
APPLICABLE PRICING SUPPLEMENT



TRANSNET SOC LTD

*(Incorporated in the Republic of South Africa with limited liability
under registration number 1990/000900/30)*

**Issue of ZAR1,200,000,000 Senior Unsecured Floating Rate Notes due 12 November
2030**

irrevocably and unconditionally guaranteed by

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

Under its ZAR80,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 17 October 2022, prepared by Transnet SOC Ltd in connection with the Transnet SOC Ltd ZAR80,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the terms and conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

1.	Issuer	Transnet SOC Ltd
2.	Guarantor	The Government of the Republic of South Africa
3.	Dealer(s)	(a) The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (SBSA) (b) Absa Bank Limited, acting through its Corporate and Investment Banking division (ABSA)
	Registered Office	(a) 30 Baker Street, Rosebank, Johannesburg, 2196, South Africa, in respect of SBSA (b) 15 Alice Lane, Sandton, 2196, in respect of ABSA
4.	Manager(s)	N/A
	Registered Office	N/A
5.	Debt Sponsor	Absa Bank Limited, acting through its Corporate and Investment Banking division
	Registered Office	15 Alice Lane, Sandton, 2196

6.	Paying Agent	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
	Specified Office	30 Baker Street, Rosebank, Johannesburg, 2196, South Africa
7.	Settlement Agent	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
	Specified Office	30 Baker Street, Rosebank, Johannesburg, 2196, South Africa
8.	Calculation Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000
9.	Transfer Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000
10.	Issuer Agent	Transnet SOC Ltd
	Specified Office	138 Eloff Street, Braamfontein, Johannesburg, 2000

PROVISIONS RELATING TO THE NOTES

11.	Status of Notes	Senior Unsecured Guaranteed by The Government of the Republic South Africa
12.	Form of Notes	The Notes in this Tranche are listed Notes in uncertificated form and held in the CSD
13.	Series Number	153
14.	Tranche Number	1
15.	Aggregate Nominal Amount:	
	(a) Series	ZAR1,200,000,000
	(b) Tranche	ZAR1,200,000,000
16.	Interest	Interest-bearing
17.	Interest Payment Basis	Floating Rate
18.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
19.	Issue Date	12 November 2025
20.	Nominal Amount per Note	ZAR1,000,000
21.	Specified Denomination	ZAR1,000,000
22.	Specified Currency	ZAR
23.	Issue Price	100%
24.	First Interest Commencement Date	12 November 2025
25.	Maturity Date	12 November 2030
26.	Applicable Business Day Convention	Following Business Day

27.	Final Redemption Amount	100% of Aggregate Nominal Amount
28.	Last Day to Register	By 17h00 on 6 February, 6 May, 6 August and 6 November of each year until the Maturity Date, or if such day is not a Business Day, the Business Day before each Books Closed Period
29.	Books Closed Period(s)	The Register will be closed from 7 February to 11 February, 7 May to 11 May, 7 August to 11 August and from 7 November to 11 November (all dates inclusive) in each year until the Maturity Date, or if any early redemption occurs, 5 Days prior to the actual Redemption Date
30.	Default Rate	2% (two percent) above the Margin
	FIXED RATE NOTES	N/A
	FLOATING RATE NOTES	
	(a) Floating Interest Payment Date(s)	12 February, 12 May, 12 August and 12 November of each year until the Maturity Date, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention (as specified in this Applicable Pricing Supplement) with the first Floating Interest Payment Date being 12 February 2026, or, if such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention
	(b) Interest Period(s)	Each period from, and including, the applicable Floating Interest Payment Date and ending on, but excluding, the following Floating Interest Payment Date, the first Interest Period commences on the First Interest Commencement Date and ends on (but excludes) the first Floating Interest Payment Date (each Floating Interest Payment Date is adjusted in accordance with the Applicable Business Day Convention)
	(c) Definition of Business Day (if different from that set out in Condition 1) (<i>Interpretation</i>)	N/A
	(d) Minimum Rate of Interest	N/A
	(e) Maximum Rate of Interest	N/A
	(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	Day Count Fraction: Actual/365
31.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination (Reference Rate plus Margin)
32.	Margin	148 basis points, to be added to the Reference Rate
33.	If ISDA Determination	N/A
34.	If Screen Determination:	
	(a) Reference Rate (including relevant period by reference to which the Rate of Interest	3 month ZAR-JIBAR or as determined pursuant to Appendix 4 headed " <i>Additional Conditions – Benchmark Discontinuation</i> " of this Applicable

	is to be calculated)	Pricing Supplement
	(b) Interest Rate Determination Date(s)	On the first date of that Interest Period or if such day is not a Business Day, the following day that is a Business Day with the first Interest Rate Determination Date being 6 November 2025.
	(c) Relevant Screen Page and Reference Code	ZAR-JIBAR-SAFEX or any successor page
35.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions	N/A
36.	Calculation Agent responsible for calculating amount of principal and interest	Transnet SOC Ltd
	ZERO COUPON NOTES	N/A
	PARTLY PAID NOTES	N/A
	INSTALMENT NOTES	N/A
	MIXED RATE NOTES	N/A
	INDEX-LINKED NOTES	N/A
	DUAL CURRENCY NOTES	N/A
	EXCHANGEABLE NOTES	N/A
	OTHER NOTES	N/A
	PROVISIONS REGARDING REDEMPTION/MATURITY	
37.	Redemption at the Option of the Issuer pursuant to Condition 10.3 (<i>Redemption at the Option of the Issuer</i>):	No
38.	Redemption at the Option of the Senior Noteholders pursuant to Condition 10.4 (<i>Redemption at the Option of the Senior Noteholders</i>):	No
39.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required by the Senior Noteholders).	Yes
40.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes
41.	Redemption in the event of a Change of Principal Business pursuant to Condition 10.6 (<i>Redemption in the event of a</i>	Yes

Change of Principal Business)

42. Early Redemption Amount(s) payable on the redemption for taxation reasons pursuant to Condition 10.2 (*Redemption for Tax Reasons*), on Event of Default pursuant to Condition 17 (*Events of Default*), on a Change of Control pursuant to Condition 10.5 (*Redemption in the event of Change of Control*) or in relation to the an event of a Change of Principal Business pursuant to Condition 10.6 (*Redemption in the event of a Change of Principal Business*) (if required or if different from that set out in the relevant Conditions)

N/A

GENERAL

43. Financial Exchange Interest Rate Market of the JSE
44. Additional selling restrictions N/A
45. ISIN No. ZAG000220674
46. Stock Code TNFG30
47. Method of distribution Dutch Auction
48. Stabilising Manager N/A
49. Provisions relating to stabilisation N/A
50. Credit Rating assigned to the Issuer National Scale Rating: Moody's A1.za / P-1.za as at 07 August 2025
S&P zaA/zaA-1 as at 11 July 2025
51. Applicable Rating Agency Moody's Investors Service Inc. and S&P Global Ratings – bond programme only rated by Moody's
52. Governing law (if the laws of South Africa are not applicable) N/A
53. Other provisions See Appendix 1 headed "*Additional Terms and Conditions to this tranche of Notes*"
See Appendix 2 headed "*Government Guarantee*"
See Appendix 3 headed "*Description of the Guarantor: The Government of the Republic of South Africa*"
See Appendix 4 headed "*Additional Conditions – Benchmark Discontinuation*"

DISCLOSURE IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

54. **Paragraph 3(5)(a)**

The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the Issuer.

55. **Paragraph 3(5)(b)**

As disclosed in Note 39 of the Annual Financial Statements for the year ended 31 March 2025, after performing the assessment and considering all associated risks, the directors believe that material uncertainties relating to events or conditions which may cast significant doubt on the entity’s ability to continue as a going concern exist, but these are adequately mitigated as detailed in the above-mentioned note. The directors will continue to manage these mitigation strategies as a priority as it is important that they materialise as envisaged. The directors after carefully considering the progress and conclusion of the recovery plan, the objectives of the reinvent for growth strategy and the financial support from the government, through the provision of guarantees, still believes that the Transnet Group will continue to have access to adequate resources and facilities to be able to continue its operations and fund the capital investment programme for the foreseeable future. However, as at the Issue Date, the Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

56. **Paragraph 3(5)(c)**

The auditor of the Issuer is The Auditor General of South Africa.

57. **Paragraph 3(5)(d)**

As at the date of this issue:

- (i) the Issuer has issued the following Commercial Paper (as defined in the Commercial Paper Regulations) (excluding this issue and each other issuance of Notes, issuing on the same Issue Date):
 - ZAR64,642,220,000 Notes/Commercial Paper under its Programme (ZAR40,000,000,000.00 of such Notes/Commercial Paper being guaranteed by the Government);
 - ZAR900,000,000 Notes/Commercial Paper under its Programme which are held by the Issuer to facilitate short term repurchase transactions under the Programme;
 - ZAR3,500,000,000 Notes under its Euro Medium Term Note Programme (Guaranteed by Government); and
 - ZAR17,292,750,000 under its Global Medium Term Note Programme; and
- (ii) the Issuer estimates that it will issue ZAR10,149,000,000 Commercial Paper (including this issue and each other issuance of Notes, issuing on the same Issue Date) during the current financial year, ending on 31 March 2026.

Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

The Issuer’s latest financial and commercial risks are contained in its latest annual financial statements for the year ended 31 March 2025 which can be accessed on the following link: <https://www.transnet.net/RenderPage.aspx?id=24923733>. A summary of the financial and commercial risks are highlighted below:

- The Issuer incurred a net loss of R1,9 billion for the period ended 31 March 2025 (2024 : R7,3 billion) and reported a net current liability position of R65,2 billion for the period ended 31 March 2025 (2024: R62,4 billion).
- For the period ended 31 March 2025, the Issuer achieved a cash interest cover (**CIC**) of 1,8 times (2024: 1,9 times). Several loans require the Issuer to maintain a CIC

covenant at a minimum of 2,5 times and 2,0 times on 31 March and 30 September of each financial year. The Issuer secured waivers from all lenders impacted by the CIC covenant breach of 31 March 2025.

- The Issuer continued to be hampered by various operational challenges, mainly affecting the rail and port businesses, including derailments, rail network challenges, safety and security incidents, maintenance shutdowns, locomotive and wagon availability, adverse weather conditions, tippler breakdowns and equipment reliability issues.
- The total borrowings and finance costs significantly increased during the year due to the Issuer obtaining additional debt which puts pressure on Transnet Group's cash flows.
- The Issuer will continue to navigate an ever-changing legislative landscape on its path of recovery, including reforms that could result in the corporatisation of National Ports Authority into a wholly owned subsidiary of the Issuer. The Minister of Transport, in a letter dated 20 March 2025, established a task team chaired by the Department of Transport (**DoT**), to provide recommendations to the minister on the most suitable process for incorporating National Ports Authority. The fully utilised R47 billion Guarantee Support Framework Agreement (**GSFA**) provided that the Issuer must establish the National Ports Authority as a wholly-owned subsidiary by 30 April 2025. However, following several submissions and engagements with the DoT, and the work of the task team, National Treasury withdrew the incorporation date of 30 April 2025, to allow the task team to establish the appropriate mechanisms and timelines required to incorporate National Ports Authority, in a manner that will have a minimal impact on the financial sustainability and going concern status of the Issuer.
- Transnet Freight Rail is in the process of splitting into Transnet Freight Rail Operating Company (**TFROC**) and the Transnet Rail Infrastructure Manager (**TRIM**) in the 2026 financial year and TRIM will oversee rail network quality and reliability to deliver the highest possible tonnage for the business. The GSFA requires the split and establishment of TRIM as a wholly owned subsidiary of Transnet by 30 September 2025. Transnet is engaging the Department of Transport and National Treasury on the postponement of incorporation to 2026.
- The directors take note of the United States of America (**US**) announcement on 7 July 2025 of a 30% tariff on South African imports into the US, and will continue to track and assess the potential impact of such on the Issuer's operations, including the potential mitigation options available to the organisation. The expected impact on the issuers operations at this stage is unknown.
- Litigations - The Issuer is a defendant in a litigation with Total Energies Marketing South Africa (**Total**) and Sasol Oil (Pty) Ltd (**Sasol**). The public entity was ordered to pay over R6,0 billion flowing from an alleged breach of a 1991 contract, as it is alleged that the Issuer overcharged the plaintiffs for the transportation of crude oil through its pipeline system by not correctly using an agreed formula to determine tariff or price for such transportation. A provision to the value of R9,3 billion was made in the financial statements, which considered the claim, interest and legal fees as estimated.
- On 30 June 2025 the Issuer made a payment to Sasol of R4,3 billion (excluding VAT) in full and final settlement of all the ongoing legal disputes.
- On 15 July 2025 the Issuer made a payment to Total of R1,2 billion (excluding VAT) in full and final settlement of all the ongoing legal disputes.
- The Issuer's board has developed mitigation strategies and actions to address the challenges that the Transnet Group is experiencing as disclosed in Note 39 of the annual financial statements for the year ended 31 March 2025.

58. **Paragraph 3(5)(f)**

The Issuer confirms that since the date of its last audited financial statements for the year ended 31 March 2025:

- On 10 July 2025 S&P Global and subsequently on 07 August 2025 Moody's Investors Service downgraded the Issuer's credit ratings. The ratings downgrades impacted 14 (fourteen) loans with a total outstanding capital balance of R34.5 billion. As a result, the lenders had rights to call for prepayment of loans, margin increases, guarantees and remedial plans. An event of default was triggered on one loan which was subsequently waived by the particular lender.
- On 25 July 2025, the Government announced its decision to approve an additional guarantee facility of R94,8 billion of which R46,2 billion was to be utilised by the Issuer to mitigate the risk of credit rating downgrades on its debt. The Issuer had recent breaches of the CIC loan covenant which continue to pose default risk on its debt portfolio. The Issuer subsequently initiated negotiations with all lenders whose loans contain credit ratings and financial covenants with the aim to restructure these loans in view of the availability of R46,2 billion guarantee facility. The negotiations are currently underway.
- The Issuer projects that CIC will remain below 2.5 times loan covenant level on 30 September 2025 (to be reported) and 31 March 2026, respectively based on the 2025/26 Corporate Plan.
- Other than stated above, no material adverse change has occurred since the date of its last audited financial statements

59. **Paragraph 3(5)(g)**

The Notes issued will be listed.

60. **Paragraph 3(5)(h)**

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

61. **Paragraph 3(5)(i)**

The payment obligations of the Issuer in respect of the Notes are unsecured but are guaranteed by The Government of the Republic of South Africa.

62. **Paragraph 3(5)(j)**

The Auditor General of South Africa, the statutory auditor of the Issuer, has confirmed that nothing came to its attention to indicate that the issue of Notes under the Programme does not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum together with this Applicable Pricing Supplement contain all information required by law. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement, and the annual financial statements and/or the integrated report of the Issuer and all documents incorporated by reference (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*") and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Programme Amount:

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR80,000,000,000 has not been exceeded.

Material Change:

As at the date of this Applicable Pricing Supplement, and after due and careful enquiry and subject to any disclosure contained above and the Annual Financial Statements, there has been no material change in the financial or trading position of the Issuer since the date of publication of the Issuer's latest Annual Financial Statements. As at the date of this Applicable Pricing Supplement, there has been no involvement by The Auditor General of South Africa in making the aforementioned statement.

Listing:

Application is hereby made to list this issue of Notes on 12 November 2025 on the JSE.

SIGNED at Johannesburg on this 07TH day of NOVEMBER 2025.

For and on behalf of
TRANSNET SOC LTD



Name: M Phillips
Capacity: Director
Who warrants their authority hereto



Name: N. Maphumulo
Capacity: Director
Who warrants their authority hereto

APPENDIX 1
Additional Terms and Conditions to this Tranche of Notes

Capitalised terms used in this section headed "Additional Terms and Conditions" shall bear the same meanings as used in the Government Guarantee, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. GUARANTEE

- 1.1 The obligations of the Issuer to each Noteholder under this Tranche of TNFG30 Notes (the **Notes**) are directly guaranteed by The Government of the Republic of South Africa (the **Guarantor**) pursuant to the guarantee annexed as Appendix 2 hereto (the **Government Guarantee**) who irrevocably and unconditionally guarantees, in favour of each Noteholder, the obligations which the Issuer may now have or have incurred or in the future may incur to each Noteholder.
- 1.2 The Guarantor is required to make any payment under the Government Guarantee by no later than 30 (thirty) Business Days after receipt of a written demand by a Noteholder under and in terms of the Government Guarantee and the Terms and Conditions. All payments under the Government Guarantee to a Noteholder will *pro tanto* discharge the Issuer of its corresponding obligations to the Noteholders under the Notes.
- 1.3 The Issuer hereby undertakes to ensure that, following this issuance, the aggregate principal amount of Notes guaranteed under the Government Guarantee shall not exceed ZAR20,000,000,000, as stipulated in the Government Guarantee. As of the Issue Date, such Notes (which specifically reference the Government Guarantee) (including all Notes to be issued on the Issue Date) are guaranteed under the Government Guarantee.
- 1.4 The Government Guarantee will be deposited with, and held by, the Paying Agent until the later of:
- 1.4.1 the date on which the Programme is terminated by the Issuer; and
- 1.4.2 the date on which all the obligations of the Issuer and the Guarantor under or in respect of the Notes have been discharged in full,

and each Noteholder of these Notes shall be entitled to require the Paying Agent to produce the original of the Government Guarantee on request and further shall be entitled to require the Paying Agent, which shall be obliged, to provide a copy of the Government Guarantee to that Noteholder on request. In holding the Government Guarantee, the Paying Agent does not act in any fiduciary or similar capacity for the Noteholders and it has not accepted any liability, duty or responsibility to Noteholders in this regard.

- 1.5 No amendment, modification or variation or consensual cancellation of the Government Guarantee or any provision or term thereof, unless of a technical nature, to correct a manifest error or to comply with mandatory provisions of law, shall be binding unless approved by Extraordinary Resolution or Extraordinary Written Resolution of Noteholders or with the prior written approval of Noteholders or the relevant Class of Noteholders, as the case may be, holding not less than 66.67% (sixty-six point six-seven percent) in the Nominal Amount of the Notes Outstanding from time to time and thereafter recorded in a written document signed by the Guarantor. Any waiver or relaxation or suspension given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.
- 1.6 The Issuer will, for as long as any of the Notes remains Outstanding, provide at the registered office of the Issuer as set out at the end of the Programme Memorandum, without charge, to any Person, upon request of such Person, a copy of all of the Government Guarantee which is attached hereto as Appendix 2, unless the Government Guarantee has been modified or superseded, in which case the modified or superseding Government Guarantee will be provided. Requests for such Government Guarantee should be directed to the debt officer of the Issuer in writing at the Issuer's registered office as set out at the end of the Programme

Memorandum. In addition, the Government Guarantee will be available on Issuer's website at:
<https://www.transnet.net/InvestorRelations/Pages/DMTN.aspx>

APPENDIX 2
Government Guarantee

APPENDIX 3

Description of the Guarantor: The Government of the Republic of South Africa

Capitalised terms used in this section headed "Description of The Government of the Republic of South Africa" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

1. THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

1.1 Address:

240 Madiba Street
Pretoria
0002
South Africa

1.2 General Business:

All information pertaining to the description of the Guarantor's business activities which is disclosed in the section headed "*Overview of the Issue*" in the Guarantor's Programme Memorandum dated 9 September 2019 (the **Guarantor Programme Memorandum**) is incorporated by reference and is available on the Guarantor's website at: <https://www.google.com/url?client=internal-element-cse&cx=018115738860957273853:j5zowsrmpI&q=https://investor.treasury.gov.za/Auction%2520Information/RSA%2520DMTN.pdf&sa=U&ved=2ahUKEwj18drqwc2EAXUbU6QEHeGrBUkQFnoECAQQAQ&usg=AOvVaw2dKC3aNPaiN2Sno3hz10ME>

1.3 National Treasury:

The Director- General of National Treasury: Dr Duncan Pieterse

1.4 Litigation:

As at the Programme Date (as defined in the Guarantor Programme Memorandum), the Guarantor is not and has not been involved in any legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Guarantor is aware, during the period of the twelve months preceding the Programme Date, which has had or may have a material effect on the Guarantor's financial position.

APPENDIX 4
Additional Conditions – Benchmark Discontinuation

1 BENCHMARK DISCONTINUATION

The provisions of this Appendix 4 (*Additional Conditions – Benchmark Discontinuation*) shall (i) apply to the TNFG30 Notes (the "**Notes**") and (ii) in an event where a Benchmark Event occurs, and the Relevant Nominating Body has not announced a Successor Rate and Adjustment Spread.

1.1 Independent Adviser

1.1.1 If a Benchmark Event occurs in relation to an Original Reference Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate (in accordance with Condition 1.2 (*Successor Rate*)) and an Adjustment Spread if any (in accordance with Condition 1.3 (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 1.4 (*Benchmark Amendments*)).

1.1.2 An Independent Adviser appointed pursuant to Condition 1.1 (*Independent Adviser*) shall act in good faith and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying Agent or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 1.

1.1.3 If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate in accordance with this Condition 1 prior to the relevant Interest Rate Determination Date, the Interest Rate applicable to the next succeeding Interest Period shall be equal to the Interest Rate last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Interest Rate shall be the initial Interest Rate. Where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period shall be substituted in place of the Margin relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 1.

1.2 Successor Rate

If a Benchmark Event occurs and an Independent Adviser is appointed, the Independent Adviser shall apply such Successor Rate available together with the Adjustment Spread (if any) in place of the Original Reference Rate to determine the relevant Interest Rate (or the

relevant component part thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 1).

1.3 **Adjustment Spread**

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate. If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining the Adjustment Spread, then the Successor Rate will apply without an Adjustment Spread.

1.4 **Benchmark Amendments**

- 1.4.1 If any Successor Rate and the applicable Adjustment Spread is determined in accordance with this Condition 1 and the Independent Adviser determines in its discretion (i) that amendments to the Terms and Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 1.5 (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, modify the Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

1.5 **Notices, etc.**

Any Successor Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 1 will be notified promptly by the Issuer to the Calculation Agent and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments, if any.

- 1.5.1 The Issuer shall notify the Paying Agent of the same, by delivering to the Paying Agent a certificate signed by two authorised signatories of the Issuer:
- 1.5.1.1 confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 1; and
- 1.5.1.2 certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate and/or Adjustment Spread.

1.6 **Survival of Original Reference Rate Provisions**

1.6.1 The Successor Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Paying Agent's ability to rely on such certificate) be binding on the Issuer, the Calculation Agent, the Paying Agent and the Noteholders.

1.6.2 Without prejudice to the obligations of the Issuer under Conditions 1.1 (*Independent Adviser*), 1.2 (*Successor Rate*), 1.3 (*Adjustment Spread*) and 1.4 (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 7.2 (*Floating Rate Notes and Indexed Interest Notes – Interest Determination, Screen Rate Determination including Fallback Provisions*) will continue to apply unless and until notification of the Successor Rate, and any Adjustment Spread (if applicable) and Benchmark Amendments, has been provided in accordance with Condition 1.5 (*Notices, etc.*).

1.7 **Definitions:**

As used in this Condition 1:

1.7.1 “**Adjustment Spread**” means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread is to be applied to the Successor Rate and is the spread, formula or methodology which:

1.7.1.1 in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

1.7.1.2 in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in domestic debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate; or

1.7.1.3 if no such determination has been made, the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate.

1.7.2 “**Benchmark Amendments**” has the meaning given to it in Condition 1.4 (*Benchmark Amendments*).

1.7.3 “**Benchmark Event**” means:

- 1.7.3.1 the Original Reference Rate ceasing to be published or ceasing to exist; or
- 1.7.3.2 the administrator of the Original Reference Rate publicly announces that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide the Original Reference Rate); or
- 1.7.3.3 the supervisor of the administrator of the Original Reference Rate publicly announces that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- 1.7.3.4 the supervisor of the administrator of the Original Reference Rate publicly announces that the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- 1.7.3.5 the supervisor of the administrator of the Original Reference Rate makes a public announcement or publishes information stating that the Original Reference Rate is no longer or, as of a specified future date will no longer be, representative of the underlying
- 1.7.3.6 not be restored (as determined by such supervisor); or
- 1.7.3.7 there has taken place (or will otherwise take place, prior to the next following Interest Rate Determination Date) a change in customary market practice in domestic debt capital markets applicable generally to floating rate notes denominated in ZAR (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) to refer to a base rate other than the Original Reference Rate specified in the Applicable Pricing Supplement despite the continued existence of such Original Reference Rate, when any Interest Rate (or any component part thereof) remains to be determined by reference to the Original Reference Rate; or
- 1.7.3.8 it has become unlawful for the Calculation Agent, the Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate.
- 1.7.4 **“Independent Adviser”** means any of:
 - 1.7.4.1 Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited or The Standard Bank of South Africa Limited; or
 - 1.7.4.2 any other bank or financial institution approved and/or recommended by the Relevant Nominating Body.

- 1.7.5 **“Original Reference Rate”** means the Reference Rate originally specified in the Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such Reference Rate originally specified in the Applicable Pricing Supplement for the purposes of determining the relevant Interest Rate (or any component part thereof) in respect of the Notes (or any Successor Rate which has replaced it) has been replaced by a (or a further) Successor Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate, the term Original Reference Rate shall include any such Successor Rate).
- 1.7.6 **“Relevant Nominating Body”** means, in respect of an Original Reference Rate:
- 1.7.6.1 the central bank for the currency to which the Original Reference Rate relates, or regulator or other supervisory authority; or
- 1.7.6.2 any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any regulator or other supervisory authority which is responsible for supervising the administrator of the Reference Rate or (C) a group of the aforementioned central bank, regulators or other supervisory authorities.
- 1.8 **“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.