

ANNEXURE A

**PRICING SUPPLEMENT FOR NOTES THE PROCEEDS OF WHICH QUALIFY AS SECONDARY CAPITAL**



**INVESTEC BANK LIMITED**  
(Registration number 1969/000763/06)

*(Incorporated with limited liability in the Republic of South Africa)*

**Issue of ZAR125,000,000 Floating Rate Upper Tier 2 Notes  
Under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. The Notes described in this Pricing Supplement are subject to the terms and conditions ("Terms and Conditions") set forth in the Programme Memorandum dated 12 February 2003 (the "Programme Memorandum"). This Pricing Supplement must be read in conjunction with such 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.

**Definitions**

For purposes of this Pricing Supplement and the applicable Terms and Conditions:

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|-----------------------------------|--|
| <b>"Additional Conditions"</b>    | means, in relation to any issue of Notes, the proceeds of which are intended by the Issuer to qualify as Secondary Capital, such conditions, in addition to the applicable Capital Regulations, as may be prescribed by the Registrar of Banks for the proceeds of the issue of such Notes to qualify as Secondary Capital, pursuant to the approval granted by the Registrar of Banks for the issue of such Notes, or as specified in the Applicable Pricing Supplement;  |
| <b>"Assets"</b>                   | means the total amount of the non consolidated gross assets of the Issuer as shown in the latest audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditors of the Issuer or a liquidator or administrator of the Issuer (if applicable) may determine;  |
| <b>"Banks Act"</b>                | means the Banks Act, 1990;   |
| <b>"Capital Regulations"</b>      | means, at any time, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in South Africa in relation to banks registered under the Banks Act and licensed to conduct the business of a bank in South Africa (including the Additional Conditions (if any)) (or if the Issuer becomes domiciled in a jurisdiction other than South Africa, any legislation, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in such other jurisdiction in relation to banks registered in, and licensed to conduct the business of a bank in, such other jurisdiction), |
| <b>"Capital Deficiency Event"</b> | means the occurrence of any event which results (or will result) in the Issuer (on a solo and/or consolidated basis) being in non-compliance with the Capital Regulations;   |

<b>"Capital Disqualification Event"</b>	means the occurrence of any event which results (or will result) in the Notes not, or no longer, qualifying as Secondary Capital Notes and/or the proceeds of the issue of the Notes not, or no longer, qualifying as Secondary Share Capital for inclusion in the Secondary Share Capital of the Issuer on a solo and/or consolidated basis (save where such non-qualification is only as a result of the applicable quantitative limits on the amount of such Secondary Share Capital);
<b>"Central Depository"</b>	means Strate Limited (Registration Number 1998/022242/06), or its nominee, operating in terms of the Securities Services Act, 2004 (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer;
<b>"CSD's Nominee"</b>	means Central Depository Nominees (Proprietary) Limited (Registration Number 1990/006665/07) a wholly-owned subsidiary of the Central Depository;
<b>"Group Company"</b>	means any company within the Investec Group;
<b>"Holding Company"</b>	means Investec Limited (Registration Number 1925/002833/06), a public company duly incorporated in accordance with the company laws of South Africa;
<b>"Interest Step-Up Date"</b>	means the date specified in Item 27 below;
<b>"Investec Group"</b>	means the Issuer and any of its respective wholly-owned consolidated subsidiaries (as defined in the Companies Act, 1973);
<b>"Junior Securities"</b>	means the Ordinary Shares or any other share capital of the Issuer or any other member of the Investec Group or any other securities of the Issuer or any other member of the Investec Group the proceeds of which qualify as Primary Share Capital ranking or expressed to rank junior to the Notes either issued directly by the Issuer or, where issued by a member of the Investec Group, where the terms of the securities benefit from a guarantee or support agreement entered into by the Issuer or any other member of the Investec Group which ranks or is expressed to rank junior to the Notes;
<b>"Liabilities"</b>	means the total amount of the non consolidated gross liabilities of the Issuer as shown in the latest audited non consolidated balance sheet of the Issuer, but adjusted for contingencies and subsequent events in such manner as the directors of the Issuer, the auditors of the Issuer or a liquidator or administrator of the Issuer (if applicable) may determine;
<b>"Non-Redeemable Non-Cumulative Preference Shares"</b>	means the non-redeemable non-cumulative preference shares in the issued share capital of the Issuer the proceeds of which qualify as Primary Share Capital;
<b>"Ordinary Shares"</b>	means the ordinary shares in the issued share capital of the Issuer having on the Issue Date a par value of ZAR0.50 each;
<b>"Parity Securities"</b>	means Non-Redeemable Non-Cumulative Preference Shares qualifying as Undated Secondary Capital from time to time outstanding or any other securities issued by the Issuer or any other member of the Investec Group ranking or expressed to rank equally as to payments with Non-Redeemable Non-Cumulative Preference Shares and the proceeds from which qualify as Undated Secondary Capital or any securities issued by a member of the Investec Group that benefit from a guarantee or support agreement from the Issuer or any other member of the Investec Group which ranks or is expressed to rank equally as to payments with the Notes and the proceeds from the issue of which securities qualify as Undated Secondary Capital;

<b>"Primary Share Capital"</b>	means " <i>primary share capital</i> " as defined in the Banks Act;
<b>"Primary Capital Notes"</b>	means the " <i>hybrid-debt instruments</i> " contemplated in Regulation 38(13) of the Regulations;
<b>"Regulations"</b>	means the " <i>Regulations Relating to Banks</i> " promulgated under the Banks Act as Government Notice No. R.3 and published in <i>Government Gazette</i> No. 30629 of 1 January 2008;
<b>"Relevant Interest Amount"</b>	means any Interest Amount due under the Notes in this Tranche in respect of any Interest Period;
<b>"Relevant Interest Payment Date"</b>	means (i) the Interest Payment Date on which the Relevant Interest Amount becomes due and payable to the Noteholders or (ii) if the Issuer elects not to pay the Relevant Interest Amount, the Interest Payment Date on which, in the absence of such election, the Relevant Interest Amount would otherwise have become due and payable to the Noteholders, as the case may be;
<b>"Secondary Capital"</b>	means " <i>secondary capital</i> " as defined in the Banks Act;
<b>"Senior Creditors"</b>	means (a) creditors of the Issuer who are unsubordinated creditors of the Issuer (including creditors having claims against the Issuer in respect of " <i>deposits</i> " (as defined in the Banks Act)) and (b) creditors of the Issuer whose claims are, or are expressed to be, subordinated to the claims of other creditors, whether subordinated or unsubordinated, of the Issuer other than those whose claims rank, or are expressed to rank, <i>pari passu</i> with, or junior to, the claims of the holders of the Notes in this Tranche;
<b>"Subordinated Debt"</b>	means all subordinated debt issued by the Issuer the proceeds of which subordinated debt qualify as Secondary Capital or Tertiary Capital, as the case may be;
<b>"Tertiary Capital"</b>	means " <i>tertiary capital</i> " as defined in the Banks Act;
<b>"Undated Secondary Capital"</b>	means the proceeds of the issue of hybrid-debt instruments that combine features of equity instruments and debt instruments contemplated in section 1(1) of the Banks Act which proceeds are intended, upon issue of such hybrid debt instruments, to qualify as Secondary Capital in accordance with the Undated Tier 2 Capital Regulations;
<b>"Undated Tier 2 Capital Regulations"</b>	means Regulation 38(14)(a) of the Regulations and/or such other provisions of the Capital Regulations with which Undated Tier 2 Notes must comply in order for the proceeds of the issue of such Notes to qualify as Secondary Capital;
<b>"Undated Tier 2 Notes"</b>	means " <i>hybrid-debt instruments</i> " contemplated in Regulation 38(14)(a) of the Regulations.

## DESCRIPTION OF THE NOTES

1. Issuer  
Investec Bank Limited
2. Status of Notes  
The Notes in this Tranche are direct, unsecured and (in accordance with Item 45 below) subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The Notes in this Tranche rank *pari passu* with all other claims of creditors of the Issuer which rank or are expressed to rank (and which are entitled to rank) *pari passu* with Undated Tier 2 Notes.
3. (a) Series Number  
1

(b) Tranche Number

1

4. Additional Conditions	Not Applicable
5. Aggregate Principal Amount of Tranche	ZAR125,000,000
6. Interest/Payment Basis	Floating Rate
7. Form of Notes	Registered Notes
8. Automatic/Optional Conversion from one Interest/ Payment Basis to another	Automatic, in accordance with Item 26 to 31 below.
9. Issue Date	30 April 2008
10. Business Centre	Johannesburg
11. Additional Business Centre	Not applicable
12. Principal Amount per Note	ZAR1,000, subject to a minimum initial aggregate subscription amount of R100,000 per investor
13. Specified Denomination	ZAR1,000
14. Issue Price	100%
15. Interest Commencement Date	30 April 2008
16. Specified Currency	ZAR
17. Applicable Business Day Convention	Following Business Day
18. Calculation Agent	Issuer
19. Paying Agent	Issuer
20. Specified office of the Paying Agent	100 Grayston Drive, Sandown, Sandton, 2196
21. Transfer Agent	Issuer
22. Default Rate	Not applicable
23. Yield	Not applicable
<b>PARTLY PAID NOTES</b>	Not applicable
<b>INSTALMENT NOTES</b>	Not applicable
<b>FIXED RATE NOTES</b>	Not applicable
<b>FLOATING RATE NOTES</b>	
24. Payment of Interest Amount	The Issuer shall be obliged to pay the Relevant Interest Amount to the Noteholders on the Relevant Interest Payment Date unless the Issuer elects or is obliged to elect (as contemplated in Item 42 below) to defer the Relevant Interest Amount (or any portion thereof) on the

**Relevant Interest Payment Date.**

- 25 (a) Interest Rate(s) The Notes in this Tranche will bear interest at the Interest Rate equal to JIBAR + 375bps (nominal annual compounded quarterly) for the period from and including the Issue Date to but excluding the Interest Step-Up Date.
- (b) Interest Payment Date(s) Quarterly in arrear on 31 July, 31 October, 31 January and 30 April of each year, the first Interest Payment Date being 31 July 2008.
- (c) Interest Rate Periods Each successive three-month period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date. The first Interest Rate Period will commence on and include the Issue Date and the last Interest Rate Period will end on but exclude the Interest Step-Up Date (or the Actual Redemption Date, if the Actual Redemption Date falls before the Interest Step-Up Date).
- (d) Initial Broken Amount Not applicable
- (e) Final Broken Amount Not applicable
- (f) Any other terms relating to the particular method of calculating interest Not applicable
26. Payment of Interest Amount The Issuer shall be obliged to pay the Relevant Interest Amount to the Noteholders on the Relevant Interest Payment Date unless the Issuer elects or is obliged to elect (as contemplated in Item 42 below), as the case may be, to defer the Relevant Interest Amount (or any portion thereof) on the Relevant Interest Payment Date.
27. Interest Step-Up Date 30 April 2018
- 28 (a) Interest Rate If this Tranche is not redeemed in full on or before the Interest Step-Up Date, the Notes in this Tranche will bear interest at the Interest Rate per annum (nominal annual compounded quarterly) equal to the sum of the Reference Rate (see Item 32 or 33 below, whichever is applicable) plus the Initial Credit Spread (see Item 31 below) plus the Margin (see Item 30 below) (determined by the Calculation Agent in accordance with Condition 8.2) for the period from and including the Interest Step-Up Date to but excluding the Actual Redemption Date.
- (b) Interest Payment Date(s) Quarterly in arrear on 31 July, 31 October, 31 January and 30 April of each year, the first Interest Payment Date being 31 July 2018.
- (c) Interest Period(s) Each successive three-month period commencing on and including a Floating Interest Payment Date and ending on but excluding the following Floating Interest Payment Date. The first Floating Rate Period will commence on and include the Interest Step-Up Date and the last Floating Rate Period will end on but exclude the Actual Redemption Date.
- (d) Definition of Business Day (if different from that set out in Condition 8.2) Not applicable
- (d) Minimum Interest Rate Not applicable
- (e) Maximum Interest Rate Not applicable

(f) Other terms relating to the method of calculating interest (e.g.: day count fraction, rounding up provision)	Day Count Fraction is Actual/365
29. Manner in which the Interest Rate is to be determined	Screen Rate Determination
30. Margin	187.5bps
31. Initial Credit Spread	375bps
32. If ISDA Determination	
(a) Floating Rate	Not applicable
(b) Floating Rate Option	Not applicable
(c) Designated Maturity	Not applicable
(d) Reset Date(s)	Not applicable
(e) ISDA Definitions to apply	Not applicable
33. If Screen Determination	
(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	The JIBAR Rate being, subject to Condition 8.2D the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Reuters Screen SAFETY page as the "SFX 3M YIELD" at our about 12h00 (South African time) on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 8.2
(b) Interest Rate Determination Date(s)	31 July, 31 October, 31 January and 30 April of each year, being the first day of each Interest Rate Period. If any such date is not a Business Day, the Interest Determination Date will be first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Interest Determination Date will be brought forward to the first preceding Business Day.
(c) Relevant Screen page and Reference Code	SAFETY Page, Code ZA 01209
34. If Interest Rate to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Interest Rate/Margin/Fallback provisions	Not applicable
35. Calculation Agent, responsible for calculating amount of principal and interest	Issuer
<b>MIXED RATE NOTES</b>	Not applicable
<b>ZERO COUPON NOTES</b>	Not applicable
<b>INDEXED NOTES</b>	Not applicable
<b>EXCHANGEABLE NOTES</b>	Not applicable

**OTHER NOTES**

Not applicable

**PROVISIONS REGARDING REDEMPTION**

36. Prior written consent of Registrar of Banks required for any redemption of the Notes

Yes

37. Call Option

The Issuer may at its option, but subject to the prior written approval of the Registrar of Banks, having given not less than 30 nor more than 60 days' notice to the Transfer Agent, the Calculation Agent, the Paying Agent, and the Noteholders (in the manner set out in Condition 19) (which notice shall be irrevocable) redeem all, but not only some, of the Notes in this Tranche, on 30 April 2013 or on any Interest Payment Date falling after the Interest Step-Up Date (which date for redemption (the "Call Option Date") shall be stipulated in such notice), at the aggregate Outstanding Principal Amount, together with interest (if any) accrued to the Call Option Date.

38. Tax Event

The Issuer may at its option, but subject to the prior written approval of the Registrar of Banks, having given not less than 30 nor more than 60 days' notice to the Transfer Agent, the Calculation Agent, the Paying Agent, and the Noteholders (in the manner set out in Condition 19) (which notice shall be irrevocable) redeem all, but not only some, of the Notes in this Tranche, on the date for redemption stipulated in such notice (the "Tax Event Redemption Date"), at the Tax Event Redemption Amount, if the Issuer, prior to the giving of such notice, has been provided with a legal opinion from a reputable firm of lawyers in South Africa to the effect that there is a substantial likelihood that, by reason of the occurrence (after the Issue Date) of any event(s) described in paragraphs (a) and (b) of Condition 11.2 and/or in the definition of "Additional Tax Event" below, on the next following Interest Payment Date:

- (a) the Issuer will be required to pay additional amounts in respect of the Notes in accordance with Condition 12, or
- (b) in respect of the Issuer's obligations to pay interest under the Notes, the Issuer will not be entitled to claim a deduction for purposes of computing its taxation liabilities or such entitlement is materially reduced,

and the circumstances in (a) above or (b) above (as the case may be) cannot be avoided by the Issuer taking measures reasonably available to it.

From the date of publication of any notice of redemption pursuant to this Item 38, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes to be so redeemed, (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) a copy of the legal opinion referred to in this Item 38 above.

For purposes of this Item 38:

- (a) "Tax Event Redemption Amount" means the aggregate Outstanding Principal Amount together with interest (if any)
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accrued to the Tax Event Redemption Date;

- (b) "Additional Tax Event" means an event where, as a result of a Tax Law Change, (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 12; or (ii) in respect of the Issuer's obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense); and
- (c) "Tax Law Change" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which change or amendment is announced on or after the Issue Date.

#### 39. Capital Disqualification Event

The Issuer may at its option, but subject to the prior written approval of the Registrar of Banks, having given not less than 30 nor more than 60 days' notice to the Transfer Agent, the Calculation Agent, the Paying Agent, and the Noteholders (in the manner set out in Condition 19) (which notice shall be irrevocable) redeem all, but not only some, of the Notes in this Tranche on the date for redemption stipulated in such notice (the "Capital Disqualification Event Redemption Date"), at the aggregate Outstanding Principal Amount together with interest (if any) accrued to the Capital Disqualification Event Redemption Date if the Issuer, prior to the giving of such notice, has been provided with a legal opinion from a reputable firm of lawyers in South Africa to the effect that (after the Issue Date) a Capital Disqualification Event has occurred and is continuing.

From the date of publication of any notice of redemption pursuant to this Item 39, the Issuer shall make available at its Specified Office, for inspection by any holder of Notes to be so redeemed, (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) a copy of the legal opinion referred to in this Item 38 above.

#### 40. Maturity and Redemption

The Notes in this Tranche are issued without a maturity date. The Issuer is under no obligation to redeem the Notes in this Tranche at any time other than in a winding-up or liquidation of the Issuer.

Subject to the preceding paragraph of this Item 40, if the Issuer, at its option and with the prior written approval of the Registrar of Banks, elects to redeem this Tranche of Notes in accordance with the Applicable Terms and Conditions, then "Actual Redemption Date"



will mean the date upon which this Tranche of Notes is actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the Noteholders has been paid, being the earlier of (i) the date on which such amount is paid to the Noteholders and (ii) the date on which such amount is paid to the CSD's Nominee.

#### 41. Redemption Amount

Subject to Item 38(b) above the aggregate Outstanding Principal Amount plus interest (if any) accrued to the Actual Redemption Date.

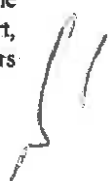
### **PAYMENT OF THE RELEVANT INTEREST AMOUNT**

#### 42. Optional deferral of interest on the Notes

The Issuer shall be obliged to pay interest on each Interest Payment Date unless (i) the Issuer elects to defer the relevant Interest Amount on such Interest Payment Date, (ii) the Issuer is in breach of either of the Capital Regulations or the Solvency Condition on the Business Day prior to such Interest Payment Date or would be in breach of the Capital Regulations or the Solvency Condition if the relevant Interest Amount were paid on such Interest Payment Date or (iii) at any time the Registrar of Banks imposes a mandatory prohibition on the payment of interest. If the Issuer does not pay the relevant Interest Amount in respect of an Interest Period in accordance with this Item 42 then any such failure to pay such Interest Amount shall not constitute a default by the Issuer or any other breach of obligations under the Notes or for any other purpose and a Noteholder will have no claim in respect of any such non-payment that such non-payment constitutes a default by the Issuer or any other breach of obligations or for any other purpose.

If the Issuer elects to defer the payment of interest on an Interest Payment Date, it shall give notice of such election to the Noteholders in accordance with Condition 19 and to the Registrar and the Transfer Secretary not less than 30 days prior to the relevant Interest Payment Date (or such shorter notice period as may be required by the Capital Regulations or the Registrar of Banks). If the Issuer is not obliged pursuant to the provisions of this Item 42 to pay any interest on any Interest Payment Date, it shall give notice of such fact to the Noteholders in accordance with Condition 19 and to the Registrar of Banks and the Transfer Secretary.

Any interest in respect of the Notes not paid on any Interest Payment Date, together with any other interest in respect thereof not paid on any other Interest Payment Date, shall, so long as the same remains unpaid, constitute "Arrears of Interest". Arrears of Interest may, at the option of the Issuer but subject to the restrictions of this Item 42 and subject to Item 45, be paid in whole or in part at any time upon the expiration of not less than 14 days' notice to such effect given to the Noteholders in accordance with Condition 19, but all Arrears of Interest in respect of the Notes for the time being outstanding shall (subject to the restrictions of this Item 42 and subject to Item 45) become due in full on whichever is the earlier of (i) the date fixed for any repayment pursuant to Item 37, 38 or 39, or (ii) the commencement of a winding-up (other than pursuant to a Solvent Reconstruction) of the Issuer. If notice is given by the Issuer of its intention to pay the whole or any part of any Arrears of Interest in respect of the Notes, the Issuer shall be obliged (but subject to the restrictions of this Item 42 and subject to Item 45) to do so upon the expiration of such notice. Where Arrears of Interest are paid in part, each part payment shall be in respect of the full amount of the Arrears



of Interest accrued due to the relevant Interest Payment Date or consecutive Interest Payment Dates furthest from the date of payment. Subject to the Capital Regulations, Arrears of Interest shall bear interest at the Interest Rate applicable while such Arrears of Interest are outstanding and shall to the extent accrued and unpaid, subject to the foregoing provisions of this Item 42, be due and payable on the date on which the Issuer is obliged to pay such Arrears of Interest.

For the purpose of this Item 42, "Solvent Reconstruction" means the event where an order is made or an effective resolution is passed for the winding-up or administration of the Issuer, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Notes are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented.

**43. Restrictions following election not to pay Interest Amount**

If, on any Interest Payment Date, the Interest Amount in respect of any Notes shall not have been paid in full pursuant to Item 42), then from such Interest Payment Date until the date on which the full amount of such Arrears of Interest has been received by the Noteholders and is no longer outstanding and no other Arrears of Interest remains unpaid, the Issuer shall not and it shall procure that no member of the Investec Group shall:

- (a) declare or pay a distribution or dividend or pay any interest on Junior Securities or Parity Securities (other than intra-group dividends between wholly-owned Investec Group subsidiaries, which can be paid at any time), or
- (b) redeem, purchase, reduce or otherwise acquire any Junior Securities or Parity Securities or any securities of any of its subsidiary undertakings benefiting from a guarantee from any member of the Investec Group ranking, as to the right of repayment of principal, or in the case of any such guarantee, as to the payment of sums under such guarantee, *pari passu* with or junior to the Notes.

**CAPITAL DISQUALIFICATION EVENT**

**44. Obligatory payment of Interest Amount following a Capital Disqualification Event and redemption on the Interest Step-Up Date**

On any Interest Payment Date on which:

- (a) a Capital Disqualification Event has occurred and is continuing;
- (b) the Issuer is in compliance with the Capital Regulations and the Solvency Condition; and
- (c) the Registrar of Banks has not imposed a mandatory prohibition on the payment of interest,

the Issuer shall not be permitted to exercise its right under Item 42 to defer any Interest Amount on an Interest Payment Date and shall be obliged to pay in respect of each Note the Interest Amount payable on such Interest Payment Date.

## SUBORDINATION

### 45. Subordination

The claims of Noteholders entitled to be paid amounts due in respect of the Notes are subordinated to the claims of Senior Creditors and the holders of Subordinated Debt and, accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, administration or wound-up:

- (a) no Noteholder shall be entitled to prove or tender to prove a claim in respect of the Notes;
- (b) no amount due under the Notes shall be eligible for set-off, counterclaim, abatement or other similar remedy which a Noteholder might otherwise have under the laws of any jurisdiction in respect of the Notes nor shall any amount due under the Notes be payable to any Noteholder; and
- (c) subject to applicable law, a Noteholder may not exercise or claim any right of set-off in respect of any amount in respect of the principal of and/or interest on the Notes owed to it by the Issuer and each Noteholder shall, by virtue of its subscription, purchase or holding of any Notes, be deemed to have waived all such rights of set-off and, to the extent that any set-off takes place, whether by operation of law or otherwise, between: (aa) any amount in respect of the principal and/or interest on the Notes owed by the Issuer to a Noteholder; and (bb) any amount owed to the Issuer by such Noteholder, such Noteholder will immediately transfer such amount which is set-off to the Issuer or, in the event of its winding-up or administration (as the case may be), the liquidator, administrator or other relevant insolvency official of the Issuer, to be held on trust for the Depositors, Senior Creditors and holders of Subordinated Debt,

until the claims of Senior Creditors and the holders of Subordinated Debt which are admissible in any such dissolution, insolvency or winding-up have been paid or discharged in full.

## SOLVENCY CONDITION

### 46. Solvency Condition

Payments in respect of the principal of and interest (including any Arrears of Interest) and payment of any additional amounts pursuant to Condition 12 on the Notes are, in addition to the right of the Issuer to defer interest in accordance with Item 42, conditional upon the Issuer being solvent at the time of payment by the Issuer, and no principal or interest on the Notes (including any Arrears of Interest) shall be due and payable in respect of the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For the purposes of this Item 46, the Issuer shall be solvent if (1) it is able to pay its debts owed to Senior Creditors and the holders of Subordinated Debt as they fall due and (2) its Assets exceed its Liabilities to Senior Creditors and the holders of Subordinated Debt (the "Solvency Condition"). A report as to the solvency of the Issuer made by two directors of the Issuer or, if the Issuer is in winding-up, its liquidator or, if in administration, its administrator shall, in the absence of manifest error, be treated and accepted by the Issuer and the Noteholders as correct and sufficient evidence of such solvency.

## SOLVENCY CLAIMS

### 47. Solvency Claims

Amounts representing any payments of principal or interest in respect of which the Solvency Condition is not satisfied on the date upon which the same would otherwise be due and payable ("Solvency Claims") will be payable by the Issuer (1) in a winding-up or administration of the Issuer and (2) subject to satisfying the Solvency Condition, on any redemption pursuant to Item 37, Item 38 or Item 39, provided that in the event that, prior to any winding-up or administration of the Issuer, the Issuer shall again be solvent and would be solvent immediately after the making of such payment of Solvency Claims, then the Issuer shall promptly notify the Noteholders in accordance with Condition 19, the Registrar and the Transfer Secretary of such fact and the Solvency Claims shall, subject to satisfying the Solvency Condition, be due and payable on the 16th Business Day after the Issuer shall have given such notice. A Solvency Claim shall not bear interest unless and only so long as the Issuer shall be solvent once again, in which case interest shall accrue on any such Solvency Claim from (and including) the date on which the Issuer is so solvent again to (but excluding) the date on which such Solvency Claim is paid. Any such interest shall accrue at a rate equal to the then applicable Interest Rate determined in accordance with Item 25(a) and 28(a), as the case may be. In the event that the Issuer shall be so solvent once again, the Issuer may not declare or pay a dividend (in accordance with Item 43 above) from the date that the Issuer is so solvent again until the date on which the Solvency Claim and any relevant interest on the Solvency Claim is paid.

## BANKS ACT PROVISIONS

### 48. Proceeds of this Tranche of Notes qualify as Undated Secondary Capital

As at the Issue Date, (i) the Notes in this Tranche qualify as Undated Tier 2 Notes and (ii) the proceeds of the issue of this Tranche of Notes qualify as Undated Secondary Capital.

### 49. Additional Banks Act provisions

The conditions set out in Regulation 38(14)(a) of the Regulations apply to this Tranche of Notes.

Any direct or indirect acquisition of any of the Notes in this Tranche by a bank or controlling company as defined in the Banks Act, or by a non-bank subsidiary of a bank or controlling company, shall be regarded as a deduction against the capital of the acquiring bank or controlling company in question, in an amount equal to the book value of the said investment in such Notes.

## UNDATED TIER 2 EVENTS OF DEFAULT

### 50. Events of Default

Notwithstanding the provisions of Condition 14 of the Programme Memorandum:

- (a) if default shall be made in the payment of any principal or any interest (or any other amount in respect of the Notes) due on the Notes of the relevant Tranche for a period of five days or more after any date on which the payment of principal is due and payable or 10 days or more after any date on which the payment of interest is due and payable (as the case may be) each Noteholder of that Tranche may, subject as provided below, at its discretion and without further notice, institute proceedings for the winding-up of

the Issuer and/or prove in any winding-up of the Issuer, but take no other action in respect of that default;

- (b) without prejudice to paragraph (a) above, if the Issuer breaches any of its obligations under the Notes of the relevant Tranche (other than any obligation in respect of the payment of principal or interest on such Notes) then each Noteholder may, subject as provided below, at its discretion and without further notice, bring such proceedings as it may think fit to enforce the obligation in question provided that the Issuer shall not, as a result of the bringing of any such proceedings, be obliged to pay any sum representing or measured by reference to principal or interest on such Series of Notes sooner than the same would otherwise have been payable by it.

The sole remedies against the Issuer available to the Noteholders for the recovery of amounts due and payable in respect of the Notes in this Tranche will be those set out in this Item 50.

## GENERAL

51. Additional selling restrictions	Not applicable
52. Provisions relating to stabilisation	Not applicable
53. Additional selling restrictions	Not applicable
54. (a) International Securities Numbering (ISIN)	ZAG000052721
(b) Stock Code	IVO9
55. Financial Exchange	The Bond Exchange of South Africa Limited
56. If syndicated, names of managers	Not applicable
57. Receipts attached? If yes, number of Receipts attached	No
58. Coupons attached? If yes, number of Coupons attached	No
59. Talons attached? If yes, number of Talons attached	No
60. Credit Rating assigned to Notes as at the Issue Date (if any)	Aa3(za)
61. Stripping of Receipts and/or Coupons prohibited as provided in Condition 16.4?	No
62. Governing law (if the laws of South Africa are not applicable)	Not applicable
63. Other Banking Jurisdiction	Not applicable
64. Surrendering of Notes	Not applicable

## 65. Last Day to Register

19 July, 19 October, 19 January and 19 April, which shall mean that the Register will be closed from the date following each Last Day to Register to the next applicable Interest Payment Day or 10 days prior to the actual redemption date.

## 66. Books Closed Period(s)

The Register will be closed from 20 July to 31 July, 20 October to 31 October, 20 January to 31 January and from 20 April to 30 April (all dates inclusive) in each year until the actual redemption date.

Application is hereby made to list this issue of Notes pursuant to the approval of the ZAR10 000 000 000 Domestic Medium Term Note Programme of Investec Bank Limited as from 30 April 2008.

SIGNED at Sandton this 29 day of April 2008.

## INVESTEC BANK LIMITED

By: [Signature]  
 Director duly authorised  
 Capacity:  
 Who warrants his authority hereto

By: [Signature]  
 Director duly authorised  
 Capacity:  
 Who warrants his authority hereto