parcel, or the payment of the Cash Settlement Amount by the Issuer, as the case may be;

“**Exercise Notice**” means a notice in the form, or substantially in the form, of Schedule 1 to section 7 of the Programme Memorandum, delivered to the Issuer in accordance with the provisions of Conditions 4.1 (*Automatic Exercise*) and 4.2 (*Delivery of Exercise Notice*);

“**Exercise Period**” means in relation to a Series of American Style Warrants, the period commencing on the date specified in the Supplement and ending on the Expiration Date specified in that Supplement;

“**Exercise Price**” means in relation to a Series, the amount per Group of Warrants set out in the Supplement;

“**Expiration Date**” means in relation to a Series of American Style Warrants, the last Business Day of the Exercise Period in relation to that Series on which a Warrant may be exercised and, in relation to a Series of European Style Warrants, a Series of Index Warrants, a Series of Commodity Reference Warrants, a Series of Currency Reference Warrants and a Series of Protected Share Investments, the date specified as such in the Supplement;

“**Fair Market Value**” means the value of the Underlying Parcel or Index or Constituent Property, as the case may be, as determined by the Calculation Agent. Such value is calculated on the basis of (i) the market conditions on the Valuation Date and (ii) the cost to the Issuer of unwinding any related underlying hedging arrangements;

“**Fixed Income Debt Series**” means Warrants relating to a Debt Instrument;

“**Fixed Income Debt Warrant**” means a Warrant issued over a Debt Instrument settled (at the Issuer’s discretion) either by delivery of that Debt Instrument, against payment of the Exercise Price, or by payment of the Cash Settlement Amount, as the case may be;

“**Group**” means in relation to a Series (other than a Protected Share Series), the number specified as such in relation to that Series in the Supplement, subject to certain adjustments set out in the Conditions;

“**Holder**” means in relation to an Instrument, the person who is the owner of the beneficial interest in that Instrument as contemplated in the CSD Procedures and, subject to Condition 1.2 (*Issue of Certificates*), the person reflected in the Register as the registered holder of that Instrument;

“**Index**” means in relation to Index Warrants, the relevant Index as specified in the Supplement over which Index Warrants are offered in terms of this Programme Memorandum and, unless the context otherwise requires, includes any Substitute Index;

“**Index Level**” means at any time, the level of the Index at that time as published by the person who publishes the Index or otherwise, such publication to be determined by the Issuer;

“**Index Multiplier**” means the multiplier used to convert an Index Level to a Rand value as specified in the Supplement;

“**Index Series**” means Warrants relating to an Index;

“**Index Sponsor**” means the Index Sponsor, specified as such in the Supplement, which calculates the quotation of the Index;

“**Index Warrant**” means a Warrant issued over an Index, settled only by payment of the Cash Settlement Amount, which Cash Settlement Amount is calculated by reference to the Closing Price Level;

“**Instrument**” means, collectively, Warrants, Exchange Traded Notes, Protected Share Investments and Share Instalments and “**Instrument**” means any one of them;

“**Instrument Series**” means Fixed Income Debt Series and Equity Series, collectively;

“**Instrument Warrants**” means Fixed Income Debt Warrants and Equity Warrants, collectively;

“**Issuer**”, “**Nedbank**” and “**Nedbank Limited**” means Nedbank Limited (Registration No. 1951/000009/06), a public company with limited liability registered and incorporated in accordance with the laws of South Africa, or its successor;

“**JSE**” means JSE Limited (Registration No. 2005/022939/06), a licensed exchange in terms of the Securities Services Act;

“**JSE Listings Requirements**” means the listings requirements published by the JSE from time to time in terms of the Securities Services Act;

“**JSE Rules**” means the rules of the JSE promulgated in terms of the Securities Services Act and includes any amendments thereto;

“**Market Disruption Event**” means subject to the approval (where required) of the JSE or the Exchange, as the case may be, any event or circumstance including, without limitation, any suspension or limitation of trading affecting any Underlying Securities, Constituent Property or Index which, in the opinion of the Calculation Agent, on any Business Day, results or would result in such Underlying Securities, Constituent Property, or Index being unavailable for purchase, transfer or delivery on an arms length basis on the JSE or the Exchange, as the case may be, or that such Index is not quoted in the usual manner, or the suspension or limitation or trading in any options, futures or other derivatives with respect to the Underlying Securities on the JSE or the Exchange, as the case may be;

“**Maximum Exercise Number**” means, except on the Expiration Date, the amount of Warrants specified in the Supplement;

“**Minimum Exercise Number**” means, except on the Expiration Date, the amount of Warrants specified in the Supplement;

“**Programme**” means the Nedbank Limited Warrant and Exchange Traded Note Programme;

“**Programme Date**” means the date of this Programme Memorandum, being 27 August 2010;

“**Programme Memorandum**” means this document, dated 27 August 2010;

“**Particulars**” means the particulars contained in this Programme Memorandum which are issued in compliance with the JSE Listings Requirements and the JSE Rules for the purpose of giving information with regard to the Issuer and the issue of Instruments to be listed on the JSE by the Issuer during the period that this Programme Memorandum is effective;

“**Protected Share Series**” means Protected Share Investments relating to a Share;

“**Protected Share Investment**” means a specialist security issued over Share/s settled, subject to the provisions of the Protected Share Investment Supplement, by delivery of Share/s to the Holder against payment of the Issue Price;

“**Protected Share Investment Supplement**” means the supplement contemplated in Schedule 2B(I) of section 7 of this Programme Memorandum, prepared in connection with any issue of Protected Share Investments in terms of this Programme Memorandum;

“**Put Style Warrant**” means a Warrant which entitles the Holder, at the Issuer’s discretion, to deliver the Underlying Parcel to the Issuer against receipt of the Exercise Price, or to receive the Cash Settlement Amount, as the case may be;

“**R**” or “**Rand**” means Rand, the currency of South Africa;

“**Reference Commodity**” means the relevant commodity, as specified in the Supplement;

“**Reference Currency**” means the relevant currency, as specified in the Supplement;

“**Register**” means to the extent applicable under the Conditions and subject to Condition 1.2 (*Issue of Certificates*), the register created held and maintained by the Transfer Secretary for the purpose of maintaining a record of Instruments registered in the name of individual Holders;

“**SENS**” means the Securities Exchange News Service or any replacement or equivalent news service of the JSE or Exchange;

“**Securities Services Act**” means the Securities Services Act, 2004 (as amended);

“**Series**” means a Commodity Series, a Currency Series, an Instrument Series, a Protected Share Series, and an Index Series, collectively;

“**SETS System**” means the trading system utilised by the JSE;

“**Settlement Date**” means in relation to each Actual Exercise Date, the date upon which the Underlying Securities would be settled if traded through the SETS System on the Valuation Date (in the case of Instrument Warrants, Protected Share Investments, Commodity Warrants and Currency Warrants), or the third Business Day following the Valuation Date (in the case of Index Warrants, Commodity Reference Warrants and Currency Reference Warrants);

“**Settlement Disruption Event**” means an event which, in the opinion of the Calculation Agent, is both beyond the reasonable control of the Issuer and which precludes the Issuer from making or taking delivery of the Underlying Parcel, as the case may be, as would have been required (if the event had not occurred) by the Conditions;

“**Settlement Disruption Period**” means the continuation, for an uninterrupted period of seven days, of any Settlement Disruption Event;

“**Settlement Price**” means applies to Warrants which are settled by payment of the Cash Settlement Amount and means:

- (a) in relation to a Group of Instrument Warrants, Commodity Warrants or Currency Warrants, the value of the Underlying Parcel on the Valuation Date determined by the Calculation Agent as the sum of the weighted average traded prices of all items of property comprising the Underlying Parcel on the JSE or the Exchange, as the case may be, in the ordinary course of business on the Valuation Date, except that where, in the opinion of the Calculation Agent, a price cannot reasonably be determined for any such item of property for any reason, the value of that item of property shall be the Fair Market Value as determined by the Calculation Agent;
- (b) in relation to (i) a Group of Commodity Reference Warrants, the Rand value of the Closing Price of the Reference Commodity on the Valuation Date as converted by the Calculation Agent (if required) by way of a Conversion Rate, and (ii) in relation to a Group of Currency Reference Warrants, the Rand value of the Closing Price of the Reference Currency on the Valuation Date as converted by the Calculation Agent (if required) by way of a Conversion Rate, except that where, in the opinion of the Calculation Agent, a price cannot reasonably be determined for any Commodity Reference Warrants or Currency Reference Warrants pursuant to (i) or (ii), as the case may be, the price shall be the Fair Market Value as determined by the Calculation Agent, and (iii) in relation to a Group of Index Warrants, the Fair Market Value as determined by the Calculation Agent;

“**Share/s**” means the relevant share/s in a Company, as specified in the Supplement;

“**Share Instalment**” means a specialist security issued over a Share and settled, subject to the provisions of the Share Instalment Supplement, by delivery of that Share to the Holder against payment of the Completion Payment;

“**Share Instalment Supplement**” means the supplement contemplated in Schedule 2B(II) of Section 7 of this Programme Memorandum, prepared in connection with any issue of Share Instalments in terms of this Programme Memorandum;

“**South Africa**” means the Republic of South Africa;

“**Sponsor**” means Nedbank Capital, a division of Nedbank Limited;

“**SRP Rules**” means the rules made pursuant to Section 440C of the Companies Act;

“**STT**” means Securities Transfer Tax as defined in the Securities Transfer Tax Act, 2007 (as amended);

“**Substitute Index**” means in relation to an Index Warrant, an Index replacing the Index over which Index Warrants have been issued in terms of this Programme Memorandum, as set out in Condition 14 (*Substitute Index and Adjustment*);

“**Supplement**” means the supplement, as contemplated in Schedule 2A and, where applicable, Schedule 2B of section 7 of this Programme Memorandum, prepared in connection with the issue of a Series of Instruments, under the Programme, and any reference to “**Supplement**” shall, where the context requires, include any other supplement to the Particulars, which will comprise supplementary particulars but which shall not form part of the Particulars;

“**Transfer Secretary**” means unless and until another person is appointed as such under Condition 8.8 (*Change in Calculation Agent or Transfer Secretary*), Computershare Investor Services (Proprietary) Limited (Registration No. 2004/003647/07) or its successor;

“**Underlying Parcel**” means in relation to a Group of Warrants, initially one unit of the relevant Underlying Security or, in the case of Basket Warrants, the Basket of Securities, subject to adjustment, if applicable, under the Conditions and, in relation to Protected Share Investments, “*Underlying Parcel*” shall have the meaning set out in paragraph 2 of the Protected Share Investment Supplement;

“**Underlying Securities**” means generically, Shares in the relevant Company, Debt Instruments, Reference Commodities, or Reference Currencies, as the case may be, all as specified in the Supplement, or any other security designated as such in any Supplement; provided that in relation to Protected Share Investments, “**Underlying Security**” shall have the meaning set out in paragraph 2 of the Protected Share Investment Supplement;

“**Valuation Date**” means the first Business Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Valuation Date shall be the first succeeding Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date, in which case the fifth Business Day shall be the Valuation Date;

“**Warrant**” means a specialist security: (warrant), as contemplated in section 19 of the JSE Listings Requirements created and governed by this Programme Memorandum and includes, but is not limited to, domestic and foreign Equity Warrants, Fixed Income Debt Warrants and Commodity Warrants (including Basket Warrants in relation to the aforesaid Warrants), Currency Warrants, domestic and foreign Index Warrants, domestic and foreign Commodity Reference Warrants, and domestic and foreign Currency Reference Warrants.

SECTION 2

INTRODUCTION

A. WARRANTS

Warrants are a leveraged investment, and the performance of Warrants is linked to the value of a given underlying Share, Debt Instrument, Reference Commodity, Reference Currency or Index. Warrants can provide exposure to an Underlying Parcel or Index, as the case may be, for a fraction of the cash required to hold the relevant Underlying Parcel or the Constituent Property comprising an Index.

1. General types of Warrants

1.1 American Style Warrants and European Style Warrants

Warrants may be American Style Warrants or European Style Warrants.

A Holder of American Style Warrants is entitled, but not obliged, to exercise his Warrants, in accordance with the Conditions, on any date during the Exercise Period and, upon due compliance with the relevant Conditions, to receive or deliver, as the case may be, an Underlying Parcel or the Cash Settlement Amount, as the case may be, as set out in the Conditions.

A Holder of European Style Warrants is entitled, but not obliged, to exercise his Warrants, in accordance with the Conditions, only on the Expiration Date and, upon due compliance with the relevant Conditions, to receive or deliver, as the case may be, an Underlying Parcel or the Cash Settlement amount, as the case may be, as set out in the Conditions.

Certain Warrants (Index Warrants, Currency Reference Warrants and Commodity Reference Warrants) are subject to Automatic Exercise and the exercise of such Warrants occurs automatically on the Expiration Date.

1.2 Call Style Warrants and Put Style Warrants

Warrants may be Call Style Warrants or Put Style Warrants.

Call Style Warrants

A Holder of Call Style Warrants is entitled, upon due compliance with the relevant Conditions and at the Issuer's discretion, to take delivery of the relevant Underlying Parcel against payment of the Exercise Price or to receive the Cash Settlement Amount, as the case may be, as set out in the Conditions.

The value of Call Style Warrants tends to rise if the value of the Underlying Parcel increases, and tends to fall if the value of the Underlying Parcel decreases. Such increases and decreases in the value of the Underlying Parcel are likely to be magnified, in percentage terms, in the Warrant price.

The value of Index Call Style Warrants will generally increase if the value of the particular Index rises and will decrease if the value of the particular Index falls.

The value of Commodity Call Style Warrants or Commodity Reference Call Style Warrants will generally increase if the value of the particular Reference Commodity rises and will decrease if the value of the particular Reference Commodity decreases.

The value of Currency Call Style Warrants or Currency Reference Call Style Warrants will generally increase if the value of the particular Reference Currency rises and will decrease if the value of the particular Reference Currency decreases.

Put Style Warrants

A Holder of Put Style Warrants is entitled, upon due compliance with the relevant Conditions, to deliver the relevant Underlying Parcel to the Issuer against receipt of the Exercise Price or, at the Issuer's discretion, to receive the Cash Settlement Amount, as the case may be, as set out in the Conditions.

The value of Put Style Warrants tends to rise if the value of the Underlying Parcel decreases, and tends to fall if the value of the Underlying Parcel increases. Such increases and decreases in the value of the Underlying Parcel are likely to be magnified, in percentage terms, in the Warrant price.

The value of Index Put Style Warrants will generally increase if the value of the particular Index decreases and will decrease if the value of the particular Index increases.

The value of Commodity Put Style Warrants or Commodity Reference Put Style Warrants will generally increase if the value of the particular Reference Commodity decreases and will decrease if the value of the particular Reference Commodity increases.

The value of Currency Put Style Warrants or Currency Reference Put Style Warrants will generally increase if the value of the particular Reference Currency decreases and will decrease if the value of the particular Reference Currency increases.

1.3 **Barrier Warrants**

Warrants may be Barrier Warrants. Barrier Warrants are subject to a Barrier Level which, in relation to any Series, is the amount set out in the relevant Supplement, as adjusted, if applicable, in accordance with the Conditions.

2. **Specific Types of Warrants**

2.1 **Instrument Warrants, Commodity Warrants and Currency Warrants**

Instrument Warrants comprise Equity Warrants issued over specified Shares in the relevant Company and Fixed Income Debt Warrants issued over specified Debt Instruments. Commodity Warrants are issued over specified Reference Commodities, and Currency Warrants are issued over specified Reference Currencies.

Basket Warrants comprise Instrument Warrants or Commodity Warrants issued over a basket of the specified Shares in the relevant Company, Debt Instruments, or Reference Commodities, as the case may be.

The Holders of Instrument Warrants and Commodity Warrants (and Basket Warrants in relation to any of the aforesaid Warrants) and Currency Warrants must give a valid Exercise Notice, in accordance with the Conditions, in order to exercise such Warrants. Failure to deliver a valid Exercise Notice, in accordance with the Conditions, will lead to Automatic Exercise of such Warrants, in which case the Holder will only be entitled to 90% of the relevant Cash Settlement Amount.

The Underlying Parcel in relation to a Group of Warrants in an Instrument Series or a Commodity Series or a Currency Series is initially one unit of the relevant Underlying Security or, in the case of Basket Warrants, the Basket of Securities, subject to adjustment, if applicable, in accordance with the Conditions.

2.2 **Index Warrants**

Index Warrants include Warrants issued over a specified Index, and are settled only by payment of the Cash Settlement Amount.

The exercise of all Index Warrants occurs automatically on the Expiration Date, and Holders of Index Warrants need not give an Exercise Notice in order to receive the Cash Settlement Amount (if any).

2.3 **Commodity Reference Warrants and Currency Reference Warrants**

Commodity Reference Warrants are issued over specified Reference Commodities, and Currency Reference Warrants are issued over specified Reference Currencies. Commodity Reference Warrants and Currency Reference Warrants are settled only by payment of the Cash Settlement Amount.

The exercise of all Commodity Reference Warrants and Currency Reference Warrants occurs automatically on the Expiration Date, and Holders of Commodity Reference Warrants and Currency

Reference Warrants need not give an Exercise Notice in order to receive the Cash Settlement Amount (if any).

3. **Delivery of Underlying Parcel**

Except for Index Warrants, Commodity Reference Warrants and Currency Reference Warrants, the Warrants will entitle the Holder, subject to the Issuer's discretion, to receive the Cash Settlement Amount, or to receive physical delivery of the Underlying Parcel against payment of the Exercise Price (in the case of Call Style Warrants), or to make delivery of the Underlying Parcel to the Issuer against receipt of the Exercise Price (in the case of Put Style Warrants).

4. **Cash Settlement Amount**

Index Warrants, Commodity Reference Warrants and Currency Reference Warrants will always be settled by payment of the Cash Settlement Amount (if any) in accordance with the Conditions.

5. **Adjustments**

5.1 **Adjustments to Exercise Price, Underlying Parcel and Barrier Level**

The Exercise Price, Underlying Parcel and Barrier Level may be adjusted in certain circumstances, as set out in the Conditions.

5.2 **Adjustments to Indices**

The Constituent Property and the weightings within an Index may be adjusted from time to time by the relevant Index Sponsor, or the Calculation Agent, as set out in the Conditions. Generally, where this is done in accordance with the current rules applying to an Index, no changes will be made to the Conditions. In the event, however, that there are material changes made to the structure or method of calculation of an Index, an adjustment may be made to the Conditions of the Index Warrants, subject to the approval of the JSE or the Exchange, as the case may be, (where required), so as to reflect, as far as possible, the structure and method of calculation of the Index at the date of this Programme Memorandum. The adjustments will be designed with the intention that neither the Holder nor the Issuer will be disadvantaged in such circumstances.

6. **Dividends and Voting Rights in respect of Underlying Securities**

Holders are not entitled to dividends or rights (including voting rights) in respect of the Underlying Securities except that, following the exercise of Equity Warrants and, subject to the provisions of the Protected Share Investment Supplement, Protected Share Investments, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Actual Exercise Date and to be delivered in the same manner as such Shares.

Holders of Index Warrants are not entitled to dividends or any other rights (including voting rights) in respect of the Constituent Property.

7. **Risks**

Investing in Warrants involves a significant degree of risk, including the risk that the entire investment will be lost in that the Warrants may not have a value on the Exercise Date. Since Warrants provide geared exposure to financial instruments, assets or indices, the risks of investing in Warrants are greater than the risks of investing a similar amount directly in such financial instruments, assets or indices. Some of the risks involved in investing in Warrants are more fully described in section 3 of this Programme Memorandum headed "*Risk Factors*".

Potential investors should ensure that they understand the risks involved in investing in Warrants and consult with their own relevant advisers before making any investment decision.

8. **Rights of Holders**

The Warrants create rights, but until exercise do not impose any obligations on the Holder. In the absence of exercise, any obligation on the Issuer to pay any amount or deliver, or take delivery of, any Underlying Parcel is subject to limitations. The Warrants can be exercised only in the manner set out in the Conditions.

9. **B. EXCHANGE TRADED NOTESGeneral**

Exchange Traded Notes are investments (which may be leveraged), and the performance of Exchange Traded Notes is linked to the performance of underlying securities, such as interest rate, the performance of one or more shares or bonds, an index, an exchange rate or a commodity. Exchange Traded Notes can provide exposure to markets that are otherwise difficult to gain exposure to.

10. **Risks**

Investing in Exchange Traded Notes may involve a significant degree of risk, particularly where the Exchange Traded Notes provide geared exposure to financial instruments, assets or indices. In this event, the risks of investing in Exchange Traded Notes are greater than the risks of investing a similar amount directly in such financial instruments, assets or indices. Some of the risks involved in investing in Exchange Traded Notes are more fully described in section 3 of this Programme Memorandum headed “*Risk Factors*”.

The risks (if any) of investing in particular types of Exchange Traded Notes which are not set out in, or covered by, this Programme Memorandum will be set out in the relevant Supplement.

Potential investors should ensure that they understand the risks involved in investing in Exchange Traded Notes and consult with their own relevant advisers before making any investment decision.

C. **PROTECTED SHARE INVESTMENTS**

Protected Share Investments are specialist securities, as contemplated in the JSE Listings Requirements and will be listed on the Specialist Products Section of the JSE or such other Section of the JSE as may be selected by the Issuer with the approval of the JSE.

Protected Share Investments are subject to a lesser degree of risk than Warrants. A Protected Share Investment will not expire worthless, but will entitle the Holder, against payment of the Issue Price to the Issuer on the Issue Date and subject to the terms of the Protected Share Investment Supplement, to receive at least such number of Underlying Securities comprising the Underlying Parcel as has a market value equal to such Holder’s initial investment (that is, the Issue Price of the Protected Share Investment).

Holders of Protected Share Investments will be entitled to receive physical delivery of the Underlying Parcel against payment of the Issue Price.

If, on the Expiration Date, (i) the Final Price is equal to or lower than the Initial Price, the Holder of a Protected Share Investment will receive such number of Underlying Securities as has a market value (based on the Final Price) equal to the Issue Price, (ii) the Final Price is higher than the Initial Price but lower than the Capped Price, such Holder will receive (a) such number of Underlying Securities as is equal to the Issue Price divided by the Initial Price and (ii) such further number of Underlying Securities as has a market value (based on the Final Price) equal to the increase in market value (based on the Final Price) of the Bonus Shares, (iii) the Final Price is higher than the Capped Price, such Holder will receive such number of Underlying Securities as has a market value (based on the Final Price) equal to the Capped Value. Accordingly, and subject to the provisions of the next paragraph and the Protected Share Investment Supplement, a Protected Share Investment is a contract for the purchase of JSE listed shares in terms of which if, for example, the Holder pays an Issue Price of R10,000.00 on day one, the Holder will receive two parcels of shares at maturity. The first parcel is equal to the number of shares that the Holder could have purchased on day one for R10,000.00. The second parcel will have a market value equal to the increase in value over the life of the investment of a specified number of bonus shares. The delivery of the two share parcels will

be subject to the market value at maturity of both parcels not being less than the initial amount invested on day one and also, not greater than a specified capped value, should this apply.

Notwithstanding anything to the contrary contained in this Programme Memorandum or the Protected Share Investment Supplement, the number of Underlying Securities to be delivered to the Holder of a Protected Share Investment shall be calculated in accordance with the provisions of paragraph 6.2 of the Protected Share Investment Supplement. An example of the application of the formulae set out in paragraph 6.2 of the Protected Share Investment Supplement is attached to the Protected Share Investment Supplement (the “**Example**”). The Example is for reference purposes only and shall not be construed as forming any part of the terms and conditions of the Protected Share Investment Supplement or the Related Supplement or the Programme Memorandum or the Conditions.

The exercise of all Protected Share Investments occurs automatically on the Expiration Date, and Holders of Protected Share Investments need not give an Exercise Notice in order to receive the Underlying Parcel.

The Supplement (and, in particular, the Protected Share Investment Supplement) specifies the terms and conditions (which may replace, or modify, or supplement the Conditions) applicable to the issue of a Series of Protected Share Investments under the Programme.

D. SHARE INSTALMENTS

Share Instalments are specialist securities as contemplated in the JSE Listing Requirements, and will be listed on the Specialist Security Section of the JSE. A summary of the Share Instalments and the Share Instalment Conditions is set out in paragraph 1 of Part A of the Share Instalment Supplement.

Share Instalments are generally subject to a lesser degree of risk than Warrants in that, unlike Warrants (in certain circumstances), Share Instalments will not expire worthless where the Reset Price is less than or equal to the Completion Payment. Share Instalments will, however, entitle the Holders to all cash dividends received by the Trustee in respect of the relevant Underlying Securities.

The Supplement (and, in particular, the Share Instalment Supplement) specifies the terms and conditions (which may replace, or modify, or supplement the Conditions) applicable to the issue of a Series of Share Instalments under the Programme.

E. GENERAL

11. Listing

Under the Programme, a Series of Instruments may be listed and traded on the JSE. The Supplement relating to a Series of Instruments that are to be listed on the JSE, will be delivered to the JSE on or prior to the date of listing of such Series of Instruments. The Issuer may also issue unlisted Instruments under the Programme.

12. Contents of Programme Memorandum

This Programme Memorandum is available only in the English language and may be obtained from the offices of the Issuer, the Sponsor and the Transfer Secretary.

Subject to the further provisions of this Programme Memorandum, the Issuer accepts responsibility for the information contained in this Programme Memorandum.

To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

13. Role of Company

The information contained in this Programme Memorandum or in any Supplement with respect to the Companies consists of extracts from, or summaries of, information that is publicly available. The Issuer accepts responsibility for accurately reproducing such extracts or summaries. The Issuer accepts no further or other responsibility for such information. The Companies have not been

involved in the production of this Programme Memorandum and accordingly make no representation or warranty with respect thereto.

14. Information and Representations

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

This Programme Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of Instruments or the distribution of this Programme Memorandum in any jurisdiction where any such action is required.

This Programme Memorandum is to be read and construed with all documents which are deemed to be incorporated herein by reference. This Programme Memorandum constitutes a placing document under the terms of the JSE Listings Requirements for the purpose of giving information with regard to the Issuer and in connection with the issue of Instruments.

15. Substantial Shareholdings and Take-overs

Any person who holds any Instruments, and who is, or may become, a substantial holder of Shares should consider the provisions of Chapter XVA of the Companies Act and the SRP Rules.

Holder of Instruments should note that if an offer is made to acquire all, or to acquire substantially all, of the Shares, or a take-over offer is made otherwise with respect to the Shares, a Holder may be unable to participate in such offer. The Issuer gives no undertaking, assurance or guarantee with respect thereto.

16. Placement Size

There is no obligation upon the Issuer to sell all or any particular number of Instruments.

17. Role of the JSE

The fact that the JSE has or will have approved the listing of a Series of Instruments is not to be taken in any way as an indication of the merits of the Issuer or of the Instruments. The JSE has not verified the accuracy and truth of the contents of this Programme Memorandum and takes no responsibility for the contents of this Programme Memorandum.

In listing a particular Series of Instruments, the JSE has not authorised or caused the making of offers or invitations with respect to the Instruments. To the extent permitted by law, the JSE will be under no liability for any claim of whatever kind, including a claim for any financial or consequential loss or damage suffered by any Holder or any other person, where that claim arises wholly or substantially out of:

- (a) reliance on any information contained in this Programme Memorandum; or
- (b) any error in, or omission from, this Programme Memorandum.

Claims against the JSE Guarantee Fund, established in terms of section 9 of the Securities Services Act may only be made in respect of trading in Instrument on the JSE, and in accordance with the terms of the Rules of the JSE Guarantee Fund, and can in no way relate to the issue of Instruments by the Issuer.

18. Title and Transfer

Instruments will be held as uncertificated securities in dematerialised form, and traded on the JSE with clearing and settlement through Strate. Subject to the second paragraph of Condition 1.2 (*Issue of Certificates*), no Certificates evidencing any of the Instruments will be issued to Holders.

Strate has been introduced by the JSE to eliminate the many risks inherent in the paper-based method of clearing and settling certificated securities transactions on the JSE. The main features of Strate are as follows:

- (a) trades executed on the JSE must be settled within five Business Days;
- (b) there will be penalties for late settlement;
- (c) electronic record of ownership replaces certificates and physical delivery thereof;
- (d) all Holders are required to appoint either a broker or Participant to act on their behalf, and to handle settlement requirements in respect of the Instruments.

Instruments will be issued, cleared and transferred in accordance with the CSD Procedures. Instruments will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and Strate.

Strate maintains accounts only for Participants. Instruments which are not held by Participants may be held by clients of Participants indirectly through such Participants. Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include Holders or their custodians.

Transfers of Instruments among Participants occur through electronic book entry in the Participants' central securities accounts with Strate. Transfers of Instruments to and from clients of Participants occur by electronic book entry in the securities accounts of the clients maintained by the Participants. Instruments may be transferred only in accordance with the Conditions and, subject to the following paragraph, the CSD Procedures.

Holders of Beneficial Interests in the Instruments may exchange their Beneficial Interests for Instruments represented by Certificate/s in definitive registered form, and to receive physical delivery of such Certificates, only in the limited circumstances set out in Condition 1.2 (*Issue of Certificates*). Transfers of the Instruments represented by Certificates will only be recognised when the proposed transferee of such Instruments Notes is entered into the Register by the Transfer Secretary.

19. **Limitations on Use of Programme Memorandum**

Neither this Programme Memorandum nor any other information supplied in connection with the issue of the Instruments:

- (a) is intended to provide the basis of any credit or other evaluation; or
- (b) 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 and/or this Programme Memorandum and/or the issue of any Instruments should purchase any Instruments.

Each investor contemplating purchasing any Instruments should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

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

The delivery of this Programme Memorandum does not at any time imply that the information contained herein is correct at any time subsequent to the date hereof, or that any other information supplied in connection with the Programme and/or this Programme Memorandum and/or the issue of Instruments is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, among other things, the most recently published annual report and accounts of the Issuer when deciding whether or not to purchase any Instruments.

The distribution of this Programme Memorandum and/or any Supplement and the offering of Instruments in certain jurisdictions may be restricted by law.

Persons into whose possession this Programme Memorandum comes are required by the Issuer to inform themselves about and to observe any such restrictions.

20. **Liquidity Following Issue**

The Issuer intends, insofar as is reasonably possible, to ensure that a reasonable secondary market for the Instruments is established and maintained. It is, however, not possible for the Issuer to predict the price at which Instruments will trade following their issue.

21. **Taxation**

Purchasing, holding, selling (and exercising, where applicable) Instruments may have income tax implications for investors. The tax consequences will depend on the particular circumstances of each Holder and the particular nature of the Instrument.

Potential investors should seek their own independent advice relating to their own circumstances prior to making any investment decision.

SECTION 3

RISK FACTORS

An investment in Instruments involves a number of risks, some of which are mentioned below.

Potential investors should ensure that they understand fully all of the risks prior to making any investment decision. Potential investors should seek independent financial advice before investing in Instruments.

A. RISK FACTORS RELATING TO WARRANTS

1. General

Warrants involve a high degree of risk. Prospective purchasers of Warrants should consider the risk factors mentioned below before making an investment decision concerning the Warrants. Purchasers should reach an investment decision only after careful consideration, with their advisers, of the suitability of Warrants in light of their particular financial circumstances.

Prospective purchasers of Warrants should recognise that their Warrants may expire worthless in that they may not have a value on the Exercise Date, and should be prepared to sustain a loss of the total purchase price. Thus, in order to recover and realise a return upon his investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of any anticipated change in the value of the Underlying Securities, Basket of Securities, or Index underlying the Warrant.

The value of a Warrant will be subject to continuous change in response to market and economic forces. The factors which may generally affect the pricing of a Warrant include, but are not limited to, such variables as the current value of the Underlying Securities, Basket of Securities or Index underlying the Warrant and the relationship between the value and the Exercise Price, the current values of related interests (for example, exchange-traded futures or options related to the Underlying Securities), the style of the Warrant (for example, American Style Warrants, Call Style Warrants), the individual estimates by market participants of the future volatility of the Underlying Securities, the amount of time remaining until expiration of the Warrant, current interest rates, the effect of supply and demand (including the depth of liquidity) in the market for the Warrants as well as the markets for the Underlying Securities and for related interests, and other factors generally affecting the prices or volatility of the Underlying Securities, Basket of Securities or Index underlying the Warrants, and related interests or securities generally.

2. Maximum Exercise

The Issuer will have the ability to limit the number of Warrants exercisable on any date (other than the Expiration Date) to the Maximum Exercise Number and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the Expiration Date) exceeds such Maximum Exercise Number and the Issuer has elected to limit the number of Warrants exercisable on such date, Holders may not be able to exercise on such date all Warrants that they desire to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected by the Issuer on the basis of the time at which Exercise Notices (where applicable) in respect of the Warrants are received by the Issuer, with the earlier of such Exercise Notices taking priority over those which are received later in time.

Any Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

3. Minimum Exercise

The Issuer will have the ability to designate a minimum number of Warrants to be exercised on any date other than the Expiration Date (in the case of American Style Warrants). Except on the

Expiration Date, Holders must tender at least the Minimum Exercise Number of Warrants at any one time in order to exercise their Warrants.

Thus, Holders with fewer than the Minimum Exercise Number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to exercise their Warrants, and may incur the risk that the trading price of the Warrant is different from the value of the Underlying Parcel to be delivered upon exercise, or the value of the Index or Constituent Property, as the case may be.

In addition, on any date including the Expiration Date Warrants must be exercised in multiples of the Group as specified in the Supplement. Thus, Holders with fewer than such number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to exercise their Warrants, and may incur the risk that the trading price of the Warrant is different from the value of the Underlying Parcel to be delivered upon exercise, or the value of the Index or Constituent Property, as the case may be.

Upon exercise, Call Style Warrants will only entitle Holders (subject to the provisions concerning the Cash Settlement Amount) to an integral multiple of a whole integer of the relevant Underlying Parcel. Fractions of an Underlying Parcel will not be delivered. However, the Calculation Agent may make an adjustment, and may pay an amount in Rands in order to compensate the relevant Holder, as specified in the Conditions.

4. Exercise Procedure

Holders who wish to exercise their Warrants should ensure that they follow the proper exercise procedures as set out in the Conditions.

The Holders of Instrument Warrants and Commodity Warrants (and Basket Warrants in relation to any of the aforesaid Warrants) and Currency Warrants must give a valid Exercise Notice, in accordance with the Conditions, in order to exercise such Warrants. Failure to deliver a valid Exercise Notice, in accordance with the Conditions, will lead to Automatic Exercise of such Warrants, in which case the Holder will only be entitled to 90% of the relevant Cash Settlement Amount.

Index Warrants, Currency Reference Warrants and Commodity Reference Warrants are subject to Automatic Exercise on the Expiration Date, and the holders of Index Warrants, Currency Reference Warrants and Commodity Reference Warrants need not give an Exercise Notice in order to receive the Cash Settlement Amount, if any.

5. Time Lag after Exercise

There may be a time lag between the time a Holder gives instructions to exercise and the day the Cash Settlement Amount is determined, or the date of delivery of the Underlying Parcel. Any such delay could be significant. The Cash Settlement Amount or the value of the Underlying Parcel may change significantly during such period. Due to market fluctuation, the Cash Settlement Amount can be equal to zero, or the value of the Underlying Parcel to be delivered to the Issuer may rise above the Exercise Price during such period (in the case of Put Style Warrants), or the value of the Underlying Parcel to be delivered by the Issuer may fall below the Exercise Price (in the case of Call Style Warrants) due, among other things, to any daily maximum exercise limitation or the occurrence of a Settlement Disruption Event or a Market Disruption Event. The applicable Underlying Parcel or Cash Settlement Amount could change during any such period and such movement or movements could decrease the value of the Underlying Parcel or the Cash Settlement Amount of the Warrants being exercised.

6. Exercise Notice

If the Exercise Notice in respect of Warrants (other than Index Warrants, Commodity Reference Warrants and Currency Reference Warrants) is received by the Issuer after 17h00 Johannesburg time, it will not be deemed to be received by the Issuer until the following Business Day. Any resultant delay may, as above, decrease the value of the Underlying Parcel to be delivered or received or the Cash Settlement Amount. If no such Exercise Notice is received before 17h00 Johannesburg time on the Expiration Date, the Warrants may be automatically exercised by the Issuer in accordance with the Conditions, in which event only 90% of the Cash Settlement Amount will be paid to Holders.

7. **Barrier Events**

Barrier Put Warrants of a particular Series will lapse automatically if the Closing Price of the Underlying Parcel is greater than or equal to the Barrier Level on any Business Day before the Expiration Date.

Barrier Call Warrants of a particular Series will lapse automatically if the Closing Price of the Underlying Parcel is less than or equal to the Barrier Level on any Business Day before the Expiration Date.

Holders will not be able to trade the Barrier Warrants after they have lapsed.

In all other respects Barrier Warrants will be settled in accordance with the Conditions applicable to Instrument Warrants.

8. **Other**

See, in addition, Part E (“*General Risk Factors*”) below.

B. RISK FACTORS RELATING TO EXCHANGE TRADED NOTES

9. **General**

Investing in Exchange Traded Notes may involve a significant degree of risk, particularly where the Exchange Traded Notes provide geared exposure to financial instruments, assets or indices. In this event, the risks of investing in Exchange Traded Notes are greater than the risks of investing a similar amount directly in such financial instruments, assets or indices.

10. **Market Risk**

Movements of market interest rates and spot prices may impact the traded price of Exchange Traded Notes resulting in Exchange Traded Notes trading above or below their Issue Price.

11. **Other Risks**

The risks (if any) of investing in particular types of Exchange Traded Notes which are not set out in, or covered by, this Programme Memorandum will be set out in the relevant Supplement. See, in addition, Part E (“*General Risks Factors*”) below.

C. RISK FACTORS RELATING TO PROTECTED SHARE INVESTMENTS

Protected Share Investments are generally subject to a lesser degree of risk in that, unlike Warrants (in certain circumstances), Protected Share Investments will not expire worthless, but will entitle the Holder, against payment of the Issue Price to the Issuer on the Issue Date and subject to the terms of the Protected Share Investment Supplement, to receive at least such number of Underlying Securities comprising the Underlying Parcel as has a market value equal to such Holder’s initial investment. See, in addition, Part E (“*General Risk Factors*”) below.

D. RISK FACTORS RELATING TO SHARE INSTALMENTS

Share Instalments are also generally subject to a lesser degree of risk. A Share Instalment may expire worthless where the Reset Price is less than or equal to the Completion Payment. Share Instalments will, however, entitle the Holders to all cash dividends received by the Trustee in respect of the relevant Underlying Securities. A summary of the Share Instalments, and the risks associated with Share Instalments, is set out in Part A of the Share Instalment Supplement. See, in addition, Part E (“*General Risk Factors*”) below.

E. GENERAL RISK FACTORS

12. **Risks relating to the Issuer**

Risk management

The Issuer, in common with other banks in South Africa and elsewhere, is exposed to commercial and market risks in its ordinary course of business, the most significant of which are credit risk, market risk, liquidity risk, interest rate risk and operational risk. Credit risk is the risk of loss due to non-performance of a counterparty in respect of any financial or performance obligation due to

deterioration in the financial status of the counterparty. Market risk is the risk of loss on trading instruments and portfolios due to changes in market prices and rates. Liquidity risk is the inability to discharge funding or trading obligations which fall due at market related prices. Interest rate risk is defined as the sensitivity of the balance sheet and income statement to unexpected, adverse movements of interest rates. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Whilst the Issuer believes that it has implemented appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to control these risks adequately could have an adverse effect on the financial condition and reputation of the Issuer.

Concentration risk

The Issuer's business is significantly focused on the South African markets and therefore faces a geographic concentration risk. Any adverse changes affecting the South African economy are likely to have an adverse impact on the Issuer's loan portfolio and, as a result, on its financial condition and results of its operations.

13. **Instruments linked to Reference Item(s)**

General Considerations

The performance of certain Instruments may be linked to the performance of Underlying Securities, Basket of Securities, Indices, an underlying equity security, index, debt security, credit, currency exchange rate, commodity, commodity index or other item (each a "**Reference Item**"). Such Instruments may involve a degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the values of the relevant securities (or basket of securities), index (or basket of indices), commodity (or commodity index) or other Reference Item(s), as well as general risks applicable to the stock and capital markets and other exchanges.

In order to realise a return upon an investment in such Instruments, an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease of the value of the relevant Reference Item (s) relative to the Issue Price and must also be correct about when any change will occur. If the value and/or performance of the Reference Item(s) does not increase, or decreases, as the case may be, before such Instruments are redeemed, part of the investor's investment in such Instruments may be lost on redemption. Other than in respect of Instruments (if any) which are redeemable prior to the Maturity Date at the option of the Noteholder, the only means by which a Noteholder could realise value from such Instruments prior to their Maturity Date would be to sell such Instruments at their then market price, in the secondary market (if available). Fluctuations in the value and/or performance of the Reference Item(s) may affect the value of such Instruments.

The occurrence of certain events or circumstances, in each case as specified in the applicable Conditions, will affect the value of certain Instruments.

Prospective investors in such Instruments should understand the risks of transactions involved in such Instruments and should reach an investment decision only after careful consideration of the suitability of such Instruments in the light of the investor's particular financial circumstances, its risk appetite, together with any other available information regarding such Instruments and the Reference Item(s) to which such Instruments are linked.

Settlement Disruption

The Calculation Agent may determine that a Settlement Disruption Event has occurred or exists where, in the opinion of the Calculation Agent, as a result of the occurrence of an event beyond the reasonable control of the Issuer, the Issuer is precluded from making or taking delivery of the Underlying Parcel. Such a determination may have an adverse affect on the value of the relevant Instruments.

Disrupted Days and Disruption Events

Where the Reference Item(s) are Shares or Equities, and a Disrupted Day is specified as applying in the applicable Conditions, the Calculation Agent may determine that an event giving rise to a

Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the relevant Instruments and/or may delay settlement of the relevant Instruments.

Market Disruption

The occurrence or existence of a Market Disruption Event in respect of certain Reference Item(s) will be determined by the Calculation Agent. Such a determination may have an adverse effect on the value of the relevant Instruments.

Certain Factors Affecting the Value and Trading Price of Instruments

The interim value of such Instruments varies with the price and/or level and/or performance of the Reference Item(s) and may be affected by a number of other factors, including but not limited to:

- the value and volatility of the Reference Item(s);
- where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects (financial and other) of the issuer of each Reference Item;
- market interest rates;
- fluctuations in currency exchange rates;
- fluctuations in commodities prices;
- the liquidity of such Instruments or any Reference Item(s) in the secondary market;
- the time remaining to any Redemption Date or the Maturity Date; and
- economic, financial, sovereign and political events in one or more jurisdictions, including factors affecting capital markets generally and stock exchange(s) on which any Reference Item or Instruments may be traded.

There can be no assurance that a Holder will be able to sell any Instruments prior to maturity at a price equal to or greater than the market value of the Instruments on the Issue Date, and such Holder may only be able to sell the Instruments at a discount, which may be substantial to the Issue Price. The past performance of any Reference Item should not be taken as an indication of the future performance of that Reference Item during the term of any Instrument.

Some Instruments are not principal protected and Holders may lose some or a significant part of their principal. Holders may lose the value of their entire investment or part of it, as the case may be.

Legal, tax and regulatory risks

Legal, tax, policy and regulatory changes in the South African investment environment or otherwise, may occur during the term of this Programme Memorandum that may have an adverse effect on the Reference Item(s) and, therefore, on the performance of the Instruments which relate to such Reference Item(s). No prediction can be made as to the effect of such changes (if any) will be on the Issuer and/or such Instruments.

Hedging

The Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the relevant Instruments and which may be considered to be adverse to the interest of the Holders of such Instruments.

Potential Conflicts of Interest

The Issuer and/or its affiliates may also engage in trading activities (including hedging activities) related to the Reference Item(s), and other instruments or derivative products based on or related to

the Reference Item(s) for their proprietary accounts or for other accounts under their management. The Issuer and/or its affiliates may also issue other derivative instruments in respect of the Reference Item(s). The issuance, trading or hedging of other securities indexed to the Reference Item(s) (that is, the introduction of competing products into the marketplace) could adversely affect the value of the Instruments.

The Issuer and/or its affiliates may have interests which may be adverse to those of the Holders of particular Instruments. The Issuer and/or its affiliates may also act as underwriter in connection with future offerings of Reference Item(s) related to the relevant Instruments, or may act as financial adviser to any Company and/or other issuer of Reference Item(s) or in a banking capacity for any Company and/or other issuer of Reference Item(s). Such activities could present certain conflicts of interest, influence the prices of such Reference Item(s), and could adversely affect the value of the relevant Instruments.

14. **Other**

Status of Instruments

The Instruments are general, unsecured, unsubordinated contractual obligations of the Issuer which rank *pari passu* in all respects with each other and with other general unsecured and unsubordinated obligations of the Issuer.

None of the Instruments will be secured by any Underlying Securities and the Issuer does not accept any responsibility for the maintenance of the listing of the Underlying Securities or Indices on the JSE or the Exchange, as the case may be, or for the availability of quotations for the Underlying Securities or Indices published by the JSE or the Exchange, as the case may be.

Issuer's Credit Rating

Purchasers of the Instruments must look solely to the Issuer for performance of its obligations under the Instruments. The value of the Instruments may be affected by investors' appraisal of the Issuer's creditworthiness. Such perceptions may be influenced by the ratings accorded to the Issuer's outstanding securities by rating services, such as Moody's Investor Services Limited and Fitch Southern Africa (Proprietary) Limited. A reduction in the rating accorded to outstanding debt securities of the Issuer by one of the rating agencies could result in a reduction in the value of the Instruments.

Exercise of Discretion by the Issuer

Holders should note that some provisions of the Conditions confer discretions on the Issuer. The exercise or non-exercise of these discretions could adversely affect the value of the Instruments.

Holders do not have the right to direct the Issuer concerning the exercise of any discretion, although the Issuer may only exercise certain discretions with the consent of the JSE. The discretions are set out in the Conditions.

Change to the Conditions and/or the Programme Memorandum

The Issuer may, in certain circumstances make changes to the Conditions, as set out, and in accordance with, the Conditions.

The Issuer may in certain circumstances, and in accordance with the JSE Rules, make changes to the provisions of this Programme Memorandum.

Settlement Risk

The Holder shall bear the risk of any failure in any settlement system through which the Underlying Parcel or the Cash Settlement Amount is to be delivered, settled or paid.

Upon the occurrence of certain events as specified in the applicable Conditions, the Issuer may vary the settlement in respect of the Instruments and may make payment of the Cash Settlement Amount on the Cash Settlement Date to the relevant Holders in substitution for delivery or receipt of the Underlying Parcel.

Illegality of Issue

If the Issuer, upon advice from its independent external legal adviser, determines that the performance of its obligations under the Instruments has become unlawful in whole or in part for any reason, the Issuer may terminate the Instruments by giving notice of this to the Holders and paying each Holder an amount determined by the Calculation Agent to be the Fair Market Value of the Instruments.

SECTION 4

TERMS AND CONDITIONS

A. TERMS AND CONDITIONS OF WARRANTS

The following are the Conditions of the Warrants to be issued by the Issuer under the Programme; provided that the Supplement in relation to any Series of Warrants may specify other terms and conditions (which may replace, modify, or supplement the Conditions), in which event such other terms and conditions shall, to the extent so specified in the Supplement or to the extent inconsistent with the following Conditions, prevail and replace, modify or supplement the following Conditions for the purpose of such Series of Warrants, and any reference to “Conditions” in this Programme Memorandum shall, for the purpose of such Series of Warrants, wherever the context requires, be deemed to include the following Conditions as so replaced, modified or supplemented. All capitalised terms not defined in section 1 of this Programme Memorandum headed “Definitions and Interpretation” are defined in the following Conditions and/or the relevant Supplement.

1. General

1.1 Application to Different Series

These Conditions apply to each Series of Warrants issued under the Programme; provided that the Supplement in relation to any Series of Warrants may specify other terms and conditions (which may replace, modify, or supplement the Conditions), in which event such other terms and conditions shall, to the extent so specified in the Supplement or to the extent inconsistent with the Conditions, prevail and replace, modify or supplement the Conditions for the purpose of such Series of Warrants, and any reference to “Conditions” in this Programme Memorandum shall, for the purpose of such Series of Warrants, wherever the context requires, be deemed to include the Conditions as so replaced, modified or supplemented.

1.2 Issue of Certificates

The Warrants will be held as uncertificated securities in dematerialised form, and traded on the JSE with clearing and settlement through Strate. Subject to the next paragraph, no Certificates evidencing the Warrants will be issued to Holders.

Holders of Warrants may exchange their beneficial interests in such Warrants for certificated Warrants in definitive registered form, and to receive physical delivery of the Certificate relating to such Warrants, only if Strate is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business or has in fact done so or is unable or unwilling to continue as depository, and a successor depository satisfactory to the Issuer and the JSE is not available.

In the circumstances contemplated in the preceding paragraph, the Issuer will promptly give notice of its intention to exchange beneficial interests in Warrants for Certificates to the Holders and the Transfer Secretary. The Issuer will, on the day specified in such notice (which day shall be a Business Day and fall not less than 30 days after the day on which such notice is given) deliver to each Holder of a beneficial interest in Warrants a Certificate representing the number of Warrants exchanged for such beneficial interest.

2. Type, Title and Transfer

2.1 Type of Warrants

The Warrants are American or European Style Warrants, Call or Put Style Warrants, over specified Underlying Securities, Baskets of Securities, Indices, Reference Commodities or Reference Currencies which confer on a Holder the right, but not the obligation, to require at the Issuer’s discretion, delivery of the Underlying Parcel against payment of the Exercise Price (in the case of Call Style Warrants) or to make delivery of the Underlying Parcel against receipt of the Exercise Price (in the case of Put Style Warrants) or to payment of the Cash Settlement Amount, as the case may be, in accordance with these Conditions.

The applicable Supplement will indicate whether the Warrants are American Style Warrants or European Style Warrants, and whether the Warrants are Call Style Warrants or Put Style Warrants, all as described below. Subject to paragraphs (e) and (f) below:

- (a) an American Style Warrant is exercisable on any Business Day during the Exercise Period in accordance with Condition 4 (*Exercise of Warrants*);
- (b) a European Style Warrant is only exercisable on the Expiration Date in accordance with Condition 4 (*Exercise of Warrants*);
- (c) a Call Style Warrant entitles the Holder, upon exercise of the Warrants, and at the discretion of the Issuer, in accordance with the Conditions, to either:
 - i. receive the Cash Settlement Amount, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions; or
 - ii. take delivery of the Underlying Parcel, subject to the payment of the Exercise Price and any Exercise Expenses payable by the Holder pursuant to the Conditions; or
 - iii. in the case of Automatic Exercise on the Expiration Date, receive an amount equal to 90% (ninety percent) of the Cash Settlement Amount, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions;
- (d) a Put Style Warrant entitles the Holder, upon exercise of the Warrant and at the discretion of the Issuer, in accordance with the Conditions, to either:
 - i. receive the Cash Settlement Amount, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions; or
 - ii. deliver to the Issuer the Underlying Parcel against receipt of the Exercise Price, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions; or
 - iii. in the case of Automatic Exercise on the Expiration Date, receive an amount equal to 90% (ninety percent) of the Cash Settlement Amount, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions;
- (e) an Index Warrant, a Commodity Reference Warrant and a Currency Reference Warrant are each subject to Automatic Exercise, and entitle the Holder, upon Automatic Exercise of the Index Warrant, Commodity Reference Warrant or Currency Reference Warrant, as the case may be, on the Expiration Date, to receive the Cash Settlement Amount, subject to the payment of any Exercise Expenses payable by the Holder pursuant to the Conditions.

2.2 Title to Warrants

While the Warrants are held as uncertificated securities in dematerialised form, and traded on the JSE with clearing and settlement through Strate, each person shown in the records of Strate or the relevant Participant (as envisaged in the CSD Procedures), as the case may be, as holder of a beneficial interest in any Warrants, shall be treated by the Issuer, the Transfer Secretary and the relevant Participant as the Holder of such Warrants for all purposes.

Subject to Condition 1.2 (*Issue of Certificates*), in the case of certificated Warrants evidenced by a Certificate, only persons registered in the Register shall be recognised as Holders of the Warrants. Each person who is, at the relevant time, shown in the Register as the Holder of a Warrant may be treated by the Issuer as the absolute owner of such Warrants for all purposes.

The Holder hereby authorises its broker or the Participant, as the case may be, the Transfer Secretary (where applicable) and the Issuer to do all such things as are necessary in order to facilitate verification of the identity of the Holder of a Warrant and the person exercising a Warrant including, but not limited to, supplying the Holder's identification number.

2.3 Transfer of Warrants

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 4 (*Exercise of Warrants*).

The Warrants will be held as uncertificated securities in dematerialised form, and traded on the JSE with clearing and settlement through Strate. Subject to Condition 1.2 (*Issue of Certificates*), no Certificates evidencing the Warrants will be issued to Holders.

All Holders must appoint either a broker or Participant to act on their behalf, and to handle settlement requirements in respect of the Warrants.

Warrants will be issued, cleared and transferred in accordance with the CSD Procedures. Warrants will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and Strate.

Strate maintains accounts only for Participants. Warrants which are not held by Participants may be held by clients of Participants indirectly through such Participants. Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include Holders or their custodians.

Transfers of Warrants among Participants occur through electronic book entry in the Participants' central securities accounts with Strate. Transfers of Warrants to and from clients of Participants occur by electronic book entry in the securities accounts of the clients maintained by the Participants. Warrants may be transferred only in accordance with the Conditions and, subject to the paragraph below, the CSD Procedures.

Subject to Condition 1.2 (*Issue of Certificates*), in the case of certificated Warrants evidenced by a Certificate, transfer of such Warrants must be effected through the Transfer Secretary according to the JSE Rules, any applicable customary market practices and form of transfer, and subject to applicable laws and regulations.

2.4 **Lapse of Warrants**

A Warrant automatically lapses and ceases to confer any rights on the Holder:

- (a) in the case of those Warrants the exercise of which requires delivery of an Exercise Notice, by no later than 17h00 on the Expiration Date, if a valid Exercise Notice is not received by the Issuer before 17h00 on the Expiration Date (subject to Automatic Exercise); or
- (b) at the time the Issuer notifies Holders of any cancellation of the Warrants under these Conditions; or
- (c) in respect of Barrier Put Warrants, if at any time during the life of the Barrier Put Warrant the Closing Price of the Underlying Parcel is greater than or equal to the Barrier Level on any Business Day on or before the Expiration Date; or
- (d) in respect of Barrier Call Warrants, if at any time during the life of the Barrier Call Warrant the Closing Price of the Underlying Parcel is less than or equal to the Barrier Level on any Business Day on or before the Expiration Date.

2.5 **Trading of Warrants**

Warrants may be traded by and through members of the JSE, in accordance with the JSE Rules. Warrants shall be traded on the trading system utilised by the JSE (which is currently SETS) or such other trading system as is utilized by the JSE.

3. **Status of the Warrants**

The Warrants represent general, unsecured, unsubordinated contractual obligations of the Issuer and rank *pari passu* in all respects with each other and all other general, unsecured, unsubordinated contractual obligations of the Issuer. The Warrants constitute obligations of the Issuer and of no other person.

The Warrants will not be secured by the Underlying Securities and the Issuer does not accept any responsibility for the maintenance of the listing of the Underlying Securities or Indices on the JSE or the Exchange, as the case may be, or for the availability of quotations for the Underlying Securities or Indices published by the JSE or the Exchange, as the case may be.

4. **Exercise of the Warrants**

4.1 **Automatic Exercise**

Index Warrants, Commodity Reference Warrants, Currency Reference Warrants and Protected Share Investments are subject to Automatic Exercise on the Expiration Date, and the Holder of any of such Warrants need not deliver an Exercise Notice in respect of such Warrants.

4.2 **Delivery of Exercise Notice**

The Holder of Warrants (other than those referred to in Condition 4.1 (*Automatic Exercise*)) may exercise Warrants in multiples of the Group on any Business Day during the Exercise Period (in the case of American Style Warrants), or at any time prior to 17h00 Johannesburg time on the Expiration Date (in the case of European Style Warrants), by delivering to the Issuer an Exercise Notice which complies with Condition 4.2 (*Delivery of Exercise Notice*) and which is accompanied by the following:

- (a) in the case of Call Style Warrants, the Exercise Price in relation to each Group of Warrants to which the Exercise Notice relates;
- (b) the Certificate (if applicable and subject to Condition 1.2 (*Issue of Certificates*)) in relation to each Warrant to which the Exercise Notice relates;
- (c) in the case of Put Style Warrants, the certificates (if applicable) in relation to the Underlying Parcel and any other documents required to transfer the Underlying Parcel to the Issuer or its nominee, if the Issuer does not elect to settle the Warrants by way of payment of the Cash Settlement Amount.

4.3 **Contents of Exercise Notice**

The Exercise Notice given under Condition 4.2 (*Delivery of Exercise Notice*) must:

- (a) set out the number of Warrants being exercised, subject to the Minimum Exercise Number and the Maximum Exercise Number if applicable;
- (b) contain an undertaking to pay all Exercise Expenses payable by the Holder pursuant to the Conditions;
- (c) in the case of Call Style Warrants, specify the name and address of any person(s) into whose name the Underlying Parcel is to be transferred, and any bank, broker or agent to whom documents (if any) evidencing the Underlying Parcel are to be delivered;
- (d) in the case of Put Style Warrants, warrant that the transferor of the Underlying Parcel has unencumbered title to the Warrants or is entitled to such title and has not sold or otherwise dealt with such Warrants;
- (e) specify the name and the number of the Holder's account with its bank in Johannesburg to be credited with (i) the Exercise Price payable by the Issuer pursuant to the exercise of Call Style Warrants (if the Issuer does not elect to settle such Warrants by way of payment of the Cash Settlement Amount), or (ii) the Cash Settlement Amount (if any) payable by the Issuer pursuant to exercise of the Warrants, as the case may be;
- (f) otherwise be in the form set out in Schedule 1 of section 7 of this Programme Memorandum.

4.4 **Effectiveness of Exercise Notice**

An Exercise Notice in relation to Call Style Warrants becomes effective only upon clearance into the Issuer's bank account, on or before the Settlement Date, of funds for the Exercise Price, provided that such Warrants have not lapsed in terms of Condition 2.4 (*Lapse of Warrants*) prior to such Exercise Notice being given.

In respect of all Warrants an Exercise Notice shall only become effective upon clearance into the Issuer's bank account, on or before the Settlement Date, of funds for the Exercise Expenses payable by the Holder pursuant to the Conditions; provided that the Issuer shall have notified the Holder of the amount of such Exercise Expenses on or before the Settlement Date, as contemplated in Condition 5.2 (*Payments*).

4.5 **Time of Receipt**

In relation to American Style Warrants any Exercise Notice which is received by the Issuer after 17h00 Johannesburg time on any Business Day during the Exercise Period is deemed to be received on the next Business Day. In relation to American Style Warrants and European Style Warrants any Exercise Notice received after 17h00 on the Expiration Date shall be subject to the Automatic Exercise provisions contained in Condition 5.10 (*Cash Settlement for Automatic Exercise*).

4.6 **Aggregation of Exercise Notices**

Warrants exercised or deemed exercised on the same day by the same Holder may be aggregated by the Issuer for the purpose of determining the Underlying Parcel to be delivered to the Holder, or to the Issuer, or the Cash Settlement Amount to be paid to the Holder, as the case may be.

4.7 **Underlying Parcel to be in Holder's Name**

In the case of Put Style Warrants:

- (a) all property comprising the Underlying Parcel to be delivered by the Holder, the title to which is in registered form, must (where applicable) be registered in the relevant register in the name of the Holder, failing which the Issuer may, in its absolute discretion, declare that the Exercise Notice is not valid;
- (b) if the Issuer treats the Exercise Notice as valid despite some discrepancy between the details of the Holder or other person as they appear in the relevant register and the details of the Holder of the property comprising the Underlying Parcel as they appear in the relevant register in relation to such property, any payments made by the Issuer may, at the discretion of the Issuer, be made to the person whose details appear in the relevant register; and the Holder agrees to accept the exercise of the Issuer's discretion in these circumstances, and not to make any demands or take any action against the Issuer in that regard.

4.8 **Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Issuer and shall be conclusive and binding on the Issuer and the relevant Holder. Subject to this Condition 4, any Exercise Notice determined to be incomplete or not in proper form, as the case may be, shall be null and void. If such Exercise Notice is subsequently corrected to the satisfaction of the Issuer, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the Issuer.

None of the Issuer, the Calculation Agent or the Transfer Secretary shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

4.9 **Minimum Exercise Number**

Other than on the Expiration Date, the number of Warrants (in the case of American Style Warrants) exercisable by any Holder on any Actual Exercise Date, as determined by the Calculation Agent, must not be less than the Minimum Exercise Number. Any Exercise Notice which purports to exercise Warrants in an amount less than the Minimum Exercise Number shall be void and of no effect.

4.10 **Maximum Exercise Number**

If the Issuer determines that the number of Warrants (in the case of American Style Warrants) being exercised on any Actual Exercise Date by any Holder or any number of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "Quota"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected by the Issuer on the basis of the time at which Exercise Notices in respect of the Warrants are received by the Issuer with the earlier of such Exercise Notice taking priority over those which are received later in time, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date; provided that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date.

4.11 **Insufficient Funds**

In the case of Call Style Warrants, where an otherwise valid Exercise Notice is received which is accompanied by funds less than the Exercise Price for the number of Warrants specified in the Exercise Notice, the Issuer may (but is not obliged to) treat the Exercise Notice for all purposes as applying to a smaller number of Warrants for exercise of which sufficient funds are available.

4.12 **Insufficient Certificates**

Where an otherwise valid Exercise Notice is received which is accompanied by Certificates, where applicable and subject to Condition 1.2 (*Issue of Certificates*), in respect of less than the number of Warrants specified in the Exercise Notice, the Issuer may (but is not obliged to) treat the Exercise Notice for all purposes as applying to a smaller number of Warrants for which Certificates have been provided.

5. **Settlement Following Exercise**

A. **General**

5.1 **Delivery**

Subject to this Condition 5 (*Settlement Following Exercise*), in the case of Automatic Exercise or following receipt of a valid Exercise Notice which has become effective under Condition 4.3 (*Contents of Exercise Notice*), the Issuer must, on the Settlement Date and in accordance with the JSE Rules, procure the delivery of the Underlying Parcel to the Holder, or take delivery of the Underlying Parcel, or make a payment of the Cash Settlement Amount, as the case may be, in respect of each Group of Warrants the subject of the Exercise Notice or the Automatic Exercise, as the case may be.

5.2 **Payments**

Any cash which a Holder is entitled to receive in terms of these Conditions shall, subject to these Conditions, be paid to the Holder on the Cash Settlement Date by the Issuer. Any such payment shall be effected by initiating an electronic funds transfer, as determined by the Issuer, to the account referred to in the Exercise Notice or that account of which details have been delivered to the Issuer, after deduction of any unpaid portion of the Exercise Price (where applicable) and the Exercise Expenses.

The Issuer shall, on or before the Settlement Date, notify the Holder of the amount of the Exercise Expenses payable by the Holder pursuant to the Conditions, and the name and the number of the Issuer's account with its bank in Johannesburg to be credited with such Exercise Expenses. The Holder shall, on or before the Settlement Date, pay such Exercise Expenses, by way of an electronic funds transfer, to the account of the Issuer.

B. **Instrument Warrants, Commodity Warrants and Currency Warrants**

5.3 **Delivery of the Underlying Parcel in the case of Put Style Warrants**

Subject to this Condition 5 (*Settlement Following Exercise*), in the case of Automatic Exercise or following receipt of a valid Exercise Notice which has become effective under Condition 4.3 (*Contents of Exercise Notice*), if the Issuer does not elect to settle Put Style Warrants by way of payment of the Cash Settlement Amount:

- (a) the Holder must procure performance of all acts required to enable the Underlying Parcel for every Group of Warrants exercised to be transferred to the Issuer, against receipt of the Exercise Price, free from any Encumbrance or third party interest of any nature, on the Settlement Date, and the Issuer must do all things it is reasonably able to do to facilitate such transfer;
- (b) the Holder irrevocably authorizes the Issuer, and any broker acting for the Issuer as agent for the sale, to do all things required to effect the delivery of the Underlying Parcel to the Issuer in accordance with these Conditions.

5.4 Delivery of the Underlying Parcel in the case of Call Style Warrants

Subject to this Condition 5 (*Settlement Following Exercise*), in the case of Automatic Exercise or following receipt of a valid Exercise Notice which has become effective under Condition 4.3 (*Contents of Exercise Notice*), if the Issuer does not elect to settle Call Style Warrants by way of payment of the Cash Settlement Amount, the Issuer must procure performance of all acts required to enable the Underlying Parcel for every Group of Warrants exercised to be transferred to the Holder, against payment of the Exercise Price, free from any Encumbrance or third party interest of any nature, on the Settlement Date, and the Holder must do all things it is reasonably able to do to facilitate such transfer.

5.5 Cash Settlement Amount for Instrument Warrants, Commodity Warrants and Currency Warrants

The Cash Settlement Amount for Instrument Warrants, Commodity Warrants and Currency Warrants must be determined by the Calculation Agent as the amount in respect of each Group of Instrument Warrants, Commodity Warrants or Currency Warrants, as the case may be, by which the Settlement Price exceeds the Exercise Price (in the case of Call Style Warrants) or is less than the Exercise Price (in the case of Put Style Warrants) unless such amount is negative in which case the Cash Settlement Amount is zero.

5.6 Settlement of Basket Warrants

The settlement procedures applicable to Basket Warrants will be similar to those procedures applicable to Warrants (other than Index Warrants) as contained in this Condition 5B (*Instrument Warrants, Commodity Warrant and Currency Warrants*); provided that references to delivery or receipt of the Underlying Parcel shall, for the purposes of Basket Warrants, be construed as references to the Basket of Securities.

The aggregate value of each Underlying Security constituting the Basket of Securities shall, for the purposes of the settlement procedures relating to Basket Warrants, represent the Settlement Price.

5.7 Settlement Disruption Event

If, in the opinion of the Calculation Agent, delivery of the Underlying Parcel is not reasonably practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date is postponed until the first following Business Day in respect of which there is no such Settlement Disruption Event.

5.8 Cash Settlement Election Following Settlement Disruption Event

If a Settlement Disruption Event continues for the Settlement Disruption Period, the Issuer may elect, by notice to a Holder, to satisfy its obligations in respect of any Group of Warrants by payment of the Cash Settlement Amount. Where the Issuer has given the aforesaid notice, the Issuer must, on the Settlement Date (as postponed in accordance with this Condition 5.8 (*Cash Settlement Election Following Settlement Disruption Event*)) and in accordance with the JSE Rules, pay to the Holder the Cash Settlement Amount.

5.9 Cash Settlement Election if no Settlement Disruption Event

The Issuer may in its absolute discretion choose not to effect physical delivery of the Underlying Parcel (in the case of Call Style Warrants) or take delivery of the Underlying Parcel (in the case of Put Style Warrants), and in such case the Issuer must, on the Settlement Date and in accordance with the JSE Rules, pay to the Holder the Cash Settlement Amount.

5.10 Cash Settlement for Automatic Exercise

If by 17h00 Johannesburg time on the Expiration Date no valid Exercise Notice has been given in relation to a Warrant (other than an Index Warrant), the Issuer shall pay the Holder, on the Cash Settlement Date and in accordance with the JSE Rules, an amount limited to 90% of the Cash Settlement Amount.

Index Warrants

5.11 Cash Settlement Only

Index Warrants shall only be settled by payment of the Cash Settlement Amount (if any), as calculated by the Calculation Agent in terms of this Condition 5C (*Index Warrants*), to the Holder on the Cash Settlement Date, in accordance with the JSE Rules.

5.12 Cash Settlement Amount for Index Put Style Warrants

The Cash Settlement Amount in respect of a Series of Index Put Style Warrants must be determined by the Calculation Agent in terms of the following formula:

$$\text{CSA} = (\text{EP} - \text{CIL}) \times \text{IM}$$

Where:

CSA = the Cash Settlement Amount, provided that where CSA is determined to be a negative number, CSA will equal zero;

CIL = closing Index Level;

EP = the Exercise Price in respect of that Series, and

IM = the Index Multiplier.

5.13 Cash Settlement Amount for Index Call Style Warrants

The Cash Settlement Amount in respect of a Series of Index Call Style Warrants must be determined by the Calculation Agent in terms of the following formula:

$$\text{CSA} = (\text{CIL} - \text{EP}) \times \text{IM}$$

Where:

CSA = the Cash Settlement Amount, provided that where CSA is determined to be a negative number, CSA will equal zero;

CIL = closing Index Level;

EP = the Exercise Price in respect of that Series, and

IM = the Index Multiplier.

5.14 Settlement Disruption Event

If, in the opinion of the Calculation Agent, payment of the Cash Settlement Amount in respect of any Index Warrant is not reasonably practical by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date is postponed until the first following Business Day in respect of which there is no such Settlement Disruption Event. If a Settlement Disruption Event continues for the Settlement Disruption Period, the Issuer must, on the Settlement Date (as postponed in accordance with this Condition 5.14 (*Settlement Disruption Event*)) and in accordance with the JSE Rules, pay to the Holder the Fair Market Value of such Index Warrants.

C. Commodity Reference Warrants and Currency Reference Warrants

5.15 Cash Settlement Only

Commodity Reference Warrants and Currency Reference Warrants shall only be settled by payment of the Cash Settlement Amount (if any), as calculated by the Calculation Agent in terms of this Condition 5D (*Commodity Reference Warrants and Currency Reference Warrants*), to the Holder on the Cash Settlement Date, in accordance with the JSE Rules.

5.16 Cash Settlement Amount for Commodity Reference and Currency Reference Put Style Warrants

The Cash Settlement Amount for Commodity Reference and Currency Reference Put Style Warrants must be determined by the Calculation Agent as the amount in respect of each Group of Commodity Reference Put Style Warrants or Currency Reference Put Style Warrants, as the case may be, by which the applicable Exercise Price exceeds the applicable Settlement Price, unless such amount is negative in which case the Cash Settlement Amount is zero.

5.17 Cash Settlement Amount for Commodity Reference and Currency Reference Call Style Warrants

The Cash Settlement Amount for Commodity Reference and Currency Reference Call Style Warrants must be determined by the Calculation Agent as the amount in respect of each Group of Commodity Reference Call Style Warrants or Currency Reference Call Style Warrants, as the case may be, by which the applicable Settlement Price exceeds the applicable Exercise Price, unless such amount is negative in which case the Cash Settlement Amount is zero.

5.18 Settlement Disruption Event

If, in the opinion of the Calculation Agent, payment of the Cash Settlement Amount in respect of any Commodity Reference Warrant or Currency Reference Warrant, as the case may be, is not reasonably practical by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date is postponed until the first following Business Day in respect of which there is no such Settlement Disruption Event. If a Settlement Disruption Event continues for the Settlement Disruption Period, the Issuer must, on the Settlement Date (as postponed in accordance with this Condition 5.18 (*Settlement Disruption Event*)) and in accordance with the JSE Rules, pay to the Holder the Fair Market Value of such Commodity Reference Warrant or Currency Reference Warrant, as the case may be.

6. Illegality

6.1 Performance

If the Issuer, upon advice from its independent external legal counsel, determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice thereof to Holders.

6.2 Suspension of Related Products

If a future or option over which a Warrant is traded is suspended for a period in excess of one Business Day then, subject to approval (if required) of the JSE or the Exchange, as the case may be, the Issuer may cancel that Warrant by giving notice thereof to Holders.

6.3 Compensation for Cancellation

If the Issuer cancels Warrants under Condition 6.1 (*Performance*) or Condition 6.2 (*Suspension of Related Products*) then it shall, if and to the extent permitted by applicable law, pay to each Holder in respect of each Warrant held an amount which shall be the Fair Market Value of such Warrant less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent.

7. Purchases

The Issuer or any affiliate may, but is not obligated to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. The Issuer, the Calculation Agent, the Transfer Secretary and Determinations

8.1 Registered Office of Issuer

The registered office of the Issuer is the address set out at the end of this Programme Memorandum or any other address of which notice is given to Holders.

8.2 Amendments

Notwithstanding the provisions of Condition 11.2 (*Amendment of these Conditions*), these Conditions may be amended by the Issuer without the consent of the Holders, with the approval of the JSE, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, in any manner which the Issuer may deem necessary or desirable provided that such amendment is not materially prejudicial to the interests of the Holders.

8.3 Determinations of Calculation Agent

Where the Calculation Agent is required to opine on, or make a determination with respect to any matter, it shall do so in a fair and commercially reasonable manner and such opinions and determinations (save in the case of manifest error) shall be binding on the Issuer and the Holders.

8.4 Obligations and Calculation Agent

The Calculation Agent does not, by virtue of being such, assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders.

8.5 Delegation of Functions

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

8.6 Maintenance of Register

The Issuer has appointed the Transfer Secretary who, to the extent applicable under these Conditions and subject to Condition 1.2 (*Issue of Certificates*), will maintain the Register at the Issuer's cost in accordance with these Conditions.

8.7 Notice of Trust

Save as is required by law, neither the Transfer Secretary nor the Issuer nor the Sponsor is required to take account of any trust (whether express, implied or constructive) to which any Warrant is alleged to be subject.

8.8 Change in Calculation Agent or Transfer Secretary

The Issuer reserves the right at any time to vary or terminate the appointment of the Transfer Secretary and/or the Calculation Agent, and to appoint further or additional or replacement Transfer Secretary and/or Calculation Agents, provided that no termination of appointment of the Transfer Secretary or Calculation Agent shall become effective until replacement Transfer Secretary (if applicable and subject to Condition 1.2 (*Issue of Certificates*)) or Calculation Agent, as the case may be, shall have been appointed and provided that, so long as any of the Warrants are listed on the JSE, a Calculation Agent shall be appointed, and in addition, there shall be Transfer Secretary in South Africa (if applicable and subject to Condition 1.2 (*Issue of Certificates*)). Notice of any such termination of appointment will be given to Holders in accordance with Condition 9 (*Notices*).

9. Notices

All notices to Holders shall be valid if delivered to the addresses as per the Register (if applicable and subject to Condition 1.2 (*Issue of Certificates*)) or if published on SENS. Any notice to Holders is deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

Any notice to be given to the Issuer (including legal process but excluding any Exercise Notice) shall be valid if it is delivered to the Issuer at the Issuer's registered office from time to time in South Africa as reflected in this Programme Memorandum. Any such notice or legal process shall be deemed to have been given on the date of delivery thereof. Any Exercise Notice shall be given only in accordance with the exercise procedure set out in Condition 4 (*Exercise of Warrants*).

10. Taxation and Expenses

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any

Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be paid, withheld or deducted.

11. **Further Issues and Amendments**

11.1 **Further Issues of Warrants**

The Issuer shall be at liberty (subject to approval by the JSE) from time to time without the consent of Holders to create and issue further Warrants so as to be consolidated with and form a single Series with the outstanding Warrants.

11.2 **Amendment of these Conditions**

Subject to Condition 8.2 (*Amendments*), the Issuer may, with the consent of at least 75% of those Holders, excluding the votes of the Issuer and its affiliates, who attend any meeting of Holders convened by the Issuer in South Africa, amend or supplement or substitute any of these Conditions. For this purpose, each Holder shall be entitled to one vote for each one Warrant held by such Holder. Holders who have delivered an Exercise Notice shall, as regards the Warrants exercised, not be entitled to attend or vote at any such meeting.

The Issuer and any affiliate of the Issuer which is a Holder shall, as regards such Warrants, not be precluded from attending such meeting but shall not be entitled to vote. Any such amendment, supplementation or substitution shall take effect as determined by such meeting but no earlier than the Business Day immediately following the date of such meeting. If no such date is specified by the meeting, it shall take effect on the Business Day immediately following the date of such meeting. Any such amendment, supplementation or substitution shall not take effect as regards Warrants in respect of which an Exercise Notice has been delivered.

12. **Governing Law and Jurisdiction**

The Warrants shall be governed by, and construed in accordance with, the laws of South Africa and each of the Issuer, the Calculation Agent, the Transfer Secretary, the Sponsor, and each Holder submits to the non-exclusive jurisdiction of the South Gauteng High Court, Johannesburg (or any successor division thereto) in connection with any matters arising from any of the Warrants.

13. **Adjustments**

13.1 **Definitions**

For purposes of this Condition 13 :

- a. **“Potential Adjustment Event”** means any of the following:
 - (a) a subdivision, consolidation, or reclassification of the Underlying Securities (unless a Merger Event, as defined in Condition 13.4 (*Force Majeure*), but including any unbundling or de-merger) or a free distribution or dividend of any Underlying Securities to existing Holders by way of bonus, capitalisation or similar issue; or
 - (b) a distribution or dividend to existing holders of the Underlying Securities of (i) Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company or equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer; or
 - (c) a call in respect of Underlying Securities that are not fully paid; or
 - (d) a repurchase of Underlying Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
 - (e) any unbundling of Shares by the Company to its shareholders, other than securities directly relating to the Shares and special dividends relating to such securities, and also excluding the payment of any special dividend derived from the same by the Company of such unbundled Shares; or

- (f) a cancellation of the listing (where applicable) of the Underlying Securities on the JSE or the Exchange, as the case may be; or
- (g) any other similar event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Underlying Securities;
- b. **“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy or winding-up of or any analogous proceeding affecting a Company (or other issuer of Underlying Securities):
 - (i) all the Underlying Securities are required to be transferred to a trustee, liquidator or other similar official; or
 - (ii) holders of the Underlying Securities become legally prohibited from transferring them.
- c. **“Merger Date”** means, in respect of a Merger Event, the date upon which all holders of Underlying Securities (other than, in the case of a take-over offer, Underlying Securities owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Underlying Securities;
- d. **“Merger Event”** means any:
 - (i) reclassification or change of the Underlying Securities that results in a transfer of, or an irrevocable commitment to transfer, all outstanding Underlying Securities; or
 - (ii) consolidation, amalgamation, or merger of a Company (or other issuer of Underlying Securities) with or into another entity (other than a consolidation, amalgamation or merger in which such Company (or other issuer of Underlying Securities) is the continuing entity and which does not result in any such reclassification or change of all outstanding Underlying Securities); or
 - (iii) other take-over offer for the Underlying Securities that results in a transfer of, or an irrevocable commitment to transfer, all the Underlying Securities (other than the Underlying Securities owned or controlled by the offeror),
 in each case if the Merger Date is on or before the relevant Actual Exercise Date;
- e. **“Nationalisation”** means that all the Underlying Securities or all the assets or substantially all the assets of the entity or entities to which such Underlying Securities relate or which has a material impact on the price of the Underlying Securities are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
- f. **“Delisting”** means (where applicable) the removing of the Company (or other issuer of Underlying Securities) from the official list of the JSE or the Exchange, as the case may be;
- g. **“Suspension”** means the suspension of trading of Warrants on the JSE or the suspension of any Underlying Securities from official quotation on the JSE or the Exchange, as the case may be;
- h. **“Other Event”** means any of the following:
 - (i) a Merger Event, Nationalisation, Delisting, Suspension or Insolvency; or
 - (ii) the South African Government or the South African Reserve Bank fails to exchange, or approve the exchange, or permit the exchange, of South African currency for any currency in which any payment of any amounts is to be made to any Holders; or
 - (iii) other action is taken by the South African Government or the South African Reserve Bank that has the effect of prohibiting or preventing the exchange or transfer of funds outside of South Africa by non-residents.

13.2 Effect of Potential Adjustment Event and/or Other Event

If, in the reasonable opinion of the Calculation Agent, a Potential Adjustment Event and/or an Other Event occurs and following the declaration of the terms of any such Potential Adjustment Event and/or Other Event, the Calculation Agent will determine whether such Potential Adjustment Event

and/or Other Event has a diluting or concentrative effect on the theoretical value of the Underlying Securities and, if so, will, subject to approval of the JSE:

- (i) make the corresponding adjustment, if any, to the Underlying Parcel, the Exercise Price, or any of the terms of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, and determine the effective date of that adjustment; or
- (ii) cancel the relevant Warrants.

The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event and/or Other Event made by an options exchange to options on the Underlying Securities traded on that options exchange.

If the Warrants are cancelled in terms of paragraph (ii) above, the Calculation Agent will pay an amount to each Holder in respect of each Warrant held by him which amount shall be the Fair Market Value of a Warrant taking into account the Potential Adjustment Event and/or Other Event, less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its opinion; and payments will be made in such manner as shall be notified to the Holders.

13.3 **Notice of Potential Adjustment Event and/or Other Event**

Upon the occurrence of any Potential Adjustment Event and/or Other Event, and any adjustment in terms of Condition 13.2 (*Effect of Potential Adjustment Event and/or Other Event*), the Calculation Agent shall give notice as soon as practicable to the Holders setting out the adjustment of the Underlying Parcel, the Exercise Price or the Conditions, and giving brief details of the Potential Adjustment Event and/or Other Event and other action to be taken in relation thereto.

13.4 **Force Majeure**

- (a) The Issuer shall have the right to terminate its obligations under the Warrants if, in the opinion of either the Issuer or the Calculation Agent, the performance of such obligations has become impossible or impracticable in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.
- (b) If the Issuer terminates its obligations under the Warrants pursuant to paragraph (a) above, the Issuer shall pay or cause to be paid to each Holder in respect of each Warrant held by it an amount determined by the Calculation Agent as representing the Fair Market Value of a Warrant, on the date immediately preceding the date on which such right of termination arose. Payment shall be made as soon as practicable in such manner as shall be notified to the Holders in accordance with Condition 9 (*Notices*).

14. **Substitute Index and Adjustment**

No adjustment or other changes shall be made to the Index pursuant to this Condition 14 (whatever it will be after amendments) except with the approval of the JSE or the Exchange, as the case may be, where necessary.

If a relevant Index is (i) not calculated and announced by the agreed Index Sponsor but is calculated and announced by a successor to the Index Sponsor (the “**Successor Index Sponsor**”) acceptable to the Issuer, or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the index so calculated and announced by the Successor Index Sponsor or the successor index, as the case may be, will be deemed to be the Index.

If (i) on or prior to the Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor makes a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in the Constituent Property, contracts or commodities and other routine events), or (ii) on any Valuation Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index, then the Calculation Agent shall calculate that Index as at the relevant valuation time on that Valuation Date as

determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities/commodities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the JSE or the Exchange as the case may be).

The Calculation Agent shall give notice as soon as practicable to the Holders setting out the relevant adjustments. The Issuer shall, as soon as practicable after receipt of any written request to do so, make available for inspection by Holders copies of the determinations made pursuant to this Condition 14.

15. Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and form a part of, this Programme Memorandum (but shall not be part of the Particulars):

- (a) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (b) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of the Issuer after the Programme Date;
- (c) the audited consolidated annual financial statements of Nedbank Group Limited for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (d) the audited consolidated annual financial statements of Nedbank Group Limited, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of Nedbank Group Limited after the Programme Date;
- (e) any supplements to this Programme Memorandum circulated by the Issuer from time to time;
- (f) each Supplement relating to any Series of Warrants;
- (g) all information pertaining to the Issuer and/or Nedbank Group Limited which is relevant to the Programme which is (i) electronically submitted by the Securities Exchange News Service ("SENS"), established by the JSE, to SENS subscribers and/or available on any electronic news service established or used or required by the JSE.

Any statement contained in a document incorporated or deemed incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Programme Memorandum (but not the Particulars) to the extent that a statement contained herein or in any other subsequently filed or published document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Programme Memorandum.

The Sponsor will provide, without charge, to each person to whom a copy of this Programme Memorandum has been delivered upon written request of such person, a copy of any or all the documents which are incorporated herein by reference. Written requests for such documents should be directed to the Sponsor.

16. Whole Agreement

Subject to Condition 1.1 (*Application to Different Series*), these Conditions set out the entire agreement and understanding between the Issuer and the Holders and supersede all prior agreements, written or oral, in connection with the subject matter hereof. Subject to these Conditions, no addition to, variation or consensual cancellation of these Conditions shall be of any force and effect unless in writing and signed by or on behalf of the Issuer and Holders.

B. TERMS AND CONDITIONS OF EXCHANGE TRADED NOTES

The following are the Conditions of the Exchange Traded Notes to be issued by the Issuer under the Programme; provided that the Supplement in relation to any Series of Exchange Traded Notes may specify other terms and conditions (which may replace, modify, or supplement the Conditions), in which event such other terms and conditions shall, to the extent so specified in the Supplement or to the extent inconsistent with the following Conditions, prevail and replace, modify or supplement the following Conditions for the purpose of such Series of Exchange Traded Notes, and any reference to “Conditions” in this Programme Memorandum shall, for the purpose of such Series of Exchange Traded Notes, wherever the context requires, be deemed to include the following Conditions as so replaced, modified or supplemented. All capitalised terms not defined in section 1 of this Programme Memorandum headed “Definitions and Interpretation” are defined in the following Conditions and/or the relevant Supplement.

17. Application of certain Conditions of Part A

Conditions 1, 2.2, 2.3 (excluding the first line thereof), 2.5, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15 and 16 of Part A above headed “*Terms and Conditions of the Warrants*”) shall apply to each Series of Exchange Traded Notes, save where expressly otherwise stated in this Part B and/or the relevant Supplement or unless inconsistent with the context or unless any provision of any such Condition is by its nature not applicable to a particular Series of Exchange Traded Notes.

18. Additional Terms and Conditions

The Supplement relating to a Series of Exchange Traded Notes will set out (among other things) the type of Exchange Traded Notes in that Series, the Issue Date, the Issue Price, the relevant Underlying Equity/ies, the Maturity Date, whether the Exchange Traded Notes are to be physically settled or cash settled and, where applicable, the manner of determining the Cash Settlement Amount. In addition, such other provisions as are required by the applicable JSE Listings Requirements (including section 19 or section 20 of the JSE Listings Requirements) in respect of a Series of Exchange Traded Notes shall be set out in the relevant Supplement.

C. TERMS AND CONDITIONS OF PROTECTED SHARE INVESTMENTS

19. Protected Share Investment Supplement

The Protected Share Investment Supplement provides for the Conditions which are applicable to a Series of Protected Share Investments issued under the Programme.

D. TERMS AND CONDITIONS OF SHARE INSTALMENTS

20. Share Instalment Supplement

The Share Instalment Supplement provides for the Conditions which are applicable to a Series of Share Instalments issued under the Programme.

SECTION 5

THE ISSUER

Introduction

Nedbank Limited (the “**Issuer**” or the “**Bank**”) is registered and incorporated as a public company with limited liability in terms of the Companies Act, under registration number 1951/000009/06.

The Bank, one of the four leading banks in South Africa (measured by total assets), is a widely held public company and a registered bank that, itself and through its subsidiaries, provides a wide range of financial services in South Africa and Southern Africa. As at 31 December 2009, the Bank had total assets of R571 billion (R567 billion as at 31 December 2008) (see the audited consolidated annual financial statements of the Issuer and Group Limited, respectively, for the financial years ended 31 December 2008 and 31 December 2009). The Bank's profit attributable to equity holders of the parent, Nedbank Group Limited (“**Group Limited**”, together with its subsidiaries, the “**Group**”), amounted to R4.8 billion for the year ended 31 December 2009, decreasing from R6.4 billion as at 31 December 2008 (see the audited consolidated annual financial statements of the Issuer and Group Limited, respectively, for the financial years ended 31 December 2008 and 31 December 2009).

The Bank focuses on Southern Africa and offers a wide range of wholesale and retail banking services through four main business clusters, namely Nedbank Capital, Nedbank Corporate, Nedbank Retail and Business Banking and, Nedbank Bancassurance and Wealth Management. The principal services offered by the Bank comprise business, corporate and retail banking, property finance, investment banking, private banking, foreign exchange and securities trading. The Bank also generates income from private equity, credit card issuing and processing services, custodial services, unit trust administration, asset management services and bancassurance.

The Bank's non-redeemable, non-cumulative, non-participating preference shares are listed on the JSE Limited (“**JSE**”). The holding company of the Bank, Group Limited, is a registered bank controlling company that holds 100% of the issued ordinary shares of the Bank and is listed on the JSE. The ultimate parent company of the Group is Old Mutual plc (“**Old Mutual**”), a public company with liability limited by shares and incorporated in England and Wales (registration number 3591559).

The Bank's headquarters are in Sandown, Johannesburg, with large operational centres in Durban and Cape Town. Banking facilities of the Bank include 438 full service branches, 1,874 ATMs and 379 self-service terminals providing a range of banking services. Clients also have the ability to transact at 3,027 point of sale devices which are enabled for cashback. Facilities are located throughout South Africa and other Southern African countries. Services are offered through the Bank's 10 subsidiary and/or affiliated banks, as well as through branches and representative offices in certain key global financial centres that serve to meet the international banking requirements of the Bank's South African-based multinational clients. The Bank also offers full-service internet banking to all clients.

The Bank holds a full banking licence granted by the South African Registrar of Banks (the “**Registrar of Banks**”) under the Banks Act, 1990 (the “**Banks Act**”) and is an authorised financial services provider under the Financial Advisory and Intermediary Services Act, 2002, as well as an authorised credit provider under the National Credit Act, 2005. The Bank is an authorised dealer in foreign exchange in terms of the Exchange Control Regulations under the Currency and Exchanges Act, 1933. It is a central securities depository participant in Strate Limited (the authorised central securities depository for the electronic settlement of all financial instruments in South Africa), and is a full member of the JSE, under the Securities Services Act, 2004.

The Bank's registered office is located at 135 Rivonia Road, Sandown, 2196, PO Box 1144, Johannesburg, 2000, South Africa. The telephone number is +27 (011) 294 4444.

Strong corporate and investment banking franchise

The Bank offers a wide range of commercial, investment and retail banking products, thereby diversifying its revenue sources. The Bank is one of the four major South African banks and has a 20% market share in deposits and a 19% market share in loans and advances (source: SARB BA900 Report, December 2009). The Bank is also a leading player in commercial property finance with a 33% market share (source: SARB

BA900 Report, December 2009). Despite having a smaller retail franchise than its peers, the Bank's 20% share of the deposit market is in line with its peers with relatively larger retail franchises. Nedbank Capital is regularly ranked amongst the top three South African banks in corporate finance and mergers and acquisitions as measured by Dealmaker magazine. The Bank also holds the largest share of card acquiring transactions based on point of sale devices deployed and transactions processed.

Risk management capabilities and adoption of Basel II

The Bank's management has placed significant focus on risk management and compliance with Basel II. SARB has approved the use of the AIRB approach for credit risk for the Bank, which recognises the application of best practice credit risk management techniques within the Bank. The Bank also applies an economic capital framework to measure risk within the organisation and this comprehensive framework forms the basis of its economic profit based incentive schemes.

Corporate Structure

The Bank's authorised share capital is 30,000,000 ordinary shares with a par value of R1 each and 1,000,000,000 non-redeemable non-cumulative preference shares with a par value of R0.001 per share. As at 31 December 2009, the Bank had an issued share capital of 27,240,023 ordinary shares with a par value of R1 each and non-redeemable non-cumulative preference shares of 349,082,721 with a par value of R0.001 per share which are listed on the JSE under share code NBKP.

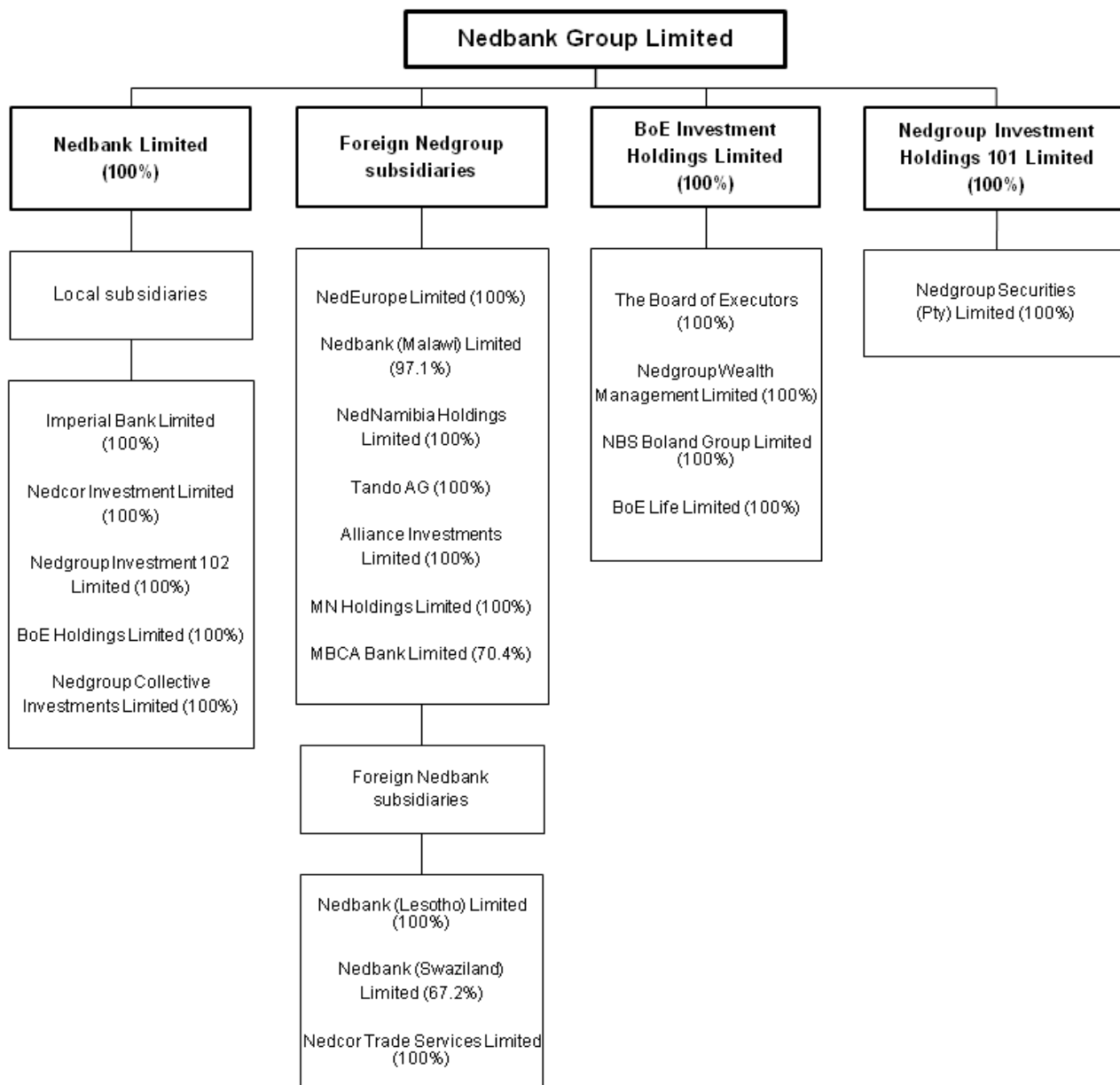
The Bank's issued shares are 100% held by Group Limited. The Group is controlled by its ultimate parent company, Old Mutual, which has a primary listing on the LSE. The relationship with Old Mutual is governed by means of a relationship agreement between Group Limited and Old Mutual (the "**Relationship Agreement**").

The Relationship Agreement sets out, amongst other things, that the Group will consult with Old Mutual and have regard to Old Mutual's strategic plans in devising its own strategy (including any material acquisitions or disposals or the raising of any significant amount of capital, whether Tier 1, Tier 2 or Tier 3), which should be consistent and aligned with that of Old Mutual and designed to maximise the long-term shareholder value of both entities and that the Group will update its strategic plan and business plan annually to accord with Old Mutual's three year planning cycle. The Relationship Agreement also sets out that the Group will report to Old Mutual in a timely fashion in relation to a number of matters including appropriate financial and operational information on its activities for the purposes of business planning, monthly management accounts, monthly asset liability committee reports, interim and full year accounts, forecasting and quarterly reforecasting and for such other financial planning, group treasury, regulatory, accounting, accounting reconciliation or management information purposes as Old Mutual may reasonably require.

The Relationship Agreement includes provisions in respect of material changes to the terms of employment of directors and some other senior employees and to actively seek to identify, develop and exploit synergies, joint ventures, coordination of product design and opportunities for secondment of personnel and sharing of knowledge and expertise with other businesses in the Old Mutual group, for the mutual benefit of both parties. There are also details in relation to the maintenance of the Old Mutual shareholding if new shares are issued.

Major subsidiary companies

As at 31 December 2009, the following companies were the major active subsidiaries of the Bank:



Further information

A more detailed description of the Issuer, its subsidiaries and its business is set out in the annual reports of the Issuer and Nedbank Group Limited, respectively, which are incorporated by reference into, and form part of, this Programme Memorandum in terms of Condition 15 (*Documents Incorporated by Reference*).

The annual reports of the Issuer and Nedbank Group Limited, respectively, for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 are available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the registered office of the Issuer. In addition, these annual reports may be accessed at Nedbank Group Limited's website at www.nedbankgroup.co.za.

The annual reports of the Issuer and Nedbank Group Limited, respectively, for the financial years after the Programme Date, will (as and when the relevant annual financial statements are approved and become available) be accessible at Nedbank Group Limited's website at www.nedbankgroup.co.za, and will be

available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the registered office of the Issuer.

JSE Listings Requirements

In terms of section 19 of the JSE Listings Requirements, the Issuer confirms that:

- (a) it is incorporated under the laws of South Africa and is a member of the Banking Council of South Africa;
- (b) it has members of staff who have been responsible for the listing and trading of Instruments on various exchanges world-wide, including South Africa, Australia, Hong Kong and Germany;
- (c) it intends to ensure that a reasonable secondary market in Instruments will be established and maintained;
- (d) it shall disclose in any Supplement any material dealings (inclusive of those of a corporate finance nature) other than in the ordinary course of business by it or its associates in the securities in respect of which Instruments are to be issued during the six week period prior to the date of formal application for the listing of the Instruments;
- (e) its capital and reserves as at 31 December 2009 amounted to R34,900,000,000 (total shareholders funds). As at the date hereof, the Issuer has net tangible assets of at least R2 billion located in South Africa; and
- (f) the Issuer undertakes for so long as any Instruments are outstanding to inform the JSE if the level of the Issuer's net tangible assets falls below R2 billion.

Directors

As at 31 December 2009, the Group board has a unitary structure comprising 18 directors. The Bank's board (the "**Board**") has the same structure and composition, but separate board meetings are held.

Altogether 53% of the directors are black generic in terms of the Financial Sector Charter definitions as at 31 December 2009, when applying the Financial Sector Charter's exclusion proviso. This exclusion proviso applies to the three Board members appointed by the majority shareholder Old Mutual.

Four of the fourteen non-executive directors, including the Chairman, are not considered independent since they either serve as directors on the Board of the Group's ultimate holding company, Old Mutual, or are employees of Old Mutual. The three Board appointments in terms of the BEE transaction, MA Enus-Brey, GT Serobe and the Chairman, RJ Khoza, are also not considered independent because of their relationship with Group Limited's BEE partners.

The directors come from diverse backgrounds and bring to the Board a wide range of experience in commerce, industry and banking. The non-executive directors and the strong independent composition of the Board provides for independent and objective input into the decision making process, thereby ensuring that no one director holds unfettered decision making powers. The directors have access to management, whenever required.

The directors of the Issuer as at the Programme Date are:

Dr Reul Jethro Khoza (60)
(Non-executive Chairman)
(appointed August 2005)

Qualifications:

BA(Hons) Psychology (UNIN),
MA Marketing Management
(Lancaster, UK), EngD (Warwick,
UK), IPBM-IMD (Lausanne,
Switzerland), PMD (Harvard
Business School, USA), LLD(hc)

Reul Khoza was appointed the non-executive Chairman of the Group and the Bank in August 2005. Reul Khoza is Chairman of Aka Capital and Nepad Business Foundation. He is a non-executive director of Nampak Limited, Protea Group Limited and Old Mutual plc. He is President of the Institute of Directors and in this capacity served on the King II and King III Committees on corporate governance. He is a founding director of the Black Management Forum and the former Chairman of Eskom Holdings.

Nedbank Group Board committees:
Nedbank Group Directors' Affairs Committee (Chairman).

Nedbank Group ordinary shares:

<p>Rhodes. Nationality: South African.</p>	<p>1 374 beneficial indirect. Nedbank Limited preference shares: 0.</p>
<p>Christopher John Watkins Ball (70) (Senior Independent Non-executive Director) (appointed November 2002)</p> <p>Qualifications: Dip Iuris, MA</p> <p>Nationality: South African.</p>	<p>Chris Ball was appointed as independent non-executive director of the Bank and Group during November 2002 and as senior independent director in February 2007. Chris Ball was previously a non-executive director of BoE Limited and five of its subsidiary companies, including Century City Limited. He is currently a non-executive director of Imperial Bank Limited.</p> <p>Nedbank Group Board committees: Group Finance and Oversight Committee (Chairman), Group Audit Committee (Chairman), Group Remuneration Committee, Group Credit Committee, Nedbank Group Directors' Affairs Committee, Nedbank Group Risk and Capital Management Committee, Group Transformation and Sustainability Committee and Board Strategic and Innovation Management Committee.</p> <p>Nedbank Group ordinary shares: 10 000 beneficial direct.</p> <p>Nedbank Limited preference shares: 144 300 beneficial direct.</p>
<p>Thomas Andrew Boardman (60) (Non-executive Director) (appointed November 2002 as director, December 2003 as Chief Executive and March 2010 as non-executive director).</p> <p>Qualifications: BCom, CA (SA).</p> <p>Nationality: South African.</p>	<p>Tom Boardman was previously appointed Chief Executive of the Group and the Bank and was formerly the Chief Executive and an executive director of BoE. Past directorships include Boardmans and Sam Newman Limited as well as BoE International Holdings Limited and Northwind Investments (Pty) Limited. He is a non-executive director of Mutual & Federal Insurance Company Limited and the Banking Association, director of Vodacom Group (Pty) Ltd and the WWF South Africa (World Wide Fund for Nature).</p> <p>Nedbank Group Board committees: Large Exposures Approval Committee until 1 March 2010. With effect from 1 March 2010, Board Strategic and Innovation Management Committee and the Group Credit Committee.</p> <p>Nedbank Group ordinary shares: 81 100 beneficial direct, 251 715 beneficial indirect.</p> <p>Nedbank Limited preference shares: 85 000 beneficial indirect.</p>
<p>Michael William Thomas Brown (43) (Chief Executive Officer) (appointed June 2004).</p> <p>Qualifications: BCom, Dip Acc, CA(SA), AMP (Harvard)</p> <p>Nationality: South African.</p>	<p>Mike Brown was previously the Chief Financial Officer of the Group and the Bank since June 2004. He was previously an executive director of BoE Limited, and after the merger between the Bank, BoE, NIB and CoGHB, he was appointed Head of Property Finance at the Bank.</p> <p>Nedbank Group Board committees: Large Exposures Approval Committee</p> <p>Nedbank Group ordinary shares: 49 940 beneficial direct, 235 815 beneficial indirect.</p>

	<p>Nedbank Limited preference shares: 0.</p>
<p>Wendy Elizabeth Lucas-Bull (53) (Non-executive Director) (appointed August 2009).</p> <p>Qualifications: University of the Witwatersrand – BSc</p> <p>Nationality: South African.</p>	<p>Wendy Lucas-Bull is a founder of empowerment investment company, Peotona Group Holdings. She was previously chief executive of FirstRand’s retail business and prior to that an executive director of Rand Merchant Bank. She is currently an independent non-executive director of Eskom, DBSA, Anglo Platinum and Dimension Data plc.</p> <p>Nedbank Group Board committees: Group Finance and Oversight Committee, Group Credit Committee (Chairman), Group Risk and Capital Management Committee, Directors’ Affairs Committee.</p> <p>Nedbank Group ordinary shares: 0.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Thenjiwe Claudia Pamela Chikane (44) (Non-executive Director) (appointed November 2006).</p> <p>Qualifications: Chartered Accountant.</p> <p>Nationality: South African.</p>	<p>Thenjiwe Chikane was appointed as director of the Bank and Group in November 2006.</p> <p>Thenjiwe Chikane is a chartered accountant by profession. She was previously the Chief Executive Officer of MGO Consulting and the Head of the Gauteng Department of Finance and Economic Affairs. She is a board member of Datacentrix a listed company in information technology and a member of the Rice Africa Board. She was previously a non-executive director of the Development Bank of Southern Africa, Telkom, PetroSA and Chairperson of the State Information Technology Agency</p> <p>Nedbank Group Board committees: Group Audit Committee, Board Strategic Innovation Management Committee and Group Transformation & Sustainability Committee (Chairman), Directors’ Affairs Committee.</p> <p>Nedbank Group ordinary shares: 92 213 beneficial indirect.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Graham Wayne Dempster (54) (Chief Operating Officer) (appointed August 2009).</p> <p>Qualifications: BCom, CTA, CA (SA) AMP (Harvard Business School USA).</p> <p>Nationality: South African.</p>	<p>Graham joined the group in 1980 in the Corporate Finance division of UAL Merchant Bank. He was appointed General Manager in 1987 and Joint Head of the Special Finance division in 1989. In 1992 he was transferred to Nedbank, initially in a general management strategy role, and in 1998 was appointed Head of the International division. He assumed responsibility for the Corporate Banking division in 1999 and was appointed Managing Director of Nedbank Corporate late in 2003. Graham was appointed as the Chief Operating Officer of the Nedbank Group in August 2009.</p> <p>Nedbank Group ordinary shares: 11 881 beneficial direct and 169 584 beneficial indirect.</p> <p>Nedbank Limited preference shares:</p>

	0.
<p>Mustaq Ahmed Enus-Brey (55) (Non-executive Director) (appointed August 2005).</p> <p>Qualifications: BCompt(Hons), CA (SA).</p> <p>Nationality: South African.</p>	<p>Mustaq Enus-Brey was appointed as director of the Bank and Group in August 2005. He is also a director of Brimstone Investment Corporation Limited and Oceana Group Limited.</p> <p>Nedbank Group Board committees: Nedbank Group Risk and Capital Management Committee (Chairman), Nedbank Group Directors' Affairs Committee, Group Credit Committee and Group Finance and Oversight Committee.</p> <p>Nedbank Group ordinary shares: 2 076 beneficial indirect.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Prof Brian De Lacy Figaji (65) (Non-executive Director) (appointed November 2002).</p> <p>Qualifications: BSc(Eng), Dip Tertiary Edu Med, DEd (Coventry UK), DLitt(hc) (California State, USA).</p> <p>Nationality: South African.</p>	<p>Brian Figaji is Chairman of I&J Limited and MARIB Holdings. He is the former Principal and Vice-chancellor of the Peninsula Technikon. He is also a director of PetroSA, Cape Lime (Pty) Limited and the Development Bank of Southern Africa. He became a director of the Bank and Group in November 2002.</p> <p>Nedbank Group Board committees: Group Credit Committee, Group Directors' Affairs Committee, Group Remuneration Committee (Chairman), Group Transformation and Sustainability Committee.</p> <p>Nedbank Group ordinary shares: 121 879 beneficial indirect and 1 530 non-beneficial indirect.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Donald Ian Hope (53) (Non-executive Director) (appointed December 2009).</p> <p>Qualifications: Member of the Association of Corporate Treasurers, 1989.</p> <p>Nationality: New Zealand.</p>	<p>Don Hope was appointed Head of Strategy Development at Old Mutual plc in March 2009. He joined the Old Mutual Group as Group Treasurer in May 1999, with responsibility for developing the Group's international treasury function. He was appointed to the role of Chief Executive Officer of Old Mutual (Bermuda) Limited in August 2008. Don was Chairman of the Intech Fiduciaries Ltd and the Old Mutual Australia Ltd boards until their sale from the Old Mutual Group, a role he assumed in November. Before joining the Old Mutual Group, don was Treasurer of Eagle Star Holdings plc, a subsidiary of B.A.T. Industries plc.</p> <p>Nedbank Group Board committees: Nedbank Group Risk and Capital Management Committee. With effect from 19 February 2010, the Group Remuneration Committee and the Group Finance and Oversight Committee.</p> <p>Nedbank Group ordinary shares: 0.</p> <p>Nedbank Limited preference shares: 0.</p>

<p>Alan De Villiers Charles Knott (57) (Non-executive Director) (appointed January 2009).</p> <p>Qualifications: BSC Electrical Engineering (Cum Laude), University of Cape Town Master of Business Leadership, UNISA Doctor of Business Leadership (Honoris Causa), UNISA Doctor of Business Administration (Honoris Causa) NMMU.</p> <p>Nationality: South African.</p>	<p>Alan Knott-Craig served as Managing Director of cellphone network operator Vodacom Limited from 1993 and was Chief Executive of Vodacom Group from 1996 until his retirement at the end of September 2008. Consultant to Vodacom. He is currently an independent non-executive director of Murray and Roberts Holdings Limited, a member of the Board of the Council for Scientific and Industrial Research, an independent non-executive director of Right to Care and a Governor of the Lebone II School.</p> <p>Nedbank Group Board committees: Board Strategic Innovation Management Committee (Chairman), Group Finance and Oversight Committee, Group Risk and Capital Management Committee, Directors Affairs Committee.</p> <p>Nedbank Group ordinary shares: 0.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Nomavuso Patience Mnxasana (53) (Non-executive Director) (appointed October 2008).</p> <p>Qualifications: BCompt, (Hons,) CA(SA).</p> <p>Nationality: South African.</p>	<p>Nomavuso Mnxasana is a director at Imperial Bank Limited and Land Bank Limited. A chartered accountant by profession, she was a senior partner and member of the executive committee of SizweNtsaluba. She then served as group audit and risk executive at Imperial Holdings Limited.</p> <p>Nedbank Group Board committees: Nedbank Group Audit Committee, Group Remuneration Committee, Group Risk and Capital Management Committee.</p> <p>Nedbank Group ordinary shares: 49 572 beneficial indirect.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Raisibe Kgomaraga Morathi (40) (Chief Financial Officer) (appointed September 2009).</p> <p>Qualifications: Hons B.Compt. CA(SA), H Dip Tax (Wits), AMP (INSEAD)</p> <p>Nationality: South African.</p>	<p>Raisibe Morathi is the Chief Financial Officer of Nedbank Group and Nedbank Limited. She has 15 years experience in the financial services sector and has held senior positions in banking and insurance. She previously held several executive roles at the Industrial Development Corporation of South Africa Limited, the last position being Chief Operating Officer. Raisibe is a director of The Crop (Pty) Ltd, and a Trustee of Motheo Trust, Most recently she has been an executive director of a listed insurance company.</p> <p>Nedbank Group Board committees: Large Exposures Approval Committee.</p> <p>Nedbank Group ordinary shares: 0.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Julian Victor Frow Roberts (52) (Non-executive Director) (appointed December 2009).</p>	<p>Julian Roberts was appointed Group Chief Executive of Old Mutual plc in September 2008. Prior to his appointment he was Chief Executive of the Group's Skandia businesses. Julian originally joined</p>

<p>Qualifications: Fellow of Institute of Chartered Accountants; Member of Association of Corporate Treasurers; University of Stirling (Accountancy and Business Law).</p> <p>Nationality: British.</p>	<p>Old Mutual plc as Group Finance Director in August 2000. Before joining Old Mutual Julian was Group Finance Director of Sun Life & Provincial Holdings plc (now part of AXA) and previously Chief Financial Officer of Aon UK Holdings Limited.</p> <p>Nedbank Group Board committees: Directors' Affairs Committee.</p> <p>Nedbank Group ordinary shares: 0.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Gloria Tomatoe Serobe (50) (Non-executive Director) (appointed August 2005).</p> <p>Qualifications: BCom (Unitra), MBA (Rutgers, USA).</p> <p>Nationality: South African.</p>	<p>Gloria Serobe is the Chief Executive of Wipcapital Limited and also founder and executive director of Wiphold Limited. She was previously the Executive Director: Finance at Transnet. Gloria serves on several boards, including that of JSE Limited and sits on the Financial Sector Charter Council. She is also a non-executive director of Old Mutual Life Assurance Company (SA) Limited.. She was appointed as director of the Bank and Group in August 2005.</p> <p>Nedbank Group Board committees: Group Transformation and Sustainability Committee, Group Credit Committee</p> <p>Nedbank Group ordinary shares: 1 296 beneficial indirect.</p> <p>Nedbank Limited preference shares: 0.</p>
<p>Malcolm Ian Wyman (63) (Non-executive Director) (appointed August 2009).</p> <p>Qualifications: Harvard Business School: AMP Programme, Chartered Accountant (SA).</p> <p>Nationality: British.</p>	<p>Malcolm Wyman is an executive director and the Chief Financial Officer of SABMiller plc, a position he has held since 2001. He was previously executive director responsible for corporate finance and acquisitions.</p> <p>Nedbank Group Board committees: Group Audit Committee, Group Remuneration Committee (with effect from 1 March 2010).</p> <p>Nedbank Group ordinary shares: 350 indirect non-beneficial holding.</p> <p>Nedbank Limited preference shares: 0.</p>

Registered office

The registered office of the Issuer is situated at 135 Rivonia Road, Sandton, 2196, Republic of South Africa.

Auditors

Deloitte & Touche and KPMG Inc. are the auditors of the Issuer as at the Programme Date. The audited consolidated financial statements of the Issuer for the years ended 31 December 2009 and 31 December 2008 have been audited without qualification by KPMG Inc. whose address is KPMG Crescent, 85 Empire Road, Parktown 2193, Johannesburg, South Africa and Deloitte & Touche whose address is Deloitte Place, The Woodlands, 20 Woodlands Drive, Woodmead 2199, South Africa.

Financial information

The audited consolidated annual financial statements of the Issuer and Nedbank Group Limited, respectively, for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, and for the financial years ended after the Programme Date, together with such statements, reports and notes attached to (or intended to be read with) such financial statements, are incorporated by reference into, and form part of, this Programme Memorandum in terms of Condition 15 (*Documents Incorporated by Reference*).

The audited consolidated annual financial statements of the Issuer and Nedbank Group Limited, respectively, for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 are available for inspection, by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the registered office of the Issuer. In addition, these annual financial statements may be accessed at Nedbank Group Limited's website at www.nedbankgroup.co.za.

The audited consolidated annual financial statements of the Issuer and Nedbank Group Limited, respectively, for the financial years after the Programme Date, will (as and when such financial statements are approved and become available) be accessible at Nedbank Group Limited's website at www.nedbankgroup.co.za, and will be made available for inspection by each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the registered office of the Issuer.

Report of the independent auditors

The reports of the independent auditors of the Issuer are included with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 and will be included with the audited consolidated annual financial statements of the Issuer for the financial years ended after the Programme Date (see "*Financial information*" above).

SECTION 6

GENERAL INFORMATION

1. Authorisation

The issue of Instruments under this Programme Memorandum has been duly authorised by the Issuer and the JSE.

2. Listing

Maintenance of any listing of the Instruments will be subject to JSE consent in respect of which fees may be payable to the JSE from time to time.

3. Outstanding Instruments Issued or Guaranteed by the Issuer

The Issuer has a number of outstanding Instruments listed on the JSE.

4. Documents Available

From the date hereof and so long as Instruments are outstanding, copies of the following documents will, when published, be available from the registered offices of the Issuer, the Sponsor, and the Transfer Secretary:

- (a) a copy of the most current credit ratings of the Issuer;
- (b) the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (c) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of the Issuer after the Programme Date;
- (d) the audited consolidated annual financial statements of Nedbank Group Limited for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, together with such statements, reports and notes attached to or intended to be read with such financial statements;
- (e) the audited consolidated annual financial statements of Nedbank Group Limited, together with such statements, reports and notes attached to or intended to be read with such financial statements, in respect of all financial years of Nedbank Group Limited after the Programme Date;
- (f) this Programme Memorandum;
- (g) any supplements to this Programme Memorandum circulated by the Issuer from time to time;
- (h) each Supplement relating to any Series of Instruments.

In addition to the above, from the Programme Date and for so long as any Instruments are outstanding, copies of the following documents will, when published, be available on the Issuer's website (www.nedbankgroup.co.za):

- (a) this Programme Memorandum; and
- (b) the relevant Supplements.

5. Use of Proceeds

This Issuer intends to use the proceeds from the sale of the Instruments in the ordinary course of its activities.

6. Trading, Registration and Settlement

The Instruments will be held as uncertificated securities in dematerialised form, and traded on the JSE with clearing and settlement through Strate. Subject to Condition 1.2 (*Issue of Certificates*), no

Certificates evidencing the Instruments will be issued to Holders. Instruments will be issued, cleared and transferred in accordance with the CSD Procedures. Instruments will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and Strate.

To the extent applicable under these Conditions and subject to Condition 1.2 (*Issue of Certificates*), the Register is maintained by the Transfer Secretary.

7. **Exchange Control Approvals**

The Issuer shall, in terms of the Exchange Control Regulations, 1961 issued pursuant to the Currency and Exchange Act, 1933, as amended (the “**Exchange Control Regulations**”), obtain approval from the Exchange Control Department of the South African Reserve Bank for each Series of Instruments issued under the Programme.

8. **Taxation**

Purchasing, selling and holding Instruments may have tax consequences for Holders, including the possibility of income tax being payable on profits from trading Instruments.

Purchasers of Instruments (including those purchasing after their issue and those holding Warrants upon exercise) may be required to pay STT as the Instruments constitute a security within the meaning of section 1 of the Securities Transfer Tax Act, 2007 (as amended), and other charges in addition to the Issue Price of each Instrument.

Potential purchasers of Instruments who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Instrument should consult their own tax advisors.

9. **Auditors**

The auditors of the Issuer as at the Programme Date are Deloitte & Touche and KPMG Inc.

The consolidated financial statements of the Issuer for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 were audited in accordance with South Africa Standards on Auditing without qualification by the auditors.

10. **Interim Statements**

The Issuer publishes half yearly un-audited financial statements as of 30 June each year, and will be available for inspection at the Issuer’s registered office and further on the Issuer’s website (www.nedbankgroup.co.za).

11. **Material Adverse Change**

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 31 December 2009 and no material adverse change in the prospects of the Issuer and its subsidiaries since 31 December 2009.

12. **Litigation**

There are no legal or arbitration proceedings (including, any such proceedings which are pending or threatened) of which the Issuer is aware which may have had a material adverse effect on its financial position.

13. **Non South African Resident Holders and Emigrants from the Common Monetary Area**

The comments below are intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date and do not constitute exchange control advice nor do they purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of Instruments. Prospective subscribers for or purchasers of any Instruments should consult their professional advisers in this regard.

Non-South African resident Holders and emigrants from the Common Monetary Area

Dealings in the Instruments and the performance by the Issuer of its obligations under the Instruments and the Conditions may be subject to the Exchange Control Regulations.

Blocked Rand

Blocked Rand may be used for the subscription for or purchase of Instruments. Any amounts payable by the Issuer in respect of the Instruments subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account.

Emigrants from the Common Monetary Area

Any Certificates issued to Holders who are emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a Beneficial Interest in Instruments is held by an emigrant from the Common Monetary Area through Strate, the securities account maintained for such emigrant by the relevant Participant will be designated as an "emigrant" account.

Any proceeds arising from fractional entitlement due on exercise, were applicable, to an emigrant Holder will be deposited into such emigrant's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The aforesaid entitlements are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Certificates issued to Holders who are not resident in the Common Monetary Area will be endorsed "non-resident".

In the event that a Beneficial Interest in a any of the Instruments is held by a non-resident of the Common Monetary Area through Strate, the securities account maintained for such Holder by the relevant Participant will be designated as a "non-resident" account.

It will be incumbent on any such non-resident Holder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of the Instruments are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Instruments are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate has been endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" account, as the case may be.

For the purposes of this paragraph 13 Common Monetary Area includes the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho.

14. Offering and Sale

South Africa

The Issuer will not, in relation to a Series of Instruments, solicit any offers for subscription for or sale of any of such Instruments, and will itself not sell any of such Instruments, in South Africa, in contravention of the Companies Act, the Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. In particular, this Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as that term is defined in the Companies Act) and the Issuer will not, in relation to a Series of Instruments, make an "*offer to the public*" (as such expression is defined in the Companies Act) of any of such Instruments (whether for subscription, purchase or sale).

United States of America

The Instruments have not been, and will not be, registered under the United States Securities Act of 1933, and trading in the Instruments has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act. The Instruments may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade or maintain a position in the Instruments.

United Kingdom

The Issuer will, in relation to a Series of Instruments:

- a. in relation to any of such Instruments which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Instruments would otherwise constitute a contravention of Section 19 of the United Kingdom Financial Services and Markets Act, 2000 (“**FSMA**”) by the Issuer;
- b. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) does not apply to the Issuer;
- c. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any such Instruments in, from or otherwise involving the United Kingdom.

For: NEDBANK LIMITED

By: _____

Name:

Capacity: _____

duly authorised

Date: 27 August 2010

By: _____

Name:

Capacity: _____

duly authorised

Date: 27 August 2010

SECTION 7

SCHEDULE 1

EXERCISE NOTICE FOR ONE [GROUP OF WARRANTS] [BASKET WARRANT] RELATING TO ONE [UNIT OF AN UNDERLYING SECURITY] [BASKET OF SECURITIES]

To: Nedbank Limited
135 Rivonia Road
Sandown
Sandton

P O Box 582
Johannesburg
2000

Copy to: [Transfer Secretary]

Dear Sirs

Uncovered (1) Call Style [Equity Warrant] / [Fixed Income Debt Warrant] / [Commodity Warrant] / [Currency Warrant] / [Basket Warrant relating to Shares of [insert name of Company] / [Basket Warrant relating to Debt Instruments] / [Basket Warrant relating to Reference Commodities], (2) Put Style [Equity Warrant] / [Fixed Income Debt Warrant] / [Commodity Warrant] / [Currency Warrant] / [Basket Warrant relating to Shares of [insert name of Company] / [Basket Warrant relating to Debt Instruments] / [Basket Warrant relating to Reference Commodities] issued by Nedbank Limited (the “**Issuer**”).

[I am/We are] currently the Holder of the following Warrants as evidenced hereunder, which I/we hereby wish to exercise in accordance with the Conditions.

Description of [Underlying Securities] [Basket of Securities] to which Warrants being exercised relate	Number of Warrants being exercised	Certificate Number (if applicable)	Number of Warrants covered by enclosed Certificate (if applicable)
Total			

[I/We] hereby provide the following information which the Issuer may reply upon:

Full Name:

Telephone Number and Contact Person:

Fax Number:

Address to which any Certificates, if applicable and subject to the Conditions, and other documents of title may be posted (in the case of Call Style Warrants):

Postal Code:

Bank Account in South Africa to which any cash may be paid:

Account Holder:

Name of Bank:

Branch:

Branch Number:

Account Number:

In respect of Call Style and Put Style [Warrants over Underlying Securities] [Basket Warrants over a Basket of Securities]

[I/We] enclose a cheque marked "Not Transferable" or a bankers draft in favour of Nedbank Limited, or have otherwise transferred to your bank account (documentary evidence is attached) funds representing the applicable Exercise Price (in the case of Call Style Warrants) [I/We] acknowledge that all risk of settlement, including settlement by way of cheque, will lie with and vest in [myself/ourselves] as Holder.

In respect of Call Style [Warrants over Underlying Securities] [Basket Warrants over a Basket of Securities]

[I,We] (the "**Holder**") warrant that:

- (a) the Holder has obtained all consents which may be required by law in respect of the Holder to enable the Holder to take transfer of good title to the [Underlying Parcel] [Basket of Securities] from the Issuer as required under the Conditions;
- (b) the Holder has unencumbered title to the Warrants or is entitled to such title and has not sold or otherwise dealt with those Warrants.

In respect of Put Style [Warrants over Underlying Securities] [Basket Warrants over a Basket of Securities]

[I/We*] (the "**Holder**") warrant that:

- (a) the Holder has obtained all consents which may be required by law in respect of the Holder to enable the Holder to procure transfer of good title in the [Underlying Parcel] [Basket of Securities] to the Issuer as required under the Conditions;
- (b) the transferor of the [Underlying Parcel] [Basket of Securities] has unencumbered title to the [Underlying Parcel] [Basket of Securities] or is entitled to such title and has not sold or otherwise dealt with that [Underlying Parcel;] [Basket of Securities].

[I/We] acknowledge that this Exercise Notice and the exercise and settlement of the Warrants shall be governed by the Conditions and the CSD Procedures (as defined in the Conditions). Please accept this Exercise Notice as my/our authority, if applicable and subject to the Conditions, to instruct the Transfer Secretary to debit from the Register the number of Warrants specified above and to retain the Certificate enclosed herewith.

This notice is irrevocable and [I/we] irrevocably appoint the Transfer Secretary on the terms set out in the Conditions.

[I/We] acknowledge that this Exercise Notice is not valid unless it is accompanied by the above required documents, provided that the Warrant has not lapsed in terms of Condition 2.4 prior to such Exercise Notice being given.

[I/We] undertake, on or before the Settlement Date, to pay all Exercise Expenses payable by the Holder, in terms of the Conditions, pursuant to exercise of the above Warrants.

All capitalised terms in this Exercise Notice shall have ascribed to them the meanings in section 1 of this Programme Memorandum.

[I/we] certify that no Holder in respect of the exercised Warrants is a US person. For the purposes of this Exercise Notice a "US person" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (v) any entity organised principally for passive investment, 10% or more of the beneficial interests in which are held by persons described in (i) to (iv) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue

of its participants being non-US persons; or (vi) any other “US person” as such term may be defined in Regulation S under the United States Securities Act of 1933 or in regulations adopted under the United States Commodity Exchange Act.

Yours faithfully,

[Name of Signatory]

Duly authorised for and on behalf of the Holder(s)

Enc: Certificate (if applicable)

[Cheque]

SECTION 7

SCHEDULE 2A(I)

FORM OF SUPPLEMENT- WARRANTS

The supplement relating to each issue of a Series Warrants may contain (without limitation) such of the following information as is applicable in respect of such Warrants:

1. the type of Warrant, which may be Protected Share Investments, Index Warrants, Equity Warrants, Fixed Income Debt Warrants, Commodity Warrants (including Basket Warrants in relation to Equity Warrants, Fixed Income Debt Warrants or Commodity Warrants) Currency Warrants, or any other type of Warrants;
2. whether the Warrants are American Style Warrants, European Style Warrants or other style Warrants;
3. whether the Warrants are Call Style Warrants or Put Style Warrants;
4. the number of Warrants being issued;
5. the issue price per Group of Warrants;
6. the Exercise Price per Group of Warrants;
7. the Settlement Price for each Group of Warrants;
8. the Expiration Date for each Group of Warrants;
9. details of the Calculation Agent;
10. in relation to Equity Warrants and Fixed Income Debt Warrants, details of the nature of business and a list of directors of the underlying Company or other issuing entity and the audited income statement and balance sheet in respect of the last financial year of such Company or other issuing entity;
11. in relation to Index Warrants, the provisions for the calculation of the Settlement Price, if different from those contained in this Programme Memorandum;
12. in relation to Fixed Income Debt Warrants, provisions dealing with the situation where one or more of the underlying Debt Instruments is redeemed (or otherwise ceases to exist) before the expiration of the Fixed Income Debt Warrants;
13. the procedure to be followed in the event of the exercise of the warrant;
14. the procedure in the event that a Holder fails to exercise the Holder's rights prior to the Expiration Date;
15. in the event of the Issuer providing for a cash payment where any one or more warrant Holders fail to exercise their rights under the warrants prior to the expiry date, a statement that payment will be made through Strate on the Payment Date;
16. any other special conditions and modifications to the Conditions in respect of the Warrants;
17. whether the Warrants are eligible for sale in the United States under Rule 144A and if they are, the applicable United States selling restrictions and details of any transfer restrictions and necessary certifications;
18. any amendments to the form of Exercise Notice (the current form of which is set out in Schedule 1 to section 7 of this Programme Memorandum);
19. details of any additional selling restrictions;
20. the Series number of each Group of Warrants;
21. the relevant ISIN for each Group of Warrants;
22. the relevant long name and short name of the Warrants;
23. name of the Company or other issuing entity in relation to the Underlying Securities;

24. number of the relevant Underlying Parcels to which one Group of Warrants relates if the Underlying Parcel, in relation to a Group of Warrants, is not one unit of the relevant Underlying Securities or, in the case of one Basket Warrant, is not one Basket of Securities;
25. specification of the number which, in relation to a Series, makes up a Group of Warrants;
26. issue date of each Group of Warrants;
27. Exercise Period (in the case of American Style Warrants);
28. Minimum Exercise Number;
29. Maximum Exercise Number;
30. minimum number of American Style Warrants (or an integral multiple thereof) for trading on the JSE for American Style Warrants of each tranche;
31. settlement provisions (cash only or cash or physical delivery at the Issuer's election), if different from those contained in this Programme Memorandum;
32. name of the exchange or market on which the Underlying Securities are traded;
33. if necessary, name(s) of the options and/or futures market on which the options and/or futures contracts relating to the Underlying Securities are traded;
34. any other information in relation to any particular issue of Warrants under this Programme Memorandum, which the Issuer may regard as relevant for inclusion;
35. the applicable Reference Commodity over which either Commodity Warrants or Commodity Reference Warrants will be issued;
36. the applicable Reference Currency over which either Currency Warrants or Currency Reference Warrants will be issued;
37. the applicable currency Conversion Rate together with the applicable source of such Conversion Rate;
38. how corporate actions in the Company or affecting the Company (including its liquidation) will influence the rights of the Holders;
39. any tax implications;
40. whether or not the Holders will receive any dividends declared by the Company;
41. the effect of any corporate actions or restructuring by the Issuer;
42. a statement that any change in terms of the Warrants must be approved by at least 75% of the Holders present, whether in person or by proxy, and voting, excluding the votes of the Issuer and any of its associates.

Information about the Companies (or other issuing entities)

(to be included in the Supplement where applicable to Instrument Warrants)

- a) Company or other issuing entity
- b) Nature of Business
- c) Directors
- d) Registered Office

Information About the Underlying Indices

(to be included in the Supplement where applicable to Index Warrants)

General

The information set out below consists of extracts from the "Ground Rules for the Management of the FTSE/JSE Africa Index Series" published by FTSE/ the JSE, dated 7 April 2009 (the "**Ground**

Rules”). Save where expressly otherwise stated, all expressions defined in the Ground Rules bear the same meanings in this paragraph 3.

The extract sets out certain of the Ground Rules for the management of the FTSE/JSE Africa Index Series. Copies of the Ground Rules are available from FTSE, the JSE and on the websites www.ftse.com and www.ftsejse.co.za.

The FTSE/JSE Africa Index Series is designed to represent the performance of Southern African companies, providing investors with a comprehensive and complementary set of indices, which measure the performance of the major capital and industry segments of the African market.

FTSE/JSE Responsibilities

The JSE is responsible for the operation of the FTSE/JSE Africa Index Series. FTSE will calculate all the indices in the FTSE/ JSE Africa Index Series real-time and will maintain records of the market capitalisation of all constituents and reserve companies. Following consultation with the JSE, FTSE will make changes to the constituents and their weightings in accordance with the Ground Rules. The JSE will monitor and liaise with FTSE on all changes to index and constituent data. The JSE will carry out the quarterly review of the FTSE/JSE Africa Index Series and liaise with FTSE on implementing the resulting constituent changes as required by the Ground Rules.

Changes to constituent weightings will be made in accordance with the Ground Rules.

FTSE is also responsible for monitoring the performance of the FTSE/JSE Africa Index Series throughout the day and will determine whether the status of each index should be “firm”, “indicative”, “held”, or “closed”. FTSE will inform the JSE and the Secretary to the FTSE/JSE Advisory Committee of all occasions when an index is not firm in the Official Index Period and will inform the FTSE/JSE Advisory Committee of the reasons for all such occasions at the next regular meeting.

Review Dates

The quarterly review of the FTSE/JSE Africa Index Series constituents takes place in March, June, September and December. The meeting to review the constituents will be held on the Wednesday after the first Friday of March, June, September and December using data for the purpose of determining full market cap from the close of business on the first Friday of March, June, September and December. Any constituent changes will be implemented on the next trading day following the third Friday of the same month of the review meeting.

Details of the outcome of the review and the dates, on which any changes are to be implemented, will be published as soon as possible after the FTSE/JSE Advisory Committee meeting has concluded.

Responsibilities and Reporting

The Secretary to the FTSE/JSE Advisory Committee is responsible for conducting the quarterly review of constituents for the FTSE/JSE Africa Index Series and will recommend to the FTSE/JSE Advisory Committee any constituents to be inserted or deleted as part of the quarterly review.

The FTSE/JSE Advisory Committee will decide whether to approve the recommendation presented to it or will determine what other action should be taken in consequence of the outcome of the review of constituents.

The Secretary to the FTSE/JSE Advisory Committee is responsible for publicising the outcome of the quarterly review.

The market capitalisation of companies eligible for inclusion in the FTSE/JSE Africa Index Series is monitored by FTSE/JSE. All listed ordinary securities on the JSE will be used to conduct the periodic reviews.

Index Construction: Eligible Securities

All classes of ordinary shares in issue, excluding inward foreign listings, are eligible for inclusion in the FTSE/JSE Africa Index Series, subject to conforming to all other rules of eligibility, free float and liquidity. For the purpose of inclusion in the FTSE/JSE Africa Index Series, a new listing on the JSE will be considered domiciled as African if it is incorporated in an African country, or derives more than 50% of its revenue in Africa.

Companies that have a full listing on the main board of the JSE Securities Exchange South Africa are eligible for inclusion in the FTSE/JSE Africa Index Series. Companies which are listed on other African Stock Exchanges, and are using a trading system sanctioned by the JSE, will be eligible for inclusion in relevant index category forming part of the FTSE/JSE Africa Index Series. Companies listed on secondary boards (markets) may be included in the category for secondary markets, but will not be included in any other indices.

For the purposes of the FTSE/JSE Africa Index Series, where a security is listed on the JSE Securities Exchange and is traded on the JSE trading system, that security will be considered as South African for the purposes of nationality and therefore eligible for the FTSE/JSE Africa Index Series, subject to conforming to all other eligibility criteria.

Convertible preference shares and loan stocks are excluded until converted.

Companies whose business is that of holding equity and other investments (e.g. Investment Trusts) will be eligible for inclusion. However, those investment funds, which have been assessed by the FTSE/Dow Jones Industry Classification Benchmark Committee as being in sectors, coded 8990 is excluded. Companies classified as Pyramid companies will also not be eligible.

Exchange Traded Funds (ETFs) and funds whose prices are a direct derivation of underlying holdings (e.g. Unit Trusts, Mutual Funds) are not eligible for inclusion.

FTSE/JSE Top 40 Index

The FTSE/JSE Top 40 Index will consist of the largest 40 companies ranked by full market value, i.e. before the application of any investibility weightings, in the FTSE/JSE All-Share Index. The number of constituents in this index is maintained at a constant level.

FTSE/JSE Industrial 25 Index

The FTSE/JSE Industrial 25 Index consists of the 25 largest companies ranked by full market value, i.e. before the application of any investibility weightings, as at the date of the review in the FTSE/JSE All Share Index excluding the Resources which is a combination of Mining and Oil & Gas sectors and Financial Industry group. The number of constituents in this index is maintained at a constant level. Buffers, set out more fully in the Ground Rules, will be applied at each quarterly review to provide stability.

Index Calculation

All indices within the FTSE/JSE Africa Index Series will be displayed to one decimal point.

The FTSE/JSE Africa Index Series is calculated using the following formula:

$$IV = \frac{\sum_{i=1}^n (p_i \cdot s_i \cdot f_i)}{d} \quad \text{for } I = 1,2,3 \dots n$$

Where,

IV	Index Value
n	The number of securities in the Index.
p _i (Price)	The latest trade price of the i-th component security or the closing price of the i-th component security on the day
s _i (SII)	The number of shares in issue used for the i-th security as defined in these Ground Rules.
f _i (Free Float Factor)	The factor to be applied to the i-th security to allow amendments to its weighting, expressed as a number

	between 0 and 1, where 1 represents a 100% free float band. The free float factor for each security is published by FTSE/JSE.
d (Divisor)	A figure that represents the total issued share capital of the Index at the base date. The divisor can be adjusted to allow changes in the issued share capital of individual securities to be made without distorting the Index.

SECTION 7

SCHEDULE 2A(II)

FORM OF SUPPLEMENT- EXCHANGE TRADED NOTES, PROTECTED SHARE INVESTMENTS AND SHARE INSTALMENTS

The supplement relating to the issue of each Series of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments may contain (without limitation) such of the following information as is applicable in respect of such Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments:

1. [Exchange Traded Notes] [Protected Share Investments] [Share Instalments];
2. the number of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments being issued;
3. the issue price per Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
4. details of the Calculation Agent;
5. any other special conditions and modifications to the Conditions in respect of the Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
6. whether the Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments are eligible for sale in the United States under Rule 144A and if they are, the applicable United States selling restrictions and details of any transfer restrictions and necessary certifications;
7. details of any additional selling restrictions;
8. the Series number of each Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
9. the relevant ISIN for each Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
10. the relevant long name and short name of the Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
11. name of the Company or other issuing entity in relation to the Underlying Equity/ies;
12. number of the relevant Underlying Parcels to which one Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments relates if the Underlying Parcel, in relation to a Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments, is not one unit of the relevant Underlying Equity/ies;
13. specification of the number which, in relation to a Series, makes up a Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
14. issue date of each Group of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments;
15. settlement provisions (cash settlement or physical settlement);
16. name of the exchange or market on which the Underlying Equity/ies are traded;
17. any other information in relation to any particular issue of Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments under this Programme Memorandum, which the Issuer may regard as relevant for inclusion;
18. how corporate actions in the Company or affecting the Company (including its liquidation) will influence the rights of the Holders;
19. any tax implications;
20. whether or not the Holders will receive any dividends declared by the Company;
21. the effect of any corporate actions or restructuring by the Issuer;

22. a statement that any change in terms of the Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments must be approved by at least 75% of the Holders present, whether in person or by proxy, and voting, excluding the votes of the Issuer and any of its associates.

Information about the Companies

(to be included in the Supplement where applicable to Exchange Traded Notes and/or Protected Share Investments and/or Share Instalments)

- a) Company or other issuing entity
- b) Nature of Business
- c) Directors
- d) Registered Office

Other Information

[give details]

SECTION 7

SCHEDULE 2B(I)

PROTECTED SHARE INVESTMENT SUPPLEMENT

This document is a Protected Share Investment Supplement prepared in connection with the issue of this Series of Protected Share Investments under the Programme.

1. Terms and Conditions of the Protected Share Investments

The Programme Memorandum (including the Conditions) applies to each Series of Protected Share Investments issued under the Programme; provided that where this Protected Share Investment Supplement and/or the Related Supplement specify other terms and conditions (which replace, modify, or supplement the Conditions), such other terms and conditions shall, to the extent so specified in this Protected Share Investment Supplement or to the extent inconsistent with the Conditions prevail and replace, modify or supplement the Conditions for the purpose of such Series of Protected Share Investments, and any reference to “Conditions” in the Programme Memorandum shall, for the purpose of such Series of Protected Share Investments, wherever the context requires, be deemed to include the Conditions as so replaced, modified or supplemented.

2. Definitions

This Protected Share Investment Supplement shall be interpreted in accordance with the following definitions; provided that any capitalised terms not defined in this Protected Share Investment Supplement shall have the meaning ascribed to them in section 1 of the Programme Memorandum, as read with the Related Supplement:

“**Bonus Shares**” means that number of reference Shares specified as such in the Related Supplement;

“**Capped Price**” means the Cap Percentage multiplied by the Initial Price;

“**Capped Value**” means that Rand amount specified as such in the Related Supplement;

“**Cap Percentage**” means the percentage stipulated as such in the Related Supplement;

“**Expiration Date**” means the date stipulated as such in the Related Supplement;

“**Final Price**” means, in relation to one Underlying Security, the simple average of the Volume Weighted Average Price of the Underlying Security as published by the JSE for the Final Price Calculation Period;

“**Final Price Calculation Period**” means each of the Expiration Date and the two Business Days immediately prior to the Expiration Date;

“**Initial Price**” means, in relation to one Underlying Security, the Closing Price of the Underlying Security as published by the JSE on the Business Day immediately preceding the Issue Date;

“**Issue Date**” means the date stipulated as such in the Related Supplement;

“**Issue Price**” means the price stipulated as such in the Related Supplement;

“**Protected Share Investment**” means a specialist security as contemplated the JSE Listing requirements, issued over Share/s settled, subject to the provisions of this Protected Share Investment Supplement, by delivery of Share/s to the Holder against payment of the Issue Price;

“**Related Supplement**” means the supplement contemplated in Schedule 2A of section 7 of this Programme Memorandum prepared, together with this Protected Share Investment Supplement, in connection with the issue of this Series of Protected Share Investments under the Programme;

“**Underlying Parcel**” means, for each Protected Share Investment, that number of Underlying Securities, calculated in accordance with the formula set out in paragraph 6.2(a) or 6.2(b) or 6.2(c) below, as the case may be, to be delivered to the Holder;

“**Underlying Security**” means one Share in the ordinary share capital of the Company, as stipulated in the Related Supplement;

“**Volume Weighted Average Price**” means the volume weighted average price of the Underlying Security as published by the JSE from time to time; provided that should the JSE not publish the volume weighted average price of such Underlying Security for any day upon which the volume weighted average price is required for purposes of this Protected Share Investment Supplement, the volume weighted average price of such Underlying Security shall be equal to the Fair Market Value of such Underlying Security.

3. **Description of Protected Share Investments**

Protected Share Investments are specialist securities as contemplated in the JSE Listings Requirements, and will be listed on the Specialist Security Section of the JSE. A Protected Share Investment will provide the Holder with a right, against payment of the Issue Price to the Issuer on the Issue date and subject to the terms of this Protected Share Investment Supplement, to receive the Underlying Parcel on the Expiration Date.

If, on the Expiration Date, (i) the Final Price is equal to or lower than the Initial Price, the Holder of a Protected Share Investment will receive such number of Underlying Securities as has a market value (based on the Final Price) equal to the Issue Price, (ii) the Final Price is higher than the Initial Price but lower than the Capped Price, such Holder will receive (a) such number of Underlying Securities as is equal to the Issue Price divided by the Initial Price and (ii) such further number of Underlying Securities as has a market value (based on the Final Price) equal to the increase in market value (based on the Final Price) of the Bonus Shares, (iii) the Final Price is higher than the Capped Price, such Holder will receive such number of Underlying Securities as has a market value (based on the Final Price) equal to the Capped Value; provided that, notwithstanding anything to the contrary contained in this Programme Memorandum or this Protected Share Investment Supplement, the number of Underlying Securities to be delivered to the Holder shall be calculated in accordance with the provisions of paragraph 6 below.

An example of the application of the formulae set out in paragraphs 6.2(a), 6.2(b) and 6.2(c) below is attached to this Protected Share Investment Supplement (the “Example”); provided that the Example shall not be construed as forming any part of the terms and conditions of the Protected Share Investment Supplement or the Related Supplement or the Programme Memorandum or the Conditions.

4. **Risk Assessment**

Protected Share Investments are subject to a lesser degree of risk than Warrants. Unlike Warrants (in some circumstances), a Protected Share Investment will not expire worthless, but will entitle the Holder, against payment of the Issue Price to the Issuer on the Issue Date, to receive at least such number of Underlying Securities comprising the Underlying Parcel as has a market value (based on the Final Price) equal to the Issue Price, as set out in this Protected Share Investment Supplement.

5. **Exercise of Protected Share Investments**

Protected Share Investments shall be subject to Automatic Exercise on the Expiration Date, and a Holder of a Protected Share Investment shall not be required to deliver an Exercise Notice. Holders of Protected Share Investments authorise the Issuer to obtain from the Holder’s CSD Participant or broker all the relevant details (name, address, account details and the like) of the relevant person(s) in whose name beneficial interests in the Protected Share Investment are held, and consequently, into whose name the Underlying Parcel is to be registered or the beneficial interest in the Underlying Parcel is to be held, as the case may be. Holders of Protected Share Investments further undertake to provide the Issuer with all such assistance as is necessary to obtain the required information from the relevant CSD Participant or broker.

6. **Settlement of Protected Share Investments**

6.1 **Settlement**

Settlement of Protected Share Investments shall occur in accordance with this paragraph 6, as read with the relevant provisions of Condition 5 of the Conditions.

6.2 **Delivery of the Underlying Parcel**

Upon receipt by the Issuer of the Issue Price on the Issuer Date, the Holder of Protected Share Investments will be entitled to take delivery of the Underlying Parcel, and the number of Underlying Securities comprising the Underlying Parcel will be determined as follows:

- (a) If, on the Expiration Date, the Final Price is lower than or equal to the Initial Price, the Holder of the Protected Share Investment shall receive such number of Underlying Securities as is calculated in accordance with the following formula:

$$UP = \frac{IP}{FP}$$

where:

UP = the number of Underlying Securities comprising the Underlying Parcel

IP = the Issue Price

FP = the Final Price

- (b) If, on the Expiration Date, the Final Price is higher than the Initial Price but lower than the Capped Price, the Holder of the Protected Share Investment will receive such number of Underlying Securities as is calculated in accordance with the following formula:

$$UP = \frac{IP}{INP} + \frac{(FP - INP)xB}{FP}$$

where:

UP = the number of Underlying Securities comprising the Underlying Parcel

FP = the Final Price

IP = the Issue Price

INP = the Initial Price

B = the number of Bonus Shares

- (c) If, on the Expiration Date, the Final Price is higher than the Capped Price, the Holder of the Protected Share Investment will receive such number of Underlying Securities as is calculated in accordance with the following formula:

$$UP = \frac{CV}{FP}$$

where:

UP = the number of Underlying Securities comprising the Underlying Parcel

FP = the Final Price

CV = the Capped Value

with all such assistance as is necessary to obtain the required information from the relevant CSD Participant or broker.

- 6.3 A Holder of a Protected Share Investment shall be entitled to take delivery of the Underlying Parcel on the Settlement Date; provided that the Issue Price has been paid to the Issuer on the Issue Date, and subject to the payment, by the Holder to the Issuer, on or before the Settlement Date, of the Exercise Expenses (if any) payable by the Holder pursuant to the Conditions. The Holder shall not be obliged to pay an Exercise Price.
- 6.4 Should any of the calculations made under paragraphs 6.2(a), 6.2(b) or 6.2(c) above, result in a fraction of the Underlying Securities, the following provisions shall apply:

- 6.4.1 should the relevant fraction be equal to or greater than 0,5, the fraction shall be counted up and the Holder shall be delivered an additional Underlying Security, or
- 6.4.2 should the relevant fraction be less than 0,5, the fraction shall be rounded down, and the Holder shall not receive an additional Underlying Security.

7. **Settlement Disruption**

If, in the opinion of the Calculation Agent, delivery of the Underlying Parcel is not reasonably practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date shall be postponed to the first following Business Day in respect of which there is no such Settlement Disruption Event. Should a Settlement Disruption Event continue for the Settlement Disruption Period, the Issuer shall pay the Holders of Protected Share Warrants the Fair Market Value of the Protected Share Investments.

8. **Type, Title and Transfer of Protected Share Investments**

Upon payment by any person, to the Issuer, of the Issue Price, such person shall, subject to Condition 1.2 of the Conditions, be reflected in the Register as the owner of the Protected Share Investment. Subsequent transfers of Protected Share Investments shall be effected as provided for in the Conditions.

Protected Share Investments are special investment products with such characteristics and settlement procedures as are provided for in this Protected Share Investment Supplement. Protected Share Investments shall only be settled physically, and the Issuer shall not be entitled to settle Protected Share Investments by payment of a Cash Settlement Amount.

A Protected Share Investment shall lapse upon delivery by the Issuer to the Holder of the Underlying Parcel (subject to any Potential Adjustment Event), or upon the Issuer notifying the Holder of any cancellation of the Protected Share Investment pursuant to the Conditions. Upon the Issuer so notifying the Holder of the cancellation of the Protected Share Investment, the Issuer shall pay to the Holder of the Protected Share Investment the Fair Market Value of the Protected Share Investment.

EXAMPLE OF CALCULATION

The following is the Example of the application of the formulae set out in paragraphs 6.2(a), 6.2(b) and 6.2(c) of the Protected Share Investment Supplement. This Example shall not be construed as forming any part of the terms and conditions of the Protected Share Investment Supplement or the Related Supplement or the Programme Memorandum or the Conditions.

The Anglo share is currently trading at R100.00. An investor wishes to purchase a Protected Share Investment (“PSI”) for R10,000.00. This PSI has a Capped Price of R150.00 and Bonus Shares of 20 shares.

Therefore, this particular PSI has the following terms:

Issue Price R10,000.00.

Initial Price R100.00.

Capped Price R150.00.

Bonus Shares 20 Anglos Shares

Expiry Date 31st of August 2006.

Initial Underlying Parcel – 100 Anglos Shares (i.e.: Issue Price ÷ Initial Price).

Capped Value – R16,000.00 i.e.:(R150 X 100) plus (R150 – R100) X 20.

Scenario 1 – On expiry the Anglo share is trading at R80.00. Therefore, the Anglo share price is below the Initial Price of R100.00.

The Investor will receive 125 Anglo shares i.e.; 125 Shares X R80.00 = R10,000.00.

Therefore as the price of Anglo shares falls the investor will receive more shares to the value of R10,000.00.

Scenario 2 – On expiry the Anglo share is trading at R130.00. Therefore, the Anglo share price is above the Initial Price of R100, but below the Capped Price of R150.00.

The investor will receive 105 Anglo shares i.e.: $R13,000.00$ (100 Shares X R130.00) plus R600.00 (R130 – R100 = R30 X 20 Bonus Shares) equals R13,600.00. R13,600.00 divided by R130.00 equals 105 Shares.

Scenario 3 – On expiry the Anglo share is trading at R190.00. Therefore, the Anglo share price is above the Capped Price of R150.00.

The investor will receive 84 Anglo shares i.e.: $R16,000.00$ (Capped Value) ÷ R190.00 equals 84 Anglo shares with the total value of R16,000.00.

SECTION 7

SCHEDULE 2B(II)

SHARE INSTALMENT SUPPLEMENT

This document is a Share Instalment Supplement prepared in connection with the issue of this Series of Share Instalments under the Programme.

Part A of this Share Instalment Supplement headed “*Summary*” (“**Part A**”) sets out a summary of the Share Instalments and this Share Instalment Supplement. Part B of this Share Instalment Supplement headed “*Terms and Conditions of the Share Instalments*” (“**Part B**”), as read with the Conditions, sets out the terms and conditions of the Share Instalments.

Part A : Summary

The summary set out in this Part A does not purport to be complete and is taken from, and qualified by, the remainder of the Programme Memorandum and Part B. Capitalised terms in this Part A are defined in Part B unless separately defined in the Conditions.

1. Description of Share Instalments

Share Instalments are specialist securities as contemplated in the JSE Listing Requirements, and will be listed on the Specialist Security Section of the JSE.

A Share Instalment is a contractual agreement (see Part B) between the investor (that is, the Holder of the Share Instalment) and the Issuer. In terms of this agreement, the first Holder of a Share Instalment (that is, the initial Holder) undertakes to make a capital contribution to a specified trust (that is, the Trust) in order to enable the Trustee to purchase certain shares listed on the JSE (that is, the Underlying Security).

In order to finance the abovementioned capital contribution, the Issuer undertakes to grant a loan to the initial Holder in an amount equal to 50% of the value of the shares (that is, the Loan Amount). The Holder undertakes to prepay the interest on the Loan Amount (that is, the Interest Amount). The agreement also provides the Holder with a right, under certain circumstances, to put the Underlying Security relating to his Share Instalment to the Issuer (see 1.5(c) below).

1.1 Capital Contribution and Loan Amount

The initial Holder undertakes to make a capital contribution to the Trust in order to enable the Trustee to purchase the Underlying Security relating to such initial Holder’s Share Instalment. 50% of the value of such Underlying Security on the Issue Date (that is, the initial Loan Amount) will be applied by the Issuer to pay, on behalf of the initial Holder, a portion of such capital contribution. The Loan Amount and the Interest Amount will be reset by the Calculation Agent on each stipulated reset date (that is, the Reset Date).

1.2 Trust

The Underlying Security will be registered in the name of the Trust, or in the name of the Trustee in its capacity as such, for the benefit of the Holder of the Share Instalment relating to that Underlying Security, subject to and in accordance with the Trust Deed.

Subject to 1.4 below, the Holder will be deemed to have authorised the Trustee, on behalf of the Holder, to exercise all rights in respect of the Underlying Security relating to his Share Instalment including, without limitation, all rights to receive all annual reports and notices of meetings, and to attend, speak and vote at any meetings. The Holder will not be entitled to exercise any such rights, or to receive any such annual reports or notices of meetings, or to attend or speak or vote at any such meetings.

If the Trustee defaults in any of its obligations to any of the Holders under the Trust Deed, the Issuer will, subject to and in accordance with the Trust Deed, perform such obligations, *mutatis mutandis* as if the Issuer were the Trustee.

1.3 Pledge

As security for the due payment by the Holder of, among other things, the then current Loan Amount (that is, the Completion Payment) and the Interest Amount, the Holder will be deemed to have ceded and pledged the Underlying Security relating to his Share Instalment to the Issuer on the Issue Date or on the date on which the Share Instalment is transferred to such Holder, as the case may be.

The Holder will be deemed to have authorised the Trustee, on behalf of the Holder, to execute and attend to all such deeds and documents, and to take all such action, as the Issuer and/or the Trustee may reasonably require to enable the above pledge to be perfected and, if applicable, realised.

1.4 Dividends

The Holder's rights to cash dividends accruing in respect of the Underlying Security relating to his Share Instalment will not be subject to the pledge contemplated in 1.3 above, and the Trustee will, subject to and in accordance with the Trust Deed, pay over to such Holder all cash dividends received by the Trustee in respect of such Underlying Security.

1.5 Holder Elections

i. Exercise of Share Instalment – Delivery of Underlying Security

The Holder is entitled (but not obliged), at any time on or before 16h00 on the Reset Date, to pay the Completion Payment to the Issuer.

If the Completion Payment has been duly paid to the Issuer on or before 16h00 on the Reset Date, the Holder will be deemed, at 16h00 on that Reset Date, to have exercised his right to take delivery of the Underlying Security relating to his Share Instalment, and the Holder will be entitled to take delivery of such Underlying Security on the Settlement Date.

If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date, the Holder will be deemed, in relation to that Reset Date, not to have exercised his right to take delivery of the Underlying Security relating to his Share Instalment, and the Rollover provisions (see 1.5(b) below) or the Put Option and Sale provisions (see 1.5(c) below), as the case may be, will apply.

ii. Rollover of Share Instalment

If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the then value of the Underlying Security (that is, the Reset Price) is equal to or greater than a stipulated threshold amount (that is, the Threshold Amount) :

- (a) the maturity of the Share Instalment will be automatically extended to the immediately following Reset Date, and the recalculated Loan Amount, Interest Amount and Threshold Amount will be applicable in respect of the Reset Period ending on that immediately following Reset Date; and
- (b) the amount by which the Reset Price exceeds the Threshold Amount will be paid to the Holder on the Settlement Date.

iii. Put Option and Sale of Underlying Security

- (a) If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the Reset Price is less than the Threshold Amount but greater than the Completion Payment :
 - a. the Holder will be deemed to have sold the Underlying Security relating to his Share Instalment, on that Reset Date, to the Issuer, and the Issuer will be deemed to have purchased such Underlying Security, on that Reset Date, from such Holder, for a purchase price equal to the Reset Price;
 - b. the obligation of the Holder to pay the Completion Payment will be discharged from the purchase price payable to the Holder, the Holder will be deemed to have authorised the Issuer to deduct, and the Issuer will deduct, the Completion Payment

from such purchase price and the balance, if any, will be paid to the Holder on the Settlement Date.

- (b) If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the Reset Price is less than or equal to the Completion Payment :
 - a. the Holder will be deemed, on that Reset Date, to have exercised a put option in respect of the Underlying Security relating to his Share Instalment (with a put strike price equal to the Completion Payment), and the Issuer will be deemed to have purchased such Underlying Security, on that Reset Date, from such Holder, for a purchase price equal to the Completion Payment;
 - b. the obligation of the Holder to pay the Completion Payment will be discharged from the purchase price payable to the Holder, the Holder will be deemed to have authorised the Issuer to deduct, and the Issuer will deduct, the Completion Payment from such purchase price.
- (c) The Holder will be deemed (in each of (i) and (ii) above) to have authorised the Trustee, on behalf of the Holder, to do all such things as are necessary to procure transfer, on the Settlement Date, of the Underlying Security from the Trust to the Issuer (or the Issuer's nominee).

1.6 **Transfer of Share Instalments**

A Holder may transfer his Share Instalment in accordance with the Conditions. On the date on which the transferor Holder duly transfers his Share Instalment to the transferee Holder, among other things,

- i. all of the rights and obligations of the transferor Holder in terms of the Share Instalment Conditions (including the rights and obligations relating to the Loan Amount, the Completion Payment and the Interest Amount) shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations;
- ii. all of the rights and obligations of the transferor Holder in relation to the Underlying Security relating to the Share Instalment, shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations;
- iii. the Underlying Security relating to the Share Instalment shall be held by the Trust for the benefit of the transferee Holder, subject to and in accordance with the Trust Deed.

2. **Example of the mechanics of a Share Instalment**

The following is an example of the mechanics of a Share Instalment assuming a share price of R100 (price of the Underlying Security) on day 1 (the Issue Date):

- (a) The investor will purchase a Share Instalment for R55. The investor obtains a loan directly from the Issuer of R50 (that is the Loan Amount) for a term of (usually) 365 days.
- (b) The investor will prepay to the Issuer the interest on the loan. Assuming the interest on the loan of R50 for a 365-day term is R5, the net proceeds advanced to the investor will be R45.
- (c) A capital contribution of R100 (the price of the share) is made by, or on behalf of the investor, to the Trust. The Trustee will purchase the share at spot for R100 on day 1. The capital contribution will be deposited into a trust banking account opened and operated by the Trust.
- (d) **Payment of the Completion Payment on or before the Reset Date**

If, on or before 16h00 on the Reset Date (that is, the Issue Date plus 365 days), the investor pays the then current Loan Amount (that is, the Completion Payment) of R50 to the Issuer, the investor will be entitled to take delivery of the share (as contemplated in 1.5(a) above). The investor may always elect to pay the Completion Payment to the Issuer on or before 16h00 on the Reset Date, irrespective of the value of his share (that is, the Reset Price) or the Threshold Amount or the amount of the investor's obligation (that is, the Completion Payment). It is

unlikely, however, that the investor will choose to pay the Completion Payment to the Issuer on or before the Reset Date in, for example, the circumstances set out in 1.6(e)(iii) below.

(e) **Investor elects not to pay the Completion Payment on or before the Reset Date**

If the investor does not pay the Completion Payment on or before 16h00 on the Reset Date then:

- i. if the Reset Price on the Reset Date is R120 and the Threshold Amount on that Reset Date is R116 (that is, R50 plus R60 plus R6), the R120 Reset Price is greater than the R116 Threshold Amount (as contemplated in 1.5(b) above) and, accordingly, the maturity of the Share Instalment will be extended to the next Reset Date, and the investor will be paid the amount by which the R120 Reset Price exceeds the R116 Threshold Amount (that is, $R120 - R116 = R4$); or
- ii. if the Reset Price on the Reset Date is R80 and the Threshold Amount on that Reset Date is R93 (that is, R50 plus R40 plus R3), the R80 Reset Price is less than the R93 Threshold Amount but greater than the R50 Completion Payment (as contemplated in 1.5(c)(i) above) and, accordingly, the investor will be deemed to have sold the share to the Issuer for a purchase price of R80 (that is, the amount which is equal to the R80 Reset Price). The investor's obligation to pay the R50 Completion Payment will be set off against the R80 purchase price and, accordingly, the Issuer will retain R50 and the investor will receive the balance of R30; or
- iii. if the Reset Price on the Reset Date is R40, the R40 Reset Price is less than the R50 Completion Payment (as contemplated in 1.5(c)(ii) above) and, accordingly, the investor will be deemed to have exercised a put option in respect of the share (with a put strike price equal to the R50 Completion Payment), and the Issuer will be deemed to have purchased the share for a purchase price of R50 (that is, the amount which is equal to the R50 Completion Payment). The investor's obligation to pay the R50 Completion Payment will be set off against the R50 purchase price.

3. **Risk Assessment**

Share Instalments are subject to a lesser degree of risk than Warrants. A Share Instalment may expire worthless where the Reset Price is less than or equal to the Completion Payment.

Share Instalments will, however, entitle the Holders to all cash dividends received by the Trustee in respect of the relevant Underlying Securities.

In the circumstances set out in 1.5(a) above, the Holder will receive the Underlying Security against payment of the Completion Payment and, in the circumstances set out in 1.5(b) above, the Holder will be entitled to the amount by which the Reset Price exceeds the Threshold Amount.

In the circumstances set out in 1.5(c) above, the obligation of the Holder to pay the Completion Payment will be discharged from the purchase price of the Underlying Security, and the balance (if any) will be paid to the Holder.

Part B : Terms and Conditions of the Share Instalments

1. **Interpretation**

The Programme Memorandum (including the Conditions) applies to each Series of Share Instalments issued under the Programme; provided that where Part B of this Share Instalment Supplement (“**Part B**”) and/or the Related Supplement specify terms and conditions which replace, modify, or supplement the Conditions, such terms and conditions shall prevail and shall replace, modify or supplement the Conditions for the purpose of such Series of Share Instalments. Any reference to “Conditions” in the Programme Memorandum shall, for the purpose of such Series of Share Instalments, wherever the context requires, be deemed to include the Conditions as so replaced, modified or supplemented.

2. Definitions

Part B shall be interpreted in accordance with the following definitions; provided that any capitalised terms not defined in Part B shall have the meaning ascribed to them in Section 1 of the Programme Memorandum, as read with the Related Supplement:

- 2.1 “**Completion Payment**” means the Loan Amount;
- 2.2 “**Conditions**” means the terms and conditions set out in Section 4 of the Programme Memorandum;
- 2.3 “**Holder**” in relation to a Share Instalment means the person who is the owner of the beneficial interest in that Share Instalment, as contemplated in the CSD Procedures and, subject to Condition 1.2 of the Conditions, the person reflected in the Register as the registered holder of that Share Instalment;
- 2.4 “**initial Holder**” means, in relation to a Share Instalment, the first Holder of that Share Instalment;
- 2.5 “**Interest Amount**” means, in respect of the first Reset Period, the amount of interest payable by the Holder in respect of the Loan Amount on the Issue Date and, in respect of each successive Reset Period thereafter, the amount of interest payable by the Holder in respect of the Loan Amount on each successive Reset Date, calculated by the Calculation Agent in accordance with paragraph 3.1;
- 2.6 “**Issue Date**” means the date stipulated as such in the Related Supplement;
- 2.7 “**Loan Amount**” means, in respect of the first Reset Period, an amount equal to 50% of the Purchase Price and, for each successive Reset Period thereafter, an amount equal to 50% of the Reset Price;
- 2.8 “**Purchase Price**” means, in relation to an Underlying Security, the closing price of that Underlying Security, as published by the JSE on the Business Day immediately preceding the Issue Date;
- 2.9 “**Related Supplement**” means the supplement contemplated in Schedule 2A of Section 7 of the Programme Memorandum prepared, together with this Share Instalment Supplement, in connection with the issue of this Series of Share Instalments under the Programme;
- 2.10 “**Reset Date**” means, initially, the date stipulated as such in the Related Supplement and, thereafter, each successive date notified to the Holder pursuant to paragraph 3.2; provided that if any such date is not a Business Day, the Reset Date shall be the Business Day immediately preceding such date;
- 2.11 “**Reset Period**” means, initially, the period commencing on the Issue Date and terminating on the first Reset Date and, thereafter, each successive period commencing on a Reset Date and terminating on the immediately following Reset Date;
- 2.12 “**Reset Price**” means, in relation to an Underlying Security for each successive Reset Period, the closing price of that Underlying Security, as published by the JSE on each successive Reset Date;
- 2.13 “**Settlement Date**” means the date being two Business Days after the date upon which an Underlying Security would be settled if traded through the SETS System on the Reset Date; provided that if an Underlying Security is required to be delivered to the Holder or the Issuer (or the Issuer’s nominee), as the case may be, pursuant to the Share Instalment Conditions and, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that date, the Settlement Date shall be the first succeeding Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the five Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Settlement Date, in which case the fifth Business Day shall be the Settlement Date;
- 2.14 “**Share Instalment**” means a specialist security, as contemplated in the JSE Listing Requirements, issued over a Share and settled, subject to the provisions of the Share Instalment Conditions, by delivery of that Share to the Holder against payment of the Completion Payment;
- 2.15 “**Share Instalment Conditions**” means the terms and conditions of the Share Instalments set out in this Part B, as read with the Related Supplement and, subject to paragraph 1, the applicable Conditions;
- 2.16 “**Threshold Amount**” means, in respect of each successive Reset Date, the aggregate of (i) the Loan Amount in respect of the Reset Period immediately preceding that Reset Date plus (ii) the Reset Price

as at that Reset Date less the Loan Amount in respect of the Reset Period commencing on that Reset Date plus (iii) the Interest Amount in respect of the Reset Period commencing on that Reset Date;

- 2.17 “**Trust**” means “*The Share Instalment Trust*” established and registered, or to be established and registered, under the Trust Property Control Act, 1988 for purposes of holding Underlying Securities for the benefit of Holders of Share Instalments relating to such Underlying Securities;
- 2.18 “**Trust Deed**” means the trust deed constituting, or to constitute, the Trust;
- 2.19 “**Trustee**” means the trustee for the time being of the Trust;
- 2.20 “**Underlying Security**” means, in relation to one Share Instalment, one Share in the ordinary share capital of the Company, as stipulated in the Related Supplement.

3. **Capital Contribution and Loan Amount**

The initial Holder shall, on or before the Issue Date, in terms of the Trust Deed and this paragraph 3.1, make a capital contribution to the Trust in an amount equal to the Purchase Price of the Underlying Security relating to his Share Instalment. The Loan Amount shall be applied by the Issuer to pay, on behalf of such initial Holder, a portion of such capital contribution.

- 3.1 On each successive Reset Date the Calculation Agent shall, for the Reset Period commencing on that Reset Date:
 - 3.1.1 determine the amount by which the Loan Amount is to be increased (where the Reset Price is greater than the Purchase Price) or decreased (where the Reset Price is less than the Purchase Price); and
 - 3.1.2 determine the Interest Amount and the Threshold Amount.
- 3.2 The Issuer shall, at least fourteen days prior to each Reset Date, notify each Holder of (i) the interest rate applicable to the Reset Period commencing on that Reset Date, (ii) the manner in which the Loan Amount, Interest Amount and the Threshold Amount applicable in respect of such Reset Period are to be calculated by the Calculation Agent, and (iii) the Reset Date immediately following that Reset Date. The Issuer shall, as soon as may be practicable after each Reset Date, confirm such Loan Amount, Interest Amount and Threshold Amount to the Holder.

4. **Adjustments**

The Share Instalment may be adjusted from time to time by the relevant Issuer, or the Calculation Agent, as set out in the Conditions. In the event that there are material changes made to the structure or method of calculation to a Share Instalment, an adjustment may be made to the Conditions of the Share Instalment, subject to the approval of the JSE or the Exchange, as the case may be, (where required), so as to reflect, as far as possible, the structure and method of calculation of the Share Instalment at the date of this Programme Memorandum. The adjustments will be designed with the intention that neither the Holder nor the Issuer will be disadvantaged in such circumstances.

5. **Exercise and Settlement of Share Instalments – Delivery of Underlying Security**

- 5.1 The Holder is entitled (but not obliged), at any time on or before 16h00 on the Reset Date, to pay the Completion Payment to the Issuer.
- 5.2 If the Completion Payment has been duly paid to the Issuer on or before 16h00 on the Reset Date, the Holder shall be deemed, at 16h00 on that Reset Date, to have exercised his right to take delivery of the Underlying Security relating to his Share Instalment, subject to and in accordance with paragraphs 5.4 and 5.5.
- 5.3 If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date, the Holder shall be deemed, in relation to that Reset Date, not to have exercised his right to take delivery of the Underlying Security relating to his Share Instalment, and the provisions of paragraph 5 or paragraph 6, as the case may be, shall apply.
- 5.4 The Holder shall, subject to paragraphs 5.2, 5.5 [and 8], be entitled to take delivery of the Underlying Security relating to his Share Instalment on the Settlement Date. The Exercise Expenses (if any) payable by the Holder pursuant to the Conditions shall be paid to the Issuer on or before the

Settlement Date. Subject as aforesaid, the Issuer shall do all such things as are necessary to procure transfer of the Underlying Security from the Trust to the Holder on the Settlement Date.

- 5.5 If, in the opinion of the Calculation Agent, delivery of the Underlying Security is not reasonably practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date shall, subject to the approval of the JSE, be postponed to the first following Business Day in respect of which there is no such Settlement Disruption Event. Should a Settlement Disruption Event continue for the Settlement Disruption Period, the Issuer shall pay the Holder the Fair Market Value of his Share Instalment.

6. Rollover of Share Instalment

If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the Reset Price is equal to or greater than the Threshold Amount:

- 6.1 the maturity of the Share Instalment shall automatically be extended to the immediately following Reset Date, and the Loan Amount, Interest Amount and Threshold Amount referred to in paragraph 3.3 shall be applicable in respect of the Reset Period ending on that immediately following Reset Date; and
- 6.2 the Issuer shall, on the Settlement Date, pay the amount by which the Reset Price exceeds the Threshold Amount to the Holder, *mutatis mutandis* in accordance with Condition 5.2 of the Conditions.

7. Put Option and Sale of Underlying Security

- 7.1 If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the Reset Price is less than the Threshold Amount but greater than the Completion Payment, the Holder shall be deemed to have sold the Underlying Security relating to his Share Instalment, on that Reset Date, to the Issuer, and the Issuer shall be deemed to have purchased such Underlying Security, on that Reset Date, from such Holder, for a purchase price equal to the Reset Price.
- 7.2 If the Completion Payment has not been duly paid to the Issuer on or before 16h00 on the Reset Date and, on that Reset Date, the Reset Price is less than or equal to the Completion Payment, the Holder shall be deemed, on that Reset Date, to have exercised a put option in respect of the Underlying Security relating to his Share Instalment (with a put strike price equal to the Completion Payment), and the Issuer shall be deemed to have purchased such Underlying Security, on that Reset Date, from such Holder, for a purchase price equal to the Completion Payment.
- 7.3 The obligation of the Holder to pay the Completion Payment shall be discharged from the purchase price payable to the Holder in terms of paragraph 6.1 or paragraph 6.2, as the case may be (the "Proceeds"), and the Holder shall be deemed to have authorised the Issuer to deduct the Completion Payment from the Proceeds. The Issuer shall deduct the Completion Payment from the Proceeds and the balance, if any, shall be paid to the Holder, on the Settlement Date, *mutatis mutandis* in accordance with Condition 5.2 of the Conditions.
- 7.4 The Holder shall, in the circumstances set out in paragraph 6.1 or paragraph 6.2, as the case may be, be deemed to have authorised the Trustee, pursuant to the Trust Deed and this paragraph 6.4, on behalf of such Holder, to do all such things as are necessary to procure transfer, on the Settlement Date, of the Underlying Security relating to his Share Instalment from the Trust to the Issuer (or the Issuer's nominee).

8. Trust

- 8.1 Subject to and in accordance with the Trust Deed, the Trustee is required:

- 8.1.1 upon payment, by or on behalf of the initial Holder, to the Trust of the capital contribution contemplated in paragraph 3.1, to purchase the Underlying Security relating to such initial Holder's Share Instalment;
- 8.1.2 to procure that the Underlying Security is registered in the name of the Trust or in the name of the Trustee in its capacity as such;

- 8.1.3 to hold the Underlying Security for the benefit of the Holder of the Share Instalment relating to that Underlying Security.
- 8.2 If the Trustee defaults in any of its obligations to any of the Holders under the Trust Deed, the Issuer shall, subject to and in accordance with the Trust Deed, perform such obligations, *mutatis mutandis* as if the Issuer were the Trustee.
- 8.3 Each Holder is entitled to the benefit of, and is deemed to have notice of, the provisions of the Trust Deed, and each Holder shall be bound by all those provisions of the Trust Deed which confer rights and/or impose obligations on the Holder.
- 8.4 Each Holder undertakes in favour of the Trustee, that he shall perform all obligations imposed on the Holder in terms of the Trust Deed, and that he shall execute and attend to all such deeds and documents, and take all such action, as the Trustee may reasonably require to enable the Trustee to carry out, discharge, exercise and perform the powers, discretions, rights, authorities, provisions and obligations contained in the Trust Deed.
- 8.5 Copies of the Trust Deed shall be made available, free of charge, to each Holder at the registered offices of the Issuer and the Transfer Secretary.

9. Pledge

- 9.1 As security for the due payment by the Holder of the Completion Payment, the Interest Amount, and all other amounts (if any) due and payable by the Holder to the Issuer pursuant to the Share Instalment Conditions, the Holder shall, pursuant to the Trust Deed and this paragraph 9, be deemed to have ceded and pledged the Underlying Security relating to his Share Instalment to the Issuer on the Issue Date.
- 9.2 The Holder shall, pursuant to the Trust Deed and this paragraph 9, be deemed to have authorised the Trustee, on behalf of the Holder, to execute and attend to all such deeds and documents, and to take all such action, as the Issuer and/or the Trustee may reasonably require to enable the pledge contemplated in paragraph 9 to be perfected and, if applicable, realised.
- 9.3 For the avoidance of doubt it is recorded that the Holder's rights to cash dividends accruing in respect of the Underlying Security relating to his Share Instalment shall not be subject to the pledge contemplated in paragraph 9.

10. Dividends and Voting Rights

The Holder shall, pursuant to the Trust Deed and this paragraph 10, be deemed to have authorised the Trustee, on behalf of such Holder:

- 10.1 to exercise all rights to receive dividends in respect of the Underlying Security relating to such Holder's Share Instalment, subject to and in accordance with the Trust Deed; and
- 10.2 to exercise all other rights in respect of the Underlying Security relating to such Holder's Share Instalment including, without limiting the generality of the foregoing, all rights to receive all annual reports and notices of meetings, and to attend, speak and vote at any meetings, and the Holder shall not be entitled to exercise any such rights, or to receive any such annual reports or notices of meetings, or to attend or speak or vote at any such meetings.

The Trustee is required, subject to and in accordance with the Trust Deed, to pay over to the Holder all cash dividends received by the Trustee in respect of the Underlying Security relating to such Holder's Share Instalment.

11. Transfer of Share Instalments

A Holder may transfer his Share Instalment in accordance with the Conditions. On the date on which the transferor Holder duly transfers his Share Instalment to the transferee Holder in accordance with the Conditions:

- 11.1 all of the rights and obligations of the transferor Holder in terms of the Share Instalment Conditions shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations;

- 11.2 all of the rights and obligations of the transferor Holder in terms of the Trust Deed shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations;
- 11.3 the transferor Holder shall cease to be a beneficiary of the Trust and the transferee Holder shall become a beneficiary of the Trust;
- 11.4 all of the rights and obligations of the transferor Holder in relation to the Underlying Security relating to the Share Instalment shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations;
- 11.5 the Underlying Security relating to the Share Instalment shall be held by the Trust for the benefit of the transferee Holder, subject to and in accordance with the Trust Deed;
- 11.6 the transferee Holder shall, in accordance with the Trust Deed and this paragraph 10.6, be deemed to have ceded and pledged, to the Issuer, the Underlying Security relating to the Share Instalment on the basis set out in paragraph 8.

SECTION 7

SCHEDULE 2B(III)

EXCHANGE TRADED NOTE SUPPLEMENT

This document is an Exchange Traded Note Supplement prepared in connection with the issue of the relevant Series of Exchange Traded Notes under the Programme.



NEDBANK LIMITED

(incorporated with limited liability under registration number 1951/000009/06 in the Republic of South Africa)

WARRANT AND EXCHANGE TRADED NOTE PROGRAMME FOR THE ISSUANCE OF WARRANTS AND EXCHANGE TRADED NOTES TO BE LISTED ON JSE LIMITED

issue of ZAR[●] Exchange Traded Notes

This document is the Exchange Traded Note Supplement contemplated in Schedule 2B(III) headed “*Exchange Traded Note Supplement*” of Section 7 of the Programme Memorandum, dated 27 August 2010, as amended and/or supplemented from time to time (the “**Programme Memorandum**”) prepared in connection with the issue, under the Nedbank Limited Warrant and Exchange Traded Note Programme (the “**Programme**”), of Series [●] of the Exchange Traded Notes (“**this Series of Exchange Traded Notes**”).

This Exchange Traded Note Supplement must be read in conjunction with the Programme Memorandum and the supplement contemplated in Schedule 2A(II) headed “*Form of Supplement - Exchange Traded Notes, Protected Share Investments and Share Instalments*” of Section 7 of the Programme Memorandum, attached as annexure “A” to this Exchange Traded Note Supplement (the “**Related Supplement**”).

To the extent that there is any conflict or inconsistency between the provisions of this Exchange Traded Note Supplement and the Programme Memorandum, the provisions of this Exchange Traded Note Supplement shall prevail.

TERMS AND CONDITIONS

1. INTERPRETATION

The Exchange Traded Note Conditions (as defined in clause 2) apply to this Series of Exchange Traded Notes issued under the Programme. To the extent that there is any conflict or inconsistency between the provisions of the Exchange Traded Note Conditions and any of the Conditions (as defined in clause 2), the provisions of the Exchange Traded Note Conditions shall prevail, and any reference to “Conditions” in the Programme shall, for the purpose of this Series of Exchange Traded Notes, be construed accordingly.

2. DEFINITIONS

Capitalised terms not defined in this clause 2 shall have the meaning ascribed to them in Section 1 of the Programme headed “*Definitions and Interpretation*”, as read with the Related Supplement. The following expressions shall have the following meanings:

“**Actual Dividend Period**” means, in relation to an Underlying Equity, the period commencing on (and including) a Dividend Date and ending on the immediately following Dividend Date;

“**Adjusted Participation Factor**” means, in relation to an Underlying Equity, the percentage specified as such in the New Related Supplement, being such adjustment to the Participation Factor of that Underlying Equity as is determined by the Calculation Agent, acting in a reasonable manner,

following the occurrence of a Trigger Event, in order, when taken together with all of the adjustments made by the Calculation Agent to the Participation Factors of each of the other Underlying Equities (that is, an adjustment to the weightings of all of the Underlying Equities), will effect an increase in the value of the Consolidated Exchange Traded Note to an amount which exceeds the Threshold Trigger Amount;

“**Adjusted Threshold Trigger Amount**” means, in relation to the Consolidated Exchange Traded Notes, the amount (if any) specified as such in the New Related Supplement, failing which the Adjusted Threshold Trigger Amount shall be the Threshold Trigger Amount;

“**Amended Maturity Date**” means the date referred to in, as applicable, clause 6.1.1 or clause 6.1.2, as the case may be;

“**Calculation Date**” means any date (selected by the Calculation Agent) falling within ten Business Days of the Trigger Event Date;

“**Cash Settlement Amount**” has the meaning set out in clause 5.6;

“**Closing Price**” means in relation to an Underlying Equity, the closing price of that Underlying Equity, as published by the JSE on each Business Day;

“**Conditions**” means the terms and conditions of Exchange Traded Notes set out in Section 4 (Part B) of the Programme headed “*Terms and Conditions of Exchange Traded Notes*”;

“**Consolidated Exchange Traded Notes**” has the meaning set out in clause 6.1.3;

“**Deemed Cash Settlement Amount**” means the amount calculated by the Calculation Agent in terms of clause 6.6;

“**Deemed Dividend Period**” means, in relation to an Underlying Equity (where applicable), each successive period commencing on (and including) an Ex Dividend Date and ending on (but excluding) the immediately succeeding Ex Dividend Date; provided that the first Deemed Dividend Period shall commence on (and include) the Issue Date and the last Deemed Dividend Period shall end on (but exclude) the Maturity Date (or the Amended Maturity Date, if applicable);

“**Dividend Amount**” means, in relation to an Underlying Equity for an Actual Dividend Period (subject to clause 5.8), the present value (determined by the Calculation Agent acting in a reasonable manner) of the cash dividend declared in respect of that Underlying Equity for that Actual Dividend Period and, in relation to an Underlying Equity for a Deemed Dividend Period (subject to clause 5.8), the present value (determined by the Calculation Agent acting in a reasonable manner) of the cash dividend declared in respect of that Underlying Equity for the corresponding Actual Dividend Period adjusted *pro rata* to the number of days in that Deemed Dividend Period and as adjusted in relation to the relevant Participation Factor relating to that Underlying Equity, and “**Net Dividend Amount**” means, in relation to all of the Underlying Equities, the netted aggregate of the relevant Dividend Amounts;

“**Dividend Date**” means, in relation to an Underlying Equity, the date on which a cash dividend is declared in respect of that Underlying Equity;

“**Exchange Traded Note Conditions**” means the terms and conditions of this Series of Exchange Traded Notes set out in this Supplement headed “Exchange Traded Notes”, as read with the Related Supplement and, subject to clause 1, the applicable Conditions;

“**Ex Dividend Date**” means, in relation to an Underlying Equity, the date on which the right to the dividend in respect of that Underlying Equity no longer accompanies that Underlying Equity;

“**Existing Exchange Traded Notes**” means all of the Exchange Traded Notes in this Series held by the Holder on the Trigger Event Date;

“**Final Price**” means, in relation to an Underlying Equity, the Closing Price of that Underlying Equity as published by the JSE on the Maturity Date;

“**Holder**” means, in relation to an Exchange Traded Note, the person who is the owner of the beneficial interest in that Exchange Traded Note, as contemplated in the CSD Procedures and, subject

to the Conditions, the person reflected in the Register as the registered holder of that Exchange Traded Note;

“**Initial Holder**” means, in relation to an Exchange Traded Note, the first Holder of (and subscriber for) that Exchange Traded Note;

“**Initial Price**” means, in relation to an Underlying Equity, the Closing Price of that Underlying Equity as published by the JSE on the Business Day immediately preceding the Issue Date;

“**Interest Amount**” means:

- a) in relation to a Net Dividend Amount that is positive, the amount of interest that would have accrued on that Net Dividend Amount had that Net Dividend Amount borne interest at the rate per annum equal to the Interest Rate; or
- b) in relation to a Net Dividend Amount that is negative, the amount of interest that would have been paid to fund that Net Dividend Amount had that Net Dividend Amount been financed at the rate per annum equal to the Interest Rate plus the Margin,

for the period, in each of (a) and (b), commencing on (and including) the first day of the relevant Actual Dividend Period or the relevant Deemed Dividend Period, as the case may be, and ending on (but excluding) the Maturity Date (or the Amended Maturity Date, if applicable), calculated on the basis of the actual number of days in such period divided by 365;

“**Interest Rate**” means the interest rate specified as such in the Related Supplement;

“**Issue Date**” means the date specified as such in the Related Supplement;

“**Issue Price**” means, in relation to an Exchange Traded Note, the amount specified as such in (or calculated in accordance with the provisions set out in) the Related Supplement;

“**Long Equity**” means an Underlying Equity where, if the Closing Price of that Underlying Equity increases, the value of the Exchange Traded Note will increase and, if the Closing Price of that Underlying Equity decreases, the value of the Exchange Traded Note will decrease;

“**Margin**” means the margin specified as such in the Related Supplement;

“**Maturity Date**” means the date specified as such in the Related Supplement;

“**Maturity Period**” means the period commencing on (and including) the Issue Date and ending on (but excluding) the Maturity Date;

“**New Related Supplement**” means, in relation to the Consolidated Exchange Traded Notes, the Related Supplement amended (subject to clause 6.7) to set out the Adjusted Participation Factor and the Adjusted Threshold Trigger Amount (if applicable);

“**Participation Factor**” means, in relation to an Underlying Equity, the percentage specified as such in the Related Supplement;

“**Redemption Exchange Traded Note/s**” has the meaning set out in clause 6.1.2;

“**Related Supplement**” means the supplement contemplated in Schedule 2A(II) headed “*Form of Supplement - Exchange Traded Notes, Protected Share Investments and Share Instalments*” of Section 7 of the Programme Memorandum, attached as annexure “A” to this Exchange Traded Note Supplement;

“**Series**” means those Exchange Traded Notes which are identical in all respects (including as to listing) and in respect of which the same Exchange Traded Note Supplement and Related Supplement apply, identified by way of a unique numeral (such as Series 1);

“**Short Equity**” means an Underlying Equity where, if the Closing Price of that Underlying Equity decreases, the value of the Exchange Traded Note will increase and, if the Closing Price of that Underlying Equity increases, the value of the Exchange Traded Note will decrease;

“**Stock Borrowing Costs**” means, in relation to a Short Equity, the market-related costs incurred by the Issuer in covering that Short Equity position, determined by the Calculation Agent acting in a reasonable manner;

“**Stock Borrowing Event**” means, in relation to an Exchange Traded Note on any Business Day, that the Issuer is unable to source sufficient Short Equity/ies, at current market rates and prices, to enable the Issuer to cover the Short Equity/ies position on that Business Day, determined by the Calculation Agent acting in a reasonable manner;

“**Threshold Trigger Amount**” means, in relation to an Exchange Traded Note on any Business Day, the amount specified as such in the Related Supplement, being the value of that Exchange Traded Note on that Business Day, determined by the Calculation Agent, acting in a reasonable manner, with reference to the Closing Prices of the Underlying Equities on that Business Day;

“**Threshold Trigger Event**” means, in relation to an Exchange Traded Note on any Business Day, that the Threshold Trigger Amount of that Exchange Traded Note on that Business Day is greater than the Deemed Cash Settlement Amount, as determined by the Calculation Agent;

“**Total Cash Settlement Amount**” has the meaning set out in clause 5.6;

“**Trigger Event**” means, as applicable, a Threshold Trigger Event and/or a Stock Borrowing Event;

“**Trigger Event Date**” means, in relation to an Exchange Traded Note, the Business Day following the occurrence of a Trigger Event;

“**Underlying Equities**” means, in relation to an Exchange Traded Note, the Shares relating to that Exchange Traded Note, identified as such in the Related Supplement, and “**Underlying Equity**” means each such Share;

“**Unwinding Costs**” means the amount calculated by the Calculation Agent in terms of clause 6.4.

3. **SUBSCRIPTION FOR EXCHANGE TRADED NOTE**

The Issuer shall, on the Issue Date, issue one or more Exchange Traded Note(s) to the Initial Holder against payment by the Initial Holder to the Issuer, on or before the Issue Date, of an amount equivalent to the Issue Price.

4. **MATURITY OF EXCHANGE TRADED NOTE**

Exchange Traded Notes shall, subject to clause 6, mature on the Maturity Date.

5. **CALCULATION OF THE CASH SETTLEMENT AMOUNT**

- 5.1 Subject, where applicable, to clause 6, the Calculation Agent shall, on the Maturity Date, calculate the Cash Settlement Amount (if any) payable to the Holder, in respect of each Exchange Traded Note, in accordance with the provisions of this clause 5.
- 5.2 If an Underlying Equity is a Long Equity and, on the Maturity Date the Final Price of that Long Equity is equal to or lower than the Initial Price of that Long Equity, the amount payable in respect of the performance of that Long Equity shall (subject, where applicable, to clause 5.8) be the amount calculated in accordance with the following formula:

$$[[A - B] \times C] + D + E$$

where:

A	=	the Initial Price of that Long Equity;
B	=	the difference between the Initial Price of that Long Equity and the Final Price of that Long Equity;
C	=	the Participation Factor;
D	=	the aggregate of each Dividend Amount deemed to have accrued on that Long Equity during the Maturity Period;
E	=	the aggregate of each Interest Amount deemed to have accrued on each such Dividend Amount.

- 5.3 If an Underlying Equity is a Long Equity and, on the Maturity Date the Final Price of that Long Equity is higher than the Initial Price of that Long Equity, the amount payable in respect of the performance of that Long Equity shall (subject, where applicable, to clause 5.8) be the amount calculated in accordance with the following formula:

$$[[A + B] \times C] + D + E$$

where:

A	=	the Issue Price of that Long Equity;
B	=	the difference between the Final Price of that Long Equity and the Issue Price of that Long Equity;
C	=	the Participation Factor;
D	=	the aggregate of each Dividend Amount deemed to have accrued on that Long Equity during the Maturity Period;
E	=	the aggregate of each Interest Amount deemed to have accrued on each such Dividend Amount.

- 5.4 If an Underlying Equity is a Short Equity and, on the Maturity Date the Final Price of that Short Equity is higher than the Initial Price of that Short Equity, the amount payable in respect of the performance of that Short Equity shall (subject, where applicable, to clause 5.8) be the amount calculated in accordance with the following formula:

$$[[A - B] \times C] - [D + E + F]$$

where:

A	=	the Initial Price of that Short Equity;
B	=	the difference between the Final Price of that Short Equity and the Initial Price of that Short Equity;
C	=	the Participation Factor;
D	=	the aggregate of each Dividend Amount deemed to have accrued on that Short Equity during the Maturity Period;
E	=	the aggregate of each Interest Amount deemed to have accrued on each such Dividend Amount;
F	=	the Stock Borrowing Costs incurred in respect of that Short Equity.

- 5.5 If an Underlying Equity is a Short Equity and, on the Maturity Date the Final Price of that Short Equity is equal to or lower than the Initial Price of that Short Equity, the amount payable in respect of the performance of that Short Equity shall (subject, where applicable, to clause 5.8) be the amount calculated in accordance with the following formula:

$$[[A + B] \times C] - [D + E + F]$$

where:

A	=	the Initial Price of that Short Equity;
B	=	the difference between the Initial Price of that Short Equity and the Final Price of that Short Equity;
C	=	the Participation Factor;
D	=	the aggregate of each Dividend Amount deemed to have accrued on that Short Equity during the Maturity Period;

E	=	the aggregate of each Interest Amount deemed to have accrued on each such Dividend Amount;
F	=	the Stock Borrowing Costs incurred in respect of that Short Equity.

- 5.6 Subject to clauses 5.8, the Calculation Agent shall, on the Maturity Date, calculate the amount (if any) payable in respect of the performance of each Underlying Equity in accordance with, as applicable, clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5. The aggregate of each such amount (if any) (the “**Cash Settlement Amount**”) multiplied by the number of Exchange Traded Notes in this Series held by the Holder on the Maturity Date (the “**Total Cash Settlement Amount**”) shall be the total amount (if any) payable to that Holder in respect of his Exchange Traded Note(s).
- 5.7 Subject, where applicable, to clause 6, the Issuer shall pay the Total Cash Settlement Amount (if any) to the Holder, as contemplated in the CSD procedures, on the fifth Business Day following the Maturity Date.
- 5.8 Without derogating from the provisions of clause 9, if, in relation to an Underlying Equity, a dividend *in specie* (but not a cash dividend) is declared in respect of that Underlying Equity for an Actual Dividend Period and/or a Deemed Dividend Period, as applicable, the Calculation Agent shall, acting in a reasonably commercial manner, determine an amount that, so far as is practicable, will place the Issuer and the relevant Holder in the same economic position each would have been in had a cash dividend been declared in the place of that dividend *in specie*, and all references in the Exchange Traded Note Conditions to “Dividend Amount” shall be construed as references to the amount so calculated by the Calculation Agent in terms of this clause 5.8.

6. OCCURRENCE OF A TRIGGER EVENT

- 6.1 Following the occurrence of a Trigger Event, the Issuer shall be entitled, in its sole and absolute discretion, either:
- 6.1.1 to advance the Maturity Date of all of the Existing Exchange Traded Notes to any date (selected by the Issuer) falling within ten Business Days of the Trigger Event Date, in which event the provisions of clauses 6.2 and 6.4 shall apply; OR
- 6.1.2 to advance the Maturity Date, to any date (selected by the Issuer) falling within ten Business Days of the Trigger Event Date, of such number of the Existing Exchange Traded Note/s (the “**Redemption Exchange Traded Note/s**”) as is/are determined by the Calculation Agent in accordance with clause 6.3, in which event the provisions of clauses 6.3 and 6.4 shall apply; OR
- 6.1.3 to reduce the number of Existing Exchange Traded Notes to (and consolidate the Existing Exchange Traded Notes into) such number of Exchange Traded Note/s (the “**Consolidated Exchange Traded Note/s**”) as is/are determined by the Calculation Agent in accordance with the formula set out in clause 6.5, in which event the provisions of clauses 6.5, 6.6 and 6.7 shall apply.
- 6.2 If the Issuer elects to advance the Maturity Date of all of the Existing Exchange Traded Notes in terms of clause 6.1.1, the Issuer shall pay to the Holder, on the Amended Maturity Date, the Total Cash Settlement Amount (if any) of all of the Existing Exchange Traded Notes, calculated by the Calculation Agent subject to (and *mutatis mutandis* in accordance with) the applicable provisions of clause 5 but as if (a) all references to “Final Price” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the Unwinding Costs, on the Trigger Event Date, of the relevant Underlying Equity referred to in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 and (b) all references to “Maturity Period” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the period commencing on (and including) the Issue Date and ending on (but excluding) the Trigger Event Date.
- 6.3 If the Issuer elects to advance the Maturity Date of the Redemption Exchange Traded Note/s in terms of clause 6.1.2, the Calculation Agent shall, on the Trigger Event Date, calculate the number of Redemption Exchange Traded Note/s (rounded down by the Calculation Agent to the nearest whole number) in respect of which the Issuer is not able to source sufficient Short Equity/ies, at current market rates and prices on the Trigger Event Date, to enable the Issuer to cover the relevant Short

Equity/ies position/s. The Issuer shall pay to the Holder, on the Amended Maturity Date, the Total Cash Settlement Amount (if any) of all of the Redemption Exchange Traded Notes, calculated by the Calculation Agent subject to (and *mutatis mutandis* in accordance with) the applicable provisions of clause 5 but as if (a) all references to “Final Price” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the Unwinding Costs, on the Trigger Event Date, of the relevant Underlying Equity referred to in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 and (b) all references to “Maturity Period” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the period commencing on (and including) the Issue Date and ending on (but excluding) the Trigger Event Date.

- 6.4 For purposes of clauses 6.2 and 6.3, the Unwinding Costs shall, in relation to the relevant Underlying Equity referred to in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5, be the market-related costs incurred (or to be incurred) by the Issuer in unwinding the hedge transaction/s entered into by the Issuer in respect of the relevant Underlying Equity referred to in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5, determined by the Calculation Agent acting in a reasonable manner.
- 6.5 If the Issuer elects to reduce the number of Existing Exchange Traded Notes to (and consolidate the Existing Exchange Traded Notes into) the Consolidated Exchange Traded Note/s in terms of clause 6.1.3, the number of Consolidated Exchange Traded Note/s shall be determined by the Calculation Agent, on the Calculation Date, in accordance with the following formula:

$$[A \times B] \div [(C \times D) + [L^1] + [E \times F] + [S^2]]$$

where:

A	=	the Deemed Cash Settlement Amount;
B	=	the number of Existing Exchange Traded Notes held by the Holder on the Trigger Event Date;
C	=	in relation to the 1 st Long Equity (if any) specified in the Related Supplement, the market-related costs that would be incurred by the Issuer, on the Trigger Event Date, if the Issuer were to cover that Long Equity position, determined by the Calculation Agent acting in a reasonable manner;
D	=	the Adjusted Participation Factor of the Long Equity (if any) referred to in C above;
L¹	=	the aggregate of [C x D] above calculated with reference to each additional Long Equity (if any) specified in the Related Supplement;
E	=	in relation to the 1 st Short Equity (if any) specified in the Related Supplement, the market-related costs that would be incurred by the Issuer, on the Trigger Event Date, if the Issuer were to cover and/or hedge that Short Equity position, determined by the Calculation Agent acting in a reasonable manner;
F	=	the Adjusted Participation Factor of the Short Equity (if any) referred to in E above;
S²	=	the aggregate of [E x F] above calculated with reference to each additional Short Equity (if any) specified in the Related Supplement.

- 6.6 For purposes of clause 6.5, the Deemed Cash Settlement Amount shall, in relation to one Existing Exchange Traded Note, be the aggregate amount in respect of the performance of each Underlying Equity, calculated by the Calculation Agent *mutatis mutandis* in accordance with, as applicable, clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 (and clause 5.6) but as if (a) all references to “Final Price” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the Closing Price, on the Trigger Event Date, of the relevant Underlying Equity referred to in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 and (b) all references to “Maturity Period” in clauses 5.2 and/or 5.3 and/or 5.4 and/or 5.5 were references to the period commencing on (and including) the Issue Date and ending on (but excluding)

the Trigger Event Date.

- 6.7 The number of Consolidated Exchange Traded Note/s calculated by the Calculation Agent in accordance with the formula set out in clause 6.5 shall be rounded down by the Calculation Agent to the nearest whole number and the Existing Exchange Traded Notes shall, on and with effect from the Calculation Date, be consolidated into such number of Consolidated Exchange Traded Note/s. The Consolidated Exchange Traded Note/s shall have the identical Exchange Traded Note Conditions as the Existing Exchange Traded Notes which have been consolidated into such Consolidated Exchange Traded Note/s, save that (i) the Participation Factor shall be construed as the Adjusted Participation Factor, (ii) the Threshold Amount shall be construed as the Adjusted Threshold Amount and (iii) the New Related Supplement shall replace the Related Supplement.
- 6.8 If, following any calculation and rounding down by the Calculation Agent in terms of this clause 6, the Calculation Agent determines that any surplus cash is payable to the Holder, the Issuer shall pay such amount to the Holder, within fifteen Business Days following the Trigger Event Date or, in the case of Consolidated Exchange Traded Note/s, within fifteen Business Days following the Calculation Date, as the case may be, but otherwise *mutatis mutandis* in accordance with clause 5.7.
- 6.9 The Holders acknowledge and agree that no provision of this clause 6 shall be construed in any way as an amendment of the Exchange Traded Note Conditions which requires the consent of any Holder/s, and that the Issuer is not required to obtain the consent of any Holder/s in order to exercise its rights under this clause 6 and/or to give effect to the provisions of this clause 6.
- 6.10 Without derogating from the provisions of clause 6.9, the provisions of this clause 6 shall apply to, and be repeated in respect of, the Consolidated Exchange Traded Notes, on each occasion on which a Trigger Event occurs in relation to such Consolidated Exchange Traded Notes, until such time (if any) as the Issuer elects to advance the Maturity Date of all of the (or all of the remaining) Consolidated Exchange Traded Notes pursuant to clause 6.1.1.

7. NO RIGHTS OR TITLE IN OR TO THE UNDERLYING EQUITIES

The Holder shall have no rights or title of whatsoever nature in or to any of the Underlying Equities including, without limitation, any rights to receive dividends, any rights to receive annual reports and notices of meetings, and any rights to attend, speak and vote at any meetings.

8. TRANSFER OF EXCHANGE TRADED NOTE

A Holder may transfer his Exchange Traded Note in accordance with the Conditions. For the avoidance of doubt it is recorded that, on and with effect from the date on which the transferor Holder duly transfers his Exchange Traded Note to the transferee Holder in accordance with the Conditions, all of the rights and obligations of the transferor Holder in terms of the Exchange Traded Note Conditions shall be deemed to have been ceded and assigned to the transferee Holder, and the transferee Holder shall be entitled to the benefits of all such rights and be bound by all such obligations.

9. ADJUSTMENTS

The Exchange Traded Note Conditions may be adjusted from time to time by the Issuer, or the Calculation Agent, as set out in the Conditions. In the event that there are material changes made to the structure or method of calculation provided for in the Exchange Traded Note Conditions, an adjustment may be made to the Exchange Traded Note Conditions, subject to the approval of the JSE (where required), so as to reflect, as far as possible, the structure and method of calculation provided for in the Exchange Traded Note Conditions at the Issue Date of this Series of Exchange Traded Notes. Such adjustments shall be designed with the intention that neither the Holders nor the Issuer will be disadvantaged by such adjustments.

10. DETERMINATIONS OF THE CALCULATION AGENT

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Exchange Traded Note Conditions by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error) be binding on the Issuer, the Calculation Agent and the Holders and no liability to the Issuer or the Holders shall attach

to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to the Exchange Traded Note Conditions.

THE ISSUER

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Summary of Offering-Warrants

Issuer: Nedbank Limited

Issuer’s Credit Rating: on the date hereof the Issuer has a national long-term credit rating of ● and a national short-term credit rating of ● from Fitch Southern Africa (Proprietary) Limited

Sponsor: Nedbank Limited

Issue Description: One Series of Uncovered American Call Style Warrants and Uncovered European Put Style Warrants as set out below:

Underlying Security	Warrant Long Code	Warrant Short Code	JSE Code	Warrant Style	Maximum Issue Size	Issue Price	Exercise Price	Group (Warrants per underlying Parcel)	Expiration Date

Minimum Exercise Number : Except on the Expiration Date, ●.

Maximum Exercise Number : Except on the Expiration Date, ●.

Underlying Parcel: One ● subject to adjustment under the Conditions. The Holder is entitled to physical delivery of the Underlying Parcel or a Cash Settlement Amount, at the Issuers discretion, subject to the Conditions.

Automatic Exercise: Subject to the Conditions, if the Holder fails to exercise a Warrant before 17h00 Johannesburg time on the Expiration Date the Issuer will pay 90% of the Cash Settlement Amount in accordance with the Conditions.

Listing: JSE Securities Exchange South Africa.

Issue Date: ●.

Termination of Listing: Close of business on the Expiration Date.

Governing Law: South African.

I.S.I.N. : ●.

Please refer to the Conditions of the Warrants as set out in the Programme Memorandum. This is a summary only of the main financial terms of the Warrants. In the event of any inconsistency between the summary and the Conditions, the Conditions shall prevail.