

# THE STANDARD BANK OF SOUTH AFRICA LIMITED

*(Incorporated with limited liability in South Africa under registration number 1962/000738/06)*

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**ZAR10,000,000,000**

## Credit-linked Note Programme

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Under this Credit-linked Note Programme (the “**Programme**”), The Standard Bank of South Africa Limited (“**SBSA**” or the “**Issuer**”), may from time to time issue credit-linked notes (“**Notes**”). Unless otherwise determined by the Issuer, the maximum aggregate Principal Amount of all Notes from time to time outstanding will not exceed ZAR10,000,000,000.

The Notes may be listed on the Bond Exchange of South Africa (“**BESA**”) and/or such other exchange or exchanges determined by the Issuer. Unlisted Notes may also be issued under this Programme. Before issuing any Tranche of Notes, the Issuer will complete and sign a pricing supplement (a “**Pricing Supplement**”) based on the pro forma pricing supplement included in this Programme Memorandum specifying whether or not the Notes will be listed, the aggregate Principal Amount of the Notes and the terms and conditions that will apply to the Notes in addition to the General Terms and Conditions of the Notes included in this Programme Memorandum. The Pricing Supplement in respect of Notes to be listed on BESA will be delivered to BESA before the Notes are issued. A copy of the Pricing Supplement will be attached to each Certificate issued in respect of the Notes.

The Notes may be issued subject to the condition that upon the occurrence of an Early Redemption Event, the Issuer may, subject to certain conditions, redeem the Notes by payment of money (in an amount equal to the Cash Settlement Amount referred to in the applicable Pricing Supplement) or, if so provided, by the Delivery of Deliverable Obligations (being the Relevant Portion of the Portfolio referred to in the applicable Pricing Supplement) or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the Market Value of the Relevant Portion of the Portfolio may be less than the Principal Amount of the Notes or zero.

If a Note is redeemable in whole or in part by the Delivery of Deliverable Obligations, the Issuer’s obligation to Deliver the Deliverable Obligations to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Issuer of an Asset Transfer Notice and the payment to the Issuer of the Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver an Asset Transfer Notice or to pay the Delivery Expenses, the Issuer shall be discharged from its obligations under the Note.

This Programme has not been rated by any rating agency as at the date of this Programme Memorandum. The Issuer may at any time obtain a rating from a rating agency for the Programme or any issue of Notes issued pursuant to this Programme.

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**Standard Corporate and Merchant Bank**  
**(a division of The Standard Bank of South Africa Limited)**  
*as Arranger and Dealer*

The date of this Programme Memorandum is 30 November 2001

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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.

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

This Programme Memorandum is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see **“Documents Incorporated by Reference”**). This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

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

Neither this Programme Memorandum nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Programme Memorandum, any supplement hereto or any other information supplied in connection with the Programme should purchase the Notes. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial position. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance on any information contained in this document or the applicable supplement. In particular, any investor contemplating purchasing any Notes should make its own appraisal of the creditworthiness of the Issuer and any entity to whose obligations the Notes may be linked and as to the legality, validity or enforceability of any obligations of any such entities, whether or not a Reference Obligation, Obligation or Deliverable Obligation described below. If in any doubt, potential investors should consult with their own advisers before making any investment decision. Potential investors should determine for themselves the relevance of the information contained in this Programme Memorandum as supplemented, updated or revised from time to time and their interest in the purchase of any Notes should be based on such investigations as they themselves deem necessary. No warranty or representation is made or intended by the Issuer as to the particular legal, tax, accounting or other regulatory treatment of the Notes in any country, state or jurisdiction whatsoever.

The Issuer makes no representation and assumes no liability in respect of any entity to whose obligations a Note may be linked, the status of any such obligations, the priority or ranking of any such obligations or any documentation relevant to such obligations.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same.

The distribution of this Programme Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Memorandum and the offer or sale of Notes in the United States, the United Kingdom and the Republic of South Africa.

**The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”). Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act.**

Where any term is defined within the context of a particular paragraph or section in this Programme Memorandum, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the same meaning throughout in this Programme Memorandum and each Pricing Supplement, unless the context otherwise requires.

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

**In connection with the issue and distribution of any Notes, the Issuer may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be carried out in accordance with all applicable laws and regulations.**

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## TABLE OF CONTENTS

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	<i>Page</i>
DOCUMENTS INCORPORATED BY REFERENCE	4
SUMMARY OF THE PROGRAMME	5
RISK FACTORS	8
DEFINITIONS	9
PRO FORMA PRICING SUPPLEMENT	30
GENERAL TERMS AND CONDITIONS OF THE NOTES	37
NOTE CERTIFICATE	56
USE OF PROCEEDS	57
STANBIC GROUP ORGANISATIONAL STRUCTURE	58
DESCRIPTION OF THE STANDARD BANK OF SOUTH AFRICA LIMITED	59
CAPITALISATION OF THE STANDARD BANK OF SOUTH AFRICA LIMITED	64
FINANCIAL INFORMATION ON THE STANDARD BANK OF SOUTH AFRICA LIMITED	65
SETTLEMENT, CLEARING AND TRANSFER OF NOTES WHILE IN GLOBAL FORM	72
SOUTH AFRICAN TAXATION	74
SUBSCRIPTION AND SALE	75
GENERAL INFORMATION	76
INDEX OF DEFINED TERMS	78

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## DOCUMENTS INCORPORATED BY REFERENCE

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*The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:*

- (a) supplements to this Programme Memorandum published by the Issuer from time to time;
- (b) the audited Annual Financial Statements, and notes thereto, of SBSA for SBSA's last three financial years,

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

The Issuer will, in connection with the listing of the Notes on BESA, so long as any Note remains outstanding and listed on such exchange, in the event of a material adverse change in the condition (financial or otherwise) of the Issuer which is not reflected in this Programme Memorandum, prepare a further supplement to the Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes to be listed on BESA.

The Issuer will provide, free of charge, to each person to whom a copy of the Programme Memorandum has been delivered, upon request of such person, a copy of any of the documents incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Transfer Secretary at the address specified on page 82 of this Programme Memorandum.

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## SUMMARY OF THE PROGRAMME

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*The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.*

<b>Issuer:</b>	The Standard Bank of South Africa Limited.
<b>Description:</b>	Credit-linked Note Programme.
<b>Size:</b>	Up to ZAR10,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme.
<b>Arranger:</b>	Standard Corporate and Merchant Bank (a division of The Standard Bank of South Africa Limited).
<b>Notes:</b>	<p>Notes may comprise:</p> <p><b>Fixed Rate Notes:</b> Interest at a fixed rate specified in the applicable Pricing Supplement will accrue on Fixed Rate Notes.</p> <p><b>Floating Rate Notes:</b> Interest determined with reference to the rate specified in the applicable Pricing Supplement will accrue on Floating Rate Notes.</p> <p><b>Zero Coupon Notes:</b> Zero Coupon Notes may be issued at their Principal Amount or at a discount to it.</p> <p><b>Indexed Notes:</b> Payments in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes will be calculated by reference to such index and/or formula as specified in the applicable Pricing Supplement.</p> <p><b>Instalment Notes:</b> The applicable Pricing Supplement in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.</p> <p><b>Partly-Paid Notes:</b> The Issue Price of Partly-Paid Notes will be payable in two or more instalments as set out in the applicable Pricing Supplement.</p> <p><b>Other Notes:</b> Terms applicable to any other type of Notes will be set out in the applicable Pricing Supplement.</p>
<b>Form of Notes:</b>	Unless otherwise specified in the applicable Pricing Supplement, the Notes will be issued in registered form only. Each Tranche of Notes listed on BESA will initially be evidenced by a Global Certificate, without interest coupons, which shall be deposited before its issue date with The Central Depository Limited (the “ <b>Central Depository</b> ”) and registered in the name of the nominee of the Central Depository. Beneficial interests in Notes represented by a Global Certificate will not be exchangeable for Individual Certificates except in the limited circumstances described in this Programme Memorandum. See “ <b>Settlement, Clearing and Transfer of Notes while in Global Form</b> ” on page 72 of this Programme Memorandum. Unlisted Notes will be evidenced by Individual Certificates.
<b>Currencies:</b>	South African Rand or, subject to all applicable laws and, in the case of Notes listed on BESA, the rules of BESA, in such other currency as specified in the applicable Pricing Supplement.
<b>Issue Price:</b>	Notes may be issued at their Principal Amount or at a discount or premium to their Principal Amount. Partly-Paid Notes may be issued, the issue price of which will be payable in two or more instalments as set out in the applicable Pricing Supplement.

<b>Issue and Transfer Taxes:</b>	Any duty arising upon issue of the Notes will be paid by the Issuer. No stamp duty, marketable securities tax, uncertificated securities tax or any similar tax is, as of the date of this Programme Memorandum, payable in respect of the transfer of Notes listed on BESA.
<b>Interest Period(s)/Interest Payment Date(s):</b>	Such period(s) or date(s) as specified in the applicable Pricing Supplement.
<b>Denomination:</b>	Notes will be in such denominations as may be specified in the applicable Pricing Supplement.
<b>Maturities:</b>	The Scheduled Redemption Date in respect of each Tranche of Notes will be as set out in the applicable Pricing Supplement.
<b>Early Redemption:</b>	<p>The Notes may be issued subject to the condition that, upon the occurrence of an Early Redemption Event, the Issuer may, subject to certain conditions, redeem the Notes by payment of money (in an amount equal to the Cash Settlement Amount referred to in the applicable Pricing Supplement) or, if so provided, by the Delivery of Deliverable Obligations (being the Relevant Portion of the Portfolio referred to in the applicable Pricing Supplement) or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the Market Value of the Relevant Portion of the Portfolio may be less than the Principal Amount of the Notes, or zero.</p> <p>Notes may also be issued subject to the condition that they are redeemable in instalments, or that they may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders upon notice to the Issuer (“<b>Optional Early Redemption</b>”), as the case may be, on a date or dates specified in the applicable Pricing Supplement at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.</p> <p>Unless otherwise specified in the applicable Pricing Supplement, the Issuer shall have the right to redeem the Notes following the occurrence of a Tax Redemption Event in accordance with Condition 7.1.</p>
<b>Status:</b>	Unless otherwise specified in the applicable Pricing Supplement, the Notes constitute direct, unconditional and unsecured obligations of the Issuer ranking <i>pari passu</i> amongst themselves and at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer.
<b>Negative Pledge:</b>	For as long as any Note remains outstanding, the Issuer will not grant any mortgage, charge, pledge, lien or other form of encumbrance upon the whole or any part of its present or future assets or revenues to secure any Relevant Debt unless the Notes are secured equally and rateably with such Relevant Debt or the relevant security is approved by a Special Resolution of Noteholders. The term “ <b>Relevant Debt</b> ” means any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock or other debt instruments issued by the Issuer, which are, or are capable of being, listed on any stock market or other financial exchange in the Republic of South Africa. For the avoidance of doubt, Relevant Debt excludes options and warrants in respect of any share or index.
<b>Withholding Tax:</b>	All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in the Republic of South Africa, subject to certain exceptions as provided in Condition 9. In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to such exceptions, pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction.
<b>Governing Law:</b>	South African.
<b>Use of Proceeds:</b>	The Issuer will use the issue proceeds of the Notes for its general corporate purposes.
<b>Listing:</b>	Notes issued under this Programme may be listed on BESA and/or such other exchange or exchanges determined by the Issuer. Unlisted Notes may also be issued pursuant to the Programme. The applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed.

- Central Depository:** The Central Depository Limited, established in terms of the Custody and Administration of Securities Act of 1992, for the immobilisation of securities.
- Clearing and Settlement:** Notes listed on BESA will be cleared and settled in accordance with the rules of BESA. The Universal Exchange Corporation Limited (“**UNEXcor**”), the operator of the UNEXcor electronic clearing system, is appointed by BESA to match, clear and facilitate the settlement of transactions concluded on BESA. As at the date of this Programme Memorandum, the BESA Settlement Agents are The Standard Bank of South Africa Limited, ABSA Bank Limited, FirstRand Bank Limited, Nedcor Bank Limited and the South African Reserve Bank. Euroclear and Clearstream, Luxembourg may hold Notes through their BESA Settlement Agent. Payments in respect of Notes will be made by electronic funds transfer and cheques shall only be issued to Noteholders upon request.
- Selling and Transfer Restrictions:** There are restrictions on the sale of Notes and the distribution of offering materials in certain jurisdictions. See “**Subscription and Sale**” on page 75.
- Rating:** As at the date of this Programme Memorandum, this Programme has not been rated by any rating agency. The Issuer may however at any time obtain a rating by a rating agency of this Programme or any issue of Notes issued pursuant to this Programme.
- Stabilisation:** Stabilisation may be undertaken by the Issuer.



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## **RISK FACTORS**

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An investment in the Notes involves certain risks. Prospective investors should carefully consider the following factors, in addition to matters set forth elsewhere in this Programme Memorandum, before investing in the Notes.

### **LIMITED LIQUIDITY**

There can be no assurance that any secondary market for any of the Notes will develop, or if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or that it will continue for the life of such Notes. It will also not be possible to redeem the Notes prior to their Scheduled Redemption Date except in the limited circumstances referred to in the General Terms and Conditions of the Notes. Consequently, a purchaser of Notes must be prepared to hold the Notes at least until their Scheduled Redemption Date.

### **CREDIT EXPOSURE TO REFERENCE ENTITIES**

The amount payable under the Notes may be dependent in part upon whether or not any Early Redemption Event has occurred. An Early Redemption Event may be related to various credit-related events occurring in respect of one or more persons, entities or governmental or other authorities (each a **“Reference Entity”**) specified in the applicable Pricing Supplement. If an Early Redemption Event occurs in relation to any Notes, the Issuer may, subject to certain conditions, redeem the Notes by payment of money (in an amount equal to the Cash Settlement Amount referred to in the applicable Pricing Supplement) or, if so provided, by the Delivery of Deliverable Obligations (being the Relevant Portion of the Portfolio referred to in the applicable Pricing Supplement) or, if so provided, partly in money and partly in Deliverable Obligations. The Cash Settlement Amount or the Market Value of the Relevant Portion of the Portfolio may be less than the Principal Amount of the Notes or zero. Accordingly, the Noteholders may be exposed to the credit of the Reference Entities to the full extent of their investment in the Notes.

### **RELIANCE ON CREDITWORTHINESS OF THE ISSUER**

The Notes comprise debt obligations of the Issuer and, consequently, Noteholders are relying not only on the creditworthiness of the Reference Entities referred to in the applicable Pricing Supplements but also on the creditworthiness of the Issuer. The Notes will not be secured in any way, unless otherwise specified in the applicable Pricing Supplement.

### **CONFLICT OF INTEREST**

The Issuer is acting in a number of capacities. The Issuer will, unless otherwise specified in the applicable Pricing Supplement, act as Transfer Secretary and as Calculation Agent, and will be responsible for determining whether an Early Redemption Event has occurred, calculating the payments to be made in respect of the Notes and determining the dates of such payments in accordance with the terms and conditions of the Notes. The Issuer may also deal in the Notes.

The Issuer may have business or other relationships with Reference Entities and may (but shall not be obligated to) hold debt obligations (whether or not constituting Reference Obligations) of, or otherwise have credit exposure to, the Reference Entities. Nothing herein shall be deemed to restrict or impose any liability, duty or restriction on the Issuer, any of its affiliates or any of its officers or directors, in respect of dealing with or otherwise extending credit to or advising any Reference Entity or any of its affiliates. Performance of the terms of any Note shall be determined without regard to any credit exposure or actual loss the Issuer or any other person may have incurred with respect to any Reference Entity.

### **NON-TRANSFERABILITY OF DELIVERABLE OBLIGATIONS**

The Issuer may in certain circumstances be precluded from transferring Deliverable Obligations to a Noteholder as a result inter alia of the Exchange Control Regulations, 1961 made pursuant to the Currency and Exchanges Act, 1933 (the **“Exchange Control Regulations”**). For a summary of the Exchange Control Regulations see paragraph 10 on page 77.

### **PHYSICAL SETTLEMENT – OBLIGATIONS OF THE NOTEHOLDER**

If a Note is redeemable in whole or in part by the Delivery of Deliverable Obligations, the Issuer’s obligation to Deliver the Deliverable Obligations to the Noteholder is subject to various conditions, including the delivery by the Noteholder to the Issuer

of an Asset Transfer Notice and the payment to the Issuer of the Delivery Expenses within the prescribed time limit. If the Noteholder fails to so deliver an Asset Transfer Notice or to pay the Delivery Expenses, the Issuer shall be discharged from its obligations under the Note.

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## DEFINITIONS

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In this Programme Memorandum and each Pricing Supplement, the following words and expressions shall, unless inconsistent with the context, have the meanings set out in this section entitled “Definitions”. An index of the Definitions is set out from page 78.

This section is divided into the following parts:

- Part A – General Definitions;
- Part B – General Definitions relating to the occurrence of an Early Redemption Event;
- Part B1 – Definitions relating to Credit Events;
- Part B2 – Definitions relating to Obligations and Deliverable Obligations;
- Part C – Definitions relating to Conditions to Payment;
- Part D – Definitions relating to Cash Settlement;
- Part E – Definitions relating to Physical Settlement.

### Part A – General Definitions

- “Affiliate”** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose “control” of any entity or person means ownership of a majority of the voting power of the entity or person;
- “applicable Pricing Supplement”** means the Pricing Supplement relating to the Notes, it being recorded that the Issuer will complete a Pricing Supplement in respect of each Tranche of Notes issued under this Programme and a copy of the Pricing Supplement will be attached to each Certificate issued in respect of such Notes;
- “Applicable Procedures”** means the rules and operating procedures for the time being of the Central Depository, the BESA Settlement Agents and BESA;
- “BESA”** means the Bond Exchange of South Africa or any exchange which operates as a successor exchange to the Bond Exchange of South Africa;
- “BESA Settlement Agent”** means a Participant approved in terms of the rules of BESA to undertake the settlement of funds and scrip relating to transactions on BESA;
- “BESA Settlement System”** means the BESA settlement system, including UNEXcor, the Central Depository, the BESA Settlement Agents and the Participants;
- “Books Closed Periods”** means, in relation to any Note, the Books Closed Periods specified in the applicable Pricing Supplement, being the periods during which the Register shall be closed and no transfer or any other change shall be recorded in the Register;
- “Business Day”** means any day (other than a Saturday, Sunday or official public holiday in the Republic of South Africa) on which banks generally are open for business in the Republic of South Africa, provided that where the term “Business Day” is used in relation to any Specified place, business centre or currency other than in the Republic of South Africa or in relation to ZAR, the term shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments (i) if a place or business centre, in that place or business centre, or (ii) if a currency, in the principal financial centre of that currency;
- “Business Day Convention”** means the convention for adjusting any date if it would otherwise fall on a day that is not a

Business Day. The following terms, when specified in the applicable Pricing Supplement and used in conjunction with the term “Business Day Convention” and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(a)  
if “Following” is Specified, that date will be the first following day that is a Business Day;

(b)  
if “Modified Following” or “Modified” is Specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(c)  
if “Preceding” is Specified, that date will be the first preceding day that is a Business Day;

<b>“Calculation Agent”</b>	means the Issuer or such other person Specified as such;
<b>“Central Depository”</b>	means The Central Depository Limited, a company registered as a central securities depository in terms of the Custody and Administration of Securities Act, 1992;
<b>“Certificate”</b>	means a certificate issued by the Transfer Secretary to evidence a Noteholder’s title to Notes;
<b>“Class of Noteholders”</b>	means the holders of one or more Series of Notes;
<b>“Clearstream, Luxembourg”</b>	means Clearstream Banking, société anonyme;
<b>“Conditions”</b>	means the General Terms and Conditions of the Notes included from page 37 of this Programme Memorandum as read with these Definitions;
<b>“Currency Amount”</b>	means, whenever an amount is denominated in a currency other than the Currency of Issue and is specified in these Conditions to be determined by reference to a Currency Amount, such amount divided by the Specified Currency Rate;
<b>“Currency of Issue”</b>	means the currency specified as such in the applicable Pricing Supplement;
<b>“Day Count Fraction”</b>	means, in respect of the calculation of an amount of interest on any Note for any period of time whether or not constituting an Interest Period (a <b>“Calculation Period”</b> ):  (a) if “Actual/365”, “Act/365”, “A/365”, “Actual/Actual” or “Act/Act” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);  (b) if “Actual/365 (Fixed)”, “Act/365 (Fixed)”, “A/365 (Fixed)” or “A/365F” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;  (c) if “Actual/360”, “Act/360” or “A/360” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;  (d) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12, 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month,

in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or

(e)

if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the final Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or

(f)

if “Actual/Actual – ISMA” is specified in the applicable Pricing Supplement, (i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year, and (ii) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year, where, for purposes of this sub-paragraph (f):

(aa)

“Determination Date” means the date specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date.

(bb)

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

<b>“Default Rate”</b>	means the rate of interest specified as the default rate in the applicable Pricing Supplement, being the rate of interest that shall be payable by the Issuer on outstanding, unpaid amounts as contemplated in Condition 15.4;
<b>“Definitive Note”</b>	means a Note evidenced by an Individual Certificate;
<b>“Designated Maturity”</b>	means the period of time specified as such in the applicable Pricing Supplement in relation to each relevant Specified Rate of Interest;
<b>“Domestic Currency”</b>	means the currency Specified as such in the applicable Pricing Supplement and any successor currency. If no currency is so Specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign;
<b>“EUR-EURIBOR-Telerate”</b>	means that the rate for an Interest Determination Date will be the rate for deposits in euros for a period of the Designated Maturity which appears on the Telerate Page 248 as of 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date. If such rate does not appear on the Telerate Page 248, the rate for that Interest Determination Date will be determined on the basis of the rates at which deposits in euros are offered by the Reference Banks at approximately 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date to prime banks in the Euro-zone interbank market for a period of the Designated Maturity commencing

on that Interest Determination Date and in a Representative Amount, assuming an Actual/360 day count basis. The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Determination Date will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11:00 a.m., Brussels time, on that Interest Determination Date for loans in euros to leading European banks for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount;

**“EUR-LIBOR-BBA”**

means that the rate for an Interest Determination Date will be the rate for deposits in euros for a period of the Designated Maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date. If such rate does not appear on the Telerate Page 3750, the rate for that Interest Determination Date will be determined on the basis of the rates at which deposits in euros are offered by the Reference Banks at approximately 11:00 a.m., London time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date to prime banks in the London interbank market for a period of the Designated Maturity commencing

on that Interest Determination Date and in a Representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11:00 a.m., London time, on that Interest Determination Date for loans in euros to leading European banks for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount;

**“Euro”, “euro” and “EUR”**

means the lawful currency of the member states of the Euro-zone;

**“Euroclear”**

means Euroclear S.A./N.V., as operator of the Euroclear System;

**“Euro-zone”**

means the region comprising the member states of the European Union that adopt the euro as their lawful currency in accordance with the treaty establishing the European Community, as amended by the treaty on European Union;

**“Fixed Interest Date”**

means the date(s) specified as such in, or determined in accordance with, the applicable Pricing Supplement, being the dates on which interest on Fixed Rate Notes is payable;

**“GBP-LIBOR-BBA”**

means that the rate for an Interest Determination Date will be the rate for deposits in Sterling for a period of the Designated Maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on that Interest Determination Date. If such rate does not appear on the Telerate Page 3750, the rate for that Interest Determination Date will be determined on the basis of the rates at which deposits in Sterling are offered by the Reference Banks at approximately 11:00 a.m., London time, on that Interest Determination Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Determination Date will be the arithmetic mean of the rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11:00 a.m., London time, on that Interest Determination Date for loans in Sterling to leading European banks for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount;

<b>“Global Certificate”</b>	means a Certificate issued in favour of the Central Depository or its nominee;
<b>“Global Note”</b>	means a Note evidenced by a Global Certificate;
<b>“Governmental Authority”</b>	means any <i>de facto</i> or <i>de jure</i> government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of incorporation, registration or organisation of a Reference Entity;
<b>“Individual Certificate”</b>	means a Certificate issued to any person other than the Central Depository or its nominee;
<b>“Interest Determination Date”</b>	means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Determination Date shall, subject to adjustment in accordance with any Specified Business Day Convention, be the first day of such Interest Period;
<b>“Interest Payment Date”</b>	means the date(s) specified as such in, or determined in accordance with, the applicable Pricing Supplement, being the dates on which interest on Floating Rate Notes is payable;
<b>“Interest Period”</b>	means the period(s) specified as such in the applicable Pricing Supplement;
<b>“Interest Termination Date”</b>	means, in respect of any Notes, the Scheduled Redemption Date or such earlier date on which such Notes are to be redeemed in accordance with the Conditions;
<b>“ISDA Definitions”</b>	means, unless otherwise Specified, the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended and supplemented from time to time;
<b>“Issue Date”</b>	means the date specified as such in the applicable Pricing Supplement, this being the date on which the Notes are issued;
<b>“Issue Price”</b>	means the price specified as such in the applicable Pricing Supplement, this being the price at which the Issuer issues the Notes referred to in that Pricing Supplement;
<b>“Issuer”</b>	means The Standard Bank of South Africa Limited, a company established in accordance with the laws of the Republic of South Africa;
<b>“JPY-LIBOR-BBA”</b>	means that the rate for an Interest Determination Date will be the rate for deposits in Yen for a period of the Designated Maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two London Business Days preceding that Interest Determination Date. If such rate does not appear on the Telerate Page 3750, the rate for that Interest Determination Date will be determined on the basis of the rates at which deposits in Yen are offered by the Reference Banks at approximately 11:00 a.m., London time, on the day that is two London Business Days preceding that Interest Determination Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Determination Date will be the arithmetic mean of the rates quoted by major banks in Tokyo, selected by the Calculation Agent, at approximately 11:00 a.m., Tokyo time, on that Interest Determination Date for loans in Yen to leading European banks for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount;
<b>“Last Day to Register”</b>	means the Specified last date immediately preceding a payment date in respect of any Note, on which the Transfer Secretary will record the transfer of Notes in the Register and whereafter the Register is closed for further transfers or entries until such payment date;
<b>“Noteholder” and “holder”</b>	means, in relation to any Notes, the person whose name is entered in the Register as the holder

	of such Notes;
<b>“Notes”</b>	means the Notes issued under the Programme;
<b>“Participant”</b>	means a depository institution accepted by the Central Depository as a participant in terms of section 2(1A) of the Custody and Administration of Securities Act, 1992;
<b>“Prime Rate”</b>	means the prime lending rate charged from time to time by The Standard Bank of South Africa Limited in respect of overdrawn current accounts to its most favoured corporate customers;
<b>“Principal Amount”</b>	means, in relation to any Notes, the total amount payable under the Notes excluding interest and any adjustments on account of any index or formula;
<b>“Programme”</b>	means this Credit-linked Note Programme of the Issuer;
<b>“Reference Banks”</b>	means for purposes of ZAR-JIBAR-SAFEX, four major banks in the Johannesburg interbank market selected by the Calculation Agent and for purposes of any “LIBOR” or “EURIBOR” rate, four major banks in the relevant interbank market selected by the Calculation Agent;
<b>“Reference Entity”</b>	means the Reference Entity referred to in the applicable Pricing Supplement and any Successors;
<b>“Reference Obligation”</b>	means each obligation Specified as such or of a type described in the applicable Pricing Supplement and any Substitute Reference Obligation;
<b>“Reference Price”</b>	means the percentage specified as such in the applicable Pricing Supplement or, if a percentage is not Specified, 100%;
<b>“Register”</b>	means the register of Noteholders kept by or on behalf of the Issuer in terms of Condition 11 below;
<b>“Registered”</b>	means, in relation to any address of, or information relating to, any Noteholder, the address of, or information relating to, the Noteholder appearing in the Register, or in relation to any joint Noteholder, the Noteholder appearing first in the Register;
<b>“Representative Amount”</b>	means an amount that is representative for a single transaction in the relevant market at the relevant time, and shall be determined by the Calculation Agent;
<b>“Scheduled Redemption Date”</b>	means the date specified as such in the applicable Pricing Supplement, being the date upon which the Notes will be redeemable in the absence of any prior redemption on the basis of any Early Redemption Event, Tax Redemption Event, Optional Early Redemption or Event of Default in accordance with Conditions 6, 7 or 15;
<b>“Series” or “Series of Notes”</b>	means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and Issue Prices;
<b>“Settlement Currency”</b>	means the currency specified as such in the applicable Pricing Supplement as the Settlement Currency or if no such currency is Specified, the Specified Currency of Issue;
<b>“Sovereign”</b>	means any state, political sub-division or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof;
<b>“Special Resolution”</b>	means, in relation to all Noteholders or holders of a Series of Notes, a resolution passed at a meeting of such Noteholders duly convened and held in accordance with the provisions of Condition 19 below by a majority consisting of not less than 66.6% of the persons voting thereat upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.6% of the votes given on such poll;



<b>“Specified”</b>	means specified in the applicable Pricing Supplement;
<b>“Sterling”, “GBP” and “STG”</b>	each means the lawful currency of the United Kingdom;
<b>“Substitute Reference Obligation”</b>	means one or more obligations of the Reference Entity that will replace any one or more of the Reference Obligation(s), identified by the Calculation Agent in accordance with the procedures set out in Condition 6.1.4;
<b>“Successor”</b>	means a direct or indirect successor to the Reference Entity that assumes all or substantially all of the obligations of the Reference Entity by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement, as determined by the Calculation Agent;
<b>“Supranational Organisation”</b>	means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign or two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;
<b>“Tax Redemption Date”</b>	means, in respect of any Notes, the date on which the Notes are redeemed pursuant to Condition 7.1;
<b>“Tax Redemption Event”</b>	means an event described in Condition 7.1.1;
<b>“TARGET”</b>	means the Trans-European Automated Real-Time Gross Settlement Express Transfer System;
<b>“Tranche”</b>	means Notes which are identical in all respects (including as to listing);
<b>“Transfer Secretary”</b>	means the Issuer or any person appointed by the Issuer as its transfer secretary in respect of the Notes;
<b>“UNEXcor”</b>	means the Universal Exchange Corporation Limited, the operator of the UNEXcor electronic clearing system, or the successor thereto;
<b>“U.S. Dollars” or “USD”</b>	means the lawful currency for the time being of the United States of America;
<b>“USD-LIBOR-BBA”</b>	means that the rate for an Interest Determination Date will be the rate for deposits in U.S. Dollars for a period of the Designated Maturity which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two London Business Days preceding that Interest Determination Date. If such rate does not appear on the Telerate Page 3750 at that time, the rate for the Interest Determination Date will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the Reference Banks at approximately 11:00 a.m., London time, on the day that is two London Business Days preceding that Interest Determination Date to prime banks in the London interbank market for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Determination Date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on that Interest Determination Date for loans in U.S. Dollars to leading European Banks for a period of the Designated Maturity commencing on that Interest Determination Date and in a Representative Amount;
<b>“Yen” and “JPY”</b>	each means the lawful currency of Japan;

“ZAR”, “South African Rand”, each means the lawful currency of the Republic of South Africa;  
“Rand” and “R”

“ZAR-JIBAR-SAFEX” means that the rate for an Interest Determination Date will be the mid-market rate for deposits in South African Rand for a period of the Designated Maturity which appears on the Reuters Screen SAFEX Page under the caption “YIELD” as of 11:00 a.m., Johannesburg time, on that Interest Determination Date. If such rate does not appear on the Reuters Screen SAFEX Page, the rate for that Interest Determination Date will be determined on the basis of the mid-market deposit rates for South African Rand for a period of the Designated Maturity quoted by the Reference Banks at approximately 11:00 a.m., Johannesburg time, on that Interest Determination Date. The Calculation Agent will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that Interest Determination Date will be determined by the Calculation Agent, using a representative rate.

## **Part B – General Definitions relating to the occurrence of an Early Redemption Event**

“Early Redemption Date” means, in respect of any Notes:

- (a) if any one or more of the Specified Credit Event(s) occurred on or prior to the Scheduled Redemption Date and Grace Period Extension is not specified as applicable in the relevant Pricing Supplement, the date that is the latest to occur of:
  - (i) if Physical Settlement is Specified as the applicable Settlement Method, the Physical Settlement Date; or
  - (ii) if Cash Settlement is Specified as the applicable Settlement Method, the Cash Settlement Date; or
  - (iii) if Partial Cash Settlement as described in Condition 6.4 is or becomes applicable to the relevant Notes, the Latest Permissible Physical Settlement Date;
- (b) if a Potential Failure to Pay occurred on or prior to the Scheduled Redemption Date and Grace Period Extension is Specified as applicable, the date that is the latest to occur of any of (a)(i) to (a)(iii) above or the Grace Period Extension Date, provided that:
  - (i) if no Failure to Pay occurs on or before the Grace Period Extension Date and the Grace Period Extension Date is a date on or prior to the Scheduled Redemption Date, no Early Redemption Date shall occur; and
  - (ii) if no Failure to Pay occurs on or before the Grace Period Extension Date and the Grace Period Extension Date is a date later than the Scheduled Redemption Date, such Grace Period Extension Date shall be deemed to have been the Scheduled Redemption Date;
- (c) a date determined in accordance with (a) and (b) above that may occur before, on or after the Scheduled Redemption Date;

“Early Redemption Event” means the occurrence of any Specified Credit Event on or before the Scheduled Redemption Date, provided that if (i) Grace Period Extension is Specified as applicable, (ii) a Potential

Failure to Pay occurs on or prior to the Scheduled Redemption Date, (iii) the Grace Period Extension Date is a date later than the Scheduled Redemption Date and (iv) a Failure to Pay Credit Event occurs later than the Scheduled Redemption Date, the Early Redemption Event may occur later than the Scheduled Redemption Date, but on or before the Grace Period Extension Date;

**“Eligible Transferee”**

means each of the following:

- (a) (i) any bank or other financial institution; (ii) an insurance or reinsurance company; (iii) a mutual fund, unit trust or similar collective investment vehicle; and (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship);
- (b) an Affiliate of any entity referred to in paragraph (a) above; and
- (c) a Sovereign, Sovereign Agency or Supranational Organisation;

**“Event Determination Date”**

means, if Notice of Publicly Available Information is not applicable, the date on which the Credit Event Notice is effective and, if Notice of Publicly Available Information is applicable, the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are effective;

**“Fully Transferable Obligation”**

means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. For purposes of determining whether a Deliverable Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the Physical Settlement Date for the portion of the Portfolio to be Delivered on such Physical Settlement Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer;

**“Obligation Currency”**

means, with respect to an Obligation, the currency in which the Obligation is denominated;

**“Obligation Exchange”**

means the mandatory transfer (other than in accordance with the terms in effect as of the later of the Issue Date or date of issuance of the relevant Obligation) of any securities, obligations or assets to holders of Obligations in exchange for such Obligations. When so transferred, such securities, obligations or assets will be deemed to be Obligations;

**“Participation”**

means a participation or a sub-participation;

**“Qualifying Participation Seller”**

means any Participation seller that meets the requirements specified in the applicable Pricing Supplement. If no such requirements are specified, there shall be no Qualifying Participation Seller;

**“Sovereign Agency”**

means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

## **Part B1 – Definitions relating to Credit Events**

**“Bankruptcy”**

means with respect to a Reference Entity, such Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); or (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; or (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; or (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is

not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; or (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); or (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; or (g) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (a) to (g) (inclusive) of this definition; or (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

**“Credit Event”** means the occurrence of one or more of the following events, namely, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/ Moratorium or Restructuring, as specified in the applicable Pricing Supplement;

**“Default Requirement”** means the amount specified as such in the applicable Pricing Supplement, or if Default Requirement is not Specified, ZAR25,000,000 or the amount determined by the Calculation Agent as its equivalent in the Obligation Currency as of the date of occurrence of the Credit Event;

**“Failure to Pay”** means, after the expiration of any applicable (or deemed) Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations;

**“Grace Period”** means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred;

(b) if Grace Period Extension is Specified as being applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date and the grace period of the relevant Obligation cannot, by its terms, expire on or prior to the Scheduled Redemption Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Pricing Supplement or, if no period is specified, thirty calendar days; and

(c) if, at the later of the Issue Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is Specified as applicable, such deemed Grace Period shall expire no later than the Scheduled Redemption Date;

**“Grace Period Business Day”** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places, and on the days Specified for that purpose, of the relevant Obligation and if a place or places are not so Specified, in the jurisdiction of the currency of denomination of the relevant Obligation;

- “Grace Period Extension Date”** means, if (a) Grace Period Extension is Specified as applicable and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay;
- “Multiple Holder Obligation”** means an Obligation that (i) at the time the Credit Event Notice is delivered, is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation) at least equal to sixty-six-and-two-thirds is required to consent to the event which would otherwise constitute a Restructuring Credit Event;
- “Obligation Acceleration”** means one or more Obligations have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment in respect of a Reference Entity under one or more Obligations in an aggregate amount of not less than the Default Requirement;
- “Obligation Default”** means one or more Obligations have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations in an aggregate amount of not less than the Default Requirement;
- “Payment Requirement”** means the amount specified as such in the applicable Pricing Supplement or, if Payment Requirement is not so specified, ZAR10,000,000 or its equivalent in the Obligation Currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable;
- “Potential Failure to Pay”** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations;
- “Repudiation/Moratorium”** means a Reference Entity or Governmental Authority (a) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (b) declares or imposes a moratorium, standstill or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement;
- “Restructured Bond or Loan”** means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred;
- “Restructuring”** means that, with respect to one or more Obligations, including as a result of an Obligation Exchange, and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs, is agreed between the Reference Entity or a Governmental Authority and the holder or holders of such Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that is binding upon a Reference Entity, and such event is not provided for under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred:
- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
  - (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
  - (c)

a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

(d) a change in the ranking in priority of payment of any Obligation, causing the subordination of such Obligation;

(e) any change in the currency or composition of any payment of interest or principal, provided that:

(i) none of the following shall constitute a Restructuring, namely, (A) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union; (B) the occurrence of, agreement to or announcement of any of the events described in (a) to (e), above, due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and (C) the occurrence of, agreement to or announcement of any of the events described in (a) to (e) above, in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity; and

(ii) if an Obligation Exchange has occurred, the determination as to whether one of the events described under (a) to (e) above has occurred will be based on a comparison of the terms of the Obligation immediately before such Obligation Exchange and the terms of the resulting Obligation immediately following such Obligation Exchange; and the occurrence of, agreement to, or announcement of, any of the events described in (a) to (e) hereof shall not constitute a Restructuring where the Obligation in respect of any such events is not a Multiple Holder Obligation;

**“Restructuring Date”** means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring;

**“Restructuring Maturity Limitation”** means that, if Physical Settlement and “Restructuring Maturity Limitation Applicable” are specified in the applicable Pricing Supplement and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Portfolio only if it is a Fully Transferable Obligation with a final maturity date not later than the Restructuring Maturity Limitation Date;

**“Restructuring Maturity Limitation Date”** means the date that is the earlier of (i) 30 months following the Restructuring Date and (ii) the latest final maturity date of any Restructured Bond or Loan, provided that, under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Redemption Date or later than 30 months following the Scheduled Redemption Date.

## **Part B2 – Definitions relating to Obligations and Deliverable Obligations**

**“Accelerated or Matured”** means, as a Deliverable Obligation Characteristic, an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Physical Settlement Date will be, due and payable in full in

accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;

**“Assignable Loan”**

means, as a Deliverable Obligation Characteristic, a Loan that is, as of the Physical Settlement Date, capable of being ceded or assigned either to:

(a) any third party; or

(b)

at a minimum, to commercial banks and financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate,

without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Assignable Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

**“Bond”**

means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money obligation;

**“Bond or Loan”**

means any obligation that is either a Bond or a Loan;

**“Borrowed Money”**

means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including without limitation, borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

**“Consent Required Loan”**

means, as a Deliverable Obligation Characteristic, a Loan that is, as of the Physical Settlement Date, capable of being ceded or assigned with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent, and, if specified as applicable to a Deliverable Obligation Category, the Consent Required Loan Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;

**“Deliverable Obligation”**

means (a) any obligation of a Reference Entity (either directly or as provider of a guarantee of payment that is unconditional but for any requirement for the beneficiary to give notice that a payment is due under such guarantee or any similar procedural requirement) described by the Deliverable Obligation Category specified in the applicable Pricing Supplement (but excluding each Excluded Deliverable Obligation, if any) that is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, and is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Condition 6.1.3(a) to 6.1.3(d) or right of set-off by a Reference Entity, (b) each Reference Obligation, unless specified in the applicable Pricing Supplement as an Excluded Deliverable Obligation, and (c) any other obligation of a Reference Entity specified as such in the applicable Pricing Supplement;

**“Deliverable Obligation Category”**

means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined herein, except that, for the purpose of determining Deliverable Obligations, the definition of Reference Obligations Only shall be amended to state that no Deliverable Obligation Characteristics shall be applicable if Reference Obligations Only is selected), as specified in the applicable Pricing Supplement;

**“Deliverable Obligation Characteristics”**

means any one or more of Pari Passu Ranking, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance (each as defined herein, except that, for the purpose of determining Deliverable

Obligation Characteristics, the definition of Listed shall be amended to state that, if “Listed” is Specified as applicable to a Deliverable Obligation Category, the Listed Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds), Assignable Loan, Consent Required Loan, Direct Loan Participation, Indirect Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, as specified in the applicable Pricing Supplement;

- “Deliverable Obligation Value”** means the percentage specified as such in the applicable Pricing Supplement or, if no such percentage is Specified, 100%, this being the value of the Portfolio of Deliverable Obligations expressed as a percentage;
- “Direct Loan Participation”** means, as a Deliverable Obligation Characteristic, a Loan in respect of which the Issuer is capable of creating, or procuring the creation of, in favour of each Noteholder, on the Physical Settlement Date, a contractual right pursuant to a Participation agreement that provides such Noteholder with recourse to the Participation seller for a specified share in any payments due under the relevant Loan which are received by such Participation seller, any such agreement to be entered into between such Noteholder and either (a) the Issuer (to the extent the Issuer is then a lender to a member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate), and, if specified as applicable to the Deliverable Obligation Category, the Direct Loan Participation Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;
- “Due and Payable Amount”** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation as of the Physical Settlement Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);
- “Excluded Deliverable Obligation”** means any obligation identified as such in the applicable Pricing Supplement;
- “Excluded Obligation”** means any obligation of a Reference Entity identified as such in the applicable Pricing Supplement;
- “Indirect Loan Participation”** means, as a Deliverable Obligation Characteristic, a Loan in respect of which the Issuer is capable of creating, or procuring the creation of, in favour of each Noteholder, on the Physical Settlement Date, a contractual right pursuant to a Participation agreement that provides such Noteholder with recourse to the Participation seller for a specified share in any payments due under the relevant Loan which are received by such Participation seller, any such agreement to be entered into between such Noteholder and either (a) the Issuer, or (b) a Qualifying Participation Seller (if any) and, if specified as applicable to a Deliverable Obligation Category, the Indirect Loan Participation Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Loans;
- “Listed”** means, as an Obligation Characteristic or Deliverable Obligation Characteristic, an obligation that is quoted, listed or ordinarily purchased and sold on an exchange and, if specified as applicable to an Obligation Category, the Listed Obligation Characteristic shall be applicable only in respect of obligations within that Obligation Category that are Bonds;
- “Loan”** means, as an Obligation Category or Deliverable Obligation Category, any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money obligation;
- “Maximum Maturity”** means, as a Deliverable Obligation Characteristic, an obligation that has remaining maturity from the Physical Settlement Date of not greater than the period specified in the applicable Pricing Supplement;



<b>“Not Bearer”</b>	means, as a Deliverable Obligation Characteristic, any obligation that is not a bearer instrument unless interests with respect to such bearer obligation are cleared via any internationally recognised clearing system, and, if specified as applicable to a Deliverable Obligation Category, the Not Bearer Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are Bonds;
<b>“Not Contingent”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, any obligation (a) the payment or repayment of principal in respect of which is not in an amount determined by reference to any formula or index, or which is not subject to any contingency, and (b) which bears interest at either a fixed or floating rate that is paid on a periodic basis and computed on a benchmark interest rate plus or minus a spread, if any;
<b>“Not Domestic Currency”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, any obligation that is payable in any currency other than the Domestic Currency;
<b>“Not Domestic Issuance”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity;
<b>“Not Domestic Law”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
<b>“Not Sovereign Lender”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “Paris Club debt”;
<b>“Obligation”</b>	means (a) any obligation of the Reference Entity (whether as principal or surety or otherwise) described by the Obligation Category and having the Obligation Characteristics specified in the applicable Pricing Supplement (but excluding each Excluded Obligation, if any) (b) each Reference Obligation, unless specified in the applicable Pricing Supplement as an Excluded Obligation and (c) any other obligation(s) of the Reference Entity as specified in the applicable Pricing Supplement;
<b>“Obligation Category”</b>	means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Pricing Supplement;
<b>“Obligation Characteristics”</b>	means any one or more of Pari Passu Ranking, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent and Not Domestic Issuance as specified in the applicable Pricing Supplement;
<b>“Pari Passu Ranking”</b>	means, as an Obligation Characteristic or Deliverable Obligation Characteristic, an obligation that ranks at least pari passu with the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the applicable Pricing Supplement, the obligations of the Reference Entity that are neither subordinated by their terms (or otherwise) nor secured;
<b>“Payment”</b>	means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
<b>“Portfolio”</b>	means, in relation to any Series of Notes, Deliverable Obligations with (a) in the case of Deliverable Obligations that are Borrowed Money obligations, an outstanding principal balance (including accrued but unpaid interest (as determined by the Calculation Agent) if “Include Accrued Interest” is Specified, but excluding accrued but unpaid interest if “Exclude Accrued Interest” is Specified, and if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is Specified, excluding accrued but unpaid interest) or (b) in the

case of Deliverable Obligations that are not Borrowed Money obligations, a Due and Payable Amount (or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount equal to the product of the aggregate Principal Amount of such Series of Notes and the Deliverable Obligation Value expressed as a fraction;

**“Reference Obligations Only”** means, as an Obligation Category or Deliverable Obligation Category, any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

**“Specified Currency”** means, as an Obligation Characteristic or Deliverable Obligation Characteristic, an obligation that is payable in the Specified currency or currencies (or, if Specified Currency is selected in the applicable Pricing Supplement and no currency is Specified, any of the lawful currencies of the Republic of South Africa, Canada, Federal Republic of Germany, Japan, Republic of France, Republic of Italy, United Kingdom and the United States of America and the euro (and any successor currency to any such currency), which currencies may be referred to collectively in the applicable Pricing Supplement);

**“Transferable”** means, as a Deliverable Obligation Characteristic, an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction (provided that none of the following shall be considered contractual, statutory or regulatory restrictions):

(a)

contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);

(b)

restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds,

and, if specified as applicable to a Deliverable Obligation Category, the Transferable Deliverable Obligation Characteristic shall be applicable only in respect of obligations within that Deliverable Obligation Category that are not Loans.

## **Part C – Definitions relating to Conditions to Payment**

**“Conditions to Payment”** means, in relation to any Notes in respect of which a Credit Event has occurred, the delivery by the Issuer to the relevant Noteholders during the Notice Delivery Period of:

(a) a Credit Event Notice;

(b)

if Specified as applicable in the applicable Pricing Supplement, a Notice of Publicly Available Information; and

(c) if Physical Settlement applies, a Notice of Intended Physical Settlement;

**“Credit Event Notice”** means an irrevocable notice from the Issuer to the Noteholder that describes a Credit Event that occurred on or after the Issue Date and on or before the later of (a) the Scheduled Redemption Date, and (b) the Grace Period Extension Date if (i) Grace Period Extension is Specified as applicable, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurred after the Scheduled Redemption Date; and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurred on or prior to the Scheduled Redemption Date; provided that no such notice shall be effective unless it contains a description of the facts relevant to the determination that the Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date that the Credit Event Notice is effective. A Credit Event Notice shall be subject to the

requirements regarding notices set forth in Condition 17;

**“Notice Delivery Period”**

means the period from and including the Issue Date to and including the date that is fourteen calendar days after (a) the Scheduled Redemption Date or (b) the Grace Period Extension Date if (i) Grace Period Extension is Specified, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Redemption Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Redemption Date;

**“Notice of Intended Physical Settlement”**

shall have the meaning specified in Condition 6.3.1;

**“Notice of Publicly Available Information”**

means an irrevocable notice from the Issuer to the Noteholder that cites Publicly Available Information confirming the occurrence of the Credit Event described in the Credit Event Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices set forth in Condition 17. If a Credit Event Notice cites Publicly Available Information, such Credit Event Notice will also be deemed to be a Notice of Publicly Available Information;

**“Publicly Available Information”**

means information that reasonably confirms any of the facts relevant to the determination that the Credit Event described in a Credit Event Notice has occurred and which (a) has been published in not less than the Specified Number of published or electronically displayed news sources (it being understood that each Public Source shall be deemed to be a published or electronically displayed news source), regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any Affiliate or agent of the Issuer is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or any Affiliate or agent of the Issuer is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (b) is information received from (i) the Reference Entity or (ii) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; (c) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or (d) is information contained in any order, decree or notice, however described, of a court, tribunal, regulatory authority or similar administrative or judicial body, provided that:

(a)

in relation to any such information, each Noteholder may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the Calculation Agent has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties; and

(b)

Publicly Available Information need not state that such occurrence (i) has met the Payment Requirement or Default Requirement, (ii) is the result of exceeding any applicable Grace Period, or (iii) has met the subjective criteria specified in certain Credit Events;

**“Public Source”**

means:

(a)

If “Standard International Public Sources” is Specified as applicable, then each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun and Financial Times (and successor publications); and

(b)

If “Standard South African Public Sources” is Specified as applicable, then each of any

Reuters screen, any Telerate screen, Business Day, The Star, Die Beeld, Financial Mail, Finansies en Tegniek, The Economist; and

(c)

each additional or other source of Publicly Available Information specified as such in the applicable Pricing Supplement;

**“Specified Number”** means the number of Public Sources specified in the applicable Pricing Supplement (or, if a number is not so specified, two).

## **Part D – Definitions relating to Cash Settlement**

**“Cash Settlement Amount”** of any Note means an amount determined in accordance with Condition 6.2;

**“Cash Settlement Date”** means (a) if the Cash Settlement Amount is not specified in the applicable Pricing Supplement, the date that is the Specified number of Business Days (or, if a number of Business Days is not so Specified, three Business Days) following the calculation of the Final Price or (b) if the Cash Settlement Amount is Specified, the date that is the Specified number of Business Days (or, if a number of Business Days is not so Specified, three Business Days) following the satisfaction of all Conditions to Payment;

**“Dealer”** means a dealer (other than the Issuer or any Affiliate of the Issuer) in obligations of the type of Obligation(s) for which Quotations are to be obtained and/or selected by the Calculation Agent;

**“Final Price”** means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Specified Valuation Method;

**“Full Quotation”** means a firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation, with an outstanding principal balance or a Due and Payable Amount equal to or greater than the Quotation Amount;

**“Indicative Quotation”** means, in accordance with the Quotation Method, each quotation obtained from a Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the relevant Obligation equal to the Quotation Amount, which reflects such Dealer’s reasonable assessment of the price of such Obligation based on such factors as the Dealer may consider relevant, which may include historical prices and recovery rates;

**“Market Value”** means, with respect to an Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to subparagraph (b) of the definition “Quotation”, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation is obtained; and (f) if the Quotations are deemed to be zero, the Market Value shall be zero;

**“Minimum Quotation Amount”** means the amount specified as such in the applicable Pricing Supplement (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1

million (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount;

**“Quotation”**

means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a)

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from at least five Dealers. If at least two such Full Quotations are not available on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers and, if at least two Full Quotations are not available, a Weighted Average Quotation;

(b)

If the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be zero;

(c)

(i) If “Include Accrued Interest” is Specified in respect of Quotations, such Quotations shall include accrued but unpaid interest, (ii) if “Exclude Accrued Interest” is Specified in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is Specified in respect of Quotations, the Calculation Agent shall, based on then current market practice in the market of the Reference Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with the aforementioned provisions of this definition;

**“Quotation Amount”**

means the amount specified as such in the applicable Pricing Supplement (or, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained) or if no such amount is specified, a Representative Amount;

**“Quotation Method”**

means the Quotation Method specified in the applicable Pricing Supplement by reference to one of the following terms:

(a)

“Bid” means that only the bid quotations provided by Dealers shall be used in obtaining Quotations;

(b)

“Offer” means that only the offer quotations provided by Dealers shall be used in obtaining Quotations; or

(c)

“Mid-market” means that only the arithmetic mean of the bid and offer quotations provided by Dealers that have provided both bid and offer quotations shall be used in obtaining Quotations,

provided that if a Quotation Method is not specified in the applicable Pricing Supplement, Bid shall apply;

**“Valuation Date”**

means (a) if “Single Valuation Date” is specified in the applicable Pricing Supplement, the date that is the Specified number of Business Days after satisfaction of all Conditions to Payment or, if the number of Business Days is not Specified, five Business Days, and (b) if “Multiple Valuation Dates” is Specified, each of the following dates:

(i)

the date that is the Specified number of Business Days after satisfaction of all Conditions to

Payment (or, if the number of Business Days is not so Specified, five Business Days); and

(ii)

each successive date that is the Specified number of Business Days (or, if the number of Business Days is not so Specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is Specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates Specified (or, if the number of Valuation Dates is not so Specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is Specified, Single Valuation Date shall apply;

**“Valuation Method”**

means

(a)

the Valuation Method specified in the applicable Pricing Supplement for Notes with only one Reference Obligation and only one Valuation Date:

(i)

“Market” means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

(ii)

“Highest” means the highest Quotation obtained by the Calculation Agent (or in accordance with sub-section (b) of the definition of “Quotation”) with respect to the Valuation Date.

If no such Valuation Method is Specified, the Valuation Method shall be Highest;

(b)

the Valuation Method specified in the applicable Pricing Supplement for Notes with only one Reference Obligation and more than one Valuation Date:

(i)

“Average Market” means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(ii)

“Highest” means the highest Quotation obtained by the Calculation Agent (or in accordance with sub-section (b) of the definition of “Quotation”) with respect to each Valuation Date;

(iii)

“Average Highest” means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with sub-section (b) of the definition of “Quotation”) with respect to each Valuation Date.

If no such Valuation Method is Specified, the Valuation Method shall be Average Highest;

(c)

the Valuation Method specified in the applicable Pricing Supplement for Notes with more than one Reference Obligation and only one Valuation Date:

(i)

“Blended Market” means the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

(ii)

“Blended Highest” means the unweighted arithmetic mean of the highest

Quotations obtained by the Calculation Agent (or in accordance with sub-section (b) of the definition of “Quotation”) for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is Specified, the Valuation Method shall be Blended Highest;

(d) the Valuation Method specified in the applicable Pricing Supplement for Notes with more than one Reference Obligation and more than one Valuation Date:

(i) “Average Blended Market” means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

(ii) “Average Blended Highest” means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is Specified, the Valuation Method shall be Average Blended Highest.

(e) Notwithstanding (a) through (d) above, if Quotations include Weighted Average Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be;

**“Valuation Time”** has the meaning assigned to it in the applicable Pricing Supplement, or if no such time is Specified, 11:00 a.m. in the city where the principal place of business of the Calculation Agent is situated;

**“Weighted Average Quotation”** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are equal to or greater than the Quotation Amount.

## **Part E – Definitions relating to Physical Settlement**

**“Asset Transfer Notice”** means the notice that complies with Condition 6.3.5 delivered by a Noteholder to the Issuer, in connection with the early redemption of any Note by way of Physical Settlement;

**“Currency Rate”** means the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Currency of Issue by reference to the spot rate of exchange (determined by the Calculation Agent) on the date that the Notice of Intended Physical Settlement is effective, or in such other commercially reasonable manner as the Calculation Agent shall determine;

**“Cut-Off Date”** shall have the meaning specified in Condition 6.3.4;

**“Deliver”, “Delivered”**  
and **“Delivery”** are defined in Condition 6.3.3;

<b>“Delivery Expenses”</b>	shall have the meaning specified in Condition 6.3.10;
<b>“Designated Transferee”</b>	means the person specified in an Asset Transfer Notice, to whom Delivery of the Relevant Portion of the Portfolio is to be made, which person may be the Noteholder or any other person;
<b>“Latest Permissible Physical Settlement Date”</b>	means the date that, in respect of Condition 6.4.1(a), is 30 calendar days after the Physical Settlement Date and, in respect of Conditions 6.4.1(b), 6.4.1(c) and 6.4.1(d), the date that is 15 Business Days after the Physical Settlement Date;
<b>“Partial Cash Settlement Terms”</b>	means the provisions set out in Condition 6.4;
<b>“Physical Settlement Date”</b>	means the date that is the number of Business Days specified in the applicable Pricing Supplement following the satisfaction of all applicable Conditions to Payment or, if a number of Business Days is not so Specified, the longest of the number of Business Days for settlement in accordance with then current market practice of any Deliverable Obligation being Delivered in the Portfolio, as determined by the Calculation Agent, provided that, if no Notice of Intended Physical Settlement is delivered by the Issuer, the Physical Settlement Date shall be the date that is 30 calendar days (inclusive) after the Event Determination Date;
<b>“Relevant Portion”</b>	means the proportion which the Principal Amount of the Note or Notes being the subject of an Asset Transfer Notice bears to the aggregate Principal Amount of all Notes which (a) form part of the same Series, and (b) are outstanding (including those that are the subject of the Asset Transfer Notice) immediately prior to the date set for redemption of such Series.



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## PRO FORMA PRICING SUPPLEMENT

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

### THE STANDARD BANK OF SOUTH AFRICA LIMITED

*(Incorporated with limited liability in South Africa under registration number 1962/000738/06)*

**(“the Issuer”)**

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]**

**Under its ZAR10,000,000,000 Credit-linked Note Programme**

The Notes described in this Pricing Supplement are subject to the terms and conditions set out in this Pricing Supplement and the General Terms and Conditions of the Notes set out in the Programme Memorandum dated [...] relating to the Issuer’s Credit-linked Note Programme (the “Programme Memorandum”). Unless inconsistent with the context, terms used but not defined in this Pricing Supplement shall have the meanings assigned to them in the Programme Memorandum. This Pricing Supplement must be read in conjunction with the Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

### DESCRIPTION OF THE NOTES

1. Issuer: [.....]
2. Series Number: [.....]
3. Tranche Number: [.....]
4. Aggregate Principal Amount of this Tranche: [.....]
5. Interest/Payment Basis:  
[Fixed Rate Notes/Floating Rate Notes/Zero Coupon Notes/Indexed Interest Notes/Indexed Redemption Amount Notes/Partly-Paid Notes/Instalment Notes/other]
6. Automatic/Optional Conversion from one Interest/Payment Basis to another: [insert details including date for conversion]
7. Issue Date: [.....]
8. Denomination: [.....]
9. Issue Price/Yield: [.....]
10. Interest Commencement Date: [.....]
11. Scheduled Redemption Date: [.....]
12. Scheduled Redemption Amount: [amount/formula]
13. Currency of Issue: [.....]
14. Calculation Agent: [.....]
15. Transfer Secretary: [.....]
16. Business Day: [.....]

17. Business Day Convention: [.....]
18. Day Count Fraction: [.....]
19. Determination Date: [Specify if Actual/Actual – ISMA is Specified as the Day Count Fraction]
20. Books Closed Period(s): [.....]
21. Last Day to Register: [.....]
22. Payment Day (if different from Condition 8): [.....]
23. Default Rate: [.....]

#### **INSTALMENT NOTES**

24. Instalment Dates: [.....]
25. Instalment Amounts (expressed as a percentage of the Principal Amount of the Notes): [.....]

#### **PARTLY PAID NOTES**

26. Amount of each payment comprising the Issue Price [.....]
27. Date upon which each payment is to be made [.....]
28. Consequences of failure to make any payment [.....]

#### **FIXED RATE NOTES**

29. Rate(s) of Interest: [.....] per cent. [per annum]
30. Interest Period(s): [.....] [provided that the first Interest Period shall commence on the Interest Commencement Date and the final Interest Period shall end on the Interest Termination Date]
31. Fixed Interest Date(s): [In respect of any Interest Period, the last day of the Interest Period as modified in accordance with the Business Day Convention Specified in paragraph 17 of this Pricing Supplement]
32. Initial Stub Amount (if any): [.....]
33. Full Interest Period Amount: [.....]
34. Final Stub Amount (if any): [.....]
35. Any other terms relating to the particular method of calculating interest (if any): [.....]

#### **FLOATING RATE NOTES**

36. Rate of Interest and manner in which the Rate of Interest is to be determined: [ISDA Determination/Screen Rate Determination/other (insert details)]

37. Margin: [(+/-) ( ) per cent. [per annum] to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
38. If ISDA Determination:
39. Floating Rate Option: [.....]
40. Designated Maturity: [.....]
41. Reset Date(s): [.....]
42. If Screen Rate Determination:
43. Reference Rate (including relevant screen page and reference code): [.....]
44. Interest Determination Date(s): [.....]
45. Designated Maturity: [.....]
46. If the Rate of Interest to be calculated otherwise than by reference to paragraph 38 or 42 of this Pricing Supplement, insert basis for determining the Rate of Interest/Margin/Fall back provisions: [.....]
47. If different from the Calculation Agent, agent responsible for calculating amount of principal and interest: [.....]
48. Interest Payment Date(s): [.....]
49. Interest Period(s): [.....] [provided that the first Interest Period shall commence on the Interest Commencement Date and the final Interest Period shall end on the Interest Termination Date]
50. Minimum Rate of Interest (if any): [.....] per cent. [per annum]
51. Maximum Rate of Interest (if any): [.....] per cent. [per annum]
52. ISDA Definitions: [specify any definitions applicable other than the 2000 ISDA Definitions]
53. Other terms relating to the method of calculating interest (e.g. rounding up provision, if different from that in the Conditions) (if any): [.....]

#### **ZERO COUPON NOTES**

54. Accrual Yield: [.....]
55. Reference Price: [.....]
56. Any other formula or basis for determining amount(s) payable (if applicable): [.....]

#### **INDEXED NOTES**

57. Type of Indexed Notes: [Indexed Interest Notes/Indexed Redemption Amount Notes]

58. Index/Formula: [.....]
59. Provisions where calculation by reference to Index and/or Formula is impossible or impracticable: [.....]
60. Other provisions relating to Indexed Notes: [.....]

## REDEMPTION

61. Redemption at Maturity: [Scheduled Redemption Amount/other]

62. Redemption following the occurrence of an Early Redemption Event: [applicable/not applicable]

Reference Entity: [.....]

Reference Obligation(s): [.....]

[The obligation[s] identified as follows:

Primary Obligor: [.....]

Guarantor: [.....]

Maturity: [.....]

Coupon: [.....]

CUSIP/ISIN: [.....]

Original Issue Amount: [.....]

Reference Price: [.....] per cent. [per annum]

Conditions to Payment: Credit Event Notice: [applicable/not applicable]

If Physical Settlement is Specified, Notice of Intended Physical Settlement: [applicable/not applicable]

Notice of Publicly Available Information [applicable/not applicable], and if applicable:

Public Sources of Publicly Available Information [applicable/not applicable]:

1. Standard International Public Sources: [applicable/not applicable]

2. Standard South African Public Sources: [applicable/not applicable]

3. Other (specify): [applicable/not applicable]

Specified Number of Public Sources [.....]

Credit Events: The following Credit Event[s] shall apply:

Bankruptcy

Failure to Pay

Grace Period Extension: [applicable/not applicable]

Grace Period: [.....]

Payment Requirement: [.....]

Obligation Default

Obligation Acceleration

Repudiation/Moratorium

Restructuring

Default Requirement: [.....]

Obligation(s): Obligation Category Obligation Characteristics  
(Select only one): (Select all that apply):

	<input type="checkbox"/> Payment	<input type="checkbox"/> Pari Passu Ranking
	<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency [.....]
	<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
	<input type="checkbox"/> Bond	<input type="checkbox"/>
Not Domestic Currency	<input type="checkbox"/> Loan	<input type="checkbox"/> [Domestic Currency means [.....]]
	<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Not Domestic Law
		<input type="checkbox"/> Listed
		<input type="checkbox"/> Not Contingent
		<input type="checkbox"/> Not Domestic Issuance
	[and]	
	[Specify any other Obligations of a Reference Entity]	
Excluded Obligations:	[.....]	
Settlement Method:	[Cash Settlement] [Physical Settlement]	
Terms Relating to Cash Settlement:		
Final Price (if different from the definition in the Programme Memorandum):	[.....]	
Valuation Date:	Single Valuation Date:	
	[.....] Business Days	
	Multiple Valuation Dates:	
	[.....] Business Days; and	
	each [.....] Business Days thereafter	
	Number of Valuation Dates: [.....]	
Valuation Time:	[.....]	
Quotation Method:	[Bid] [Offer] [Mid-market]	
Quotation Amount:	[.....] [ Representative Amount]	
Minimum Quotation Amount:	[.....]	
Indicative Quotation:	[applicable/not applicable]	
Dealer(s):	[.....]	
Settlement Currency:	[.....]	
Cash Settlement Date:	[.....] Business Days	
Cash Settlement Amount:	[.....]	
Quotations:	[Include Accrued Interest]	
Valuation Method:	[Market] [Highest]	
	[Average Market] [Highest] [Average Highest]	
	[Blended Market] [Blended Highest]	
	[Average Blended Market] [Average Blended Highest]	
Terms Relating to Physical Settlement:		
Physical Settlement Date:	[.....] Business Days	
Portfolio:	[Include Accrued Interest] [Exclude Accrued Interest]	

Deliverable Obligation(s):	Deliverable Obligation Category (Select only one):	Deliverable Obligation Characteristics (Select all that apply):
	<input type="checkbox"/> Payment	<input type="checkbox"/> Pari Passu Ranking
	<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency [.....]
	<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
	<input type="checkbox"/> Bond	<input type="checkbox"/>
Not Domestic Currency	<input type="checkbox"/> Loan	[Domestic Currency means [.....]]
	<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Not Domestic Law
		<input type="checkbox"/> Listed
		<input type="checkbox"/> Not Contingent
		<input type="checkbox"/> Not Domestic Issuance
		<input type="checkbox"/> Assignable Loan
		<input type="checkbox"/> Consent Required Loan
		<input type="checkbox"/> Direct Loan Participation
		<input type="checkbox"/>
Indirect Loan Participation Qualifying Participation Seller: [.....]		<input type="checkbox"/> Transferable
		<input type="checkbox"/> Maximum Maturity [.....]
		<input type="checkbox"/> Accelerated or Matured
		<input type="checkbox"/> Not Bearer

and

[Specify any other Deliverable Obligations of a Reference Entity]

Deliverable Obligation Value: [.....] per cent. [per annum]

Excluded Deliverable Obligations: [.....]

Restructuring Maturity Limitation: [applicable/not applicable]

Partial Cash Settlement of Loans: [applicable/not applicable]

Partial Cash Settlement of Assignable Loans: [applicable/not applicable]

Partial Cash Settlement of Participations: [applicable/not applicable]

Other terms relating to Physical Settlement (if any): [.....]

63. Optional Early Redemption by the Issuer and, if applicable: [applicable/not applicable]

Optional Early Redemption Date(s): [.....]

Optional Early Redemption Amount(s) and method, if any, of calculation of such amount(s): [.....]

If redeemable in part:

Minimum Optional Early Redemption Amount(s): [.....]

Higher Optional Early Redemption Amount(s): [.....]

Other terms applicable on redemption: [.....]

64. Optional Early Redemption by the Noteholders and, if applicable: [applicable/not applicable]

Optional Early Redemption Date(s): [.....]

Optional Early Redemption Amount(s) [.....]  
and method, if any, of calculation of  
such amount(s):

If redeemable in part:

Minimum Optional Early  
Redemption Amount(s): [.....]

Higher Optional Early  
Redemption Amount(s):

Other terms applicable on redemption: [.....]

65. Tax Redemption Amount: [.....]

66. Default Redemption Amount: [.....]

67. Early Redemption of Instalment Notes  
in terms of Condition 7.5: [.....]

68. Early Redemption of Partly-Paid Notes  
in terms of Condition 7.6: [.....]

#### **GENERAL**

69. Additional selling restrictions (if any): [.....]

70. Financial Exchange: [.....]

71. ISIN: [.....]

72. Stock Code: [.....]

73. If syndicated, names of Managers: [.....]

74. Credit Rating assigned to Notes (if any): [.....]

75. Use of proceeds, if different from that  
set out in the Programme Memorandum: [.....]

76. Form of Notes: [Registered][Bearer]

77. Status of Notes: [Senior][Subordinated][Secured]

78. Other provisions: [.....]

[The Notes are issued subject to the further condition that any person (an “Investor”) wishing to dispose of any Notes or interest therein, shall inform the prospective purchaser of such Notes that the Notes are issued subject to the terms and conditions of this Pricing Supplement and the General Terms and Conditions of the Notes as set out in the Programme Memorandum. The Investor will also inform the prospective purchaser that the performance of the Notes is linked to the performance of the underlying third party entity and/or obligation stipulated in this Pricing Supplement and accordingly, since that prospective purchaser will assume credit exposure to both the Issuer and such entity and/or obligation, the Notes are only suitable for purchase by financially sophisticated investors after conducting all relevant independent investigations and that the risks pertaining to credit-linked notes generally are more fully set out in the Programme Memorandum. The Investor undertakes to provide the prospective purchaser with a copy of this Pricing Supplement and the Programme Memorandum and to inform such purchaser that further information and copies of this Pricing Supplement and the Programme Memorandum are available from the Issuer.]

[Application is hereby made to list this issue of Notes on [.....] as from [.....]]

Signed at

on

For and on behalf of **THE STANDARD BANK OF SOUTH AFRICA LIMITED**

represented by

---

who warrants his/her authority hereto



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## GENERAL TERMS AND CONDITIONS OF THE NOTES

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The Standard Bank of South Africa Limited (the “**Issuer**”) may from time to time issue Notes (“**Notes**”) subject to these Conditions.

Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign a pricing supplement, based on the pro forma Pricing Supplement included in the Programme Memorandum, setting out details of such Notes (a “**Pricing Supplement**”). The Pricing Supplement in respect of Notes to be listed on the Bond Exchange of South Africa (“**BESA**”) will be delivered to BESA before the Notes are issued. A copy of the Pricing Supplement will be attached to each Certificate issued in respect of the Notes.

A Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Partly-Paid Note or an Instalment Note or a combination of any of the foregoing or such other types of Note as indicated in the applicable Pricing Supplement.

If there is any conflict or inconsistency between provisions set out in the Pricing Supplement and the provisions set out in these Conditions, then the provisions in the Pricing Supplement will prevail.

In relation to each Note, terms used in these Conditions and the applicable Pricing Supplement shall, unless otherwise Specified, have the meanings assigned to them in the definitions from page 9 of this Programme Memorandum and the applicable Pricing Supplement. If any provision in any definition is a substantive provision, conferring rights or imposing obligations, then notwithstanding that such provision is only contained in a definition, effect shall be given thereto.

### 1. FORM AND DENOMINATION AND TITLE

#### 1.1

Unless otherwise specified in the applicable Pricing Supplement, the Notes may be issued in registered form only in the Denomination(s) specified in the applicable Pricing Supplement.

#### 1.2

Each Tranche of Notes listed on BESA will initially be evidenced by a single Global Certificate which shall be deposited with the Central Depository before the date of issue of the Notes. The Central Depository or its nominee shall be reflected in the Register as the holder of the Notes evidenced by each Global Certificate. Beneficial interests in a Global Note may be held through the Participants. Such interests may be transferred as stated in Condition 12.1 below. Such transfers will not be recorded in the Register and, notwithstanding any such transfer, the Central Depository or its nominee will continue to be reflected in the Register as the Noteholder. Beneficial interests in a Global Note will not be exchangeable for Individual Certificates except in the circumstances set out in Condition 10.2.

1.3 Unlisted Notes will be evidenced by Individual Certificates.

#### 1.4

The Certificates will be in substantially the form of the pro forma Certificate on page 56 of this Programme Memorandum or in such other form as determined by the Issuer.

#### 1.5

The Issuer may assume for all purposes that the person reflected in the Register as the holder of any Notes is the true owner of those Notes.

### 2. STATUS OF THE NOTES

Unless otherwise specified in the applicable Pricing Supplement, the Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

### 3. NEGATIVE PLEDGE

For as long as any Note remains outstanding, the Issuer will not grant any mortgage, charge, pledge, lien or other form of encumbrance upon the whole or any part of its present or future assets or revenues to secure any Relevant Debt unless the Notes are secured equally and rateably with such Relevant Debt or the relevant security is approved by a Special Resolution of Noteholders. For the purposes of this Condition 3 “**Relevant Debt**” means any present or future indebtedness of the Issuer in the form of, or represented by, bonds, notes, debentures, loan stock or other debt instruments issued by the Issuer, which are, or are capable of being listed on any stock market or other financial exchange in the Republic of South Africa. For the avoidance of doubt, Relevant Debt excludes options and warrants in respect of any share or index.

#### 4. **INTEREST**

##### 4.1 **Fixed Rate Notes**

###### 4.1.1

Each Fixed Rate Note bears interest on its Principal Amount from (and including) the Interest Commencement Date, to (but excluding) the Interest Termination Date, at the Rate(s) of Interest specified in the applicable Pricing Supplement, provided that:

(a)

If an Initial Stub Amount is Specified, the amount of interest for the first Interest Period shall be the Initial Stub Amount, unless the Interest Termination Date occurs before the end of the first Interest Period;

(b)

For each Interest Period other than the first and the final Interest Periods (in respect of which an Initial Stub Amount and a Final Stub Amount have been Specified), the amount of interest shall be the Full Interest Period Amount;

(c)

If a Final Stub Amount is Specified and the final Interest Period ends on the Scheduled Redemption Date, the amount of interest for the final Interest Period shall be the Final Stub Amount unless the Interest Termination Date occurs before the end of the final Interest Period; and

(d)

If the Interest Termination Date occurs before the end of an Interest Period, the amount of interest for such Interest Period shall be calculated on the basis of the Day Count Fraction specified in the applicable Pricing Supplement.

###### 4.1.2

The interest in respect of each Interest Period shall be payable on the Fixed Interest Date relating to that Interest Period.

##### 4.2 **Floating Rate Notes**

###### 4.2.1 *General*

Floating Rate Notes will bear interest (i) on the same basis as the floating rate leg under a notional interest rate swap transaction in ZAR governed by an agreement incorporating the ISDA Definitions or (ii) calculated with reference to a reference rate appearing on the agreed screen page of a commercial quotation service or, (iii) on such other basis as may be specified in the applicable Pricing Supplement.

###### 4.2.2 *Rate of Interest and Interest Payment Dates*

Each Floating Rate Note bears interest on its Principal Amount from (and including) the Interest Commencement Date to (but excluding) the Interest Termination Date at the rate equal to the Rate of Interest. Unless otherwise specified in the applicable Pricing Supplement, the interest in respect of each Interest Period shall be payable in arrear on the Interest Payment Date(s) specified in the applicable Pricing Supplement.

###### 4.2.3 *ISDA Determination*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this Condition 4.2.3, “ISDA Rate” for an Interest Period means a rate equal to the floating rate that would be determined by such agent as is specified in the applicable Pricing Supplement

under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the applicable Pricing Supplement; and
- (c)

the relevant Reset Date is either: (i) if the applicable Floating Rate Option is based on the mid-market rate for deposits in South African Rand which appears on the Reuters Screen SAFEY page as at 11:00 a.m. Johannesburg time, on the first day of that Interest Period; or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this Condition 4.2.3 “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

#### 4.2.4 *Screen Rate Determination*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant such rate as so Specified.

#### 4.2.5 *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such Minimum Rate of Interest and/or if it specifies a Maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such Maximum Rate of Interest.

#### 4.2.6 *Determination of Rate of Interest and Calculation of Interest Amount*

The Calculation Agent, in the case of Floating Rate Notes will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest payable in respect of each Note (each an “**Interest Amount**”) for the relevant Interest Period. If the Calculation Agent and the Issuer are separate persons or entities, the Calculation Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Principal Amount of the Note, multiplying such amount by the applicable Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded downwards.

#### 4.2.7 *Notification of Rate of Interest and Interest Amount*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Noteholders in accordance with Condition 17, as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. The Noteholders will promptly be notified of any such amendment in accordance with Condition 17.

### 4.3 **Indexed Notes**

Indexed Notes will consist of Indexed Interest Notes and Indexed Redemption Amount Notes. Any interest payable on Indexed Notes shall be as specified in the applicable Pricing Supplement.

### 4.4 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from its Interest Termination Date unless payment of principal is improperly withheld or refused. In such event, Condition 15.4 shall apply.

#### 4.5 Business Day Convention

If any Interest Payment Date (or other date) would otherwise fall on a day which is not a Business Day, then, if a Business Day Convention is specified in relation to such Interest Payment Date (or other date) in the applicable Pricing Supplement, such Interest Payment Date (or other date) shall be adjusted according to such Business Day Convention.

### 5. REDEMPTION AT MATURITY

#### 5.1

Each Note will be redeemed on its Scheduled Redemption Date at the relevant Scheduled Redemption Amount specified in the applicable Pricing Supplement unless:

##### 5.1.1

the Note has been redeemed or is redeemable on the basis of any Early Redemption Event, Tax Redemption Event or Optional Early Redemption on or before the Scheduled Redemption Date; or

##### 5.1.2

Grace Period Extension is Specified as applicable and a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date.

#### 5.2

If (i) an Early Redemption Event has occurred on or before the Scheduled Redemption Date, (ii) the Notice Delivery Period has not expired on or before the Scheduled Redemption Date, and (iii) the Conditions to Payment have not been fulfilled during the Notice Delivery Period, then the Note will be redeemed at its Scheduled Redemption Amount on the first Business Day after expiry of the Notice Delivery Period unless an event as referred to in Condition 5.1.2 above has occurred.

#### 5.3

If an event referred to in Condition 5.1.2 above has occurred, the Note will be redeemed on the first Business Day after expiry of the Notice Delivery Period at its Scheduled Redemption Amount unless, on or before the Grace Period Extension Date there occurs an Early Redemption Event which is a Failure to Pay and the Conditions to Payment are fulfilled during the Notice Delivery Period.

### 6. REDEMPTION FOLLOWING THE OCCURRENCE OF AN EARLY REDEMPTION EVENT

#### 6.1 General

##### 6.1.1

If an Early Redemption Event occurs and the Conditions to Payment are satisfied, the Issuer's obligation to redeem the Note at the Scheduled Redemption Amount shall cease and be replaced by an obligation to redeem the Note on the Early Redemption Date by payment of the Cash Settlement Amount, if Cash Settlement applies, or, subject to the Partial Cash Settlement Terms, by Delivery of the Relevant Portion of the Portfolio, if Physical Settlement applies. Upon discharge by the Issuer of such payment or delivery obligation on the Early Redemption Date, or otherwise as provided herein, the Issuer's obligations in respect of the Note shall be discharged.

##### 6.1.2

If the applicable Pricing Supplement specifies that Cash Settlement shall apply then the provisions of Condition 6.2 shall apply and if Physical Settlement is Specified then, subject to the Partial Cash Settlement Terms, the terms of Condition 6.3 shall apply.

##### 6.1.3

If an occurrence would otherwise constitute an Early Redemption Event, such occurrence will constitute an Early Redemption Event whether or not such occurrence arises directly or indirectly from:

(a)

any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation;

(b)

any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation, however described;

(c)

any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent

jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d)

the imposition of, or any change in, any exchange control, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

#### 6.1.4

A Substitute Reference Obligation shall be determined by the Calculation Agent in the following circumstances and in accordance with the following procedures:

(a)

In the event that (A) the Reference Obligation is redeemed in whole or (B) in the opinion of the Calculation Agent (I) the aggregate amounts due under the Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (II) the Reference Obligation is an obligation guaranteed by the Reference Entity and, other than due to the existence or occurrence of an Early Redemption Event, the guarantee of the Reference Entity is no longer a valid and binding obligation of the Reference Entity enforceable in accordance with its terms, or (III) for any other reason, other than due to the existence or occurrence of an Early Redemption Event, the Reference Obligation is no longer an obligation of the Reference Entity, the Calculation Agent shall, in its sole reasonable discretion, identify one or more Obligations to replace the Reference Obligation.

(b)

Any Substitute Reference Obligation shall be an Obligation that ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with the Reference Obligation immediately prior to the occurrence of any of the events set forth in (a) above and that preserves the economic equivalent of the payment or Delivery obligations of the Issuer and is an obligation of the Reference Entity (either directly or as provider of a guarantee of payment that is unconditional but for any requirement for the beneficiary to give notice that a payment is due under such guarantee or any similar procedural requirement). The Substitute Reference Obligation identified by the Calculation Agent shall, without further action, replace the Reference Obligation.

(c)

If there is more than one Reference Obligation, any of the events set forth under (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines in accordance with (a) above that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d)

If there is more than one Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with (a) above that at least one Substitute Reference Obligation is available for any such Reference Obligations, then such Reference Obligation shall be replaced by such Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e)

If (A) there is more than one Reference Obligation, any of the events set forth under (a) above has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines in accordance with (a) above that no Substitute Reference Obligation is available for any of the Reference Obligations, or (B) if there is only one Reference Obligation, any of the events set forth in (a) above has occurred with respect to the Reference Obligation and the Calculation Agent determines in accordance with (a) above that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Scheduled Redemption Date. If (1) Cash Settlement is applicable or (2) Physical Settlement is applicable and the Reference Obligation is the only Deliverable Obligation and, in each case, on or prior to the Scheduled Redemption Date, a Substitute Reference Obligation has not been identified, the Issuer's obligations in respect of the Note shall cease to exist as of the Scheduled Redemption Date.

6.1.5 The Calculation Agent shall be responsible for:

(a) determining a Successor;

(b)

determining whether (A) the aggregate amounts due under any Reference Obligations have been materially reduced by redemption or otherwise (other than due to any regularly scheduled amortisation or prepayments as per Condition 6.1.4(a) above), (B) any Reference Obligation is an obligation guaranteed by a Reference Entity and, other than due to the existence or occurrence

of an Early Redemption Event, the guarantee of that Reference Entity is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any reason other than as described in (A) or (B) above and other than due to the existence or occurrence of an Early Redemption Event, any Reference Obligation is no longer an obligation of a Reference Entity;

(c) identifying and determining a Substitute Reference Obligation;

(d)

obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price;

(e) converting any amount from one currency to another;

(f) choosing the Dealers and substituting Dealers in connection with obtaining Quotations; and

(g) determining the Currency Rate.

The Calculation Agent shall, as soon as practicable after obtaining any Quotation, notify the Noteholders in writing of each such Quotation that it receives in connection with the calculation of the Final Price and shall provide to the Noteholders a written computation showing its calculation of the Final Price. Whenever the Calculation Agent is required to act or to exercise judgment, it will do so in good faith and in a commercially reasonable manner.

6.1.6 If, in any Pricing Supplement:

(a)

any of the Deliverable Obligation Characteristics “Listed”, “Not Bearer” or “Transferable” is specified as applicable to the Deliverable Obligation Category “Loan” or any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan”, “Direct Loan Participation” or “Indirect Loan Participation” is specified as applicable to the Deliverable Obligation Category “Bond”, then, in any such event, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had not been so specified; and

(b)

“Loan” is specified as the Deliverable Obligation Category and more than one of the “Assignable Loan”, “Consent Required Loan”, “Direct Loan Participation” and “Indirect Loan Participation” are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may consist of Loans that satisfy any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

## 6.2 Cash Settlement

6.2.1 If “Cash Settlement” is Specified as the Settlement Method:

(a)

On the Cash Settlement Date the Issuer shall redeem the Note, upon surrender of the Certificate in accordance with Condition 8, by payment of the Cash Settlement Amount.

(b) The Cash Settlement Amount shall be –

(i) the amount specified as such in the applicable Pricing Supplement, or

(ii)

if no amount is so Specified, an amount calculated by the Calculation Agent in accordance with a formula specified for that purpose in the applicable Pricing Supplement.

6.2.2

If the Cash Settlement Amount is not Specified and no formula for determining the Cash Settlement Amount is Specified, the Cash Settlement Amount shall be the product of (a) the Principal Amount of the Note and (b) the Final Price divided by the Reference Price.

## 6.3 Physical Settlement

6.3.1

If Physical Settlement is Specified as the applicable Settlement Method, the Issuer shall, within 30 calendar days of the Event Determination Date, deliver to the Noteholder a Notice of Intended Physical Settlement that describes the Portfolio that the Issuer expects to Deliver to the Noteholder.

### 6.3.2

The Issuer shall Deliver the Relevant Portion of the Portfolio to the Designated Transferee on or before the Physical Settlement Date in the manner referred to in Condition 6.3.3 below. The failure by the Issuer to Deliver the Relevant Portion of the Portfolio to the Designated Transferee for any reasons referred to in Conditions 6.3.7 or 6.4.1 on or before the due date shall not constitute an Event of Default, and the Noteholder's remedies shall be limited to those specified in Condition 6.4 below. In this event the procedures in Condition 6.3.8 below will be followed.

### 6.3.3

To **"Deliver"** the Relevant Portion of the Portfolio pursuant to Condition 6.3.1 and 6.3.6 shall mean to deliver, novate, transfer, assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Relevant Portion of the Portfolio to the Designated Transferee free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Condition 6.1.3(a) to 6.1.3(d)) or right of set-off by or of the Reference Entity); provided that if all or a Relevant Portion of the Portfolio consists of Direct Loan Participations or Indirect Loan Participations, "Deliver" shall mean, with respect to Direct Loan Participations and Indirect Loan Participations, the creation (or procurement of the creation) of a Participation. **"Delivery"** and **"Delivered"** shall be construed accordingly.

### 6.3.4

In order to obtain Delivery of the Relevant Portion of the Portfolio the Noteholder must deliver to the Transfer Secretary within five Business Days of the date of delivery of the Notice of Intended Physical Settlement (the **"Cut-Off Date"**), a duly completed Asset Transfer Notice as referred to in Condition 6.3.5 below together with the Certificates relating to the Notes. Holders of beneficial interests in a Global Note may deliver an Asset Transfer Notice in accordance with the Applicable Procedures.

After delivery of an Asset Transfer Notice, no transfers of the Notes specified therein will be effected by the Transfer Secretary.

### 6.3.5 An Asset Transfer Notice shall:

- (a) specify the name of the Noteholder;
- (b) specify the name, physical and postal address and the banking and securities safe custody account details of the Designated Transferee;
- (c) specify the Principal Amount of Notes which are the subject of such notice;
- (d) irrevocably instruct and authorise the Transfer Secretary to cancel the relevant Notes and Certificates;
- (e) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (f) authorise the Issuer to deduct from the Relevant Portion of the Portfolio to be Delivered to such Noteholder the Delivery Expenses as referred to in Condition 6.3.10 below.

Failure to properly complete and deliver an Asset Transfer Notice and the relevant Certificates may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered shall be made by the Transfer Secretary in its sole and absolute discretion and shall be binding on the relevant Noteholder and the Issuer.

### 6.3.6

Upon receipt of a duly completed Asset Transfer Notice the Transfer Secretary shall verify that the person specified in the notice as the Noteholder is the holder of the Note referred to therein according to the Register.

Subject as provided herein, in relation to each Note, the Relevant Portion of the Portfolio will be Delivered to the Noteholder's Designated Transferee on the relevant Physical Settlement Date or Latest Permissible Physical Settlement Date (whichever is applicable) at the risk of such Noteholder. Any Designated Transferee other than the Noteholder shall be deemed to be the duly authorised agent of the Noteholder and any Delivery or payment to such person shall be deemed for all purposes to be a Delivery or payment to the Noteholder. Such person shall not be entitled to enforce any of the Noteholder's rights against the Issuer and the Issuer shall have no liability or obligation to or in respect of the Designated Transferee. By delivery of an Asset Transfer Notice, the Noteholder shall be deemed to represent that the Designated Transferee has agreed to the foregoing.

If the Asset Transfer Notice and the relevant Certificates are delivered to the Issuer later than close of business on the Cut-Off Date, then the Relevant Portion of the Portfolio will be Delivered as soon as practicable after the date on which delivery of the same is made, at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, such Noteholder shall not

be entitled to any payment or to other assets, whether in respect of interest or otherwise, in the event of the Delivery of the Relevant Portion of the Portfolio taking place after the date on which Delivery of the same would otherwise be made pursuant to the provisions of this Condition 6.3 or otherwise due to circumstances beyond the control of the Issuer. The failure by the Issuer to Deliver the Relevant Portion of the Portfolio to the Noteholder's Designated Transferee on the relevant Physical Settlement Date or Latest Permissible Physical Settlement Date shall not constitute an Event of Default.

If the Noteholder fails to deliver an Asset Transfer Notice in the manner set out herein or fails to deliver the Certificates related thereto or fails to pay the Delivery Expenses as referred to in Condition 6.3.10 within a reasonable period, the Issuer shall be discharged from its obligations in respect of such Notes and shall have no further obligation or liability whatsoever in respect thereof.

#### 6.3.7

If due to an event beyond the control of the Issuer it is impossible, impracticable or illegal for the Issuer to Deliver, or due to an event beyond the control of any Noteholder or its Designated Transferee, it is impossible, impracticable or illegal for such Designated Transferee to accept Delivery of, any portion of the Portfolio by the Physical Settlement Date (including, without limitation, failure of any relevant settlement system or due to any law, regulation or court order, but not including market conditions or failure to obtain any requisite consent with respect to the Delivery of Loans) then by such date the Issuer shall Deliver to such Designated Transferee that portion of the Relevant Portion of the Portfolio for which it is possible, practicable and legal to take Delivery and the Issuer shall provide a description in reasonable detail of the facts giving rise to such impossibility, impracticability or illegality and, as soon as possible thereafter, the Issuer shall Deliver to such Designated Transferee that previously undelivered portion of the Relevant Portion of the Portfolio.

#### 6.3.8

If, as referred to in Condition 6.3.2 above, the Relevant Portion of the Portfolio is Delivered later than the Physical Settlement Date, then until Delivery of the Relevant Portion of the Portfolio is made to the relevant Designated Transferee, the Issuer or any person holding such assets on behalf of the Issuer shall continue to be the legal owner of those assets. Although, a failure to Deliver any Relevant Portion of the Portfolio for any reasons referred to in Conditions 6.3.7 or 6.4.1 shall not relieve the Issuer of its obligations under the applicable Conditions, no one of the Issuer and any other person holding any Relevant Portion of the Portfolio for the Issuer shall (i) be under any obligation to deliver or procure delivery to the Noteholder or its Designated Transferee of any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such assets (ii) be under any obligation to exercise or procure the exercise of any or all rights (including voting rights) attaching or appertaining to such assets until the date of Delivery or (iii) be under any liability to such Noteholder for any loss, liability, damage, cost or expense that such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person not being the legal owner of such assets until the date of Delivery.

#### 6.3.9

If the Relevant Portion of the Portfolio comprises less than a multiple of a whole number of a Deliverable Obligation at the relevant time, (i) the Issuer shall not Deliver and the relevant Noteholder shall not be entitled to receive in respect of its Notes that fraction of a Deliverable Obligation which is less than a whole number (the "**Fractional Entitlement**") and (ii) the Issuer shall pay to the relevant Noteholder a cash amount (to be paid at the same time as Delivery of the Relevant Portion of the Portfolio) equal to the fair market value (as determined by the Calculation Agent) of such Fractional Entitlement.

#### 6.3.10

The costs and expenses (the "**Delivery Expenses**") of effecting any Delivery of the Relevant Portion of the Portfolio (except for the expenses of Delivery by uninsured regular mail (if any) which shall be borne by the Issuer) shall, in the absence of any provision to the contrary in the Pricing Supplement, be borne by the Noteholder and shall, unless otherwise specified in the Pricing Supplement, at the option of each Noteholder either be:

(a)

paid to the Issuer by such Noteholder prior to the Delivery of the Relevant Portion of the Portfolio (and, for the avoidance of doubt, the Issuer shall not be required to Deliver any portion of the Portfolio to such Noteholder until it has received such payment); or

(b)

deducted by the Issuer from the amount which may be payable to such Noteholder, in accordance with Condition 6.3.9.

If there is not a cash amount owing to a Noteholder sufficient to cover the Delivery Expenses in respect of such Noteholder's Note, the Issuer may convert such amount of the Relevant Portion of the Portfolio into cash sufficient to cover the Delivery



Expenses in respect of such Note from which the Issuer shall deduct such Delivery Expenses. Each Note will then be redeemed by Delivery of the remainder of the Relevant Portion of the Portfolio in respect of such Note and, if applicable, payment of a cash amount in respect of any Fractional Entitlement arising, together with any other amounts to which such Noteholder is entitled upon redemption of such Note.

#### 6.3.11

The Issuer shall not be under any obligation to register or procure the registration of any Noteholder or any other person as the registered holder of any of the Portfolio to be Delivered in the register of any Reference Entity whose Deliverable Obligations form part of the Portfolio. The Issuer shall not be obliged to account to any Noteholder for any interest or other entitlement received or receivable in respect of any securities comprising the Portfolio to be Delivered by the Issuer to the Noteholder unless the interest or entitlement has been received by the Issuer for the account of the Noteholder after the delivery date of the securities to the Designated Transferee or the securities are Delivered to the Designated Transferee through the settlement system of an exchange and the transferee would be entitled to receive such interest or entitlement in accordance with the rules of that exchange.

### 6.4 Partial Cash Settlement

#### 6.4.1 If:

##### (a)

following the occurrence of any impossibility, impracticability or illegality referred to in Condition 6.3.7 above all of the Relevant Portion of the Portfolio is not Delivered on or prior to the Latest Permissible Physical Settlement Date; or

##### (b)

(i) “Partial Cash Settlement of Loans” is Specified as applicable; (ii) all or a portion of the Portfolio includes Assignable Loans or Consent Required Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being ceded to the Noteholder’s Designated Transferee and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and (iii) (A) neither Direct Loan Participation nor Indirect Loan Participation is Specified as Deliverable Obligation Characteristics or (B) either or both of Direct Loan Participation and Indirect Loan Participation are Specified as Deliverable Obligation Characteristics and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date; or

##### (c)

(i) “Partial Cash Settlement of Assignable Loans” is Specified as applicable; (ii) all or a portion of the Portfolio includes Assignable Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being ceded to the Noteholder’s Designated Transferee and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and (iii) (A) neither Direct Loan Participation nor Indirect Loan Participation is Specified as a Deliverable Obligation Characteristic or (B) either or both of Direct Loan Participation and Indirect Loan Participation are Specified as Deliverable Obligation Characteristics and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date; or

##### (d)

(i) “Partial Cash Settlement of Participation” is Specified as applicable; and (ii) all or a portion of the Portfolio includes Direct Loan Participations or Indirect Loan Participations and the relevant Participation is not effected on or before the Latest Permissible Physical Settlement Date,

then, with respect to that portion of the Portfolio that cannot be Delivered for the reasons specified in 6.4.1(a) above (the “**Undeliverable Obligations**”) or that portion of the Portfolio of the type referred to in 6.4.1(b) above that cannot be ceded or assigned to the Noteholder’s Designated Transferee (the “**Undeliverable Loan Obligations**”) or that portion of the Portfolio of the type referred to in 6.4.1(c) above that cannot be ceded or assigned to a Noteholder’s Designated Transferee (the “**Unassignable Obligations**”) or that portion of the Portfolio of the type referred to in 6.4.1(d) above in respect of which the relevant Participation is not effected (the “**Undeliverable Participations**”), the Issuer shall pay the Noteholder the Cash Settlement Amount (as defined in Condition 6.4.2(a) below) on the Cash Settlement Date, whereupon the Issuer’s obligations in respect of the Note shall be discharged.

#### 6.4.2 Unless otherwise Specified, in this Condition 6.4:

##### (a)

“**Cash Settlement Amount**” is deemed to be, for each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, the product of (i) the aggregate of the outstanding principal balance, Due and Payable

Amount or Currency Amount, as applicable, of each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation and (ii) the Final Price divided by the Reference Price with respect to such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation;

(b)

“**Cash Settlement Date**” is deemed to be the date that is three Business Days after the calculation of the Final Price;

(c)

“**Reference Obligation**” is deemed to be each Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation and “Reference Price” is deemed to be one hundred per cent;

(d)

“**Valuation Date**” is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date;

(e)

“**Valuation Method**” is deemed to be Highest unless the relevant Quotations include Weighted Average Quotations (or, if applicable, Indicative Quotations), in which case, “Valuation Method” is deemed to be Market;

(f) “**Quotation Method**” is deemed to be Bid;

(g)

“**Quotation Amount**” is deemed to be, with respect to each type or issue of Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, an amount equal to the outstanding principal balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation;

(h) There shall be no “**Minimum Quotation Amount**”;

(i) “**Valuation Time**” is deemed to be 11:00 a.m. in the city of the Calculation Agent;

(j)

“**Market Value**” means, with respect to an Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if only a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are applicable and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest value or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then subject to clause (k)(ii), an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations, a Weighted Average Quotation or three Indicative Quotations are obtained, and (vii) if the Quotations are deemed to be zero, Market Value shall be zero;

(k)

“**Quotation**” means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are applicable, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(i)

The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from at least five Dealers. If at least two such Full Quotations are not available on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers, and, if at least two Full Quotations are not available, a Weighted Average Quotation. If at least two such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are applicable, the Calculation Agent shall attempt to obtain three Indicative Quotations from at least five Dealers;

(ii)

If the Calculation Agent is unable to obtain at least two Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are applicable, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be zero;

(iii)

The Calculation Agent shall, based on then current market practice in the market of the relevant Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation, determine whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination;

(l)

“**Indicative Quotation**” shall mean, in accordance with the Quotation Method, each quotation obtained from a Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (as applicable) equal to the Quotation Amount, which reflects such Dealer’s reasonable assessment of the price of such Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation based on such factors as such Dealer may consider relevant, which may include historical prices and recovery rates.

## 7. REDEMPTION FOR OTHER REASONS

### 7.1 Tax Redemption

#### 7.1.1

Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Indexed Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Indexed Notes), on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 17 (which notice shall be irrevocable), if:

(a)

on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the Republic of South Africa or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment (i) becomes effective on or after the Issue Date, or (ii) is announced after the Issue Date but with retrospective effect; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Any event referred to in Condition 7.1.1 shall comprise a “**Tax Redemption Event**”.

#### 7.1.2

Notes redeemed for tax reasons pursuant to this Condition 7.1 will be redeemed at their Specified Tax Redemption Amount, together (if appropriate) with interest accrued to (but excluding) the date of redemption (the “**Tax Redemption Date**”).

### 7.2 Optional Early Redemption by the Issuer

#### 7.2.1

If the Issuer is specified in the applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders in accordance with Condition 17, redeem all or some of the Notes then outstanding on the Optional Early Redemption Date(s) and at the Optional Early Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Early Redemption Date(s).

#### 7.2.2

Any such redemption must be of a Principal Amount not less than the Minimum Optional Early Redemption Amount (if any) and not more than the Higher Optional Early Redemption Amount (if any), both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed will be selected individually by lot, in the case of Notes represented by Individual Certificates, and in accordance with the Applicable Procedures, in the case of Notes represented by a Global Certificate, and in each case not more than 30 days prior to the date fixed for redemption (the “**Optional Early**”).

**Redemption Date**”) such date of selection being hereinafter called the “**Optional Early Redemption Selection Date**”.

#### 7.2.3

In the case of the Optional Early Redemption of Notes represented by Individual Certificates, a list of the serial numbers of such Notes will be published in accordance with Condition 17 not less than 15 days prior to the Optional Early Redemption Date. No exchange of the relevant Global Note or transfer of affected Notes will be permitted during the period from and including the Optional Early Redemption Selection Date to and including the date fixed for redemption pursuant to this Condition 7.2.

### 7.3 **Optional Early Redemption by the Noteholders**

#### 7.3.1

If Noteholders of Notes are specified in the applicable Pricing Supplement as having an option to redeem, the Noteholders may, in the case of Individual Certificates, by delivering to the Issuer and the Transfer Secretary, in accordance with Condition 17, a duly executed notice (“**Put Notice**”), at least 15 days but not more than 30 days, prior to the Optional Early Redemption Date, redeem such Notes in accordance with this Condition 7.3.

#### 7.3.2

The Optional Early Redemption of Notes represented by a Global Certificate shall take place in accordance with the Applicable Procedures.

#### 7.3.3

In the event that the Noteholder exercising its option to redeem early is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate to the Transfer Secretary for cancellation. A holder of an Individual Certificate shall in the Put Notice specify a bank account into which the Optional Early Redemption Amount is to be paid.

#### 7.3.4

Put Notices shall be delivered during normal office hours of the Transfer Secretary. Put Notices shall be available from the specified offices of the Transfer Secretary.

#### 7.3.5

Any Put Notice given by a holder of any Note pursuant to this Condition 7.3 shall be irrevocable except where after giving the notice but prior to the Optional Early Redemption Date an Event of Default shall have occurred and be continuing in which event such Noteholder may elect, by giving five Business Days notice to the Issuer, to withdraw the notice given pursuant to this Condition 7.3 and instead to declare such Note forthwith due and payable pursuant to Condition 15.

#### 7.3.6

Subject to the foregoing, the Issuer shall redeem such Notes (in whole but not in part) in accordance with the terms of the applicable Pricing Supplement, at the Optional Early Redemption Amount(s) and on the Optional Early Redemption Date(s), together, if appropriate, with interest accrued to (but excluding) the Optional Early Redemption Date(s).

### 7.4 **Intervening Early Redemption Event**

Any obligation on the part of the Issuer to redeem a Note pursuant to any of the provisions of Condition 7.1, 7.2 or 7.3 shall terminate upon the occurrence before the performance of such obligation of an Early Redemption Event.

### 7.5 **Instalment Notes**

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. If the Notes are redeemable on the basis of an Optional Early Redemption or Tax Redemption Event, the Optional Early Redemption Amount or Tax Redemption Amount (as applicable) will be determined in accordance with the applicable Pricing Supplement.

### 7.6 **Partly-Paid Notes**

If the Note is a Partly-Paid Note and it becomes redeemable on the basis of an Optional Early Redemption or Tax Redemption Event, it will be redeemed at its Optional Early Redemption Amount or Tax Redemption Amount (as applicable) calculated in accordance with the applicable Pricing Supplement.

## 7.7 Zero Coupon Notes

If the Note is a Zero Coupon Note and it becomes redeemable on the basis of an Optional Early Redemption or Tax Redemption Event, it will be redeemed at its Optional Early Redemption Amount or Tax Redemption Amount (as applicable) calculated in accordance with the applicable Pricing Supplement.

## 7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled.

# 8. PAYMENTS

## 8.1 Method of Payment

Payment of principal or interest on each Note will be made in the currency in which such payments are due by electronic funds transfer to the account of the Noteholder as set forth in the Register on the relevant Last Day to Register, or in the case of joint Registered Noteholders, the account of that one of them that is first named in the Register in respect of that Note. No payment in respect of the redemption of a Note shall be made by the Issuer until 14 days after the date upon which the Certificate in respect of the Note to be redeemed has been surrendered to the Transfer Secretary.

Any Noteholder may, upon 14 days' prior written notice to the Transfer Secretary, request that all payments to that Noteholder be made by cheque instead of electronic funds transfer. Each cheque shall be made payable to the relevant Noteholder, or in the case of a joint Noteholder, to the Noteholder named first in the Register. All payments made by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or to such other address as may be specified in the request sent by the Noteholder to the Issuer, or in the case of joint Registered Noteholders, to the address of the Noteholder named first in the Register in respect of that Note. The cheques may be post-dated.

Subject to the Conditions, cheques shall, in the case of interest payments, be posted seven days before the relevant due date of payment, and in the case of redemption at maturity, on due date for redemption or 14 days after the Certificate in respect of the Note to be redeemed has been surrendered to the Transfer Secretary (whichever is later).

Cheques may be posted by ordinary post, and neither the Issuer nor the Transfer Secretary shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purpose of such transmission of cheques.

## 8.2 Payment Day

If the date for payment of any amount in respect of any Note is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Pricing Supplement), "**Payment Day**" means any day which is a Business Day.

# 9. TAXATION

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

held by or on behalf of a Noteholder, who is liable for such taxes or duties in respect of such Note by reason of his having some connection with the Republic of South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

9.2

held by or on behalf of a Noteholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority; or

9.3

if any additional amount relates to any payment of principal or interest which is conditional upon the surrender of the Certificate in accordance with the Conditions, and the Certificate is surrendered more than 30 days after the date on which such payment would have been due had the Certificate been surrendered, provided that this Condition 9.3 shall not apply to the extent that the Noteholder would have been entitled to such additional amount if it had surrendered the Certificate on the last day of such 30 day period; or

9.4

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

9.5

to the extent that a Noteholder is entitled to claim a tax reduction or credit in respect of such withholding or deduction in terms of the Noteholder's domestic tax law or an applicable double tax treaty.

## 10. CERTIFICATES

10.1

Notes listed on BESA will initially be evidenced by a single Global Certificate which will be lodged with the Central Depository. The Central Depository or its nominee will be reflected in the Register as the holder of the Global Certificate.

10.2

Where the client of a Participant holds a beneficial interest in Notes evidenced by a Global Certificate through a securities account with the Participant, the client may, at its cost, exchange the beneficial interest, or any part thereof, for an Individual Certificate, provided that:

10.2.1

a written request for the Individual Certificate is submitted by the client to the Participant not later than 14 days prior to the requested date of such exchange;

10.2.2

the Applicable Procedures for obtaining such a Certificate from the Transfer Secretary are followed;

10.2.3

the Individual Certificate to be delivered to the client is in respect of Notes with a Principal Amount of not less than R10 million and in integral multiples of not less than R1 million; and

10.2.4

such Notes are transferred in accordance with the provisions of Condition 12 below from the Central Depository or its nominee to the client.

10.3

A Noteholder shall be entitled to receive a Certificate evidencing the Notes transferred to that Noteholder within seven Business Days after registration of that transfer in accordance with Condition 12, provided that joint Noteholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.

10.4

If a Certificate is worn out or defaced then, within seven Business Days of its presentation to the Transfer Secretary, the Transfer Secretary may cancel that Certificate and issue a new Certificate in its place.

10.5

If a Certificate is lost or destroyed then upon proof thereof to the satisfaction of the Transfer Secretary, a new Certificate in lieu thereof may be issued to the person entitled to that lost or destroyed Certificate, provided that the Noteholder shall provide the

Transfer Secretary and the Issuer with an indemnity and pay any out-of-pocket expenses for investigating the loss. The person providing the indemnity and the form of the indemnity shall be to the satisfaction of the Issuer. The new Certificate shall be issued within seven Business Days from the date that the conditions for issuing such Certificate have been fulfilled.

10.6 An entry as to the issue of a new Certificate and indemnity (if any) shall be made in the Register.

10.7

Certificates to be provided by the Issuer or its agents to Noteholders shall be collected by the Noteholders from the Transfer Secretary.

## 11. REGISTER

11.1 The Register of Noteholders:

11.1.1 shall be kept at the office of the Transfer Secretary;

11.1.2 shall contain the names, addresses and bank account numbers of the Noteholders;

11.1.3 shall show the total Principal Amount of the Notes represented by it;

11.1.4 shall show the dates upon which each of the Noteholders was registered as such;

11.1.5 shall show the serial numbers of the Certificates and the dates of issue thereof;

11.1.6

shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder;

11.1.7

shall be closed during the Books Closed Periods, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive any payment.

11.2

The Transfer Secretary shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.

11.3 Except as provided for in these Conditions or as required by law, the Issuer:

11.3.1

will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name in the Register;

11.3.2

shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate may be subject.

## 12. TRANSFER OF NOTES

12.1

Beneficial interests in Notes registered in the name of the Central Depository or its nominee may be transferred in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register.

12.2

In order for any transfer of Notes to be effected through the Register and for the transfer to be recognised by the Issuer:

12.2.1

the transfer must be in writing and in the usual form or in such other form approved by the Transfer Secretary;

12.2.2

the agreement of transfer envisaged in Condition 12.2.1 must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder or transferee;

12.2.3

the transfer must only be in respect of the Denomination of the Notes as specified in the applicable Pricing Supplement or a

multiple thereof, and consequently the Issuer will not recognise a fraction of any such Denomination;

#### 12.2.4

the agreement of transfer envisaged in Condition 12.2.1 must be delivered to the Transfer Secretary together with the Certificate in question for cancellation (if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be issued to the transferor and the cancelled Certificate will be retained by the Transfer Secretary).

#### 12.3

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

#### 12.4

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

#### 12.5

No transfer will be registered whilst the Register is closed as envisaged in Condition 11.1.7 above.

#### 12.6

If a transfer is registered then the transfer form and cancelled Certificate will be retained by the Transfer Secretary.

### 13. PURCHASE OF NOTES

The Issuer or its nominee shall have the right to purchase any of the Notes at any time. The Issuer may, in its sole discretion register any Note so purchased by it in its own name or that of its nominee, in which event such Note may be sold by the Issuer at such price, at such time and to such person as the Issuer deems fit.

### 14. PRESCRIPTION

If the Certificate relating to a Note is not surrendered to the Issuer within three years from the earlier of the Scheduled Redemption Date or due date for redemption, the Note shall be void and the Issuer shall have no liability in relation to the Note. The provisions of this Condition 14 shall not detract from the efficacy of Condition 6.3.6 above or any other Conditions under which the Issuer may be discharged from its obligations under the Note.

### 15. DEFAULT

15.1 For purposes of this Condition 15, each of the following comprises an event of default:

#### 15.1.1

The failure by the Issuer to pay within seven Business Days from the due date any amount due in respect of any of the Notes; or

#### 15.1.2

The failure by the Issuer to perform or observe any of its other obligations under the Notes and such failure continues for a period of 30 calendar days following the service by a Noteholder on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

#### 15.1.3

The granting of an order by any competent court or authority for the liquidation, winding-up, dissolution or judicial management of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that no liquidation, winding-up, dissolution or judicial management shall comprise an event of default if (i) the liquidation, winding-up, dissolution or judicial management is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement; and (ii) the terms of such amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement were approved by Special Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or judicial management.

#### 15.2



If the Issuer becomes aware of the occurrence of any event of default as described in Condition 15.1 (“**Event of Default**”), the Issuer shall forthwith notify all Noteholders and, in respect of Notes listed on BESA, BESA.

#### 15.3

Upon the occurrence of any Event of Default, the holder of any Notes shall be entitled to call upon the Issuer in writing to immediately redeem such Notes at the Default Redemption Amount.

#### 15.4

Without limiting the generality of Condition 15.3 above, the Issuer shall pay the applicable Noteholder interest at the Default Rate on the outstanding, unpaid balance of any amount, whether capital or interest, which is due for payment by the Issuer hereunder but which is not paid by the Issuer on the due date.

### 16. CALCULATION AGENT

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained pursuant to these Conditions by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error) be binding on the Issuer and all Noteholders, and in the absence as aforesaid no liability 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 Programme.

### 17. NOTICES

#### 17.1

Any notice to a Noteholder shall be valid if delivered by hand or sent by prepaid registered post to the Noteholder’s address appearing in the Register. Any such notice that is so posted shall be deemed to have been given on the seventh Business Day after the day on which it is posted.

#### 17.2

Notices to holders of Notes shall also be valid if published in an English language newspaper distributed in the major South African cities, which is expected to be the *Business Day* or *The Star* (or their respective successors). Any such notice will be deemed to have been received by the Noteholders on the date of the first publication in such newspaper.

#### 17.3

Any notice to the Issuer or the Transfer Secretary shall be valid if delivered by hand or sent by prepaid registered post to the Issuer or the Transfer Secretary, as the case may be, at its registered office address. Any such notice that is so posted shall be deemed to have been given on the seventh Business Day after the day on which it is posted.

#### 17.4

Any notice delivered by hand on or before 4.00 p.m. (Johannesburg time) on a Business Day will be effective on such Business Day. A notice delivered by hand after 4.00 p.m. (Johannesburg time) on a Business Day will be deemed effective on the next following Business Day.

#### 17.5

If any notice is given to holders of Notes listed on BESA, a copy thereof shall be delivered to BESA.

### 18. AMENDMENT OF THESE CONDITIONS

#### 18.1

Subject to the further provisions of this Condition 18 and Condition 19.16, these Conditions set out all the rights and obligations relating to each Note and no addition, variation or consensual cancellation of these Conditions shall be of any force or effect unless in writing and signed by or on behalf of the Issuer and the Noteholder.

#### 18.2

The Issuer may, without the consent of Noteholders, amend these Conditions for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein, provided that the amendment is made in a manner which the Issuer deems necessary or desirable and which is not, in the opinion of the Issuer, materially prejudicial to the interests of the Noteholders. No amendment in terms of this Condition 18.2 relating to Notes listed on BESA shall become effective until notified to BESA.

## 19. MEETINGS OF NOTEHOLDERS

### 19.1

#### 19.1.1

The Issuer may at any time convene a meeting of any Class of Noteholders.

#### 19.1.2

The Issuer shall convene a meeting of a Class of Noteholders on receiving a written request therefor from persons holding not less than one-tenth of the aggregate Principal Amount of the outstanding Notes in that Class, provided that the Issuer is indemnified to the Issuer's satisfaction against all costs and expenses occasioned in the holding of that meeting and provided further that the written request sets out the nature of the business for which the meeting is requested.

### 19.2

Every meeting shall be held at a place in Gauteng determined by the Issuer, or at any other place agreed to by the Issuer.

### 19.3

A minimum of 21 Business Days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting is held) of every meeting shall be given to the Noteholders which are to meet.

### 19.4

The accidental omission to give notice to, or the non-receipt of notice by any Noteholder shall not invalidate the proceedings at a meeting convened and held in terms of that notice.

### 19.5

Every notice convening a meeting of any Class of Noteholders ("**a meeting**" or "**the meeting**") shall specify:

#### 19.5.1

the Class of Noteholders which are to meet;

#### 19.5.2

the date, place and hour of the meeting;

#### 19.5.3

the general nature of the business to be transacted; and

#### 19.5.4

the terms of any resolution to be proposed thereat.

### 19.6

#### 19.6.1

A quorum for a meeting shall be the holders (present in person or by proxy) of 30% of the aggregate Principal Amount of Notes held by the applicable Class and outstanding from time to time.

#### 19.6.2

Subject to Condition 19.7, no business shall be transacted at a meeting unless a quorum is present at the commencement of and throughout the meeting.

### 19.7

If within half-an-hour from the time appointed for a meeting, a quorum is not present, the meeting shall, if convened upon the request of or by Noteholders, be dissolved, and in every other case shall stand adjourned to such date and time not being less than 14 days nor more than 21 days thereafter and at the same place and at that adjourned meeting the Class of Noteholders present in person or by proxy entitled to vote (whatever the value of the Notes held by them) shall constitute a quorum for the transaction of business including the passing of any Special Resolution.

### 19.8

Only the business which was not dealt with at the meeting at which the adjournment took place shall be considered and dealt with at any such adjourned meeting.

### 19.9

Notice of an adjourned meeting at which a Special Resolution is to be submitted shall be given forthwith in the same manner in which notice of the original meeting was given, save that the time periods to be followed are those referred to in 19.7. That notice

shall state that the Noteholders of the applicable Class of Noteholders present in person or by proxy at the adjourned meeting (whatever the value of the Notes held by them) will form a quorum.

19.10

The chairman of a meeting of any Class of Noteholders (the “**chairman**”) shall be a Noteholder of that Class who is nominated in writing by the Issuer. If the Issuer does not make such a nomination or the person nominated by it is not present within 30 minutes after the time fixed for the holding of the meeting, then the Noteholders of the applicable Class present at the meeting shall choose a Noteholder of that Class to be the chairman.

19.11

Every person authorised by the Issuer may attend and speak at a meeting but shall not be entitled to vote at a meeting unless that person is a Noteholder of the Class that is meeting or a proxy for such a Noteholder (other than the Issuer) or the authorised representative of a company or other body corporate (other than the Issuer), which is such a Noteholder.

The Issuer or its nominee shall not be entitled to vote in respect of any Notes which it may hold pursuant to Condition 13 or otherwise.

19.12 The chairman:

19.12.1 with the consent of a meeting at which a quorum is present, may; and

19.12.2 if directed by a meeting at which a quorum is present, shall,

adjourn that meeting from time to time but no business shall be transacted at any adjournment of that meeting except business which might lawfully have been transacted at the meeting from which that adjournment took place.

19.13

19.13.1

At a meeting of any Class of Noteholders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more Noteholders of that Class present in person or by proxy.

19.13.2

In the case of joint registered holders of Notes, only the Noteholder whose name appears first in the Register shall be entitled to vote.

19.13.3

Unless a poll is demanded, a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or lost shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of, or against such resolution.

19.13.4

If a poll is demanded it shall be taken forthwith in such manner as the chairman may direct and the result of such a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

19.13.5

The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.

19.13.6

On a show of hands every Noteholder in the applicable Class who (being an individual) is present in person or by proxy or (being a company or any other body corporate including a benefit, pension, provident or any other fund) is present by its authorised representative, shall have one vote.

19.13.7

On a poll every Noteholder in the applicable Class present in person or by proxy, or by his authorised representative, shall have a number of votes equal to the total Principal Amount of Notes of the applicable Class Registered in the name of the Noteholder divided by the Specified Denomination of such Notes.

19.13.8

Votes on a poll may be given either personally or by proxy.

19.13.9

A Noteholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

19.14

19.14.1

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his authorised agent or if the appointer is a company or any other body corporate (including a benefit, pension, provident or any other similar fund) either signed by its authorised officer or agent. Such instrument shall automatically entitle a proxy to speak at a meeting.

19.14.2

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

19.14.3

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney shall be deposited at the registered office of the Issuer not less than 24 (twenty four) hours before the time appointed for the meeting or adjourned meeting (or in the event of a poll, before the time appointed for the taking of the poll) at which the person named in the instrument proposed to vote, failing which the instrument of proxy shall not be treated as valid.

19.14.4

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

19.14.5

An instrument of proxy shall be in the usual form or in such other form as is approved by the chairman but need not be witnessed.

19.14.6

An instrument of proxy shall be deemed to include the right to demand or join in demanding a poll.

19.14.7

An instrument of proxy, whether in the usual form or not, shall be valid (unless the contrary is stated thereon) for any adjournment of the meeting.

19.14.8

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Notes in respect of which the proxy is given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Issuer or that the transfer shall not have been effected by the Issuer at least 24 hours before the commencement of the meeting or the adjourned meeting at which the proxy is to be used.

19.15

In the case of an equality of votes (whether on a show of hands or on a poll) the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall, if he is a Noteholder of the applicable Class or the authorised representative of a company which is a Noteholder of the applicable Class (but not otherwise), be entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder or as the proxy or authorised representative of a Noteholder.

19.16

A meeting of any Class of Noteholders shall have the power (which shall only be exercised by Special Resolution of that Class) to sanction any proposal by the Issuer for (i) the amendment of the Conditions as they relate to Notes held by that Class of Noteholders, or (ii) any modification, compromise or arrangement in respect of the rights of that Class of Noteholders against the Issuer whether such rights shall arise under the Conditions or otherwise, provided that, except by Special Resolution of all the Noteholders, no Special Resolution of any Class of Noteholders shall detract from the rights of any other Class of Noteholders.

19.17

A Special Resolution passed at a meeting of any Class of Noteholders duly convened and held in accordance with the provisions of this Condition 19 shall be binding upon all Noteholders of that Class whether or not present at that meeting and each such Noteholder shall be bound to give effect thereto accordingly.

19.18

A resolution in writing sent to all Noteholders of any Class and signed by 75% of all the Noteholders of that Class shall be regarded as valid and effective for all purposes as a Special Resolution passed at a meeting of that Class properly convened and held in accordance with this Condition 19. Any such resolution may be contained in one document or in several documents in the same or like form each signed by one or more of the Noteholders and shall be deemed to have been passed on the date on which it was signed by the last Noteholder entitled to do so.

19.19

19.19.1

A record shall be kept of all resolutions and proceedings at each meeting and shall be entered in a book to be provided and kept for that purpose by the Issuer.

19.19.2

Any such record or any extract therefrom purporting to be signed by the chairman of the meeting in question or by an authorised representative of the Issuer shall be conclusive evidence of the matters stated therein.

19.19.3

Until the contrary is proved, every meeting in respect of which a record has been made in terms of 19.19.2 and the proceedings thereat shall be deemed to have been properly held and the resolutions passed thereat to have been properly passed.

19.19.4

Any Noteholder and the Issuer shall be entitled at all reasonable times to inspect the resolutions referred to in 19.19.1 and to take copies of or extracts from the same.

**20. GOVERNING LAW**

The Notes are subject to South African law.

# CERTIFICATE

Contract No. <b>100</b> Series <b>A</b> Tranche <b>1</b>	Issued under the Issuer's Credit-linked Note Programme Interest Payable <b>Quarterly</b>	Instrument Stock Code <b>1519</b> ISIN Number <b>XS1519000000</b>
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## THE STANDARD BANK OF SOUTH AFRICA LIMITED

Incorporated in the Republic of South Africa (number 1902/06/07/5/00)

The Notes as defined by this Certificate have not been, and will not be, registered under the United States Securities Act of 1933, as amended. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act of 1933, as amended.

### REGISTERED ADDRESS OF ISSUER

The Standard Bank of South Africa Limited  
 100 Water Street  
 Johannesburg  
 South Africa

### ADDRESS OF TRANSFER SECRETARY

The Standard Bank of South Africa Limited  
 100 Water Street  
 Johannesburg  
 South Africa

This Certificate is subject to the Supplement of the Issuer's Memorandum and Articles of Association and to the Supplement of the Issuer's Memorandum and Articles of Association as amended from time to time. The Issuer is a company incorporated in the Republic of South Africa and its registered office is at the Standard Bank of South Africa Limited, 100 Water Street, Johannesburg, South Africa. The Issuer is a public company as defined in the Companies Act of 1973 of the Republic of South Africa. The Issuer is a member of the Standard Bank Group, which is a financial institution as defined in the Financial Institutions Act of 1997 of the Republic of South Africa. The Issuer is a member of the Standard Bank Group, which is a financial institution as defined in the Financial Institutions Act of 1997 of the Republic of South Africa. The Issuer is a member of the Standard Bank Group, which is a financial institution as defined in the Financial Institutions Act of 1997 of the Republic of South Africa.

Name and Address of Noteholder		Date of Redemption	Contract No. <b>100</b>	Aggregate Principal Amount <b>100</b>
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Governor-General of the Issuer's Memorandum and Articles of Association  
**THE STANDARD BANK OF SOUTH AFRICA LIMITED**

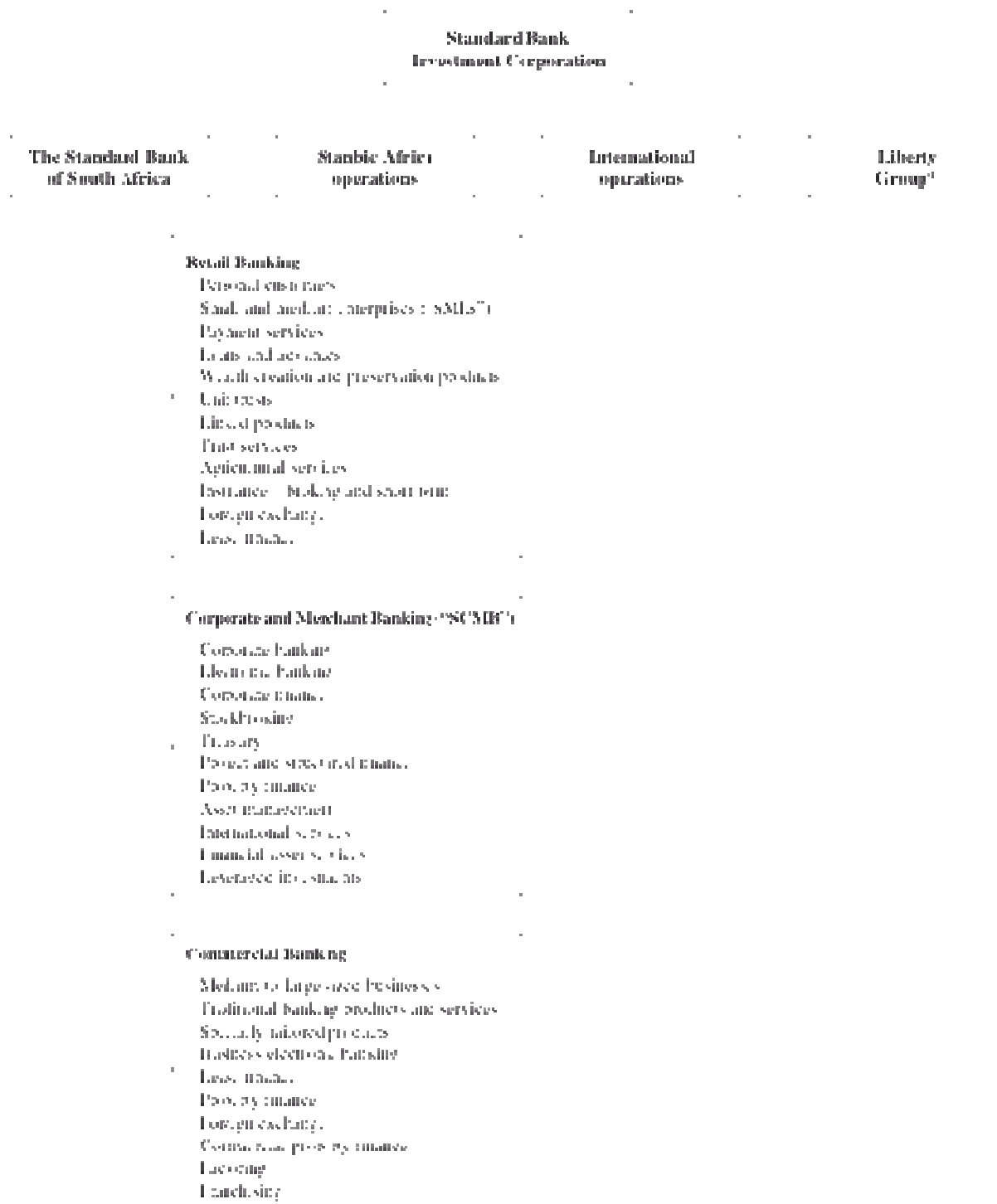
## **USE OF PROCEEDS**

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The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes or as may otherwise be described in the relevant Pricing Supplement.

## STANBIC GROUP ORGANISATIONAL STRUCTURE

The Stanbic Group (the “group”) comprises Standard Bank Investment Corporation Limited, The Standard Bank of South Africa Limited, Stanbic Africa operations, International operations, and the investment in Liberty Group. The organisational structure of the group is set out below:



<sup>1</sup>USP/asset-holder



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## DESCRIPTION OF THE STANDARD BANK OF SOUTH AFRICA LIMITED ("SBSA" or the "Issuer")

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### 1. HISTORY

The Standard Bank of South Africa Limited ("SBSA") is one of the oldest banks in South Africa. Its holding company, Standard Bank Investment Corporation Limited ("Stanbic"), was incorporated as The Standard Bank of British South Africa Limited in 1862. Stanbic commenced operations in Port Elizabeth and gradually expanded its geographic area of operation to include the whole of South Africa, as well as extensive international operations. SBSA is currently the second largest South African bank in terms of total advances. Stanbic was a member of The Standard Chartered Bank Group of the United Kingdom until 1987 when this bank sold its 39% shareholding in Stanbic. From 1987 until January 1999, Liberty Group was the major shareholder in Stanbic with an approximate holding of 40%. Stanbic acquired control of Liberty Group with effect from 1 January 1999 and the subsequent unbundling by Liberty Group of its holding in Stanbic held on shareholders' account has removed the cross-holding between the two groups. As a result of this unbundling, Stanbic, through a subsidiary, held approximately 7.1% of its own shares in issue ("treasury shares"). On 28 September 2001, Stanbic cancelled the treasury shares with no impact on earnings or reserves. Stanbic is one of South Africa's leading banking and financial services groups, ranked by profit and by market capitalisation.

### 2. ACTIVITIES OF SBSA

#### Background

SBSA consists of the following divisions:

- Retail Banking;
- Corporate and Merchant Banking (Standard Corporate and Merchant Bank ("SCMB")); and
- Commercial Banking.

SBSA has a broad franchise and is active in almost all banking markets in the country. It provides a full range of retail, commercial and merchant banking services. The contribution of the different divisions to SBSA's total average assets at 30 June 2001 was as follows: Retail 31%, SCMB 48% and Commercial 21% (compared with Retail 31%, SCMB 47% and Commercial 22% at 30 June 2000).

SBSA contributed approximately 59% of Stanbic's headline earnings and had total assets of R163 738 million at 30 June 2001.

#### Earnings analysis

The contributions of the different business areas to Stanbic's headline earnings are reflected in the following table:

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December		Six months ended		Year ended
		30 June	30 June	31
	%	2001	2000	2000
		R million	R million	R million
Headline earnings <sup>(1)</sup>	Change	Unaudited	Unaudited	Audited
Domestic Banking <sup>(2)</sup>	25	1 377	1 100	2 461
• Retail Banking	30	646	498	1 142
• Wholesale Banking	25	763	610	1 297
– SCMB	25	490	391	765

– Commercial Banking	25	273	219	532
• Central Services		(32)	(8)	22
International Operations	13	276	244	567
Stanbic Africa	20	184	153	311
Centralised funding		(37)	(69)	(113)
<hr/>				
Standard Bank operations	26	1 800	1 428	3 226
Liberty Group	8	220	204	447
Stanbic Group	24	2 020	1 632	3 673
<hr/>				
SBSA		1 193	961	2 143
SBSA as a percentage of Domestic Banking		87%	87%	87%

Notes: (1)  
Headline earnings equal attributable earnings excluding:  
– exceptional items;  
– revaluation surplus in Liberty Group;  
(2) Domestic Banking includes SBSA.

### 3. CAPITAL ADEQUACY

The capital requirements of SBSA are regulated by the Bank Supervision Department of the South African Reserve Bank (“SARB”) in terms of the Banks Act, 1990 which observes the internationally accepted Bank for International Settlements’ capital adequacy principles.

With effect from 1 October 2001, South African banks are required to maintain capital equal to 10% of risk-weighted assets and off-balance sheet exposures, of which Tier I capital must constitute at least 5%.

At 30 June 2001, SBSA’s regulatory capital base was 11.4% of risk-weighted assets, with Tier I capital totalling 8.3%. At group level, Stanbic has high capital ratios by international standards and, with total capital of 13.8% at 30 June 2001, is well above the minimum level prescribed by the SARB.

The table below sets out the capital base of SBSA as at 30 June 2001 and 31 December 2000:

	<b>30 June 2001 R million Unaudited %</b>		<b>31 December* 2000 R million %      Audited</b>	
Qualifying primary capital (Tier I)	10 271	73	10 182	72
Qualifying secondary capital (Tier II)	3 892	27	3 864	28
Total qualifying capital	14 163	100	14 046	100
Capital to risk-weighted assets (%)	11.4		11.6	

\*Restated to comply with current regulations and accounting policy changes.

### 4. CORPORATE GOVERNANCE

The Stanbic Group is fully committed to the principles of transparency, integrity and accountability as advocated and codified by the King Committee Report on corporate governance.

In supporting best practice initiatives, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally accepted corporate practices. This philosophy is adopted by all group companies, including SBSA. The group’s corporate governance culture is implemented through the Stanbic board committees’ comprehensive reporting

procedures. These procedures ensure a constant monitoring of the implementation of group policy and objectives by subsidiaries. In this way, all subsidiaries operate in accordance with the group's governance standards.

Stanbic maintains the highest ethical standards in its dealings with stakeholders. Codes of business ethics have been established by subsidiaries. In addition, SBSA, as a member of the Banking Council of South Africa, supports the Code of Banking Practice, which became effective on 3 April 2000.

## 5. RISK MANAGEMENT

### Stanbic's approach to risk management

Stanbic has comprehensive risk management policies and processes to control and monitor risk throughout the group. For effectiveness, these practices rely on regular communication, sound judgement and knowledge of products and markets by people closest to them. In addition, there must be regular oversight by the independent Group Risk and decentralised risk functions, by senior management and by board sub-committees. Risk management continues to evolve globally and the processes of the group are constantly evaluated and reviewed in order to keep them aligned with international initiatives and best practice.

While the Board of Directors is ultimately responsible for risk management, individual committees and dedicated risk management functions have been established to manage risk on a day-to-day basis.

### Stanbic's risk management structures



Maintains the quality, integrity and reliability of the group's compliance, internal and external audit processes, and accounting and control systems.

*Board Risk Management Committee*

Reviews and assesses the risk control systems, ensuring that risk policies and strategies are effectively managed.

*Board Credit Committee*

Sets limits for sanctioning authorities, considers loan applications over these limits and reviews the concentration of risk to individual borrowers, industries and geographic locations.

*Country Risk Committee*

Reviews countries to which the group is exposed, including the assignment of ratings and setting of limits.

*Group Asset and Liability Committee*

Ensures that market and liquidity risks are identified, measured, monitored and controlled.

*New Products Committees*

These decentralised committees consider all risks related to new products and ensure that suitable management controls and procedures are in place prior to the introduction of a new product.

**6. DIRECTORS OF SBSA**

The members of the Board of Directors of SBSA are:

D E Cooper

*(Chairman)*

E A G Mackay

*(Joint Deputy Chairman)*

S J Macozoma

*(Joint Deputy Chairman)*

J H Maree\*

*(Chief Executive)*

R C Andersen\*

D D B Band

E Bradley

A R Evans

A Z Farr

D A Hawton

V E Hesse

R J Khoza

W S MacFarlane

B J M Masekela

H K Mehta

R P Menell

R A Plumbridge

M Rapp†

B S Rayner

A Romanis†

M J D Ruck\*

C L Stals

C B Strauss

E P Theron

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*\*Executive Director*

*?British*

The business address of the directors is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg 2001.

The company secretary is K D Curr.

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## CAPITALISATION OF THE STANDARD BANK OF SOUTH AFRICA LIMITED

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The following table sets out the shareholder's funds and long-term liabilities of SBSA as at 30 June 2001 (unaudited).

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	<b>30 June</b>
<b>2001</b>	<b>Unaudited</b>
<b>actual</b>	<b>R million</b>
<hr/>	
<b>Shareholder's funds</b>	
Share capital	56
Share premium	3 941
Reserves	8 016
Total shareholder's funds	12 013
<hr/>	
<b>Long-term liabilities</b>	
Subordinated debt	2 700
Deposits maturing after more than one year	4 774
Total long-term liabilities	7 474
Total shareholder's funds and long-term-liabilities	19 487
<hr/>	
<b>Contingent liabilities</b>	
Letters of credit	1 845
Guarantees	14 163
	16 008

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Save as disclosed above and save for loans to Stanbic, at 30 June 2001 the Issuer had no other long-term borrowings with maturities of more than one year, loan capital outstanding or created but unissued (including term loans), or guarantees. Deferred taxation is excluded from the above table.

There has been no material change in the long-term liabilities or contingent liabilities and guarantees of the Issuer from 30 June 2001 to the date of this Programme Memorandum except for the issue of R2 000 million of subordinated debt on 31 October 2001.

Since 30 June 2001, SBSA's reserves have been reduced by a dividend of R1 490 million paid to Stanbic on 28 September 2001 as part of a group rationalisation scheme. In terms of this scheme, SBSA's indirect shareholding in Liberty Holdings Limited has been disposed of to Stanbic. The purchase consideration of R1 490 million in respect of this disposal has been paid to SBSA by Stanbic. SBSA's tier I capital position has not been affected by these transactions, with the reduction in reserves as a result of the dividend to Stanbic offset by the previous impairment in respect of the investment in Liberty Holdings which is no longer applicable.

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## FINANCIAL INFORMATION ON THE STANDARD BANK OF SOUTH AFRICA LIMITED

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The Issuer's unaudited balance sheet and income statement for the six months ended 30 June 2001 and 30 June 2000 are set out below:

### BALANCE SHEET AT 30 JUNE

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	<b>2001</b> <b>R million</b> <b>Unaudited</b>	<b>2000</b> <b>R million</b> <b>Unaudited</b>
<b>ASSETS</b>		
Cash and short-term funds	25 640	22 201
Investment and trading securities	9 412	5 149
Loans and advances	106 416	95 507
Other assets	6 207	5 587
Interest in subsidiary, fellow subsidiary and associated undertakings	13 626	13 680
Fixed assets	2 316	2 141
Customers' acceptance liabilities	121	149
<b>Total assets</b>	<b>163 738</b>	<b>144 414</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	56	56
Share premium	3 941	3 941
Reserves	8 016	6 757
<b>Total capital and reserves</b>	<b>12 013</b>	<b>10 754</b>
<b>LIABILITIES</b>		
Deposit and current accounts	134 059	120 013
Other liabilities and provisions	10 241	8 198
Liabilities to group companies	4 604	4 100
Bonds	2 700	1 200
Acceptances outstanding	121	149
<b>Total liabilities</b>	<b>151 725</b>	<b>133 660</b>
<b>Total equity and liabilities</b>	<b>163 738</b>	<b>144 414</b>

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### INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE

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**2001**                      **2000**

	<b>R million Unaudited</b>	<b>R million Unaudited</b>
Interest income	8 993	8 192
Interest expense	6 047	5 528
<b>Net interest income before provision for credit losses</b>	<b>2 946</b>	<b>2 664</b>
Provision for credit losses	654	631
<b>Net interest income</b>	<b>2 292</b>	<b>2 033</b>
Non-interest income	2 738	2 418
<b>Total income</b>	<b>5 030</b>	<b>4 451</b>
<b>Operating expenses</b>	<b>3 306</b>	<b>3 123</b>
Employee compensation and benefits	1 599	1 576
Other operating expenses	1 707	1 547
<b>Operating profit</b>	<b>1 724</b>	<b>1 328</b>
Income from associated undertakings	52	56
Exceptional items	–	(9)
<b>Income before taxation</b>	<b>1 776</b>	<b>1 375</b>
Taxation	583	423
<b>Income attributable to ordinary shareholder</b>	<b>1 193</b>	<b>952</b>
Headline earnings per share (cents)	2 113	1 702
Earnings per share (cents)	2 113	1 686
Dividends per share (cents)	1 771	177

*The information below has been extracted from the audited financial statements of The Standard Bank of South Africa Limited (here also referred to as the “company”) and has been adjusted for the changes in accounting policies in the 2000 year. For a full understanding of the financial information set out below, reference should be made to the Issuer’s audited financial statements in respect of the relevant periods.*

#### **BALANCE SHEET AT 31 DECEMBER**

	<b>2000 R million Audited</b>	<b>1999 R million Audited</b>
<b>ASSETS</b>		
Cash and short-term funds	22 601	20 975
Investment and trading securities	7 059	5 406
Loans and advances	101 357	92 588
Other assets	9 657	6 478
Interest in subsidiary, fellow subsidiary and associated undertakings	11 304	14 682



Property and equipment	2 311	2 220
Acceptances outstanding	203	223
<b>Total assets</b>	<b>154 492</b>	<b>142 572</b>

#### **EQUITY AND LIABILITIES**

##### **Capital and reserves**

Share capital	56	56
Share premium	3 941	3 946
Reserves	8 737	5 875
<b>Total capital and reserves</b>	<b>12 734</b>	<b>9 877</b>

##### **LIABILITIES**

Deposit and current accounts	125 283	122 554
Other liabilities and provisions	9 174	5 973
Liabilities to group companies	4 398	3 910
Bonds	2 700	35
Acceptances outstanding	203	223
<b>Total liabilities</b>	<b>141 758</b>	<b>132 695</b>

<b>Total equity and liabilities</b>	<b>154 492</b>	<b>142 572</b>
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#### **INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER**

	<b>2000</b>	<b>1999</b>
	<b>R million</b>	<b>R million</b>
	<b>Audited</b>	<b>Audited</b>
Interest income	17 050	18 662
Interest expense	11 333	13 447
<b>Net interest income before provision for credit losses</b>	<b>5 717</b>	<b>5 215</b>
Provision for credit losses	1 303	1 545
<b>Net interest income</b>	<b>4 414</b>	<b>3 670</b>
Non-interest income	4 763	4 548
<b>Total income</b>	<b>9 177</b>	<b>8 218</b>
<b>Operating expenses</b>	<b>6 303</b>	<b>6 172</b>
Employee compensation and benefits	3 131	3 089
Other operating expenses	3 172	3 083
<b>Operating profit</b>	<b>2 874</b>	<b>2 046</b>
Income from associated undertakings	117	102
Exceptional items	768	(22)

<b>Income before taxation</b>	3 759	2 126
Taxation	848	552
<b>Income attributable to ordinary shareholder</b>	2 911	1 574
Headline earnings per share (cents)	3 795	2 912
Earnings per share (cents)	5 155	2 950
Dividends per share (cents)	2 047	243

#### CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	<b>2000</b>	<b>1999</b>
	<b>R million</b>	<b>R million</b>
	<b>Audited</b>	<b>Audited</b>
<b>Operating activities</b>		
Cash receipts from customers	21 313	22 728
Cash paid to customers, employees and suppliers	(17 254)	(19 315)
Dividends received	617	696
<b>Cash flows from operating activities</b>	4 676	4 109
<b>Changes in operating funds</b>		
Increase in income-earning assets	(12 620)	(7 357)
Increase in deposits and other liabilities and provisions	6 046	9 917
<b>Cash flows (used in)/from operating funds</b>	(6 574)	2 560
<b>Taxation paid</b>	(461)	(488)
<b>Investing activities</b>		
Capital expenditure on		
– property	(5)	(11)
– equipment, furniture and vehicles	(508)	(482)
Proceeds from sales of		
– property	18	30
– equipment, furniture and vehicles	38	43
– associates and other investments	1 425	–
Proceeds from capital reduction of investment	406	–
<b>Net cash flows from/(used in) investing activities</b>	1 374	(420)
<b>Financing activities</b>		
Share issue expenses	(5)	–
Proceeds from/(redemption of) bonds	2 665	(25)
Dividends paid	(100)	(537)
<b>Net cash flows from/(used in) financing activities</b>	2 560	(562)
<b>Effects of exchange rate changes on cash and short-term funds</b>	51	(20)
<b>Net increase in cash and short-term funds</b>	1 626	5 179

Cash and short-term funds at beginning of the year	20 975	15 796
Cash and short-term funds at end of the year	22 601	20 975

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**STATEMENT OF CHANGES IN SHAREHOLDER'S FUNDS FOR THE YEAR ENDED 31 DECEMBER**

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	<b>2000</b>	<b>1999</b>
	<b>R million</b>	<b>R million</b>
	<b>Audited</b>	<b>Audited</b>
<b>Shareholder's funds at beginning of the year</b>		
Previously reported	9 877	6 868
Effect of changes in accounting policy:		
– provision for dividends (AC107)	–	412
– provision for leave pay (AC116)	–	(130)
Restated	9 877	7 150
<b>Movements in share capital and share premium</b>	(5)	1 700
Share capital and share premium received on allotment and issue of shares, net of issue expenses	(5)	1 700
<b>Movements in non-distributable reserves</b>	51	5
Translation of financial statements of foreign entities	51	5
<b>Movements in distributable reserves</b>	2 811	1 022
Retained earnings	2 811	1 037
Income attributable to ordinary shareholder	2 911	1 574
Ordinary dividends	(100)	(537)
Translation of financial statements of foreign entities	2	(5)
Other	(2)	(10)
<b>Shareholder's funds at end of the year</b>	<b>12 734</b>	<b>9 877</b>

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## REPORT OF THE INDEPENDENT AUDITORS

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*The financial information set out on pages 67 to 70 has been extracted without adjustment, other than the accounting policy changes included in the financial statement extract, from the audited financial statements of The Standard Bank of South Africa Limited for the year ended 31 December 2000.*

*The following is the text of the report of the independent auditors of The Standard Bank of South Africa Limited in relation to the audited financial statements of The Standard Bank of South Africa Limited for the year ended 31 December 2000. References to page numbers are to the page numbers as they appear in the annual financial statements of The Standard Bank of South Africa as at and for the year ended 31 December 2000. This report should be read in conjunction with the audited financial statements to which it refers and in the context in which it was issued.*

“To the members of The Standard Bank of South Africa Limited

We have audited the annual financial statements set out on pages 10 to 35 for the year ended 31 December 2000. These financial statements are the responsibility of the company’s directors. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Scope**

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

### **Audit opinion**

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company at 31 December 2000 and the results of its operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa.

### **PricewaterhouseCoopers Inc**

*Registered Accountants and Auditors  
Chartered Accountants(SA)*

Johannesburg  
14 March 2001”

### **KPMGInc**

*Registered Accountants and Auditors  
Chartered Accountants (SA)*

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## SETTLEMENT, CLEARING AND TRANSFER OF NOTES WHILE IN GLOBAL FORM

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*This section entitled “Settlement, Clearing and Transfer of Notes while in Global Form” is intended as a general summary of certain aspects of the operation of the BESA Settlement System as at the date of this Programme Memorandum. This section is not intended as advice and any persons in doubt about the operation of the BESA Settlement System should obtain advice from their own advisers.*

### INITIAL ISSUE OF NOTES LISTED ON BESA

Notes to be listed on BESA will initially be evidenced by a single global certificate (the “**Global Certificate**”) which will be lodged with, and immobilised by, The Central Depository Limited, a company registered as a central securities depository in terms of the Custody and Administration of Securities Act, 1992. The Notes evidenced by the Global Certificate (“**Global Notes**”) will be Registered in the name of The Central Depository Limited or its nominee (the “**Central Depository**”). The Central Depository forms part of the settlement system of BESA, a licensed financial exchange in terms of the Financial Markets Control Act, 1989. The Central Depository will be the sole Noteholder in respect of the Global Note.

The Central Depository holds Notes subject to the Custody and Administration of Securities Act, 1992 and the Rules of the Central Depository. The Rules of the Central Depository as at the date of this Programme Memorandum are as published by the Registrar of Financial Markets in Government Gazette No. 17637 of 6 December 1996.

### RELATIONSHIP BETWEEN THE CENTRAL DEPOSITORY AND THE ISSUER

While Notes are held in the Central Depository, the Central Depository will be reflected as the Noteholder in the register maintained by the Transfer Secretary (the “**Register**”). Accordingly, in terms of the terms and conditions of the Notes, all amounts to be paid and all rights to be exercised in respect of the Notes held in the Central Depository, will be paid to and may be exercised only by the Central Depository, for the holders of beneficial interests in the Notes held by the Central Depository.

### RELATIONSHIP BETWEEN THE CENTRAL DEPOSITORY, PARTICIPANTS AND HOLDERS OF BENEFICIAL INTERESTS IN GLOBAL NOTES

The Central Depository maintains accounts only for the custodial members of the Central Depository (“**Participants**”). The Participants are also approved settlement agents of BESA (“**BESA Settlement Agents**”). As at the date of this Programme Memorandum, the BESA Settlement Agents are the South African Reserve Bank, ABSA Bank Limited, FirstRand Bank Limited, Nedcor Bank Limited and The Standard Bank of South Africa Limited. The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of beneficial interests in the Notes or their custodians. The clients of Participants, as the holders of beneficial interests in the Notes or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Depository only through the Participants. Euroclear and Clearstream, Luxembourg may hold Notes through their BESA Settlement Agent.

### TRANSFERS OF BENEFICIAL INTERESTS IN GLOBAL NOTES

Transfers of beneficial interests in Notes lodged in the Central Depository to and from clients of Participants, who are also BESA Settlement Agents, occur by electronic book entry in the securities accounts of the clients with the BESA Settlement Agents. Transfers among Participants of Notes held in the Central Depository occur through electronic book entry in the Participant’s central security accounts with the Central Depository.

Transfers of beneficial interests in Notes lodged in the Central Depository will be effected in the ordinary way in accordance with the applicable rules and operating procedures of the Central Depository, the Participants, the BESA Settlement Agents and BESA, as the case may be (the “**Applicable Procedures**”).

### EXCHANGE OF BENEFICIAL INTERESTS IN GLOBAL CERTIFICATES FOR INDIVIDUAL CERTIFICATES

Where the client of a Participant holds a beneficial interest in Notes evidenced by a Global Certificate through a securities account with a Participant, the client may exchange the beneficial interest, or any part thereof, for an Individual Certificate, provided that

(i) a written request for the Individual Certificate is submitted by the client to the Participant not later than 14 days prior to the requested date of such exchange, (ii) the Applicable Procedures for obtaining such Individual Certificate from the Transfer Secretary are followed, (iii) the Individual Certificate to be delivered to the client is in respect of Notes with a Principal Amount of not less than R10 million and in integral multiples of not less than R1 million, and (iv) such Notes are transferred in accordance with the provisions of Condition 12 from the Central Depository to the client.

At least seven days before the date of exchange of a beneficial interest in a Global Certificate for one or more Individual Certificates (the “**Exchange Date**”), the holder of the Global Certificate will be required to surrender it to the Transfer Secretary. In exchange for any Global Certificate, or the part thereof to be exchanged, the Issuer will, on or before the Exchange Date, procure the delivery of an equal aggregate Principal Amount of duly executed and authenticated Individual Certificates. Individual Certificates will be issued in accordance with any applicable law and the Applicable Procedures. On exchange in part of a Global Certificate, the Issuer will deliver the Individual Certificates to the relevant Noteholders and a new Global Certificate for the balance of the Notes.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by a means other than ordinary mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto, which will be borne by the Noteholder) will be borne by the Issuer.

### **PAYMENTS ON GLOBAL NOTES**

Payments of interest and principal in respect of Notes represented by a Global Certificate will be made in accordance with the Terms and Conditions of the Notes to the Central Depository, or such other registered holder of the Global Note as shown in the Register, and the Issuer will be discharged by proper payment to, or to the order of the registered holder of the Global Note in respect of each amount so paid. Each of the persons shown in the records of the Central Depository and the Participants as the holders of beneficial interests in the Global Note, as the case may be, shall look solely to the Central Depository or the Participant, as the case may be, for such person’s share of such payment so made by the Issuer to, or to the order of, the registered holder of such Global Note.

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## **SOUTH AFRICAN TAXATION**

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*This section entitled “South African Taxation” is intended as a general guide to certain aspects of certain tax laws of the Republic of South Africa (“South Africa”) as at the date of this Programme Memorandum. This section is not intended as advice and any persons in doubt about any aspect of South African tax should obtain advice from their own advisers.*

### **GENERAL**

The year 2001 saw two major tax changes to the South African tax system. The first was that the income tax regime changed from a source system to a residence system. Under the former system both residents and non-residents were taxed primarily on South African sourced income (with some extensions for residents to deemed source provisions). In contrast, under the residence system, residents are taxed on worldwide income, with some exceptions, although the position of non-residents is largely unchanged. The second major change was the introduction of capital gains tax.

### **INCOME TAX**

#### **Treatment of discount**

Any original issue discount to the Principal Amount of the Notes will be treated as interest for tax purposes and will generally be deemed to accrue to the Noteholder on a day-to-day basis until sale or maturity. This basis is normally calculated using a yield to maturity method, which will take account of any interest and certain other cashflows relating to the Notes, and, if applicable, any gain or loss arising on the transfer of the Notes. An alternative basis of calculation relating to the market value of the Notes may be elected in certain circumstances.

#### **Exemption for certain non-residents**

Interest income will not be taxed in the hands of non-residents, provided that the recipient is:

- (a) a natural person who is not tax-resident in South Africa or the Common Monetary Area (Lesotho, Namibia and Swaziland), who does not carry on business in South Africa, and who is physically absent from South Africa for at least 183 days in aggregate during the relevant tax year, or
- (b) a company that is not tax-resident in South Africa or the Common Monetary Area, provided that such interest is not effectively connected with a business carried on by that company in South Africa. A company includes an incorporated association, corporation or other body corporate.

### **CAPITAL GAINS TAX**

For a Noteholder who is for tax purposes not regarded as a dealer in Notes and similar instruments, any gains or losses arising on disposal of the Notes will fall under the new capital gains tax system.

Capital gains are taxable at income tax rates, but in the case of a natural person only 25% of the gain is taxable, and in the case of companies and trusts 50% of the gain is taxable. Noteholders who are not tax-resident in South Africa will generally not be subject to capital gains tax on the disposal of Notes unless the Notes are assets of a trading permanent establishment of such non-resident located in South Africa.

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## SUBSCRIPTION AND SALE

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The Notes will be distributed by Standard Corporate and Merchant Bank (“**SCMB**”) (a division of The Standard Bank of South Africa Limited) and/or any person appointed as dealer by the Issuer. SCMB and/or each such person are referred to in this section entitled “Subscription and Sale” as “**Dealers**”.

### REPUBLIC OF SOUTH AFRICA

The Issuer shall comply with all applicable provisions of the Companies Act, 1973 and the Banks Act, 1990 and regulations issued thereunder.

### UNITED STATES

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Issuer and each Dealer agrees that it will not offer, sell or deliver Notes within the United States or to, or for the account or benefit of, U.S. persons.

### UNITED KINGDOM

The Issuer and each Dealer agrees, in respect of each Tranche of Notes, that:

- (1) it has not offered or sold and, prior to the expiry of six months from the Issue Date, will not solicit offers for the subscription for any Notes to persons in the United Kingdom except 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 otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations, 1995;
- (2) it has complied and will comply with all applicable provisions of the Financial Services Act, 1986 (the “**FSA**”) (and, after they come into force, all applicable provisions of the Financial Services and Markets Act, 2000 (the “**FSMA**”)) with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (3) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act, 1986 (Investment Advertisements)(Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on. After the repeal of section 57 of the FSA, it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

### GENERAL

The Issuer and each Dealer agrees that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it procures the subscription of Notes, offers or sells Notes or possesses or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers or sales.

The Issuer does not represent that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.



With regard to each Tranche, the Issuer and each Dealer will be required to comply with such other or additional restrictions as set out in the applicable Pricing Supplement.

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## **GENERAL INFORMATION**

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### **1. AUTHORISATION**

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of South Africa have been given for the establishment of the Programme and the issue of Notes thereunder.

### **2. LISTING**

The Programme has been approved by BESA. Notes to be issued under the Programme may be listed on BESA and/or on such other exchange or exchanges as determined by the Issuer. Unlisted Notes may also be issued under this Programme.

### **3. DOCUMENTS AVAILABLE**

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the Transfer Secretary at the address specified on page 82 of this Programme Memorandum:

- 3.1 a copy of this Programme Memorandum;
- 3.2 supplements to this Programme Memorandum published by the Issuer from time to time;
- 3.3 the audited Annual Financial Statements of SBSA for SBSA's last three financial years.

### **4. CLEARING SYSTEM**

Notes listed on BESA will have been accepted for clearance through UNEXcor.

### **5. SETTLEMENT AGENTS**

As at the date of this Programme Memorandum, the BESA-recognised Settlement Agents are the South African Reserve Bank, ABSA Bank Limited, FirstRand Bank Limited, Nedcor Bank Limited and The Standard Bank of South Africa Limited. Euroclear and Clearstream, Luxembourg will settle offshore transfers through South African Settlement Agents.

### **6. SETTLEMENT, CLEARING AND TRANSFER**

Notes listed on BESA will be issued, cleared and transferred in accordance with the procedures and rules set out by BESA. Transactions in Notes listed on BESA will be settled through BESA-recognised Settlement Agents in accordance with the applicable electronic settlement procedures. The Central Depository, or its nominee, will be the Registered holder of each Global Note and will maintain securities accounts for the Central Depository Participants who are also Settlement Agents of BESA who, in turn, will maintain securities accounts for their clients.

The Settlement Agents will be responsible for the settlement of scrip and payment transfers through the Central Depository, BESA and the South African Reserve Bank. Individual Certificates will only be issued to Noteholders in terms of the procedures referred to in Condition 10.2. Transfers of Notes may be effected in accordance with Condition 12. No transfer of Notes will be recorded in the Register unless the prescribed transfer form and the Certificate have been properly lodged with the Transfer Secretary.

### **7. SIGNIFICANT CHANGE**

Save as disclosed in this Programme Memorandum, there has been no significant change in the financial or trading position or prospects of SBSA since 31 December 2000.

### **8. LITIGATION**

Save as disclosed herein, the Issuer is not (whether as defendant or otherwise) engaged in any legal, arbitration, administration or other proceedings, the results of which might have or have had a material effect on the financial position or

the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

## 9. AUDITORS

The auditors of the Issuer are KPMG Inc and PricewaterhouseCoopers Inc.

## 10. EXCHANGE CONTROL REGULATIONS – NON-SOUTH AFRICAN RESIDENT NOTEHOLDERS AND EMIGRANTS FROM THE COMMON MONETARY AREA

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes may be subject to the Exchange Control Regulations, 1961 made pursuant to the Currency and Exchanges Act, 1933 (the “**Exchange Control Regulations**”). The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of Notes. Prospective purchasers of Notes that are non-South African residents or emigrants from the Common Monetary Area should seek further professional advice concerning the purchase of Notes. The Common Monetary Area includes the Republic of South Africa, Namibia, Lesotho and Swaziland.

### 10.1 Emigrants from the Common Monetary Area

Emigrants from the Common Monetary Area may use their blocked Rand to purchase Notes listed on BESA.

Certificates in respect of Notes acquired by an emigrant Noteholder with blocked Rand must be restrictively endorsed and deposited with the authorised dealer in foreign exchange controlling such emigrant’s blocked assets (the “**authorised dealer**”). Where the emigrant holds such Notes through the Central Depository, the securities account maintained for such emigrant by the Participant must be under the control of the authorised dealer and restrictively endorsed.

Any interest due to an emigrant will be remitted to the emigrant’s authorised dealer and may be remitted by the authorised dealer to the emigrant’s resident or non-resident account. Any redemption amount and/or Deliverable Obligations due to an emigrant Noteholder will, subject to the Conditions, be paid or Delivered, as the case may be, to the authorised dealer and will form part of the emigrant’s blocked assets which may only be dealt with subject to the Exchange Control Regulations.

### 10.2 Non-residents of the Common Monetary Area

In terms of the approvals given pursuant to the Exchange Control Regulations, Notes listed on BESA may be acquired by persons that are not resident in the Common Monetary Area (“**non-residents**”).

Any Certificates in respect of Notes acquired by non-resident Noteholders at market value with foreign currency introduced into the Common Monetary Area or with funds that may be remitted from the Common Monetary Area must be endorsed “non resident”. In the event that any such Notes are held by a non-resident in an account with a Participant, the securities account of such Noteholder will be designated as a “non-resident” account.

Any interest or redemption amounts due to the non-resident under any such Notes may be remitted from the Common Monetary Area. Any Listed Deliverable Obligations due to the non-resident under such Notes may be Delivered to the non-resident and any distributions under such Deliverable Obligations and any proceeds due to the non-resident on the sale at market value of such Deliverable Obligations may be remitted from the Common Monetary Area. It may not be possible to deliver any other Deliverable Obligations to non-residents without the approval of the South African Reserve Bank.

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## INDEX OF DEFINED TERMS

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Defined Term	Page number
Accelerated or Matured	20
Affiliate	9
applicable Pricing Supplement	9
Applicable Procedures	9
Asset Transfer Notice	29
Assignable Loan	20
Bankruptcy	17
BESA	9
BESA Settlement Agent	9
BESA Settlement System	9
Bond	21
Bond or Loan	21
Books Closed Periods	9
Borrowed Money	21
Business Day	9
Business Day Convention	9
Calculation Agent	10
Cash Settlement Amount	26
Cash Settlement Date	26
Central Depository	10
Certificate	10
Class of Noteholders	10
Clearstream, Luxembourg	10
Conditions	10
Conditions to Payment	24
Consent Required Loan	21
Credit Event	18
Credit Event Notice	24
Currency Amount	10
Currency of Issue	10
Currency Rate	29
Cut-Off Date	29
Day Count Fraction	10
Dealer	26
Default Rate	11
Default Requirement	18
Definitive Note	11
Deliver, Delivered and Delivery	29
Deliverable Obligation	21

---

<b>Defined Term</b>	<b>Page number</b>
Deliverable Obligation Category	21
Deliverable Obligation Characteristics	21
Deliverable Obligation Value	22
Delivery Expenses	44
Designated Maturity	11
Designated Transferee	29
Direct Loan Participation	22
Domestic Currency	11
Due and Payable Amount	22
Early Redemption Date	16
Early Redemption Event	16
Eligible Transferee	17
Euro, euro and EUR	12
EUR-EURIBOR-Telerate	11
EUR-LIBOR-BBA	12
Euroclear	12
Euro-zone	12
Event Determination Date	17
Excluded Deliverable Obligation	22
Excluded Obligation	22
Failure to Pay	18
Final Price	26
Fixed Interest Date	12
Full Quotation	26
Fully Transferable Obligation	17
GBP-LIBOR-BBA	12
Global Certificate	12
Global Note	12
Governmental Authority	13
Grace Period	18
Grace Period Business Day	18
Grace Period Extension Date	19
Indicative Quotation	26
Indirect Loan Participation	22
Individual Certificate	13
Interest Determination Date	13
Interest Payment Date	13
Interest Period	13
Interest Termination Date	13
ISDA Definitions	13
Issue Date	13
Issue Price	13
Issuer	13

---

<b>Defined Term</b>	<b>Page number</b>
JPY-LIBOR-BBA	13
Last Day to Register	13
Latest Permissible Physical Settlement Date	29
Listed	22
Loan	22
Market Value	26
Maximum Maturity	22
Minimum Quotation Amount	26
Multiple Holder Obligation	19
Not Bearer	22
Not Contingent	23
Not Domestic Currency	23
Not Domestic Issuance	23
Not Domestic Law	23
Not Sovereign Lender	23
Noteholder and holder	14
Notes	14
Notice Delivery Period	25
Notice of Intended Physical Settlement	25
Notice of Publicly Available Information	25
Not Sovereign Lender	23
Obligation	23
Obligation Acceleration	19
Obligation Category	23
Obligation Characteristics	23
Obligation Currency	17
Obligation Default	19
Obligation Exchange	17
Pari Passu Ranking	23
Partial Cash Settlement Terms	29
Participant	14
Participation	17
Payment	23
Payment Requirement	19
Physical Settlement Date	29
Portfolio	23
Potential Failure to Pay	19
Prime Rate	14
Principal Amount	14
Programme	14
Public Source	25
Publicly Available Information	25
Qualifying Participation Seller	17

---

<b>Defined Term</b>	<b>Page number</b>
Quotation	27
Quotation Amount	27
Quotation Method	27
Reference Banks	14
Reference Entity	14
Reference Obligation	14
Reference Obligations Only	24
Reference Price	14
Register	14
Registered	14
Relevant Portion	29
Representative Amount	14
Repudiation/Moratorium	19
Restructured Bond or Loan	19
Restructuring	19
Restructuring Date	20
Restructuring Maturity Limitation	20
Restructuring Maturity Limitation Date	20
Scheduled Redemption Date	14
Series or Series of Notes	14
Settlement Currency	14
Sovereign	14
Sovereign Agency	17
Special Resolution	14
Specified	15
Specified Currency	24
Specified Number	26
Sterling, GBP and STG	15
Substitute Reference Obligation	15
Successor	15
Supranational Organisation	15
TARGET	15
Tax Redemption Date	15
Tax Redemption Event	47
Tranche	15
Transfer Secretary	15
Transferable	24
UNEXcor	15
U.S. Dollars or USD	15
USD-LIBOR-BBA	15
Valuation Date	27
Valuation Method	28
Valuation Time	29

Weighted Average Quotation	29
Yen and JPY	16
ZAR, South African Rand, Rand and R	16
ZAR-JIBAR-SAFEX	16



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