

Programme Memorandum dated 11 May 2010



Industrial Development Corporation

Your partner in development finance

INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED
(established as a body corporate in terms of section 2 of the Industrial Development Corporation Act, 1940)

ZAR15,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

Under this ZAR15,000,000,000 Domestic Medium Term Note Programme (the “**Programme**”), the Industrial Development Corporation of South Africa Limited (the “**Issuer**” and the “**IDC**”) may from time to time issue unsecured notes of any kind (the “**Notes**”) pursuant to this Programme Memorandum, dated 11 May 2010, as amended and/or supplemented from time to time (the “**Programme Memorandum**”). Capitalised terms used in this Programme Memorandum are defined in the section of this Programme Memorandum headed “*Terms and Conditions of the Notes*” (the “**Terms and Conditions**”), unless separately defined in this Programme Memorandum. References in this Programme Memorandum to any Condition are to that Condition of the Terms and Conditions.

As at the Programme Date, the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time is ZAR15,000,000,000. For as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, this Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount, as set out in the section of this Programme Memorandum headed “*General Description of the Programme*”.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement (the “**Applicable Terms and Conditions**”).

The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed “*Pro Forma Applicable Pricing Supplement*”. The Applicable Pricing Supplement relating to a Tranche of Notes will set out (among other things) the type of Notes in that Tranche of Notes, the Specified Denomination, the Specified Currency, the aggregate Principal Amount of that Tranche of Notes, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable) and the Final Redemption Date.

A Tranche of Notes may comprise, without limitation, Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Dual Currency Notes, Partly Paid Notes, Instalment Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the Bond Market of the JSE or on such other (or additional) Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement relating to each Tranche of Notes which is listed on the Bond Market of the JSE will be delivered to the JSE and the Central Securities Depository on or before the Issue Date of that Tranche. A Tranche of Notes which is listed on the Bond Market of the JSE may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the Bond Market of the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. The settlement and redemption procedures for a Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE will be specified in the Applicable Pricing Supplement. The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.

The Programme is not rated as at the Programme Date, but may be rated by a Rating Agency, on a national scale or international scale basis, after the Programme Date. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which

assigned such Rating or Ratings. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes. A Rating of the Programme and/or a Rating of a Tranche of Notes may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

INVESTING IN THE NOTES INVOLVES CERTAIN RISKS (SEE THE SECTION OF THIS PROGRAMME MEMORANDUM HEADED "RISK FACTORS").

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

The Notes may be issued on a continuing basis under the Programme. A Tranche of Notes may be placed by one or more Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis. A Tranche of Notes may be offered by way of private placement or any other means permitted by Applicable Laws, as determined by the Issuer and set out in the Applicable Pricing Supplement.

ARRANGER, SPONSOR AND DEALER:

Nedbank Capital, a division of Nedbank Limited



ARRANGER AND DEALER:

Basis Points Capital (Proprietary) Limited



LEGAL ADVISERS TO THE ISSUER AND THE ARRANGERS:

Deneys Reitz Inc.

GENERAL NOTICE

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (after the Issuer 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 by reference (see the section of this Programme Memorandum headed "Documents Incorporated by Reference") all information that is material in the context of the issue and the offering of the Notes, that the information contained or incorporated by reference into this Programme Memorandum is not misleading, that the opinions and intentions expressed in this Programme Memorandum are honestly held, and that there are no other facts, the omission of which would make any such expression of any such opinions or intentions misleading in any material respect. The Issuer confirms that this Programme Memorandum complies with the JSE Debt Listings Requirements and all other Applicable Laws.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of Debt Securities (as defined in the JSE Debt Listings Requirements) maintained by the JSE and the listing of such Notes on the Bond Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum, and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, or any information incorporated by reference into this Programme Memorandum. The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum.

Neither the JSE nor the Sponsor nor the Arrangers nor the Dealer(s) nor their respective affiliates and advisers have separately verified the information contained or incorporated by reference into this Programme Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the JSE, the Sponsor, the Arrangers, the Dealer(s) or their respective affiliates and advisers as to the accuracy or completeness of the information contained or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Sponsor, the Arrangers, the Dealer(s), or any of their respective affiliates and advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither the JSE nor the Sponsor nor the Arrangers nor the Dealer(s) nor their respective affiliates and advisers accept any liability in relation to the information contained or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

The Issuer makes no representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE or any other Financial Exchange. This Programme Memorandum must be read in conjunction with all documents and agreements which are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "Documents Incorporated by Reference"), and must be read and construed on the basis that such documents and agreements are incorporated into and form part of this Programme Memorandum.

No person is authorised to give any information or to make any representation other than those contained in (or consistent with) this Programme Memorandum. If any such information is given or representation is made, it must not be relied upon as having been authorised by the Issuer, the JSE, the Sponsor, the Arrangers, the Dealer(s) or their respective affiliates and advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in or incorporated by reference into this Programme Memorandum as at the Programme Date is correct at any time subsequent to the date of the document containing such information.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme and/or the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation by the JSE, the Issuer, the Sponsor, the Arrangers or the Dealer(s) that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme and/or the Notes, should purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular

reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. Neither the JSE nor the Issuer nor the Sponsor nor the Arrangers nor the Dealer(s) undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the JSE, the Issuer, the Sponsor, the Arrangers or the Dealer(s).

Neither this Programme Memorandum nor any other information supplied in connection with the Programme and/or the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Sponsor or the Arrangers or the Dealer(s) to any person to subscribe for or purchase any Notes.

The distribution of this Programme Memorandum and the offering of Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Sponsor, the Arrangers or the Dealer(s) that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Programme Memorandum by the JSE, no action has been taken by the Issuer, the Sponsor, the Arrangers or the Dealer(s) which would permit a public offering of the Notes or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Programme Memorandum comes are required by the Issuer, the Sponsor, the Arrangers and the Dealer(s) to inform themselves about and to observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States of America or to any U.S. persons.

In addition, there are restrictions on the distribution of this Programme Memorandum and the offer and/or sale of Notes in the European Economic Area, the United Kingdom and South Africa. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and the distribution of this Programme Memorandum see the section of this Programme Memorandum headed "Subscription and Sale".

The terms of this Programme Memorandum if sent to persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction. If and to the extent that this Programme Memorandum is illegal in any jurisdiction, it is not made in such jurisdiction and this Programme Memorandum is sent to persons in such jurisdiction for information purposes only.

In connection with the issue and placing of any Tranche of Notes, the Dealer (if any) who is designated in the Applicable Pricing Supplement as the approved stabilisation manager (the "Stabilisation Manager") may, to the extent permitted by and in accordance with Applicable Laws and subject to JSE approval, over-allot or effect transactions with a view to supporting the market price of Notes in the same Series as that Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising must be carried out in accordance with all Applicable Laws. The price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) and/or the Arrangers at the time of issue in accordance with prevailing market conditions.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010;
- b) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements, in respect of all financial years of the Issuer after the Programme Date;
- c) each Applicable Pricing Supplement;
- d) each supplement to this Programme Memorandum circulated by the Issuer from time to time; and
- e) all information pertaining to the IDC Group which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted by the Securities Exchange News Service ('SENS'), established by the JSE, to SENS subscribers and/or (ii) available on any electronic news service established or used or required by the JSE.

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

Copies of this Programme Memorandum are available, upon request, during normal office hours, at the Specified Office of the Issuer. Copies of the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial years ended 31 March 2008 and 31 March 2009 are available, upon request, to each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, these consolidated annual financial statements are available on the Issuer's website at <http://www.idc.co.za>.

Copies of (i) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial year ended 31 March 2010, (ii) the audited consolidated annual financial statements of the Issuer, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements, in respect of all financial years of the Issuer after the Programme Date, and (iii) the documents listed in paragraphs (c) and (d) above will, as and when such audited consolidated annual financial statements and documents are approved and become available, be available, upon request, to each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the Issuer. In addition, these consolidated annual financial statements will (as and when the relevant consolidated annual financial statements are approved and become available) be available on the Issuer's website at <http://www.idc.co.za>.

Subject to the JSE Debt Listings Requirements, the Issuer will, for so long as any Note remains outstanding and listed on the Bond Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- a) a change in the condition (financial or otherwise) of the Issuer has occurred which is material in the context of the Notes; or
- b) an event has occurred which affects any matter contained in this Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or
- c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- d) this Programme Memorandum no longer contains all the material correct information required by the Applicable Procedures.

Any such new Programme Memorandum or Programme Memorandum as supplemented shall be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Issue of Notes

Subject to the applicable provisions of the Public Finance Management Act and the Industrial Development Corporation Act and subject, where required, to the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations, the Issuer may from time to time issue one or more Tranches of Notes (denominated in the Specified Currency) under the Programme, pursuant to (and on the basis set out in) this Programme Memorandum, provided that, for as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, the aggregate outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

The denomination of each Note will be the Specified Denomination. The Notes will be issued with a minimum Specified Denomination of ZAR1,000,000. The Issuer will not require the consent of any Noteholder for the issue of any Tranche of Notes.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions.

The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*".

The Applicable Pricing Supplement relating to a Tranche of Notes will set out (among other things) the type of Notes in that Tranche of Notes, the Specified Denomination, the Specified Currency, the aggregate Principal Amount of that Tranche of Notes, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable) and the Final Redemption Date.

A Tranche of Notes may comprise, without limitation, Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Dual Currency Notes, Partly Paid Notes, Instalment Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

Programme Amount

As at the Programme Date, the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time is ZAR15,000,000,000. For as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, this Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Principal Amount which does not exceed the Programme Amount.

From time to time the Issuer may elect to increase the Programme Amount. For as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, the Issuer may, without the consent of any Noteholder, increase the Programme Amount by delivering a notice thereof to the Noteholders (in the manner set out in Condition 18) and to the Arrangers, the Sponsor and the Dealers. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

Listing

A Tranche of Notes may be listed on the Bond Market of the JSE or on such other (or additional) Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify

whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE, the Issuer will, by no later than the last day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Principal Amount, the Optional Redemption Date (Issuer) (where applicable) and the Final Redemption Date of that Tranche of Notes.

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.

Rating

The Programme is not rated as at the Programme Date, but may be rated by a Rating Agency, on a national scale or international scale basis, after the Programme Date. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes. A Rating of the Programme and/or a Rating of a Tranche of Notes may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

Exchange Control Regulations

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

Risk factors

Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed "*Risk Factors*").

RISK FACTORS

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts under any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it as at the Programme Date, or which it may not be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive and potential investors in the Notes must form their own judgment in regard to the suitability of the investment they are making. The information set out below is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.

Potential investors in any Notes should, prior to investing in the Notes, carefully consider the following investment considerations, in addition to the matters described elsewhere in this Programme Memorandum.

Risks relating to the Issuer

Prominent risk categories identified at the Issuer

The Issuer follows a hybrid approach to risk management with every employee in the Issuer responsible for the management of risk within their own area of expertise coupled with a strong corporate oversight by an independent Risk Management Department. The key risks facing the Issuer have been classified according to five broad risk categories: Strategic; Financial - Market; Financial - Credit; Operational; and IT Governance.

Strategic risk

This category refers to the risk of an organisation's value collapsing, stagnating or migrating as a result of a failure to adapt to changing industry profit patterns. Key risks include people (human capital, communication, and performance management), customer satisfaction, environmental impact, shareholder management and macro economic impacts.

The Board of Directors of the Issuer (the "**Board**") and executive management have the responsibility for defining the strategic direction of the Issuer and ensuring that the Issuer is managed in a manner consistent with strategy. The challenge is for the global strategic and risk perspectives to be communicated and understood by others at all levels of the Issuer such that combined, there is sufficient information to reflect the overall attitude to risk and to determine whether or not risks should be accepted, mitigated or avoided. This challenge has been addressed through the definition and measurement of the Issuer's risk appetite. The Issuer has defined its risk appetite for identification, measurement and management of the Issuer's key risk indicators at an organisation level. By defining the level of risk the Issuer is comfortable with (its appetite), this assists the Issuer to:

- make better informed business decisions;
- focus on those risks that exceed the defined appetite or tolerance for risk;
- develop a business culture with a high awareness of risk; and
- strike a balance between daring and prudence.

Human capital risk

The Issuer's performance is dependent on the talents and efforts of key personnel, some of whom may have been employed by the Issuer for a substantial period of time and have developed with the business. The Issuer's continued ability to compete effectively and further develop its businesses also depends on its ability to attract new employees. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within South Africa, including access to facilities and educational programmes by its future employees. The Issuer has implemented programmes to attract new employees and equip them with appropriate skills.

Financial risk

This risk category encompasses losses that may occur as a result of the way the Issuer is financed and its own financing or investment activities. Financial risk includes market risk related to volatility in interest rates, exchange rates, commodity and equity prices, liquidity risk related to the cost of maintaining various financial positions and financial compliance risk, as well as credit and settlement risk related to the potential for counterparty default. The management of these risk areas is therefore critical for the Issuer.

Financial: credit risk

This refers to the risk that a counterparty to a financial transaction will fail to meet its obligations in accordance with the agreed terms and conditions of the contract, either because of bankruptcy or for any other reason, thereby causing the asset holder to suffer a financial loss.

The Issuer endeavours to maintain credit risk exposure within acceptable parameters, managing the credit risk inherent in the entire portfolio as well as the risk associated with individual business partners or transactions. The effective management of credit risk is a critical component of a comprehensive approach to risk management and is essential to the long-term success of the Issuer. The dominant risk within the Issuer is the provision of loans and advances as well as entering into equity investments, both of which represent the Issuer's core business.

The Issuer can be exposed to various forms of credit risk concentration which, if not properly managed, may cause significant losses that could threaten its financial health. Accordingly, the Issuer considers the management (including measurement and control) of its credit concentrations of vital importance. The Issuer currently has various established methodologies for the management of the credit concentrations it is exposed to, including counterparty (individual and group), transaction, sector, and regional / country concentrations. The Issuer has established risk concentration limits and policies on individual and group counterparties, geographical locations, and sector exposures in accordance with its credit risk strategy.

The Issuer completes a thorough due diligence process for each facility provided. This covers financial, technical, marketing, management, and where appropriate, environmental risks and legal risks, which are reported on as part of the submission for approval to the relevant decision making structures.

When feasibility studies are completed on larger projects, risks taken into consideration include marketing, technology, financial, environmental and manufacturing risks. The robustness of the project is evaluated and sensitivity analyses are performed on various aspects. The financial viability of a project and a strong financial structure are key factors for project approval. Once project finance has been approved, the Issuer appoints representatives to the project steering and finance committees during the construction period. Issuer employees subsequently closely monitor such investments.

The Issuer's loan, equity and guarantee portfolios are monitored on a continuous basis so as to proactively monitor and manage the quality of the portfolios and any situation developing related to arrears or non performance. These activities are undertaken by the Issuer's Post Investment Monitoring Department whose main objective is to monitor the performance of clients post approval of the debt, equity or guarantee investment by the Issuer. Ailing counterparties are transferred to the Workout and Restructuring Department to manage the Issuer's exposure and minimise potential losses. The Workout and Restructuring Department also assists companies to recover from difficulties in order to limit any losses in jobs due to business closures. Two Investment Monitoring Committees (IMC), namely IMC Equity and IMC Loans, meet regularly to monitor the performance of the Issuer's loan, equity and guarantee investments and decide on the appropriate course of action to be taken with regard to non-performing clients.

Financial: market risk

This is the risk that the market price of an asset or a liability may change, resulting in a capital gain or loss upon the subsequent realisation of the asset or liability. This may result from changes in economic factors (interest rates, share prices, exchange rates) or environmental factors (political, social, regulatory, and speculative), that is, a decline in value due to factors other than default or delayed payment.

Money market transactions

The Issuer's risk in this regard is perceived to be low due to the following factors:

- the primary objective of the money market is to invest temporary cash holdings, to limit any possible capital losses and to ensure the timely availability of funds;
- funds are only invested with approved financial and public sector institutions according to limits approved by the Board; and
- dealing in money market derivative instruments is not allowed unless prior approval is obtained from the Board.

Foreign currency risk

Foreign currency risk is limited by means of the Board's policy, which states that forward exchange cover is required for foreign currency exposures, unless a facility is made available in foreign currency and matched to the lending of the foreign borrowings.

Interest rate and liquidity risk

Interest rate and liquidity risks are monitored, reported and managed, as all of the above market risks, by a formalised Asset and Liability Management process.

Equity price risk

The Issuer has a significant portfolio of listed and unlisted equity investments which represent the majority, by value, of its asset portfolio. Equity price risk is monitored and reported in the Assets and Liability Management process. To manage equity price risk, the Issuer's equity investments are valued on a regular process based on established policies and methodologies. In addition, hedging and diversification policies are also revised on a regular basis.

Operational risk

This risk category relates to the Issuer's reliance on systems, processes and people. Included here are potential losses resulting from inadequate systems and processes, management failure, faulty controls, fraud and human error. Operational risk also includes succession planning, human resources and employment, information technology, accounting, audit and control systems, and compliance with regulations.

The Issuer safeguards itself against operational risks through:

- the establishment and implementation of an Operational Risk Framework;
- regular assessment of operational risks for each functional area in the Issuer, including updating systems and procedures;
- assessment of the operational risk profile of the Issuer;
- regular risk-based internal and external audits;
- a comprehensive Business Continuity Plan incorporating a Disaster Recovery Plan for Information Technology recovery and a working Business Continuity Management Office that meets regularly;
- Information Technology Recovery is addressed in the Data Recovery Plan;
- a comprehensive, robust Information Technology security policy;
- prudent and scrupulous recruitment policies;
- insurance of fidelity guarantees, legal risks, public liability and other identified insurable risks including those of fixed assets; and
- the commitment of all employees to a code of conduct that encourages honesty, integrity and effectiveness.

Information technology governance

The Issuer has established an Information Technology governance framework based on the Control Objectives for Information and related Technology (COBIT) standard. COBIT is a set of best practices for Information Technology management created by the Information Systems Audit and Control Association (ISACA), and the IT Governance Institute (ITGI) in 1996. COBIT provides managers, auditors, and Information Technology users with a set of generally accepted measures, indicators, processes and best practices to assist them in maximizing the benefits derived through the use of information technology and developing appropriate Information Technology governance and control in a company.

The Information Technology risk aspects identified for the Issuer include:

- business disruption and systems failure;
- monitoring and evaluation;
- acquisition and implementation; and
- delivery and support.

Regulatory environment

The Issuer is subject to government regulation in South Africa. A description of certain of the applicable government regulation statutes are set out below. Changes in government policy, legislation or regulatory interpretation may adversely affect the Issuer's business and, consequently, reported results and financing requirements. No assurance can be given as to the impact of any possible judicial decision or change to such governmental regulation or related administrative practice after the Programme Date.

Industrial Development Corporation Act

The Issuer was established as a body corporate in terms of section 2 of the Industrial Development Corporation Act. The powers of the Issuer, including the power to issue debentures and borrow moneys, are set out in section 4 of the Industrial Development Corporation Act.

In terms of section 4(f) of the Industrial Development Corporation Act, the Issuer has the power, for purposes of attaining its objects, to raise loans or borrow moneys, by the issue of debentures or otherwise, provided that the amount owing at any time by the Issuer and its wholly owned financing subsidiaries in respect of loans raised or moneys borrowed shall not, without the approval of the shareholders previously given at a meeting of shareholders, exceed 100% of the issued capital and reserves of the Issuer and its wholly owned financing subsidiaries at that time.

The Issuer was established with a share capital of ZAR10,000,000, divided into one million ordinary shares of one rand each (A shares) and nine million ordinary shares of one rand each (B shares). The board of directors of the Issuer may from time to time, with the approval of shareholders previously given at a meeting of shareholders, increase the share capital of the Issuer, as contemplated in section 12(9) of the Industrial Development Corporation Act. As at the Programme Date, the (i) authorised share capital of the Issuer is ZAR1,599,000,000, divided into 1,000,000 A shares of one rand each and 1,499,000,000 B shares of one rand each and (ii) the issued share capital of the Issuer is ZAR1,392,969,357, divided into 1,000,000 A shares and 1,391,969,357 B shares. As at the Programme Date, the South African Government is the sole shareholder of the Issuer.

The operations of the Issuer must be managed and controlled by a board of directors. The board of directors of the Issuer may exercise all such powers of the Issuer as are not by the Industrial Development Corporation Act (or the regulations) required to be exercised by the shareholders of the Issuer at a meeting of shareholders. The Minister of Economic Development has the right to appoint not more than eight directors.

In terms of section 5ter of the Industrial Development Corporation Act, where the Issuer has, at the request of the Minister of Economic Development, agreed to render any assistance to, or incur any obligation in connection with, an industrial undertaking by, among other things, taking up shares or furnishing a loan, the Minister of Economic Development may, if he considers it "*expedient in the public interest*", with the concurrence of the Minister of Finance, enter into an agreement with the Issuer in terms of which the Minister may at any time take over (or, if requested by the Issuer to do so, must take over) all of the interest of the Issuer in that industrial undertaking, including any shares taken up in connection with that industrial undertaking and any rights and obligations acquired or incurred in connection with it, against payment of compensation which may not exceed the sum of the purchase price paid by the Issuer for the relevant shares, the book value of any loan, the amounts paid by the Issuer in respect of any other right or obligation and the cost and expenditure of the Issuer in connection with such shares, loan or other right or obligation.

In terms of section 20 of the Industrial Development Corporation Act, the Issuer "*shall not be wound up except by or under the authority of an Act by Parliament*".

The Minister of Economic Development may, by notice in the Government Gazette, apply to the Issuer any provision of the Companies Act which is not inconsistent with the provisions of the Industrial Development Corporation Act. As at the Programme Date, no such notice has been published.

The powers and functions which were entrusted to the Minister of Trade and Industry under the Industrial Development Corporation Act were transferred to the Minister of Economic Development, with effect from 1 April 2010, in terms of the Proclamation promulgated as Notice No. 6 published in *Government Gazette* 33003 of 5 March 2010.

Companies Act

As at the Programme Date, the provisions of the Companies Act do not apply to the Issuer.

Banks Act

Government Notice No. 2169 published in *Government Gazette* 16167 of 14 December 1994 issued pursuant to section 2(vii) of the Banks Act designates the Issuer, subject to certain conditions, as an institution to which the provisions of the Banks Act shall not apply, insofar as such provisions impose requirements with which any institution must comply

before it may carry on the business of a bank or in the lawful carrying on of the business of a bank. Accordingly, the issue of Tranche(s) of Notes under the Programme, pursuant to this Programme Memorandum, is not required to comply with the Commercial Paper Regulations.

Public Finance Management Act

The Issuer is a “*public entity*” for purposes of the Public Finance Management Act, 1999 (the “**Public Finance Management Act**”) and is accordingly subject to the provisions of the Public Finance Management Act. A “*public entity*” may only borrow money or enter into any other transaction that binds or may bind it to any future financial commitment through its “*accounting authority*”. The board of directors of the Issuer is the “*accounting authority*”. In terms of section 66(7) of the Public Finance Management Act, the Issuer, when it is authorised to borrow money by the board of directors of the Issuer, must submit to the Minister of Finance, on an annual basis, a “*borrowing programme*” for the relevant year. A “*public entity*” may not borrow money in a foreign currency above the prescribed limit, except where that public entity “*is a company in which the state is not the only shareholder*”.

Income Tax Act

The Issuer is a “*resident*” (as defined in the Income Tax Act) of South Africa for tax purposes, and is subject to the applicable provisions of the Income Tax Act.

Exchange Control Regulations

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African Government (the “**Government**”) may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls, may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Issuer’s business and it could have an adverse effect on the financial condition of the Issuer as a whole. In the event of the immediate abolition of exchange control there may be a sudden withdrawal of Rand from the South African market by investors. Because South Africa has a fully floating exchange rate and a flexible interest rate policy, this could result in a rapid depreciation of the Rand exchange rate which could serve to stem the flight and could also result in an increase in interest rates due to the depreciation of the Rand. Rand would be purchased in exchange for foreign currency and deposited in the Sterilisation Account of the South African Reserve Bank.

General risks relating to the Notes

Investment suitability

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in (or incorporated by reference into) this Programme Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Exchange rate risks

All payments in respect of a Tranche of Notes will be made in the Specified Currency. Certain risks may arise relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the investor's Currency relative to the Specified Currency will decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Meetings of Noteholders

Condition 18 contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority.

Change of law

This Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision or change to South African law or administrative practice in South Africa after the Programme Date.

Rating of a Tranche of Notes

The Programme is not rated as at the Programme Date, but may be rated by a Rating Agency, on a national scale or international scale basis, after the Programme Date. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor.

A Rating of a Tranche of Notes only addresses the likelihood that the Applicable Redemption Amount of Notes in that Tranche will be fully repaid by the Final Redemption Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. A Rating of a Tranche of Notes does not address the likelihood of repayment of the Applicable Redemption Amount of such Notes before the Final Redemption Date. In addition, there can be no assurance that a Rating of the Programme and/or a Tranche of Notes will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action.

There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis. A Rating assigned to the Programme and/or a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent Rating of the Programme and/or that Tranche of Notes assigned by the Rating Agency, or such rating agency may rate the Programme and/or a Tranche of Notes on an international scale basis which may be lower than the Rating on a national basis assigned to the Programme and/or that Tranche of Notes by the Rating Agency. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

Listing and limited liquidity of the Notes

The Issuer may issue listed or unlisted Notes. The continued listing of any Tranche of Notes listed on the Bond Market of the JSE and/or on any other Financial Exchange(s) is subject to the rules of the relevant Financial Exchange(s) in force from time to time. There can accordingly be no assurance that the listing of any Tranche of Notes will continue until the Applicable Redemption Date.

It is not possible to predict the price at which Notes may trade in the secondary market, or whether such market will be liquid or illiquid. There can be no assurance that any secondary market for any of the Notes will continue until the Final Redemption Date. Consequently, a subscriber or purchaser must be prepared to hold its Notes until the Final Redemption Date.

If the Notes are traded after their initial issue, they may trade at a discount to their initial Issue Price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Notes will be held in the Central Securities Depository

Each Tranche of Notes which is listed on the Bond Market of the JSE and each Tranche of unlisted Notes will be held in the Central Securities Depository. The Noteholders of such Notes will have to rely on the procedures of the JSE and the Central Securities Depository for transfer, payment and communication with the Issuer. Except in the circumstances described in the Terms and Conditions, the Noteholders of such Notes will not be entitled to receive Individual Certificates.

The Central Securities Depository will maintain records of the Beneficial Interests in Notes held in the Central Securities Depository. While the Notes are held in the Central Securities Depository, the holders of Beneficial Interests in such Notes will be able to trade their Beneficial Interests only through the Central Securities Depository.

While the Notes are held in the Central Securities Depository, the Issuer will discharge its payment obligations under such Notes by making payments to, or to the order of, the Central Securities Depository's Nominee (as the registered holder of such Notes) for distribution to holders of the Beneficial Interest in such Notes. A holder of a Beneficial Interest in a Note must rely on the procedures of the Central Securities Depository and its Participants to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in Notes vote in accordance with the Applicable Procedures and will not have a direct right to vote in respect of such Notes. The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13.1.

Recourse to the BESA Guarantee Fund

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the JSE and/or the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE.

Non-recourse obligations

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by, any other person.

Tax considerations

The Issuer has carried out (or will have carried out) all steps reasonably necessary to ensure its compliance with the current provisions of taxation legislation (including the Income Tax Act, the Value-Added Tax Act and other taxation provisions). Full disclosure will be made to any taxation bodies but no assurance can be given that the views of these bodies will not differ from the treatment adopted by the Issuer from time to time.

A summary of the applicable taxation legislation in respect of the Notes as at the Programme Date is set out in the section of this Programme Memorandum headed "*South African Taxation*". The summary does not constitute tax advice.

Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.

No representation and/or warranty and/or undertaking is given by the Issuer (or any other person) in respect of the tax treatment of any Noteholder, and no liability and/or responsibility is assumed by the Issuer (or any other person) for the tax treatment of any Noteholder.

Risks relating to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Early redemption at the option of the Issuer

If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, redeem that Tranche of Notes (in whole or in part) on the Optional Redemption Date (Issuer), as set out in Condition 8.2. In addition, the Issuer may, at its option, redeem a Series of Notes (in whole but not in part) on the Early Redemption Date, in the circumstances set out in Condition 8.3. An optional redemption feature may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any such redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate applicable to the Notes. A

Noteholder may not be able to reinvest the redemption proceeds of the relevant Notes in a comparable security at an effective interest rate as high as that applicable to the relevant Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one, or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the Issue Price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed Rate Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the Interest Rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the Interest Rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the then prevailing rates on Notes.

Notes with variable Interest Rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include these features.

Notes issued at a substantial discount or premium

The market values of Notes issued at a substantial discount or premium to their Principal Amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Exchange Control Regulations

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed “*South African Exchange Control*”).

General

This Programme Memorandum identifies some of the information that a prospective investor in the Notes should consider prior to making an investment in the Notes. However, this Programme Memorandum does not provide (and does not purport to provide) all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in the Notes. Therefore, a potential investor in the Notes should conduct its own thorough analysis, including its own accounting, legal and tax analysis, prior to deciding to invest in the Notes. A potential investor in the Notes should make an investment in the Notes only after it has determined that such investment is suitable for its financial investment objectives. This Programme Memorandum is not (and does not purport to be) investment advice.

SUMMARY OF THE PROGRAMME

A summary of the Programme and the Terms and Conditions is set out below. The 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 a Tranche of Notes, the Applicable Pricing Supplement.

TRANSACTION PARTIES

Arrangers	Nedbank Capital, a division of Nedbank Limited, and Basis Points Capital (Proprietary) Limited.
Auditors	KPMG Inc. and SizweNtsaluba VSP, or such other independent auditors (or independent firms of auditors) as may be selected by the Issuer from time to time.
Dealers	Nedbank Capital, a division of Nedbank Limited and Basis Points Capital (Proprietary) Limited, and each additional Dealer appointed as such by the Issuer in terms of (and subject to) the Programme Agreement, subject to the Issuer's right to terminate the appointment of any Dealer.
Calculation Agent	The Issuer, unless the Issuer elects to appoint another entity as Calculation Agent, as contemplated in Condition 15, in which event that other entity will act as Calculation Agent in respect of the Notes.
Central Securities Depository	Strate Limited, a central securities depository licensed in terms of the Securities Services Act, or any additional or alternative depository approved by the Issuer.
Issuer	Industrial Development Corporation of South Africa Limited.
JSE	JSE Limited, licensed as an exchange in terms of the Securities Services Act.
Noteholder(s)	The holders of Notes which are recorded as the registered Noteholder of those Notes in the Register. The Central Securities Depository's Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes which is held in the Central Securities Depository. Each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.
Paying Agent	Absa Capital, a division of Absa Bank Limited, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 15, in which event that other entity will act as Paying Agent in respect of the Notes.
Participants	The persons accepted by the Central Securities Depository as participants in terms of the Securities Services Act. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, the Standard Bank of South Africa Limited and the South African Reserve Bank (see the section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfers of Notes</i> ").
Sponsor	Nedbank Capital, a division of Nedbank Limited.
Transfer Agent	The Issuer, unless the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 15, in which event that other entity will act as Transfer Agent in respect of the Notes.

THE PROGRAMME

Description of the Programme	Industrial Development Corporation of South Africa Limited ZAR15,000,000,000 Domestic Medium Term Note Programme.
Programme Amount	As at the Programme Date, the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time is ZAR15,000,000,000. For as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, this Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding

Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount as described in the section of this Programme Memorandum headed "*General Description of the Programme*".

THE NOTES

Applicable Pricing Supplement

The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*".

The Applicable Pricing Supplement relating to a Tranche of Notes will set out (among other things) the type of Notes in that Tranche of Notes, the Specified Denomination, the Specified Currency, the aggregate Principal Amount of that Tranche of Notes, the Issue Date, the Issue Price, the Interest Rate (where applicable), the Interest Payment Date(s) (where applicable) and the Final Redemption Date.

Cross-Default

The Notes will have the benefit of a cross default, as described in Condition 11.1.3.

Description of the Notes

Unsecured notes of any kind issued by the Issuer, under the Programme, pursuant to this Programme Memorandum.

Events of Default

An Event of Default in respect of a Series of Notes (and each Tranche of Notes in that Series) will occur upon the occurrence of any of the events set out in Condition 11.1.

Form of Notes

Each Tranche of Notes which is listed on the Bond Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, and will be held in the Central Securities Depository. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate in accordance with Condition 13.1 (see the section of this Programme Memorandum headed "*Form of the Notes*").

Issue Price

Each Note in a Tranche of Notes will be issued on a fully-paid basis at its Principal Amount or at a discount or premium to its Principal Amount, as specified in the Applicable Pricing Supplement.

Negative Pledge

The Notes will have the benefit of a negative pledge, as described in Condition 6.

Principal Amount and outstanding Principal Amount

The Principal Amount of each Note will be the nominal amount of that Note (being the amount equivalent to the Specified Denomination). The outstanding Principal Amount of a Note from time to time will be the Principal Amount of that Note less (on each occasion, if any, on which that Note is partially redeemed in terms of Condition 8) such portion of the Principal Amount of that Note which has been so partially redeemed.

Specified Currency

South African Rand (ZAR) or, subject to all applicable laws (including, without limitation, the Exchange Control Regulations) and, in the case of Notes listed on the Bond Market of the JSE, the JSE Rules, such other currency as is specified in the Applicable Pricing Supplement.

Specified Denomination

The denomination of each Note will be the Specified Denomination. The Notes will be issued with a minimum Specified Denomination of ZAR1,000,000.

Status of the Notes

The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5.

Terms and Conditions

The Terms and Conditions are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Type of Notes

A Tranche of Notes may comprise, without limitation, Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Dual Currency

Notes, Partly Paid Notes, Instalment Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.

PAYMENTS UNDER THE NOTES AND REDEMPTION

Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Final Redemption Date.
Interest terms	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Redemption Amount	A Tranche of Notes may be redeemed at par or at such other redemption amount (detailed in a formula, index or otherwise) as may be specified in the Applicable Pricing Supplement. Notes may also be redeemed in two or more instalments on such dates and in such manner as may be specified in the Applicable Pricing Supplement.
Redemption Date	<p><i>Redemption at maturity:</i> Subject to the Applicable Terms and Conditions, the Issuer will redeem a Tranche of Notes on the Final Redemption Date at the Applicable Redemption Amount.</p> <p><i>Redemption following the exercise of the Call Option (Issuer):</i> If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, redeem that Tranche of Notes (in whole or in part, as specified in such notice), as more fully described in Condition 8.2.</p> <p><i>Redemption following the occurrence of a Tax Event and/or a Change in Law and/or illegality:</i> Any Series of Notes may be redeemed, at the option of the Issuer, in whole, but not in part, following the occurrence of a Tax Event and/or a Change in Law and/or if, on or after the Issue Date of the first Tranche of Notes in that Series, it is or will become unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series, as more fully described in Condition 8.3.</p> <p><i>Redemption following the exercise of the Put Option (Noteholder):</i> If the Put Option is applicable to a Tranche of Notes, a Noteholder of any Notes in that Tranche of Note may, at its option (subject to Condition 8.4.2), require the Issuer to redeem all or any of such Notes (as specified in the Put Option Notice), in whole or in part (as specified in the Put Option Notice), as more fully described in Condition 8.4.</p>

GENERAL

BESA Guarantee Fund	The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes which are listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.
Blocked Rand	Blocked Rand may be used to subscribe for or purchase Notes, subject to the Exchange Control Regulations (see the section of this Programme Memorandum headed " <i>South African Exchange Control</i> ").
Clearing system	The Central Securities Depository acting as the approved electronic clearing house, carrying on the role of matching, clearing and facilitation of settlement of all transactions carried out on the Bond Market of the JSE.
Distribution	A Tranche of Notes may be offered by way of private placement or any other means permitted by law as determined by the Issuer and reflected in the Applicable Pricing Supplement. Subject to the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes by entering into a Note Subscription Agreement.
Exchange Control Approval	The issue of a particular Tranche of Notes may, depending on the type of Notes in that

	Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed “ <i>South African Exchange Control</i> ”).
Governing law	This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with the laws of South Africa.
Listing	This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the Bond Market of the JSE or on such other (or additional) Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.
Rating of Notes and/or the Programme	<p>The Programme is not rated as at the Programme Date, but may be rated by a Rating Agency, on a national scale or international scale basis, after the Programme Date.</p> <p>A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to a Tranche of Notes, as well as the Rating Agency or Rating Agencies which assigned such Rating or Ratings.</p> <p>Neither a Rating of the Programme nor a Rating of a Tranche of Notes is a recommendation to subscribe for, buy, sell or hold any Notes. A Rating of the Programme and/or a Rating of a Tranche of Notes may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.</p>
Register	<p>The Register will be maintained by the Transfer Agent. The Central Securities Depository’s Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes which is held in the Central Securities Depository. Each holder of Notes which are represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes. The holders of Beneficial Interests in Notes will not be listed in the Register.</p> <p>Only Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register will be entitled to payments of amounts due and payable in respect of the Notes.</p>
Register Closed Period	The Register will, in respect of a Tranche of Notes, be closed during the 5 (five) days preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date.
Regulatory environment	<p>The Issuer is subject to government regulation in South Africa (see the section of this Programme Memorandum headed “<i>Risk Factors</i>”).</p> <p><i>Industrial Development Corporation Act:</i> The Issuer was established as a body corporate in terms of section 2 of the Industrial Development Corporation Act, and its objects and powers are governed by the Industrial Development Corporation Act. As at the Programme Date, the South African Government is the sole shareholder of the Issuer. The Issuer may not be wound up except by or under the authority of an Act by Parliament.</p> <p><i>Public Finance Management Act:</i> The Issuer is a “public entity” for purposes of the Public Finance Management Act and is accordingly subject to the provisions of the Public Finance Management Act. A “public entity” may only, among other things, borrow money through its “accounting authority”. The board of directors of the Issuer is the “accounting authority”. The Issuer, when it is authorised to borrow money by the board of directors of the Issuer, must submit to the Minister of Finance, on an annual</p>

basis, a “*borrowing programme*” for the relevant year.

Companies Act: As at the Programme Date, the provisions of the Companies Act do not apply to the Issuer.

Banks Act: The Issuer has been designated, subject to certain conditions, as an institution to which the provisions of the Banks Act shall not apply. Accordingly, the issue of Tranche(s) of Notes under the Programme, pursuant to this Programme Memorandum, is not required to comply with the Commercial Paper Regulations.

Income Tax Act: The Issuer is a “*resident*” (as defined in the Income Tax Act) of South Africa for tax purposes, and is subject to the applicable provisions of the Income Tax Act.

Risk factors	Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed “ <i>Risk Factors</i> ”).
Securities transfer tax	As at the Programme Date, the issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007 (see the section of this Programme Memorandum headed “ <i>South African Taxation</i> ”). Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.
Selling restrictions	The distribution of this Programme Memorandum and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area and South Africa (see the section of this Programme Memorandum headed “ <i>Subscription and Sale</i> ”). Any other or additional selling restrictions which are applicable to the placing of a particular Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Settlement	Each Tranche of Notes which is held in the Central Securities Depository will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE and the Central Securities Depository through the electronic settlement system of the Central Securities Depository. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the Central Securities Depository.
Taxation	A summary of the applicable Tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed “ <i>South African Taxation</i> ”. The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.
Use of proceeds	The Issuer will use the proceeds from the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.
Withholding tax	As at the Programme Date, all payments in respect of a Tranche of Notes will be made without withholding or deduction for or on account of Taxes levied in South Africa. In the event that any such withholding or other deduction is required by Applicable Law, then the Issuer will, subject to the Issuer’s rights to redeem that Tranche of Notes following a Tax Event pursuant to Condition 8.3 (and subject to certain exceptions as provided in Condition 10), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in that Tranche in the absence of such withholding or deduction.

FORM OF THE NOTES

Notes issued in uncertificated form

Each Tranche of Notes which is listed on the Bond Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, in terms of section 37 of the Securities Services Act, and will be held in the Central Securities Depository (see “*Beneficial Interests in Notes held in the Central Securities Depository*” below).

Notes issued in uncertificated form will not be represented by any certificate or written instrument.

Beneficial Interests in Notes held in the Central Securities Depository

While a Tranche of Notes is held in its entirety in the Central Securities Depository, the Central Securities Depository’s Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

The Central Securities Depository will hold each Tranche of Notes subject to the Securities Services Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository’s Nominee for the holders of Beneficial Interests in such Notes.

The Central Securities Depository maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository for such Participants.

The Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (“Clearstream”) may hold Notes through their Participant.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular outstanding Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the outstanding Principal Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest. The Central Securities Depository’s Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that outstanding Principal Amount of such Notes for all purposes.

Title to Beneficial Interests held by Participants directly through the Central Securities Depository will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the Central Securities Depository for such Participants. Title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Beneficial Interests may be transferred only in accordance with the Applicable Procedures. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

Notes represented by Individual Certificates

The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate in accordance with Condition 13.1.

Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes. Individual Certificates will not be issued in bearer form.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 12.2.

The Issuer, the Paying Agent and the Transfer Agent shall regard the Register as the conclusive record of title to Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on the Bond Market of the JSE.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE will, subject to the rules of that Financial Exchange and all Applicable Laws, be substantially in the form set out below, adapted, as applicable, to comply with the rules of that Financial Exchange and all Applicable Laws.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted Notes will be substantially in the form set out below, adapted, as applicable (but with due regard to the Commercial Paper Regulations), in such manner as is agreed by the Issuer and the relevant Dealer(s).



Your partner in development finance

INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED

(established as a body corporate in terms of section 2 of the Industrial Development Corporation Act, 1940)

ZAR15,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

Issue of [Aggregate Principal Amount of Tranche] [Type of Notes] Notes

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 11 May 2010, prepared by Industrial Development Corporation of South Africa Limited (the “**Issuer**”) in connection with the Industrial Development Corporation of South Africa Limited ZAR15,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

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*” (the “**Terms and Conditions**”). References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

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

A. GENERAL DESCRIPTION OF THE NOTES

- | | | |
|----|---------------------|---|
| 1. | Issuer | Industrial Development Corporation of South Africa Limited |
| 2. | Tranche number | [] |
| 3. | Series number | [] |
| 4. | Status of the Notes | The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the |

- Issuer, as described in Condition 5.
5. Security Unsecured
 6. Form of the Notes The Notes in this Tranche are issued in uncertificated form and held by the Central Securities Depository
 7. Type of Notes [Fixed Rate Notes] [Floating Rate Notes] [Mixed Rate Notes] [Index Linked Notes] [Exchangeable Notes] [Dual Currency Notes] [Partly Paid Notes] [Instalment Notes] [Zero Coupon Notes] *[specify other]*
 8. Aggregate Principal Amount ZAR[]
 9. Issue Date []
 10. Issue Price ZAR[] [[]% of the Principal Amount]
 11. Specified Currency [ZAR] *[specify other]*
 12. Specified Denomination (Principal Amount per Note) [ZAR1,000,000] *[specify other]*
 13. Minimum Specified Denomination of each Note [ZAR1,000,000] *[specify other]*

B. PROGRAMME AMOUNT

1. Programme Amount as at the Issue Date (for as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount) [ZAR15,000,000,000] *[specify other]*
2. Aggregate outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date ZAR[], excluding the aggregate Principal Amount of this Tranche and any other Tranche(s) of Notes issued on the Issue Date specified in Item A(9) above.

C. FIXED RATE NOTES (*delete if not applicable)

1. Rate(s) of Interest []% per annum payable [annually] [semi-annually] [quarterly] [monthly] in arrear
2. Interest Commencement Date []
3. Interest Payment Date(s) []
4. First Interest Payment Date []
5. Interest Periods [The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Applicable Redemption Date.] *[specify other]*
6. Initial Broken Amount [Not Applicable] []
7. Final Broken Amount [Not Applicable] []
8. Business Day Convention [Following Business Day Convention] [Floating Rate Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] *[specify other]*
9. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] *[specify other]*

10. Default Rate [[] % per annum] [*specify other*]
 11. Other terms relating to the method of calculating interest for Fixed Rate Notes [Not Applicable] [*give details*]

D. FLOATING RATE NOTES (*delete if not applicable)

1. Interest Commencement Date []
 2. Interest Payment Date(s) []
 3. First Interest Payment Date []
 4. Interest Periods [The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Applicable Redemption Date.] [*specify other*]
 5. Manner in which the Rate(s) of Interest is/are to be determined [ISDA Determination] [Screen Rate Determination] [*specify other*]
 6. **If ISDA Determination applicable:**
 (a) Floating Rate Option []
 (b) Designated Maturity []
 (c) Reset Date []
 7. **If Screen Rate Determination applicable:**
 (a) Reference Rate [JIBAR (being, subject to Condition 7.2.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 7.2.5)] [*specify other*]
 (b) Interest Determination Date(s) [The first day of each Interest Period] [*specify other*]
 (c) Relevant Screen page [Reuters Screen SAFEY page] [*specify other*]
 (d) Relevant Time [12h00 (South African time)] [*specify other*]
 8. **If Other Determination applicable:** [*give details*]
 9. Margin [Not Applicable] [[] % per annum]
 10. Minimum Rate of Interest [Not Applicable] [[] % per annum]
 11. Maximum Rate of Interest [Not Applicable] [[] % per annum]
 12. Business Day Convention [Following Business Day Convention] [Floating Rate Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*specify other*]
 13. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [*specify other*]
 14. Reference Banks [Not Applicable] [Absa Bank Limited, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and FirstRand Bank Limited (and each of their successors)] [*specify other*]

15. Default Rate [] % per annum] [*specify other*]
16. Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes [Not Applicable] [*give details*]

E. MIXED RATE NOTES (*delete if not applicable)

1. Period(s) during which the Interest Rate applicable to the Mixed Rate Notes will be (as applicable) that for: []
- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []
- (c) Indexed Notes []
- (d) Other Notes []
2. Other terms relating to the method of calculating interest for Mixed Rate Notes [Not Applicable] [*give details*]

F. INDEX LINKED NOTES (*delete if not applicable)

1. Type of Index Linked Notes [Indexed Interest Notes] [Indexed Redemption Amount Notes]
2. Index/Formula by reference to which Interest Rate / Interest Amount is to be determined [*give details*]
3. Manner in which the Interest Rate / Interest Amount is to be determined [*give details*]
4. Provisions where calculation by reference to Index and/or Formula is impossible or impracticable [*give details*]
5. Interest Commencement Date []
6. Interest Payment Date(s) []
7. First Interest Payment Date []
8. Interest Periods []
9. Minimum Rate of Interest [Not Applicable] [] % per annum]
10. Maximum Rate of Interest [Not Applicable] [] % per annum]
11. Business Day Convention [Following Business Day Convention] [Floating Rate Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [*specify other*]
12. Day Count Fraction [Actual/365] [30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [*specify other*]
13. Market Disruption or Settlement Disruption Events [*Describe any market disruption or settlement disruption events that affect the Index*]

G. EXCHANGEABLE NOTES (*delete if not applicable)

1. Mandatory Exchange [Applicable] [Not Applicable]
2. Noteholders' Exchange Right [Applicable] [Not Applicable]

3. Exchange Securities [give details]
4. Manner of determining Exchange Price [give details]
5. Exchange Period []
6. Other terms [Not Applicable] [give details]

H. DUAL CURRENCY NOTES (*delete if not applicable)

1. Rate of Exchange/method of calculating Rate of Exchange [give details]
2. Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable [give details]
3. Person at whose option Specified Currency(ies) is/are payable
4. Other terms [Not Applicable] [give details]

I. PARTLY PAID NOTES (*delete if not applicable)

1. Amount of each payment comprising the Issue Price []
2. Date upon which each payment is to be made by Noteholder []
3. Consequences (if any) of failure to make any such payment by Noteholder [give details]
4. Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [] % per annum
5. Other terms [Not Applicable] [give details]

J. INSTALMENT NOTES (*delete if not applicable)

1. Instalment Dates []
2. Instalment Amounts (expressed as a percentage of the aggregate Principal Amount of the Notes) [] %

K. ZERO COUPON NOTES (*delete if not applicable)

1. Accrual Yield [] % per annum
2. Aggregate Issue Price ZAR[]
3. Any other formula or basis for determining the Applicable Redemption Amount payable in respect of Zero Coupon Notes [Not Applicable] [give details]

L. OTHER NOTES (*delete if not applicable)

1. If the Notes are not Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Dual Currency Notes, Partly Paid Notes, Instalment Notes or Zero [give details] (Note: see Condition 7.5)

Coupon Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions applicable to such Notes

M. REDEMPTION

1. Final Redemption Date []
2. **Call Option:** [Applicable] [Not Applicable] (Note: see Condition 8.2)
3. If Call Option applicable:
 - (a) Redemption in whole or in part The Issuer may, at its option, having given not less than 30 (thirty) days' notice in terms of Condition 8.2.1, redeem this Tranche (in whole or in part, as specified in such notice), in the manner set out in Condition 8.2.2 or Condition 8.2.3, as the case may be.
 - (b) Redemption in whole:
 - Optional Redemption Date [] (Note 1: specify the Optional Redemption Date (Issuer) on which the Issuer will redeem this Tranche in full in terms of Condition 8.2.2)
(Note 2: if no date is specified above, the Optional Redemption Date (Issuer) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Issuer) in the notice of redemption given by the Issuer in terms of Condition 8.2)
 - (c) Redemption in part:
 - Optional Redemption Date [] [] [] [] (Note 1: specify each Optional Redemption Date (Issuer) on which the Issuer will redeem this Tranche in part in terms of Condition 8.2.3)
(Note 2: if no dates are specified above, each Optional Redemption Date (Issuer) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Issuer) in the notice of redemption given by the Issuer in terms of Condition 8.2)
 - Percentage of the aggregate outstanding Principal Amount to be redeemed []% []% []% []% (Note 1: specify the percentage of the aggregate outstanding Principal Amount of this Tranche which will be redeemed on each Optional Redemption Date (Issuer))
(Note 2: if no percentage(s) is/are specified above, the percentage of the aggregate outstanding Principal Amount of this Tranche which will be redeemed on each Optional Redemption Date (Issuer) will be the percentage specified in the notice of redemption given by the Issuer in terms of Condition 8.2.)
4. **Optional early redemption by the Issuer following a Tax Event and/or a Change in Law and/or illegality:** Applicable (Note: see Condition 8.3)
 - (a) Early Redemption Date The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the date for redemption of this Tranche in the notice of redemption given by the Issuer in terms of Condition 8.3.
5. **Put Option:** [Applicable] [Not Applicable] (Note: see Condition 8.4)

6. If Put Option applicable:

- (a) Redemption in whole or in part of all or any of the Notes held by a Noteholder
- A Noteholder of any Notes in this Tranche may, at its option, having given not less than 30 (thirty) nor more than 60 (sixty) days' notice in terms of Condition 8.4.2, require the Issuer to redeem all or any of such Notes (as specified in the Put Option Notice) (the "relevant Notes"), in whole or in part (as specified in the Put Option Notice), in the manner set out in Condition 8.4.3.
- (b) Redemption in whole:
- Optional Redemption Date (Noteholder)
- [] (Note 1: specify the Optional Redemption Date (Noteholder) on which (subject to Condition 8.4.2) the Issuer will be required to redeem the relevant Notes in full in terms of Condition 8.4.3.1)
- (Note 2: if no date is specified above, the Optional Redemption Date (Noteholder) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Noteholder) in the Put Option Notice)
- (c) Redemption in part:
- Optional Redemption Date (Noteholder)
- [] [] [] [] (Note 1: specify each Optional Redemption Date (Noteholder) on which (subject to Condition 8.4.2) the Issuer will be required to redeem the relevant Notes in part in terms of Condition 8.4.3.2)
- (Note 2: if no dates are specified above, each Optional Redemption Date (Noteholder) will be the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the Optional Redemption Date (Noteholder) in the Put Option Notice)
- Percentage of the aggregate outstanding Principal Amount to be redeemed
- []% []% []% []% (Note 1: specify the percentage of the aggregate outstanding Principal Amount of the relevant Notes which (subject to Condition 8.4.2) the Issuer will be required to redeem on each Optional Redemption Date (Noteholder))
- (Note 2: if no percentage(s) is/are specified above, the percentage of the aggregate outstanding Principal Amount of the relevant Notes which (subject to Condition 8.4.2) the Issuer will be required to redeem on each Optional Redemption Date (Noteholder) will be the percentage specified in the Put Option Notice)
- (d) Put Option Notice
- In order to exercise the Put Option, the relevant Noteholder shall, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Noteholder) (where the relevant Notes are to be redeemed in whole) or each Optional Redemption Date (Noteholder) (where the relevant Notes are to be redeemed in part), as the case may be, send the duly completed and signed Put Option Notice to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent) (see Condition 8.4.2).
- (e) *Pro forma* Put Option Notice attached
- [Yes] [No]

7. **Applicable Redemption Amount:**

- (a) Redemption on the Final Redemption Date
- [Where this Tranche is a Tranche of interest-bearing Notes, the aggregate outstanding Principal Amount of this Tranche plus interest accrued to the Final Redemption Date]
- [Where this Tranche is a Tranche of Zero Coupon Notes, the aggregate outstanding Principal Amount of this Tranche]

[specify other]

- (b) Redemption prior to the Final Redemption Date [Where this Tranche is a Tranche of interest-bearing Notes, the (i) aggregate outstanding Principal Amount of this Tranche (where this Tranche is redeemed in full) or (ii) the relevant portion of the aggregate outstanding Principal Amount of this Tranche (where this Tranche is redeemed in part), as the case may be, plus interest accrued to the Applicable Redemption Date]

[Where this Tranche is a Tranche of Zero Coupon Notes, the (i) the amount calculated in accordance with Condition 8.6 (where this Tranche is redeemed in full) or (ii) the relevant portion of the amount calculated in accordance with Condition 8.6 (where this Tranche is redeemed in part), as the case may be]

[specify other]

8. Other terms relating to the redemption of this Tranche and/or the calculation of the Applicable Redemption Amount [Not Applicable] [give details]

N. ADDITIONAL TERMS (*delete if not applicable)

1. Specify the additional terms and conditions (if any) which are applicable to this Tranche [Not Applicable] [give details]

O. AGENTS AND SPECIFIED OFFICES

1. Calculation Agent [The Issuer] [specify other]
2. Specified Office of the Calculation Agent [19 Fredman Drive, Sandown, Sandton, 2196, South Africa] [specify other]
3. Paying Agent [Absa Capital, a division of Absa Bank Limited] [specify other]
4. Specified Office of the Paying Agent [15 Alice Lane, Sandton, 2196, South Africa] [specify other]
11. Transfer Agent [The Issuer] [specify other]
12. Specified Office of the Transfer Agent [19 Fredman Drive, Sandown, Sandton, 2196, South Africa] [specify other]

P. REGISTER CLOSED

1. Last Day to Register Up until 17h00 (South African time) on the sixth day (whether such is a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date, being in each instance, the last date on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes represented by Individual Certificates.
- Only Noteholders named in the Register at 17h00 (South African time) on the Last Day to Register will be entitled to payments of amounts due and payable in respect of the Notes.
2. Register Closed Period The Register will be closed during the 5 (five) days preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date.
3. Books Closed Dates [specify]

Q. GENERAL

1. Exchange Control Approval [Not Applicable] [Applicable]

(Note: The issue of this Tranche may, depending on the type of Notes in this Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.)

[The Issuer has, as required by the Exchange Control Regulations, obtained the prior written approval of the Exchange Control Authorities for the issue and listing of this Tranche on the Bond Market of the JSE]

- | | | |
|-----|--|---|
| 2. | Additional selling restrictions | [Not Applicable] [give details] |
| 3. | International Securities
Numbering (ISIN) | [] |
| 4. | Stock Code Number | [] |
| 5. | Financial Exchange | JSE Limited (Bond Market) |
| 6. | Names of Dealer(s) | [Not Applicable] [specify] |
| 7. | Stabilisation Manager (if applicable) | [Not Applicable] [give details] |
| 8. | Governing law | The Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa. |
| 9. | Business centre | [Johannesburg] [specify other] |
| 10. | Rating assigned to this Tranche of Notes as at the Issue Date (if any) | [Not Applicable] [give details] |
| 11. | Rating Agency(ies) (if any) | [Not Applicable] [give details] |
| 12. | Credit rating of the Issuer as at the Issue Date | [give details] |
| 13. | Other provisions | [Not Applicable] [give details] |

Application is hereby made to list Tranche [●] of Series [●] of the Notes on the Bond Market of the JSE, as from [●], pursuant to the Industrial Development Corporation of South Africa Limited ZAR15,000,000,000 Domestic Medium Term Note Programme.

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement.

For: INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED

By: _____
duly authorised

By: _____
duly authorised

Date: _____

Date: _____

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Terms and Conditions:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In the Terms and Conditions the following expressions have the following meanings:

"Absa Capital" means Absa Capital, a division of Absa Bank Limited (1986/004794/06) a public company with limited liability registered and incorporated in accordance with the laws of South Africa;

"Acceleration Date" means, in relation to (as applicable) all or any of the Notes in a Tranche of Notes, following the occurrence of an Event of Default and subject to Condition 11.2.2, the Acceleration Date defined as such in Condition 11.2.2;

"Accrual Yield" means, in relation to a Tranche of Zero Coupon Notes, the yield specified as such in the Applicable Pricing Supplement;

"Actual Redemption Date" means, in relation to (as applicable) all or any of the Notes in a Tranche of Notes, the date upon which such Note(s) is/are actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the Noteholder(s) of such Note(s) under the Applicable Terms and Conditions has been paid;

"Agency Agreement" means the written agreement, dated 11 May 2010, entered into between the Issuer and Absa Capital (as initial Paying Agent), as amended, novated and/or substituted from time to time in accordance with its terms and each additional written agreement (if any) to be entered into between the Issuer and the Calculation Agent and/or the Transfer Agent (unless the Issuer itself acts in any of the abovementioned capacities), each as amended, novated and/or substituted from time to time in accordance with its terms;

"Applicable Laws" means, in relation to a person, all and any (i) statutes and subordinate legislation, (ii) regulations, ordinances and directives, (iii) by-laws, (iv) codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time, compliance with which is mandatory for that person;

"Applicable Pricing Supplement" means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*";

"Applicable Procedures" means the rules and operating procedures for the time being of the Central Securities Depository, Participants, the JSE (including, without limitation, the JSE Rules and the JSE Debt Listings Requirements) and/or any other Financial Exchange;

"Applicable Redemption Amount" means, in relation to (as applicable) all or any of the Notes in a Tranche of Notes (subject, in the case of Zero Coupon Notes, to Condition 7.8.4.2 or Condition 8.6, as applicable), (i) the aggregate Principal Amount of such Note(s) (where such Note(s) is/are redeemed in full) or the relevant portion of the aggregate outstanding Principal Amount of such Note(s) (where such Note(s) is/are redeemed in part), as the case may be, plus accrued interest (if any) to the Applicable Redemption Date or (ii) such other amount as may be specified in, or determined in accordance with, the Terms and Conditions and/or or the Applicable Pricing Supplement;

"Applicable Redemption Date" means, in relation to (as applicable) all or any of the Notes in a Tranche of Notes, the date on which such Note(s) is/are due to be redeemed in terms of the Applicable Terms and Conditions being:

- a) the Final Redemption Date, where such Notes are redeemed pursuant to Condition 8.1;
- b) the Optional Redemption Date (Issuer), where such Notes are redeemed pursuant to Condition 8.2;
- c) the Early Redemption Date, where such Notes are redeemed pursuant to Condition 8.3;

d) the Optional Redemption Date (Noteholder), where such Notes are redeemed pursuant to Condition 8.4;

"Applicable Terms and Conditions" means, in relation to a Tranche of Notes, the Terms and Conditions as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement;

"Arrangers" means Nedbank Capital and Basis Points Capital;

"Auditors" means the statutory auditors of the Issuer from time to time, being (as at the Programme Date) KPMG Inc. and SizweNtsaluba VSP;

"Banks Act" means the Banks Act, 1990;

"Basis Points Capital" means Basis Points Capital (Proprietary) Limited (registration number 2007/025336/07), a private company with limited liability registered and incorporated in accordance with the laws of South Africa;

"Beneficial Interest" means, in relation to a Tranche of Notes which is held in the Central Securities Depository, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 41(1) of the Securities Services Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate outstanding Principal Amount of such number of Notes bears to the aggregate outstanding Principal Amount of all of the Notes in that Tranche, as provided in section 41(3) of the Securities Services Act;

"BESA" means The Bond Exchange of South Africa Limited (registration number 2007/034441/06), which was licensed as an exchange in terms of the Securities Services Act prior to its merger, on 1 July 2009, with the JSE;

"BESA Guarantee Fund" means the Guarantee Fund established and operated by BESA, prior to its merger with the JSE on 1 July 2009, in terms of the BESA Rules and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of the JSE Rules and sections 9(1)(e) and 18(2)(x) of the Securities Services Act;

"BESA Listing Disclosure Requirements" means the document entitled *"BESA Listing Disclosure Requirements"*, dated 2 January 2009, issued by BESA prior to its merger with the JSE on 1 July 2009;

"BESA Rules" means the Rules of BESA, prior to its merger with the JSE on 1 July 2009, approved by the Registrar of Securities Services in terms of the Securities Services Act;

"Blocked Rand" means, for purposes of the Exchange Control Regulations, funds which may not be remitted out of South Africa or paid into a bank account outside South Africa;

"Bond Market of the JSE" means the separate platform or sub-market of the JSE designated as the "Bond Market" and on which (i) securities which were listed on BESA, prior to its merger with the JSE on 1 July 2009, may continue to be listed and (ii) Debt Securities (as defined in the JSE Debt Listings Requirements) may be listed;

"Business Day" means, subject to the Applicable Procedures, a day (other than a Saturday, Sunday or statutory public holiday in South Africa) on which commercial banks settle payments in Rand in Johannesburg;

"Business Day Convention" means, in relation to a Tranche of Notes, the convention (if any) for adjusting any date if it would otherwise fall on a day that is not a Business Day, and 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 in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if **"Modified Following"** or **"Modified"** is specified in the Applicable Pricing Supplement, the relevant payment 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; or
- c) if **"Preceding"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

"Calculation Agent" means the Issuer, unless the Issuer elects to appoint another entity as Calculation Agent, as contemplated in Condition 15, in which event that other entity will act as Calculation Agent in respect of the Notes;

"Call Option" means, in relation to a Tranche of Notes (where "Call Option" is specified in the Applicable Pricing Supplement as being applicable), the option of the Issuer to redeem that Tranche of Notes (in whole or in part) on the Optional Redemption Date (Issuer) in terms of Condition 8.2;

"Central Securities Depository" means Strate Limited (registration number 1998/022242/06), licensed as a central securities depository in terms of the Securities Services Act or any successor depository operating in terms of the Securities Services Act, and any additional or alternate depository approved by the Issuer;

"Central Securities Depository's Nominee" means a wholly owned subsidiary of the Central Securities Depository approved by the Registrar of Securities Services in terms of the Securities Services Act, and any reference to "Central Securities Depository's Nominee" shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the Securities Services Act;

"Change in Law" means, in relation to a Series of Notes, an event where, as a result of (a) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (b) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series (including, without limitation, as a result of any increase in tax liability, decrease in tax benefit or other adverse effect on the Issuer's tax position) which adoption, change or promulgation is announced on or after the Issue Date of the first Tranche of Notes in that Series;

"Commercial Paper Regulations" means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of "*the business of a bank*" in the Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

"Common Monetary Area" means the Republics of South Africa and Namibia and the Kingdoms of Swaziland and Lesotho;

"Companies Act" means the Companies Act, 1973;

"Day Count Fraction" means, in relation to a Tranche of interest-bearing Notes (where applicable):

- a) if "1/1" is specified in the Applicable Pricing Supplement, 1; or
- b) if "Actual/365", "Act/365", "Actual/Actual" or "Act/Act" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- c) 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 Interest Period in respect of which payment is being made divided by 365; or
- d) if "Actual/360", "Act/360" or "A/360" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- e) if "30/360", "360/360" or "Bond Basis" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest 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) that last day of the Interest 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
- f) if "30E/360" or "Eurobond Basis" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the

first day or last day of the Interest Period unless, in the case of the final Interest Period, the 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

g) such other calculation method as is specified in the Applicable Pricing Supplement;

“Dealer(s)” means Nedbank Capital and Basis Points Capital, and each additional Dealer appointed by the Issuer under the Programme from time to time pursuant to the Programme Agreement, which appointment may be for a specific issue of one or more Tranches of Notes or on an ongoing basis for the duration of the Programme, subject to the Issuer’s right to terminate the appointment of any Dealer;

“Default Rate” means, in relation to a Tranche of interest-bearing Notes, the default rate specified as such in the Applicable Pricing Supplement;

“Dual Currency Notes” means a Tranche of Notes in respect of which interest is paid in a base currency and principal is paid in a non-base currency or *vice versa*, as indicated in the Applicable Pricing Supplement;

“Early Redemption Date” means, in relation to a Series of Notes which is to be redeemed (in whole) in terms of Condition 8.3, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 8.3;

“Early Termination Amount” means, in relation to (as applicable) all or any of the Notes in a Tranche of Notes (subject, in the case of Zero Coupon Notes, to Condition 8.6), following the occurrence of an Event of Default and subject to Condition 11.2.2 (i) the aggregate outstanding Principal Amount of such Note(s) plus accrued interest (if any) to the Actual Redemption Date or (ii) such other amount as may be specified in, or determined in accordance with, the Terms and Conditions and/or the Applicable Pricing Supplement;

“Encumbrance” means any mortgage, hypothecation, cession of rights, cession *in securitatem debiti*, charge, pledge or lien creating, in each instance, real rights of security or any other arrangement creating real rights of security;

“Event of Default” means, in relation to a Series of Notes (and each Tranche of Notes in that Series), any of the events described in Condition 11.1;

“Exchange Control Authorities” means the Exchange Control Department of the South African Reserve Bank;

“Exchange Control Regulations” means the Exchange Control Regulations, 1961 promulgated pursuant to the Currency and Exchanges Act, 1933;

“Exchangeable Notes” means a Tranche of Notes which may be redeemed by the Issuer in the manner specified in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the provisions of the Applicable Pricing Supplement;

“Exchange Period” means, in relation to a Tranche of Exchangeable Notes to which the Noteholders’ Exchange Right applies, the period specified as such in the Applicable Pricing Supplement;

“Exchange Price” means, in relation to a Tranche of Exchangeable Notes to which the Noteholders’ Exchange Right applies, the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of such Exchangeable Notes will be determined;

“Exchange Securities” means, in relation to a Tranche of Exchangeable Notes to which the Noteholders’ Exchange Right applies, the securities specified as such in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of such Exchangeable Notes to the value of the Exchange Price;

“Final Broken Amount” means, in relation to a Tranche of interest-bearing Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;

“Final Redemption Date” means, in relation to a Tranche of Notes, the date stipulated as such in the Applicable Pricing Supplement;

“Financial Exchange” means, in relation to a Tranche of Notes, the Bond Market of the JSE and/or such other (or additional) financial exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to Applicable Laws, and upon which that Tranche of Notes is (or is to be) listed;

“Fixed Rate Notes” means a Tranche of Notes which will bear interest at a fixed Interest Rate, as indicated in the Applicable Pricing Supplement;

“Floating Rate Notes” means a Tranche of Notes which will bear interest at a floating Interest Rate as indicated in the Applicable Pricing Supplement;

“Group Company” means any company within the IDC Group;

“Group” or **“Group of Noteholders”** means (as applicable) the holders of the Notes in a Tranche of Notes or the holders of the Notes in more than one Tranche of Notes in a Series of Notes or the holders of Notes in a Series of Notes;

“IDC Group” means the Issuer, each Wholly Owned Financing Subsidiary and each Subsidiary;

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

“Income Tax Act” means the Income Tax Act, 1962;

“Indebtedness” means:

- b) any indebtedness of any person in respect of moneys borrowed or raised (including, without limitation, any transaction having the commercial effect of a borrowing); and
- c) any guarantee and/or suretyship and/or indemnity and/or transaction having the commercial effect of a guarantee, suretyship or indemnity given in respect of any indebtedness described in sub-paragraph (a) above,

in either case whether present or future, actual or contingent;

“Indexed Linked Interest Notes” means a Tranche of Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula, as indicated in the Applicable Pricing Supplement;

“Index Linked Notes” means a Tranche of Indexed Linked Interest Notes and/or a Tranche of Indexed Linked Redemption Notes, as applicable;

“Indexed Linked Redemption Notes” means a Tranche of Notes in respect of which the Applicable Redemption Amount is calculated by reference to an index and/or a formula, as indicated in the Applicable Pricing Supplement;

“Individual Certificate” means the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with Condition 13.1;

“Industrial Development Corporation Act” means the Industrial Development Corporation Act, 1940;

“Initial Broken Amount” means, in relation to a Tranche of interest-bearing Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;

“Insolvency Act” means the Insolvency Act, 1936;

“Instalment Amount” means, in relation to a Tranche of Instalment Notes, the amount expressed (in the Applicable Pricing Supplement) as a percentage of the Principal Amount of such Instalment Notes, being an instalment of principal (other than the final instalment) on such Instalment Notes;

“Instalment Notes” means a Tranche of Notes redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;

“Instalment Dates” means, in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;

“Interest Amount” means, in relation to a Tranche of interest-bearing Notes for an Interest Period, the amount of interest payable in respect of that Tranche of Notes for that Interest Period, determined (unless otherwise specified in the Applicable Pricing Supplement) in accordance with Condition 7;

“Interest Commencement Date” means, in relation to a Tranche of interest-bearing Notes, the Issue Date or such other date as is specified as the Interest Commencement Date in the Applicable Pricing Supplement;

“Interest Determination Date” means, in relation to a Tranche of interest-bearing Notes, the day falling on the first day of each Interest Period or, if such day is not a Business Day, the 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 shall be brought forward to the first preceding Business Day;

“Interest Payment Date” means, in relation to a Tranche of interest-bearing Notes, the date specified as such in the Applicable Pricing Supplement or, if no date is specified in the Applicable Pricing Supplement, the last day of each Interest Period and, if a Business Day Convention is specified in the Applicable Pricing Supplement, as the same may be adjusted in accordance with the relevant Business Day Convention;

“Interest Period” means, in relation to a Tranche of interest-bearing Notes, each period beginning on (and including) one Interest Payment Date and ending on (but excluding) the next following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and the last Interest Period will end on (but exclude) the Applicable Redemption Date;

“Interest Rate” and **“Rate of Interest”** means, in relation to a Tranche of interest-bearing Notes, the rate or rates (expressed as a percentage per annum) of interest applicable to that Tranche of Notes for an Interest Period, specified in the Applicable Pricing Supplement or determined in accordance with the applicable provisions of Condition 7 and/or the Applicable Pricing Supplement;

“ISDA Definitions” means, in relation to a Tranche of interest-bearing Notes (where applicable), the 2006 ISDA Definitions (as amended and updated as at the Issue Date) as published by the International Swaps and Derivatives Association, Inc.;

“ISDA Rate” means, in relation to a Tranche of interest-bearing Notes (where applicable), the ISDA Rate defined as such in Condition 7.2.2;

“Issue Date” means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

“Issue Price” means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

“Issuer” and **“IDC”** means the Industrial Development Corporation of South Africa Limited, established as a body corporate in terms of section 2 of the Industrial Development Corporation Act;

“JSE” means JSE Limited (registration number 2005/022939/06), licensed as an exchange in terms of the Securities Services Act, or any exchange which operates as a successor exchange to the JSE in terms of the Securities Services Act;

“JSE Debt Listings Requirements” means, as at the Programme Date, the BESA Listing Disclosure Requirements and, as at the date on which the listings requirements for the Bond Market of the JSE (promulgated by the JSE in accordance with the Securities Services Act) come into force, such listings requirements;

“JSE Rules” means the Rules of the JSE from time to time, approved by the Registrar of Securities Services in terms of the Securities Services Act;

“Last Day to Register” means, in relation to a Tranche of Notes, the sixth day (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date until 17h00 (South African time) on that sixth day, such sixth day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Individual Certificate(s);

“Margin” means, in relation to a Tranche of interest-bearing Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

“Mixed Rate Notes” means a Tranche of Notes which will bear interest over respective Interest Periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index Linked Interest Notes, as specified in the Applicable Pricing Supplement, and as more fully described in Condition 7.3;

“Nedbank Capital” means Nedbank Capital, a division of Nedbank Limited (registration number 1951/000009/06), a public company with limited liability registered and incorporated in accordance with the laws of South Africa;

"Noteholder" and **"holder"** means the registered holder of Notes recorded as such in the Register;

"Noteholders' Exchange Right" means, in relation to a Tranche of Exchangeable Notes (if indicated in the Applicable Pricing Supplement), the right of the Noteholders of such Exchangeable Notes to elect to receive delivery of the Exchange Securities *in lieu* of cash from the Issuer upon redemption of such Exchangeable Notes;

"Notes" means the unsecured notes of any kind issued by the Issuer, under the Programme, pursuant to this Programme Memorandum;

"Note Subscription Agreement" means an agreement entered into between the Issuer and one or more Dealers in terms of which the Issuer agrees to issue, and the Dealers agree to place, one or more Tranches of Notes, on the terms and conditions set out in that agreement, as amended, novated and/or substituted from time to time in accordance with its terms;

"Optional Redemption Date (Issuer)" means, in relation to a Tranche of Notes to which the Call Option is applicable and which is to be redeemed (in whole or in part) in terms of Condition 8.2, the date(s) specified as such in the Applicable Pricing Supplement or, if no such date(s) is/are specified in the Applicable Pricing Supplement, the Interest Payment Date(s) (in the case of interest-bearing Notes) or other date(s) (in the case of non interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes or the relevant portion of that Tranche of Notes, as the case may be, in the notice of redemption given by the Issuer in terms of Condition 8.2;

"Optional Redemption Date (Noteholder)" means, in relation to any Notes in a Tranche of Notes to which the Put Option is applicable and which are to be redeemed (in whole or in part) in terms of Condition 8.4, the date(s) specified as such in the Applicable Pricing Supplement or, if no such date(s) is/are specified in the Applicable Pricing Supplement, the Interest Payment Date(s) (in the case of interest-bearing Notes) or other date(s) (in the case of non interest-bearing Notes) stipulated as the date for redemption of such Notes or the relevant portion of such Notes, as the case may be, in the Put Option Notice;

"Ordinary Resolution" means a resolution passed at a properly constituted meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority of the votes cast on such poll;

"outstanding Principal Amount" means, in relation to a Note, the Principal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of Condition 8) that portion of the Principal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate outstanding Principal Amount of all of the Notes in issue under the Programme at that time;

"Participant" means a person accepted by the Central Securities Depository as a participant in terms of the Securities Services Act;

"Partly Paid Notes" means a Tranche of Notes which is issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholders of that Tranche in instalments, as indicated in the Applicable Pricing Supplement;

"Paying Agent" means Absa Capital, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 15, in which event that other entity will act as Paying Agent in respect of the Notes;

"Permitted Encumbrance" means any Encumbrance created or subsisting over the whole or any part of the present or future undertaking, assets or revenues of the Issuer or a Principal Subsidiary, as the case may be, where (i) that Encumbrance is a statutory Encumbrance or arises by operation of law and/or (ii) that Encumbrance is incurred and/or assumed by the Issuer or that Principal Subsidiary, as the case may be, as (or as part of) a Project Financing; provided that the property over which that Encumbrance is created or subsists consists solely of assets or revenues in relation to which that Project Financing is incurred and/or assumed;

"place" means, in relation to a Note Subscription Agreement, to subscribe and pay for, and/or to use reasonable commercial endeavours to procure the subscription and payment for, the Notes in one or more Tranches of Notes pursuant to that Note Subscription Agreement and *"placing"* will be construed accordingly;

"Principal Amount" means, in relation to a Note, the nominal amount of that Note (being the amount equivalent to the Specified Denomination);

"Principal Subsidiary" means (i) each Wholly Owned Financing Subsidiary and (ii) each Subsidiary of the Issuer (a) whose total profits, before tax and extraordinary items represent in excess of 10% of the consolidated total profits, before tax and extraordinary items, of the Issuer and its Subsidiaries or (b) whose total value of net assets represent in excess of 10% of the total value of all consolidated net assets owned by the Issuer and its

Subsidiaries, in each case calculated by reference to the latest audited financial statements of each Subsidiary and the latest audited consolidated financial statements of the Issuer and its Subsidiaries and, in this regard, a report by the Auditors of the Issuer that a Subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Noteholders;

"Programme" means the Industrial Development Corporation of South Africa Limited ZAR15,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

"Programme Agreement" means the written agreement, dated 11 May 2010, entered into between the Issuer, Nedbank Capital and Basis Points Capital, as amended, novated and/or substituted from time to time in accordance with its terms;

"Programme Amount" means, for as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, the maximum aggregate outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time being, as at the Programme Date, ZAR15,000,000,000, or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed *"General Description of the Programme"*;

"Programme Date" means the date of this Programme Memorandum, being 11 May 2010;

"Programme Memorandum" means this document so entitled in respect of the Programme dated 11 May 2010; provided that if the Issuer publishes a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be (as contemplated in the section of this document headed *"Documents Incorporated by Reference"*), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented, as the case may be;

"Programme Termination Date" means the Actual Redemption Date of the last Note(s) in issue and outstanding under the Programme;

"Project Financing" means any financing, on a normal project finance basis, of all or part of the costs of the acquisition, construction or development of any project, having its own separate legal identity, where the person(s) providing such financing expressly agree to limit their recourse to that project, and the revenues derived from that project, as the sole source of repayment from moneys advanced in relation to such financing;

"Public Finance Management Act" means the Public Finance Management Act, 1999;

"Put Option" means, in relation to a Tranche of Notes (where "Put Option" is specified in the Applicable Pricing Supplement as being applicable), the option of a Noteholder of Notes in that Tranche to require the Issuer to redeem all or any of such Notes (in whole or in part) on the Optional Redemption Date (Noteholder) in terms of Condition 8.4;

"Put Option Notice" means, in relation to a Tranche of Notes to which the Put Option is applicable, a written notice (in the form obtainable from the Issuer and/or the Transfer Agent and/or attached to the Applicable Pricing Supplement) which must be completed and signed by a Noteholder of any Notes in that Tranche and which must be sent to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent) in accordance with Condition 8.4.2, in order for that Noteholder to exercise the Put Option in respect of all or any of such Notes (in whole or in part);

"R", "Rand" or "ZAR" means the lawful currency of South Africa;

"Rating" means, in relation to a Tranche of Notes (where applicable), the rating of that Tranche of Notes granted by a Rating Agency, specified as such in the Applicable Pricing Supplement;

"Rating Agency(ies)" means Fitch Southern Africa (Proprietary) Limited and/or Moody's Investor Services Limited and/or Standard & Poors and/or such other internationally recognised rating agency(ies) as is/are appointed by the Issuer for purposes of the Programme and/or a Tranche of Notes;

"Reference Banks" means, in relation to a Tranche of interest-bearing Notes (where applicable), the banks specified as such in the Applicable Pricing Supplement or, if no such banks are specified in the Applicable Pricing Supplement, four major banks selected (after consultation with the Issuer, if reasonably practicable) by the Calculation Agent;

"Reference Rate" means, in relation to a Tranche of interest-bearing Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;

“Register” means the register of Noteholders maintained by the Transfer Agent in terms of Condition 14;

“Registrar of Securities Services” means the Registrar of Securities Services designated under the Securities Services Act;

“Relevant Date” means, in relation to a Tranche of Notes, the earlier of (a) the date on which all amounts due in respect of such Tranche of Notes has been paid and (b) the date on which the full amount of the moneys payable in respect of such Tranche of Notes has been received by the Central Securities Depository’s Nominee;

“Relevant Indebtedness” means:

- a) any present or future Indebtedness described in sub-paragraph (a) of the definition of *“Indebtedness”* above which is in the form of any bond, note, debenture, debenture stock, loan stock, certificate or other similar security which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) and having an original maturity of more than 364 days from its date of issue;
- b) any guarantee and/or suretyship and/or indemnity and/or transaction having the commercial effect of a guarantee, suretyship or indemnity given in respect of any Indebtedness described in sub-paragraph (a) above, whether present or future, actual or contingent;

“Relevant Screen Page” means, in relation to a Tranche of interest-bearing Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” means, in relation to a Tranche of interest-bearing Notes (where applicable), the time specified as such in the Applicable Pricing Supplement;

“Securities Services Act” means the Securities Services Act, 2004;

“Series” means a Tranche of Notes which, together with any other Tranche(s) of Notes, is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the relevant Applicable Pricing Supplements by way of a unique numeral (such as Series 1);

“South Africa” means the Republic of South Africa;

“Special Resolution” means a resolution passed at a properly constituted meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders, upon a poll, by a majority consisting of not less than three-quarters of the votes cast on such poll;

“Specified Currency” means, in relation to each Note in a Tranche of Notes, subject to all Applicable Laws (including, without limitation, the Exchange Control Regulations), the currency specified as such in the Applicable Pricing Supplement;

“Specified Denomination” means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall no be less than ZAR1,000,000;

“Specified Office” means, in relation to each of the Issuer, the Calculation Agent, the Paying Agent and the Transfer Agent, the address specified in respect of such entity at the end of this Programme Memorandum and/or in the Applicable Pricing Supplement, or such other address as is notified by any such entity (or, where applicable, a successor to any such entity) to the Noteholders in accordance with Condition 16, as the case may be;

“Sponsor” means Nedbank Capital;

“Subsidiary” means, in relation to the Issuer as at any time, each *“subsidiary”* (as defined in the Companies Act) of the Issuer at that time, and of which the Issuer holds not less than 51% of the total number of ordinary shares in the issued share capital of that *“subsidiary”* at that time (and, for purposes of the definition of *“subsidiary”* in the Companies Act, the Issuer shall be deemed to be a company);

“Taxes” means all present and future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of whatever nature imposed, levied, collected, withheld or assessed by, or on behalf of, any governmental, fiscal or other competent authority in South Africa (including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and *“Tax”* and *“Taxation”* will be construed accordingly;

“Tax Event” means, in relation to a Series of Notes, an event where, as a result of a Tax Law Change, the Issuer has paid (or will pay or would on the next Interest Payment Date be required to pay) additional amounts as provided for or referred to in Condition 10 and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

“Tax Law Change” means, in relation to a Series of Notes, 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 or proposed 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, proposed change, amendment or proposed amendment is announced on or after the Issue Date of the first Tranche of Notes in that Series;

“Terms and Conditions” means the Terms and Conditions of the Notes set out in this section of the Programme Memorandum headed *“Terms and Conditions of the Notes”*;

“Tranche” or **“Tranche of Notes”** means those Notes which are identical in all respects (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

“Transfer Agent” means the Issuer, unless the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 15, in which event that other entity will act as Transfer Agent in respect of the Notes;

“Transfer Form” means the written form for the transfer of Notes represented by an Individual Certificate, in the usual form or in such other form as is approved by the Transfer Agent;

“VAT Act” means the Value-Added Tax Act, 1991;

“Wholly Owned Financing Subsidiary” means each *“wholly owned financing subsidiary”* (as contemplated in the Industrial Development Corporation Act) of the Issuer being, as at the Programme Date, each of (i) Findevco (Proprietary) Limited (registration number 1970/003653/07), a private company with limited liability registered and incorporated in accordance with the laws of South Africa, (ii) Impofin (Proprietary) Limited (registration number 1987/001456/07), a private company with limited liability registered and incorporated in accordance with the laws of South Africa, (iii) Konoil (Proprietary) Limited (registration number 1969/015941/07), a private company with limited liability registered and incorporated in accordance with the laws of South Africa, and (iv) The Export-Import Finance Corporation of SA (Proprietary) Limited (registration number 1999/024009/07), a private company with limited liability registered and incorporated in accordance with the laws of South Africa;

“Zero Coupon Notes” means a Tranche of Notes which will be offered and sold at a discount to their Principal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

1.2. Interpretation

1.2.1. In the Terms and Conditions:

1.2.1.1. any reference to principal shall be deemed to include the Applicable Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to the Terms and Conditions;

1.2.1.2. if an expression is stated in Condition 1.1 to have the meaning given in the Applicable Pricing Supplement, but the Applicable Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the relevant Tranche of Notes;

1.2.1.3. any reference in the Terms and Conditions to any statute, regulation or other legislation (including, without limiting the generality of the foregoing, the Industrial Development Corporation Act, the Public Finance Management Act, Applicable Laws, the Applicable Procedures, the JSE Rules, the JSE Debt Listings Requirements and the Exchange Control Regulations) will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time.

1.2.2. Unless inconsistent with the context or save where the contrary is expressly specified in the Terms and Conditions:

1.2.2.1. references to any Condition are to that Condition of the Terms and Conditions;

- 1.2.2.2. words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting persons only will include firms and corporations and *vice versa*;
- 1.2.2.3. the use of the word “including” followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to “including” and “in particular” will not be construed restrictively but will mean “including, without prejudice to the generality of the foregoing” and “in particular, but without prejudice to the generality of the foregoing” respectively;
- 1.2.2.4. any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be;
- 1.2.2.5. where any number of days is to be calculated from a particular day, such number shall be calculated as inclusive of the first day and exclusive of the last day. If the last day of such number so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the immediately preceding day which is a Business Day;
- 1.2.3. If any provision in a definition in the Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Terms and Conditions.
- 1.2.4. Headings and sub-headings in the Terms and Conditions are inserted for convenience only.
- 1.2.5. Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Terms and Conditions.
- 1.2.6. The *contra proferentem* rule shall not be applied in the interpretation of the Terms and Conditions.

2. ISSUE

- 2.1. Subject to the applicable provisions of the Public Finance Management Act and the Industrial Development Corporation Act and subject, where required, to the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations, the Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme; provided that, for as long as the JSE Debt Listings Requirements require that the Programme be subject to a Programme Amount, the aggregate outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes may comprise, without limitation, Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Index Linked Notes, Exchangeable Notes, Dual Currency Notes, Partly Paid Notes, Instalment Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement.
- 2.3. A Tranche of Notes will be issued on, and subject to, the Applicable Terms and Conditions of that Tranche of Notes. The Applicable Terms and Conditions of a Tranche of Notes are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.
- 2.4. The Applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing any Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes will be attached to the Individual Certificate(s) (if any) representing any Notes in that Tranche.

3. FORM AND DENOMINATION

3.1. General

- 3.1.1. All payments in relation to the Notes will be made in the Specified Currency. The denomination of each Note will be the Specified Denomination. The Notes will be issued with a minimum Specified Denomination of ZAR1,000,000.
- 3.1.2. A Tranche of Notes may be listed on the Bond Market of the JSE or on such other (or additional) Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.

- 3.1.3. The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.

3.2 Notes issued in uncertificated form

Each Tranche of Notes which is listed on the Bond Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, in terms of section 37 of the Securities Services Act, and will be held in the Central Securities Depository. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

3.3 Beneficial Interests in Notes held in the Central Securities Depository

All Notes which are held in the Central Securities Depository will be held subject to, and in accordance with the provisions of, the Securities Services Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

3.4 Notes represented by Individual Certificates

A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 13.1.

4. TITLE

4.1. Notes issued in uncertificated form

The Central Securities Depository's Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes which is issued in uncertificated form and held in the Central Securities Depository.

4.2. Beneficial Interests in Notes held in the Central Securities Depository

- 4.2.1. While a Tranche of Notes is held in its entirety in the Central Securities Depository, the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.
- 4.2.2. Beneficial Interests which are held by Participants will be held directly through the Central Securities Depository, and the Central Securities Depository will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the Central Securities Depository for such Participants.
- 4.2.3. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through their Participants.
- 4.2.4. In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular outstanding Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the outstanding Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The Central Securities Depository's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that outstanding Principal Amount of such Notes for all purposes.
- 4.2.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the registered Noteholder of such Notes, notwithstanding such transfers.

- 4.2.6. Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

4.3. Notes represented by Individual Certificates

- 4.3.1. Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.
- 4.3.2. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 12.2.

4.4. Register

The Issuer, the Paying Agent and the Transfer Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and neither the Issuer nor the Transfer Agent shall be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

5. STATUS

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 6) unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and, save for certain debts accorded preferential rights by law, at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

6. NEGATIVE PLEDGE

For as long as any of the Notes remain outstanding, the Issuer shall not (and the Issuer shall procure that no Principal Subsidiary will) create or permit the creation of any Encumbrance (other than a Permitted Encumbrance) over the whole or any part of its present or future undertaking, assets or revenues, to secure any Relevant Indebtedness without (a) at the same time (or prior thereto) securing the Notes equally and rateably with such Relevant Indebtedness or (b) providing such other security for the Notes as is approved by a Special Resolution of the Noteholders. The Issuer shall be entitled, but not obliged, to form, or to procure the formation of, a trust or special purpose company (or more than one), or to appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of the Noteholders.

7. INTEREST

7.1. Fixed Rate Notes

7.1.1. *Accrual of interest*

Each Fixed Rate Note in a Tranche bears interest from (and including) the Interest Commencement Date to but excluding the Applicable Redemption Date, at the Rate of Interest. The Interest Amount payable in respect of each Fixed Rate Note in a Tranche for an Interest Period is payable in arrear on the relevant Interest Payment Date.

7.1.2. *Calculation of Interest Amount*

- 7.1.2.1. The Interest Amount payable in respect of each Fixed Rate Note in a Tranche for any six-monthly Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by dividing the Rate of Interest by two and multiplying the product by the Principal Amount of that Fixed Rate Note; provided that:
- 7.1.2.1.1. if an Initial Broken Amount is specified in that Applicable Pricing Supplement, the amount of interest payable in respect of the first Interest Period shall equal that Initial Broken Amount; and
- 7.1.2.1.2. if a Final Broken Amount is specified in that Applicable Pricing Supplement, the amount of interest payable in respect of the last Interest Period shall equal that Final Broken Amount.
- 7.1.2.2. Save as provided in the preceding paragraphs of this Condition 7.1, if interest on a Tranche of Fixed Rate Notes is required to be calculated for an Interest Period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, the Interest Amount payable in respect of each Fixed Rate Note in

that Tranche for such Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five).

7.2. Floating Rate Notes

7.2.1. *Accrual of interest*

Each Floating Rate Note in a Tranche bears interest from (and including) the Interest Commencement Date to but excluding the Applicable Redemption Date, at the Rate of Interest. The Interest Amount payable in respect of each Floating Rate Note in a Tranche for an Interest Period is payable in arrear on the relevant Interest Payment Date.

7.2.2. *ISDA Determination*

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the relevant Tranche of Floating Rate Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- 7.2.2.1. the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Applicable Pricing Supplement;
- 7.2.2.2. the Designated Maturity (as defined in the ISDA Definitions) is the period specified in the Applicable Pricing Supplement; and
- 7.2.2.3. the relevant Reset Date (as defined in the ISDA Definitions) is either (i) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or the Johannesburg inter-bank agreed rate (JIBAR), as the case may be, for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the Applicable Pricing Supplement.

7.2.3. *Screen Rate Determination*

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the relevant Tranche of Floating Rate Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- 7.2.3.1. if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- 7.2.3.2. in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- 7.2.3.3. if, in the case of Condition 7.2.3.1, the Reference Rate does not appear on the Relevant Screen Page or, in the case of Condition 7.2.3.2, fewer than two Reference Rates appear on the Relevant Screen Page or if, in either case, the Relevant Screen Page is not available, the Calculation Agent will:
 - 7.2.3.3.1. request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate (at approximately the Relevant Time) on the relevant Interest Determination Date; and
 - 7.2.3.3.2. determine the arithmetic mean of such quotations;
- 7.2.3.4. if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) for deposits in an amount approximately equal to the aggregate Principal Amount of the relevant Tranche of Floating Rate Notes, for a period equal to the relevant Interest Period, quoted by the Reference Banks, at approximately the Relevant Time, on the relevant

Interest Determination Date, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined;

- 7.2.3.5. if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions of this Condition 7.2.3 in relation to any Interest Period, the Rate of Interest applicable to the relevant Tranche of Floating Rate Notes for that Interest Period will be the Rate of Interest determined in respect of that Tranche of Floating Rate Notes on the last preceding Interest Determination Date (but substituting, where a different Margin is applicable to that Interest Period from that which applied to the last preceding Interest Period, the Margin which is applicable to that Interest Period in place of the Margin which applied to the last preceding Interest Period).

7.2.4. *Minimum or Maximum Rate of Interest*

If any Minimum Rate of Interest or any Maximum Rate of Interest is specified in the Applicable Pricing Supplement, then the Rate of Interest applicable to the relevant Tranche of Floating Rate Notes shall in no event be less than the minimum or greater than the maximum so specified.

7.2.5. *Determination of Rate of Interest*

The Calculation Agent shall, as soon as may be practicable after each Interest Determination Date, determine the Rate of Interest applicable to each Tranche of Floating Rate Notes for the Interest Period commencing on that Interest Determination Date.

7.2.6. *Interest Amount*

The Interest Amount payable in respect of each Floating Rate Note in a Tranche for any Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by multiplying the Rate of Interest for such Interest Period by the Principal Amount of that Floating Rate Note, then multiplying the product by the applicable Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7.3. **Mixed Rate Notes**

- 7.3.1. Each Mixed Rate Note in a Tranche bears interest from (and including) the Interest Commencement Date to but excluding the Applicable Redemption Date, at the Rate of Interest determined in accordance with Condition 7.3.2 and Condition 7.3.3. The Interest Amount payable in respect of each Mixed Rate Note in a Tranche for an Interest Period is payable in arrear on the relevant Interest Payment Date.

- 7.3.2. The Interest Rate applicable from time to time to Mixed Rate Notes in a Tranche shall be the Interest Rate applicable to the relevant type of interest-bearing Notes (be it Fixed Rate Notes, Floating Rate Notes, Index Linked Interest Notes or Dual Currency Notes) of which such Mixed Rate Notes are a combination for the Interest Period(s) (or other payment periods) specified in the Applicable Pricing Supplement.

- 7.3.3. During each Interest Period (or other payment period), the Interest Rate applicable to the Mixed Rate Notes in a Tranche shall be determined, and the Interest Amount payable in respect of such Mixed Rate Notes shall be determined and fall due for payment, on the basis that such Mixed Rate Notes are, for the relevant Interest Period (or other payment period), as applicable, Fixed Rate Notes, Floating Rate Notes, Index Linked Interest Notes and/or Dual Currency Notes.

7.4. **Dual Currency Notes**

The Interest Rate(s) applicable to a Tranche of Dual Currency Notes for each Interest Period, and the Interest Amount payable in respect of such Interest Period, shall be determined in the manner specified in the Applicable Pricing Supplement. The Interest Amount payable in respect of each Dual Currency Note in a Tranche for an Interest Period is payable in arrear on the relevant Interest Payment Date.

7.5. **Indexed Linked Interest Notes**

The Interest Rate(s) applicable to a Tranche of Indexed Linked Interest Notes for each Interest Period, and the Interest Amount payable for such Interest Period, shall be determined in the manner specified in the Applicable Pricing Supplement. The Interest Amount payable in respect of each Indexed Linked Interest Note in a Tranche for an Interest Period is payable in arrear on the relevant Interest Payment Date.

7.6. **Partly Paid Notes**

In the case of a Tranche of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Principal Amount of the Partly Paid Notes and otherwise as specified in the Applicable Pricing Supplement. The Interest Amount payable in respect of each Partly Paid Note in a Tranche (other than a Partly Paid Note which is a Zero Coupon Note) for an Interest Period is payable in arrear on the relevant Interest Payment Date.

7.7. Other Notes

The Applicable Pricing Supplement relating to any other Tranche of Notes not specifically provided for in the Terms and Conditions will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date(s) (and/or other payment date(s)) and the Interest Period(s) (and/or other payment period(s)).

7.8. General

7.8.1. *Calculation of Interest Amount*

The Interest Amount payable by the Issuer in respect of a Tranche of interest-bearing Notes for an Interest Period will be calculated by the Calculation Agent on the basis set out in this Condition 7 or as may otherwise be provided in the Applicable Pricing Supplement.

7.8.2. *Notification of Interest Rate and Interest Amount*

The Calculation Agent will cause each Rate of Interest (in the case of a Tranche of Floating Rate Notes) and each Interest Amount determined by it (and any other amount(s) required to be determined by it in terms of Condition 7.8.3) to be notified to the Issuer and, if the relevant Tranche of Notes is listed on the Bond Market of the JSE, the JSE and the Central Securities Depository, as soon as practicable after such determination but in any event not later than 3 Business Days after the Interest Determination Date (in the case of the determination of the Rate of Interest applicable to a Tranche of Floating Rate Notes) and not later than 3 Business Days before the Interest Payment Date (in the case of the determination of the Interest Amount). Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 16. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer and, if the relevant Tranche of Notes is listed on the Bond Market of the JSE, the JSE, the Central Securities Depository, and to the Noteholders in accordance with Condition 16. If the Interest Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Interest Amount in respect of a Note having the minimum Specified Denomination.

7.8.3. *Calculation of other amounts*

If the Applicable Pricing Supplement specifies that any other amount in relation to the relevant Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Applicable Pricing Supplement.

7.8.4. *Default in payment*

7.8.4.1. Default Interest

A Tranche of interest-bearing Notes will cease to bear interest from the Applicable Redemption Date unless payment of the Applicable Redemption Amount is improperly withheld or refused, in which case that Tranche of interest-bearing Notes will bear interest at the Default Rate until the earlier of (i) the Actual Redemption Date and (ii) the date on which the full amount of the moneys payable in respect of that Tranche of interest-bearing Notes has been received by the Central Securities Depository's Nominee and notice to that effect has been given to the relevant Noteholders in accordance with the Applicable Procedures.

7.8.4.2. Late redemption of Zero Coupon Notes

7.8.4.2.1. If the Applicable Redemption Amount payable in respect of any Zero Coupon Note in a Tranche on the Applicable Redemption Date is improperly withheld or refused, the

Applicable Redemption Amount shall be calculated (unless otherwise provided in the Applicable Pricing Supplement) as follows:

$$RA = IP + \left(\frac{AY}{DM} \times IP \times D \right)$$

where:

RA = the aggregate Applicable Redemption Amount;

IP = the aggregate Issue Price;

AY = the Accrual Yield;

D = the number of days from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the Actual Redemption Date and (ii) the date on which the full amount of the moneys payable in respect of that Tranche of Zero Coupon Notes has been received by the Central Securities Depository's Nominee and notice to that effect has been given to the relevant Noteholders in accordance with the Applicable Procedures;

DM = the number of days from (and including) the Issue Date to (but excluding) the Applicable Redemption Date.

- 7.8.4.2.2. Where any calculation is to be made in terms of this Condition 7.8.4.2 for a period which is not a whole number of years, the calculation in respect of the period which is less than a full year shall (unless otherwise provided in the Applicable Pricing Supplement) be made on the basis of the actual days elapsed divided by 365 (three hundred and sixty five).

7.8.5. *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to any person 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 provisions of this Condition 7.

8. REDEMPTION AND PURCHASE

8.1. Redemption on the Final Maturity Date

Subject to the Applicable Terms and Conditions, the Issuer will redeem a Tranche of Notes on the Final Redemption Date at the Applicable Redemption Amount.

8.2. Optional early redemption by the Issuer on the Optional Redemption Date (Issuer)

- 8.2.1. If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, having given not less than 30 (thirty) days' notice to the Paying Agent, the Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent), and to the Noteholders of the Notes in that Tranche (in the manner set out in Condition 16), redeem that Tranche of Notes (in whole or in part, as specified in such notice), in the manner set out in Condition 8.2.2 or Condition 8.2.3, as the case may be.
- 8.2.2. If the Issuer elects to redeem a Tranche of Notes in whole, the Issuer shall redeem that Tranche of Notes in full on the Optional Redemption Date (Issuer) at the Applicable Redemption Amount.
- 8.2.3. If the Issuer elects to redeem a Tranche of Notes in part, the Issuer shall, on each Optional Redemption Date (Issuer), redeem such percentage of the aggregate outstanding Principal Amount of that Tranche of Notes as is specified in the Applicable Pricing Supplement (or, if no such percentage is specified in the Applicable Pricing Supplement, the percentage specified in the relevant notice of redemption), at the Applicable Redemption Amount multiplied by that percentage.
- 8.3. Optional early redemption by the Issuer following a Tax Event and/or a Change in Law and/or illegality**
- 8.3.1. Any Series of Notes may be redeemed, at the option of the Issuer, in whole, but not in part, subject to the Issuer having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Paying Agent, the

Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent), and to the Noteholders of the Notes in that Tranche (in the manner set out in Condition 16), on the Early Redemption Date, at the Applicable Redemption Amount, if a Tax Event and/or a Change in Law has occurred and is continuing and/or, on or after the Issue Date of the first Tranche of Notes in that Series, it is or will become unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series.

- 8.3.2. From the date of publication of the notice to Noteholders of the redemption referred to in Condition 8.3.1, the Issuer shall make available at its Specified Office, for inspection by the relevant Noteholders (i) a certificate signed by two authorised signatories 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 to effect such redemption have occurred and (ii) a copy of a legal opinion from a reputable firm of lawyers in South Africa to the effect that a Tax Event and/or a Change in Law has occurred and/or that, on or after the Issue Date of the first Tranche of Notes in the relevant Series, it is or will become unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series.

8.4. Optional early redemption by the Noteholder on the Optional Redemption Date (Noteholder)

- 8.4.1. If the Put Option is applicable to a Tranche of Notes, a Noteholder of any Notes in that Tranche of Note may, at its option (but subject to Condition 8.4.2), require the Issuer to redeem all or any of such Notes (as specified in the Put Option Notice), in whole or in part (as specified in the Put Option Notice), in the manner set out in Condition 8.4.3.
- 8.4.2. In order to exercise the Put Option, the relevant Noteholder shall, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Noteholder) (where the relevant Notes are to be redeemed in whole) or each Optional Redemption Date (Noteholder) (where the relevant Notes are to be redeemed in part), as the case may be, send the duly completed and signed Put Option Notice to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent).
- 8.4.3. Provided that the Put Option shall have been duly exercised by the relevant Noteholder in accordance with Condition 8.4.2 then:
- 8.4.3.1. where the relevant Notes are to be redeemed in whole, the Issuer shall redeem such Notes in full on the Optional Redemption Date (Noteholder) at the Applicable Redemption Amount;
- 8.4.3.2. where the relevant Notes are to be redeemed in part, the Issuer shall, on each Optional Redemption Date (Noteholder), redeem such percentage of the aggregate outstanding Principal Amount of such Notes as is specified in the Applicable Pricing Supplement (or, if no such percentage is specified in the Applicable Pricing Supplement, the percentage specified in the Put Option Notice), at the Applicable Redemption Amount multiplied by that percentage.

8.5. Mandatory redemption following an Event of Default

Where, following an Event of Default in relation to a Series of Notes, any Notes in that Series have been declared by the holder of such Notes to be immediately due and payable pursuant to Condition 11.2.2, each such Note (whether or not due for payment) shall become immediately due and payable, on the Acceleration Date, at the Early Termination Amount, subject to and in accordance with Condition 11.2.

8.6. Early redemption of Zero Coupon Notes

- 8.6.1. The Applicable Redemption Amount payable on the redemption of a Tranche of Zero Coupon Notes at any time before the Final Redemption Date shall be calculated (unless otherwise provided in the Applicable Pricing Supplement) as follows:

$$RA = IP + \left(\frac{AY}{DM} \times IP \times D \right)$$

where:

RA = the aggregate Applicable Redemption Amount;

IP = the aggregate Issue Price;

AY = the Accrual Yield;

D = the number of days from (and including) the Issue Date to (but excluding) the Applicable Redemption Date;

DM = the number of days from (and including) the Issue Date to (but excluding) the Final Redemption Date.

- 8.6.2. Where any calculation is to be made in terms of this Condition 8.6 for a period which is not a whole number of years, the calculation in respect of the period which is less than a full year shall (unless otherwise provided in the Applicable Pricing Supplement) be made on the basis of the actual days elapsed divided by 365 (three hundred and sixty five).

8.7. Instalment Notes

A Tranche of Instalment Notes shall be redeemed at the Instalment Amounts, on the Instalment Dates, in the manner set out in the Applicable Pricing Supplement, and otherwise in accordance with the provisions of this Condition 8.

8.8. Partly Paid Notes

A Tranche of Partly Paid Notes shall be redeemed in the manner set out in the Applicable Pricing Supplement, and otherwise in accordance with the provisions of this Condition 8.

8.9. Exchangeable Notes

A Tranche of Exchangeable Notes shall be redeemed in the manner set out in the Applicable Pricing Supplement, and otherwise in accordance with the provisions of this Condition 8. If Mandatory Exchange is applicable to a Tranche of Exchangeable Notes, or upon the exercise by the Noteholder of the Noteholder's Exchange Right, the relevant Exchangeable Notes shall be redeemed by the Issuer delivering to the relevant Noteholders as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of the relevant Exchangeable Notes.

8.10. Indexed Linked Redemption Notes

In the case of a Tranche of Indexed Linked Redemption Notes, the Applicable Redemption Amount shall be determined in the manner specified in the Applicable Pricing Supplement.

8.11. Purchases

The Issuer or any "subsidiary" (as defined in the Companies Act) of the Issuer (and, for purposes of the definition of "subsidiary" in the Companies Act, the Issuer shall be deemed to be a company) may at any time purchase Notes at any price on the open market or otherwise. If the Issuer or any such subsidiary purchases any Notes, such Notes may (subject to the restrictions of any Applicable Law) be held or resold or cancelled.

8.12. Cancellation

All Notes which purchased by the Issuer or any subsidiary of the Issuer and cancelled (as contemplated in Condition 8.11) and all Notes which are redeemed by the Issuer will forthwith be cancelled and may not be re-issued or resold. Each Individual Certificate (if any) representing any Notes so purchased or redeemed shall be forwarded to the Transfer Agent for cancellation. The Transfer Agent will notify the Central Securities Depository and the JSE of any cancellation, partial redemption or redemption of Notes so that such entities can record the reduction in the aggregate outstanding Principal Amount of the Notes in issue. Where only a portion of the Notes represented by an Individual Certificate is redeemed, the Transfer Agent will deliver a new Individual Certificate to the holder of such Notes in respect of the balance of the Notes, as contemplated in Condition 12.2.

8.13. Applicable Procedures

The redemption and partial redemption of Beneficial Interests shall take place in accordance with the Securities Services Act and the Applicable Procedures.

9. PAYMENTS

9.1. General

- 9.1.1. Only Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts due and payable in respect of the Notes.
- 9.1.2. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 9. The Issuer shall not be responsible for the loss in transmission of any funds paid by the by the Paying Agent and/or the Central Securities Depository's Nominee to the Noteholders, and payment of any amount by the Issuer to the Paying Agent (into such separate bank account of the Issuer held with the Paying Agent for the Notes as is agreed in writing between the Issuer and the Paying Agent from time to time), in accordance with the Agency Agreement, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the Notes and the Applicable Terms and Conditions.
- 9.1.3. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, subject to Condition 10.
- 9.1.4. Any reference in the Terms and Conditions to any amounts in respect of any Notes shall be deemed also to refer to any additional amounts which are payable under the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.

9.2. Method of payment

The Paying Agent will, on behalf of the Issuer, pay all amounts due and payable in respect of any Notes:

- 9.2.1. in the case of Notes which are held in the Central Securities Depository, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer to the bank account of the Central Securities Depository's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests in such Notes;
- 9.2.2. in the case of Note(s) which are represented by an Individual Certificate, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account of the person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes; provided that if several persons are entered into the Register as joint registered Noteholders of such Notes then, without affecting the previous provisions of this Condition 9, payment to any one of them shall be an effective and complete discharge by the Paying Agent, on behalf of the Issuer, of the amount so paid, notwithstanding any notice (express or otherwise) which the Paying Agent and/or the Issuer may have of the right, title, interest or claim of any other person to or in any such Notes.

9.3. Beneficial Interests

- 9.3.1. Following payment to the Central Securities Depository's Nominee of amounts due and payable in respect of Notes which are held in the Central Securities Depository pursuant to Condition 9.2.1, the relevant funds will be transferred by the Central Securities Depository's Nominee, via the Participants, to the holders of Beneficial Interests in such Notes.
- 9.3.2. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes, will look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of each payment so made by the Paying Agent, on behalf of the Issuer, to or for the order of the Central Securities Depository's Nominee, as the registered Noteholder of such Notes.
- 9.3.3. Neither the Paying Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests.
- 9.3.4. Payments of amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository's Nominee, as the registered holder of such Notes, distinguishing between interest and principal, and such record of payments by the Central Securities Depository's Nominee, as the registered Noteholder of such Notes, will be *prima facie* proof of such payments.

9.4. Payments by cheque

- 9.4.1. If the Paying Agent, on behalf of the Issuer, is prevented or restricted directly or indirectly from making any payment in respect of any Notes by electronic funds transfer in accordance with the preceding paragraphs of this Condition 9 (whether by reason of strike, lock-out, fire, explosion, flood, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or other disturbance, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer) such inability to make payment will not constitute an Event of Default and the Paying Agent, on behalf of the Issuer, shall be entitled (subject to Applicable Laws and banking practice) to make such payment by cheque (or by such number of cheques as may be required in accordance with Applicable Laws and banking practice).
- 9.4.2. All moneys so payable by cheque shall, promptly after the Paying Agent, on behalf of the Issuer, is so prevented or restricted from making payment by electronic funds transfer (as contemplated in Condition 9.4.1), be sent by post, at the risk of the relevant Noteholder (unless otherwise requested by the relevant Noteholder by notice in writing to the Paying Agent) to the address of the Noteholder of such Notes set forth in the Register or, in the case of joint Noteholders of such Notes, the address set forth in the Register of the first one of them named in the Register in respect of such Notes.
- 9.4.3. Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Paying Agent nor the Issuer shall be responsible for any loss, including without limitation any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the relevant Noteholders for the purposes of all cheques posted in terms of this Condition 9.4.
- 9.4.4. Payment by cheque sent in terms of this Condition 9.4 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque. The Noteholder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment of any amount in respect of that Note resulting from a cheque mailed in accordance with this Condition 9.4 arriving after the due date for such payment or being lost in the mail.

9.5. Payment date

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount due and payable in respect of any Notes in a Tranche of Notes is not a Business Day, then:

- 9.5.1. if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 9.5.2. if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention,

and the Noteholders of such Notes will not be entitled to any interest and/or other payments in respect of any such delay.

9.6. Surrender of Individual Certificates

- 9.6.1. Prior to the Applicable Redemption Date of any Notes represented by an Individual Certificate to be redeemed (in whole or in part) on that Applicable Redemption Date, the holder of that Individual Certificate shall surrender that Individual Certificate to the Transfer Agent (at its Specified Office) for cancellation.
- 9.6.2. Should the holder of an Individual Certificate refuse or fail to surrender that Individual Certificate for cancellation on or before the Applicable Redemption Date, the amount payable to such Noteholder in respect of the Notes represented by that Individual Certificate shall be retained by the Paying Agent, on behalf of the Issuer, for such Noteholder, at the latter's risk, until the Noteholder surrenders that Individual Certificate, and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Individual Certificate.
- 9.6.3. All documents and Individual Certificates which are required to be surrendered to the Transfer Agent in accordance with the Terms and Conditions will be so surrendered at the Specified Office of the Transfer Agent.

10. 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 Taxes, unless such withholding or deduction is required by Applicable Law. In such event, the Issuer will, subject to the Issuer's rights to redeem the Notes following a Tax Event pursuant to Condition 8.3, 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 in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

- 10.1. to a Noteholder who is liable for such Taxes in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 10.2. held by or on behalf of a Noteholder who would not be liable for or subject to such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority; or
- 10.3. where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the "*taxable income*" (as defined in section 1 of the Income Tax Act) or "*taxable capital gain*" (as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act) of the relevant Noteholder; or
- 10.4. where (in the case of any payment of principal and/or interest which is conditional on surrender of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered more than 30 days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to such additional amounts if it had surrendered the relevant Individual Certificate on such thirtieth day; or
- 10.5. if such withholding or deduction arises through the exercise by the revenue authorities of special powers in respect of tax defaulters.

11. EVENTS OF DEFAULT

11.1. Events of Default

An Event of Default in respect of a Series of Notes (and each or any Tranche of Notes in that Series) will occur upon the happening of any of the following events:

- 11.1.1. the Issuer (i) fails to pay any amount of principal due and payable in respect of any Notes in that Series within 5 (five) Business Days of the due date for payment of such amount and/or (ii) fails to pay any amount of interest due and payable in respect of any Notes in that Series within 10 (ten) Business Days of the due date for payment of such amount, and such failure to pay has continued for more than 7 (seven) Business Days after written notice thereof has been delivered by any Noteholder of such Notes to the Issuer (in the manner set out in Condition 16) requiring such failure to pay to be remedied; or
- 11.1.2. the Issuer fails to perform any of its other material obligations or undertakings under the Applicable Terms and Conditions of any Tranche of Notes in that Series and such failure to perform has continued for more than 30 (thirty) days after written notice thereof has been delivered by any Noteholder of such Notes to the Issuer (in the manner set out in Condition 16) requiring such failure to perform to be remedied; or
- 11.1.3. the Issuer or a Principal Subsidiary, as the case may be, fails to pay any amount due and payable under any Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days; provided that:
 - 11.1.3.1. the amount of the Indebtedness referred to in Condition 11.1.3, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies); and
 - 11.1.3.2. any failure to pay any amount due and payable under any Indebtedness shall not constitute an Event of Default if such failure to pay has been waived and/or condoned by the relevant creditor(s) to whom, in the absence of such waiver and/or condonation, such amount would otherwise have been due and payable; and
 - 11.1.3.3. any failure to pay any amount due and payable under any Indebtedness shall not constitute an Event of Default if the Issuer or that Principal Subsidiary, as the case may be, in good faith and on

reasonable grounds, institutes proceedings to contest its liability to pay such amount within 30 (thirty) consecutive days of the day on which such amount is purportedly due and payable, save that if a final decision which is not subject to any appeal has been given or handed down in respect of such proceedings against the Issuer or that Principal Subsidiary, as the case may be, such failure to pay shall, with effect from the third Business Day following the date on which such decision is given or handed down, constitute an Event of Default; or

- 11.1.4. any action, condition or thing (including, without limitation, obtaining any consent, licence approval or authorisation) now or in future necessary to enable the Issuer to comply with its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series is not in place or any such consent, licence, approval or authorisation is revoked, modified, withdrawn or withheld or ceases to be in full force and effect resulting in the Issuer being unable to perform any of its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series, and the Issuer fails to take reasonable steps to remedy such action, condition or thing within 7 (seven) Business Days after written notice thereof has been delivered by any Noteholder in that Series to the Issuer (in the manner set out in Condition 16) demanding such remedy;
- 11.1.5. any bill or government paper is published (and publicly disseminated) by the Government of South Africa that provides for, or contemplates, the winding-up of the Issuer in terms of section 20 of the Industrial Development Corporation Act or the Issuer is wound up in terms of section 20 of the Industrial Development Corporation Act; provided that the occurrence of any such event shall not constitute an Event of Default if (i) such event occurred for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganization or other similar arrangement within the IDC Group or (ii) the terms of such winding-up were approved by a Special Resolution of the Noteholders in that Series before the date of such winding-up; or
- 11.1.6. an (i) application to any competent court or authority is made for the granting of an order for the liquidation, dissolution, winding-up or judicial management of a Principal Subsidiary or (ii) such order is granted, whether provisionally (and such order is not dismissed or withdrawn within 30 (thirty) days of the grant thereof) or finally or (iii) a Principal Subsidiary is placed under voluntary liquidation or curatorship or (iv) the members or creditors of a Principal Subsidiary meet in order to pass a resolution providing for that Principal Subsidiary to be wound-up, liquidated, deregistered or placed under judicial management or (v) any resolution is passed to this effect; provided that the occurrence of any event described in sub-paragraphs (i) to (v) inclusive (collectively and singly, the “**Relevant Proceedings**”) shall not constitute an Event of Default if the Relevant Proceedings were taken (i) for purposes of effecting a merger, amalgamation, demerger, consolidation, reconstruction, reorganisation or other similar arrangement within the IDC Group or (ii) the terms of any such liquidation, dissolution, winding-up, judicial management, voluntary liquidation, curatorship or deregistration were approved by a Special Resolution of the Noteholders in that Series before the date of the Relevant Proceedings; or
- 11.1.7. a scheme of arrangement or compromise as envisaged in section 311 of the Companies Act is approved in respect of a Principal Subsidiary; provided that the approval of such scheme of arrangement or compromise shall not constitute an Event of Default if the prior approval of the Noteholders in that Series was given, by way of a Special Resolution, to the terms of any such scheme of arrangement or compromise; or
- 11.1.8. the Issuer or a Principal Subsidiary, as the case may be, compromises or attempts to compromise with its creditors in respect of the payment of Indebtedness which, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies) or defers or attempts to defer payment of Indebtedness which, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies) or any procedural step is taken by the Issuer or a Principal Subsidiary, as the case may be, (including an application, a proposal or a convening of a meeting) with a view to a compromise or arrangement with any of its creditors in respect of the payment of Indebtedness which, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies); or
- 11.1.9. the Issuer is deemed to be unable to pay its debts in terms of the Companies Act; provided that the amount of the Indebtedness in respect of such debts, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies) (and, for the purposes of determining whether the Issuer is so unable to pay its debts, the Issuer shall be deemed to be a company for purposes of the applicable provisions of the Companies Act) or a Principal Subsidiary is deemed to be

unable to pay its debts in terms of the Companies Act; provided that the amount of the Indebtedness in respect of such debts, individually or in the aggregate, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies), as the case may be;

- 11.1.10. (i) the Government of South Africa ceases to beneficially hold such number of shares in the share capital of the Issuer as confers on the Government of South Africa at least one half (plus one) of the voting rights attached to all of the shares in the share capital of the Issuer ("**Change of Control**") and (ii) within 90 (ninety) days of the date on which the Change of Control is publicly announced the Issuer's credit rating granted by Fitch Southern Africa (Proprietary) Limited and/or Moody's Investor Services Limited and/or Standard & Poors falls below an investment grade rating (determined on a national scale) ("**Adverse Rating Event**") and (iii) the Noteholder in that Series resolve (by way of a Special Resolution) that the occurrence of such Change of Control giving rise to such Adverse Rating Event shall constitute an Event of Default in respect of that Series of Notes;
- 11.1.11. one or more judgment(s) or order(s) for the payment of any amount which, individually or in the aggregate at any point in time, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or a Principal Subsidiary, as the case may be, and such judgment(s) or order(s) continue(s) unsatisfied and unstayed for a period of 30 (thirty) days after the date(s) of such judgment(s) or order(s);
- 11.1.12. any present or future Encumbrance created by the Issuer or a Principal Subsidiary, as the case may be, over the whole or any part of its present or future undertaking, assets or revenues for an amount which, individually or in the aggregate at any point in time, exceeds ZAR100,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce such Encumbrance (including, but not limited to, the taking of possession or an execution or attachment or other process or analogous event) and such enforcement is not (or the relevant proceedings in respect of such enforcement are not) withdrawn, or settled and satisfied, within 30 (thirty) days; or
- 11.1.13. it is or will become unlawful for the Issuer to perform or to comply with any of its obligations under the Applicable Terms and Conditions of any Tranche of Notes in that Series and the Issuer fails to redeem that Tranche of Notes pursuant to Condition 8.3 within 45 (forty five) days of the date on which it is or will become unlawful for the Issuer to perform or to comply with any of such obligations.

11.2. Action following an Event of Default

- 11.2.1. The Issuer, upon becoming aware that any Event of Default in respect of a Series of Notes has occurred and is continuing, shall forthwith give notice thereof to the Paying Agent, the Calculation Agent and the Transfer Agent (unless the Issuer itself acts as Paying Agent and/or Calculation Agent and/or Transfer Agent), and to the Noteholders of the Notes in that Series (in the manner set out in Condition 16) and, if any Notes are listed on the Bond Market of the JSE, to the JSE and the Central Securities Depository.
- 11.2.2. The Noteholder of any Notes in respect of which an Event of Default has occurred may, by written notice to the Issuer in accordance with Condition 16 (effective upon the date of receipt thereof by the Issuer (the "**Acceleration Date**")), declare all of the Notes held by that Noteholder to be immediately due and payable, whereupon each such Note (whether or not due for payment) shall become immediately due and payable, at its Early Termination Amount, without further action or formality.

12. TRANSFER OF NOTES

12.1. Transfer of Beneficial Interests in Notes held in the Central Securities Depository

- 12.1.1. Beneficial Interests may be transferred only in terms of the Applicable Procedures through the Central Securities Depository.
- 12.1.2. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 12.1.3. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the Central Securities Depository for the Participants, in accordance with the Applicable Procedures.
- 12.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the Register and the Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.

12.2. Transfer of Notes represented by Individual Certificates

- 12.2.1. In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register and for such transfer to be recognised by the Issuer:
- 12.2.1.1. each transfer of a Note represented by an Individual Certificate must be embodied in a Transfer Form;
 - 12.2.1.2. the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee;
 - 12.2.1.3. the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Individual Certificate for cancellation.
- 12.2.2. Notes represented by an Individual Certificate may be transferred in whole or in part in amounts of not less than the Specified Denomination or any multiple thereof.
- 12.2.3. The transferor of any Notes represented by an Individual Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 12.2.4. Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 12.2.5. Subject to this Condition 12.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Principal Amount of the Notes transferred.
- 12.2.6. Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate in respect of the balance of the Notes held by such Noteholder.
- 12.2.7. If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 12.2.8. No transfer of Notes represented by an Individual Certificate will be registered while the Register is closed as contemplated in Condition 14.

13. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

13.1. Exchange of Beneficial Interests

- 13.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 44 of the Securities Services Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the Central Securities Depository), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the "Exchange Notice"). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.
- 13.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the Central Securities Depository, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest

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

- 13.1.3. The Notes are issued in uncertificated form and, in order to effect the exchange of a Beneficial Interest in any Notes, (i) the Central Securities Depository's Nominee will surrender (through the Central Securities Depository system) such uncertificated Notes to the Transfer Agent at its Specified Office and (ii) the Transfer Agent will obtain the release of such uncertificated Notes from the Central Securities Depository in accordance with the Applicable Procedures.
- 13.1.4. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Principal Amount standing to the account of the holder of such Notes, represent that number of Notes of that aggregate Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Principal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

13.2. Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all taxes, governmental charges and/or insurance charges that may be imposed in relation to each Individual Certificate and/or the printing, issue and delivery of each Individual Certificate shall be borne by the holder of the Notes represented by that Individual Certificate. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

13.3. Replacement

If any Individual Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Issuer and the Transfer Agent may reasonably require. Mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

13.4. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 13.4 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 13.4 and Condition 12.2, may transfer such Notes. The Issuer and (if applicable) the Central Securities Depository and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

14. REGISTER

- 14.1. The Register will be kept at the Specified Office of the Transfer Agent. The Register shall reflect the number of Notes issued and outstanding. The Register shall contain the name, address, and bank account details of the registered Noteholders. The Register will set out the aggregate Principal Amount of the Note(s) in a Tranche issued to a Noteholder or the aggregate outstanding Principal Amount of the Note(s) in a Tranche transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such. The Register shall show the serial number of each Individual Certificate issued.
- 14.2. Neither the Issuer nor the Transfer Agent will be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject.
- 14.3. The Register will be open for inspection, to any Noteholder (or any person of proven identity authorised in writing by any Noteholder), during the normal business hours of the Transfer Agent.
- 14.4. The Register will, in relation to a Tranche of Notes, be closed during the 5 (five) days preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Applicable Redemption Date. All periods referred to for the closure of the Register may, subject to the Applicable Procedures, be shortened by the Issuer from time to time, upon notice thereof to the Noteholders (in the manner set out in Condition 16).

- 14.5. The Transfer Agent will amend the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified; provided that the Register will only be amended to reflect a transfer of Notes if such transfer is carried out in accordance with Condition 12.2.

15. AGENTS

- 15.1. The Issuer is entitled at any time to vary or terminate the appointment of the Transfer Agent and/or the Calculation Agent and/or the Paying Agent and/or to appoint additional or other agents.
- 15.2. If the Issuer elects to appoint another entity (not being the Issuer) as Calculation Agent and/or Paying Agent and/or Transfer Agent that other entity, on execution of an appropriate Agency Agreement or an appropriate accession letter to the Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders (in the manner set out in Condition 16) of any such appointment and, if any Notes are listed on the Bond Market of the JSE, the Issuer shall notify the JSE of any such appointment.
- 15.3. The Transfer Agent, the Calculation Agent and the Paying Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 15.4. If and to the extent that the Issuer acts as Calculation Agent and/or Paying Agent and/or Transfer Agent:
- 15.4.1. all references in the Applicable Terms and Conditions to any action, conduct or function in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
- 15.4.2. all requirements in the Applicable Terms and Conditions for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and the Calculation Agent and/or the Paying Agent and/or the Transfer Agent shall be disregarded to the extent that the Issuer performs such role.

16. NOTICES

16.1. Notice to Noteholders

- 16.1.1. All notices to the Noteholders shall be in writing and shall:
- 16.1.1.1. be sent by registered mail to the respective postal addresses of Noteholders appearing in the Register or delivered by hand to the respective addresses of Noteholders appearing in the Register; and
- 16.1.1.2. be published in a leading English language daily newspaper of general circulation in South Africa; and
- 16.1.1.3. for so long as Notes are listed on the Bond Market of the JSE, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.
- 16.1.2. Subject to Condition 16.1.3, a notice given to Noteholders in terms of Condition 16.1.1 shall be deemed to have been received by the Noteholders on the date on which that notice is first published in the daily newspaper of general circulation in South Africa contemplated in Condition 16.1.1.2.
- 16.1.3. Notwithstanding the provisions of Condition 16.1.1, for so long as all of the Notes in a Tranche of Notes are held in their entirety in the Central Securities Depository, there may be substituted for the notice contemplated in Condition 16.1.1 the delivery by hand of the relevant notice to the Central Securities Depository's Nominee (as the registered holder of such Notes), the JSE and the Participants, for communication by the Central Securities Depository's Nominee and the Participants to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the day of such delivery by hand to the Central Securities Depository's Nominee.

16.2. Notice by Noteholders

- 16.2.1. All notices (including a Put Option Notice, if applicable) to be given by any holder of Note(s) represented by an Individual Certificate to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of that Individual Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).

- 16.2.2. All notices (including a Put Option Notice, if applicable) to be given by any holder of a Beneficial Interest in Notes in a Series to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such holder through such holder's Participant, in accordance with the Applicable Procedures, and in such manner as the Issuer and the relevant Participant may approve for this purpose.

17. AMENDMENTS

- 17.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Applicable Terms and Conditions of any Tranche of Notes that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa (including, without limitation, the Applicable Procedures, the Public Finance Management Act and the Industrial Development Corporation Act), subject (where required) to the approval of the JSE.
- 17.2. Save as is provided in Condition 17.1, no amendment to the Applicable Terms and Conditions of a Tranche of Notes may be effected unless such amendment is in writing and signed by or on behalf of the Issuer and:
- 17.2.1. if such amendment is an amendment to any of the Applicable Terms and Conditions which are applicable to all of the Noteholders, such amendment is (i) approved by a Special Resolution of all of the Noteholders or (ii) is signed by or on behalf of Noteholders holding not less than 75% of the aggregate outstanding Principal Amount of all of the Notes, as the case may be;
- 17.2.2. if such amendment is an amendment to any of the Applicable Terms and Conditions which are applicable to a particular Group (or Groups) of Noteholders, such amendment is (i) approved by a Special Resolution of that Group (or those Groups) of Noteholders or (ii) is signed by or on behalf of Noteholders in that Group (or those Groups) holding not less than 75% of the aggregate outstanding Principal Amount of all of the Notes in that Group (or those Groups), as the case may be.
- 17.3. Any amendment to the Applicable Terms and Conditions effected in terms of this Condition 17 shall be binding on (as applicable) all of the Noteholders or the relevant Group (or Groups) of Noteholders, and any such amendment shall be notified to such Noteholders in accordance with Condition 16 as soon as is practicable thereafter. Failure to give, or non-receipt of, such notice will not affect the validity of any such amendment.

18. MEETINGS OF NOTEHOLDERS

18.1. Directions of Noteholders

- 18.1.1. The provisions with regard to meetings of Noteholders are set out in this Condition 18. The provisions of this Condition 18 will apply, *mutatis mutandis*, to each separate meeting of (as applicable) all of the Noteholders or the relevant Group/s of Noteholders.
- 18.1.2. Every director or duly appointed representative of the Issuer and every other person authorised in writing by the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 18.1.3. A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:
- 18.1.3.1. by Ordinary Resolution of all of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions);
- 18.1.3.2. by Special Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;
- 18.1.3.3. by Special Resolution of (as applicable) all of the Noteholders or the relevant Group (or Groups) of Noteholders, to agree to any amendment of the Applicable Terms and Conditions, subject to and in accordance with Condition 17.
- 18.1.4. Unless otherwise specified in the Terms and Conditions (and subject to Condition 18.1.3), resolutions of (as applicable) all of the Noteholders or the Noteholders or the relevant Group (or Groups) of Noteholders will require an Ordinary Resolution to be passed.
- 18.1.5. The Issuer will be entitled, before carrying out the directions of a meeting of all of the Noteholders or the relevant Group (or Groups) of Noteholders in terms of this Condition 18, to require that it be indemnified

against all expenses and liabilities which may be incurred by the Issuer and that the Issuer be provided from time to time, so far as it may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

18.2. Convening of meetings

- 18.2.1. The Issuer may at any time convene a meeting of all of the Noteholders or separate meetings of any Group (or Groups) of Noteholders (a “meeting” or the “meeting”).
- 18.2.2. The Issuer will convene a meeting of all of the Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the aggregate Principal Amount of all of the Notes for the time being outstanding. The Issuer will convene a separate meeting of any Group (or Groups) of Noteholders upon the requisition in writing of Noteholders in that Group (or those Groups) holding not less than 10% of the aggregate Principal Amount of the Notes in that Group (or those Groups) for the time being outstanding (a “requisition notice”).
- 18.2.3. Whenever the Issuer wishes to convene a meeting of all of the Noteholders or any Group (or Groups) of Noteholders, it will forthwith give at least 21 days’ prior written notice to (as applicable) all of the Noteholders or Noteholders in the relevant Group (or Groups) of Noteholders (in the manner set out in Condition 16) of the date, place and time of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.
- 18.2.4. All meetings convened by the Issuer will be held in such place and at such venue as is specified in the relevant notice.

18.3. Requisition

A requisition notice will state the nature of the business for which the meeting is to be held, the resolutions to be proposed and considered at the meeting and the place at which the meeting is to be held, and will be deposited at the Specified Office of the Issuer. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

18.4. Convening of meetings by requisitionists

If the Issuer fails to convene a meeting within 10 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 30 (thirty) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, the requisitionists shall forthwith give notice of the meeting to the Issuer and to (as applicable) all of the Noteholders or the relevant Group (or Groups) of Noteholders, in accordance with Condition 18.5.1.

18.5. Notice of meeting

- 18.5.1. Unless the holders of Notes of at least 90% of the aggregate Principal Amount of (as applicable) all of the Notes for the time being outstanding or the Notes in the relevant Group (or Groups) for the time being outstanding, agree in writing to a shorter period, at least 21 (twenty one) days’ written notice of a meeting, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to (as applicable) all of the Noteholders or the Noteholders in the relevant Group (or Groups) of Noteholders and to the Issuer (in the manner set out in Condition 16).
- 18.5.2. The accidental omission to give the notice contemplated in Condition 18.5.1 to any Noteholder or the non-receipt of any such notice will not invalidate the proceedings at a meeting.

18.6. Quorum

- 18.6.1. A quorum at a meeting shall:

- 18.6.1.1. for the purposes of considering an Ordinary Resolution, consist of Noteholders, present in person or by proxy, holding in the aggregate not less than one third of the aggregate Principal Amount of (as applicable) all of the Notes for the time being outstanding or the Notes in the relevant Group (or Groups) for the time being outstanding;
- 18.6.1.2. for the purposes of considering a Special Resolution, consist of Noteholders, present in person or by proxy, holding in the aggregate not less than a clear majority of the aggregate Principal Amount of (as applicable) all of the Notes for the time being outstanding or the Notes in the relevant Group

(or Groups) for the time being outstanding.

- 18.6.2. No business will be transacted at a meeting unless a quorum is present at the time when the meeting proceeds to business.
- 18.6.3. If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of the relevant Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the second week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the relevant Noteholders present in person or by proxy at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including an Ordinary Resolution and a Special Resolution.

18.7. Chairman

The Issuer or its representative will preside as chairman at a meeting. If the aforesaid person is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman at that meeting. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 18.

18.8. Adjournment

- 18.8.1. Subject to the provisions of this Condition 18, the chairman of a meeting may, with the consent of, and will on the direction of, the relevant Noteholders then present adjourn the meeting from time to time and from place to place.
- 18.8.2. No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 18.8.3. At least 14 (fourteen) days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer and to (as applicable) all of the Noteholders or the Noteholders in the relevant Group (or Groups) (in the manner set out in Condition 16). In the case of a meeting adjourned in terms of Condition 18.6.3, the notice will state that the relevant Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

18.9. How resolutions are decided

At a meeting, a resolution put to the vote will be decided on a poll. In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

18.10. Votes

- 18.10.1. Voting of Noteholders shall only take place on a poll and not on a show of hands. On a poll, each Noteholder present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Principal Amount of the Notes held by that Noteholder bears to the aggregate Principal Amount of (as applicable) all of the Notes for the time being outstanding or the Notes in the relevant Group (or Groups) for the time being outstanding. The Central Securities Depository's Nominee, as the registered Noteholder of each Tranche of Notes which is held in the Central Securities Depository, will vote at any meeting of (as applicable) all of the Noteholders or the Noteholders in the relevant Group (or Groups) on behalf of the holders of Beneficial Interests, in accordance with the instructions to the Central Securities Depository's Nominee from such holders conveyed through the Participants in accordance with the Applicable Procedures.
- 18.10.2. The Issuer shall not have any voting rights in respect of any Notes held by it.

18.11. Proxies and representatives

- 18.11.1. Noteholders present at a meeting either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "**form of proxy**") signed by that Noteholder or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting.
- 18.11.2. A person appointed to act as proxy need not be a Noteholder.
- 18.11.3. The proxy form will be deposited at the Specified Office of the Issuer not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

- 18.11.4. No proxy form will be valid after the expiration of 6 months from the date named in it as the date of its execution.
- 18.11.5. Notwithstanding Condition 18.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 18.11.6. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the instructions of the Noteholder pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of the relevant Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 18.11.7. Any Noteholder which is a juristic person may, by resolution of its directors or other governing body, authorise any person to act as its representative in connection with any meeting or proposed meeting. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person includes the duly authorised representative of a Noteholder which is a juristic person.

18.12. Minutes

The Issuer will cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose. Any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, will be receivable in evidence without any further proof, and until the contrary is proved, a meeting of (as applicable) all of the Noteholders or the Noteholders in relevant Group or (Groups) in respect of the proceedings of which minutes have been so made will be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

19. PRESCRIPTION

Any claim for payment of any amount in respect of any Notes will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions; provided that if payment of such amount is required, in accordance with the Applicable Terms and Conditions, to be made to the Central Securities Depository's Nominee, any claim for payment of such amount will prescribe 3 (three) years after the date on which such amount has been received by the Central Securities Depository's Nominee.

20. TAP ISSUES

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes (the "**Additional Notes**") having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme (the "**Existing Notes**") (save for their respective Issue Prices, Issue Dates and aggregate Principal Amounts), so that the Additional Notes (i) are consolidated and form a single series with the Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

21. SEVERABILITY

Should any of the Applicable Terms and Conditions of a Tranche of Notes be, or become, invalid, the validity of the remaining Applicable Terms and Conditions shall not be affected in any way.

22. GOVERNING LAW

The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa.

USE OF PROCEEDS

The Issuer will use the proceeds from the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

1. OVERVIEW

The Industrial Development Corporation of South Africa Limited (“IDC”) is a self-financing, development finance institution. The IDC was established in terms of section 2 of the Industrial Development Corporation Act, 1940 (“IDC Act”) to promote economic growth and industrial development in South Africa.

The registered office of the IDC is situated at 19 Fredman Drive, Sandown, Sandton, 2196, South Africa. The (company) secretary of the IDC is E Moeti-Motlhamme. The registered office of the (company) secretary is 19 Fredman Drive, Sandown, Sandton, 2196, South Africa.

As at the Programme Date, the South African Government is the sole shareholder of the IDC (the “Shareholder”).

The IDC’s vision is to be the primary driving force of commercially sustainable industrial development and innovation to the benefit of South Africa and the rest of the African continent. As such, the IDC operates across a range of sectors, throughout Africa.

The IDC’s objectives are to provide development finance so as to support industrial capacity development and entrepreneurship.

The outcomes achieved through the IDC’s industrial capacity development and entrepreneurial support are determined by its mandate, with the orientation of the IDC being towards servicing the needs of entrepreneurs and the business community. Through this, the IDC aims to achieve the following outcomes:

- Creating sustainable employment opportunities;
- Growing diversity in the various sectors;
- Supporting new entrepreneurs entering the economy;
- Supporting broad-based black economic empowerment;
- Support for small and medium enterprises;
- Promoting regional equity, including:
 - Development of rural areas;
 - Supporting development in poorer provinces;
 - Stimulating economic activity in previous townships;
 - Industrialisation in the rest of Africa;
- Supporting export focussed enterprises; and
- Supporting environmentally sustainable growth.

The Shareholder has identified the following priority areas for South Africa:

- Creation of decent jobs;
- Development of rural areas;
- Healthcare reform;
- Education and skills development;
- Fighting poverty, crime and corruption.

The IDC aims to be instrumental in directly addressing job creation and rural development through proactive implementation of projects in line with industrial policy.

2. OPERATIONAL UNITS

The IDC's development activity covers various sectors of the economy. These sectors range from agriculture-related activities, mining, manufacturing and services industries. To ensure a focused approach to the development of these sectors, the IDC has assigned the responsibility for sectors to individual units. The following industries receive funding by the following sector-focused units:

2.1 Food, Beverages and Agro-Industries

This unit is involved in the development of a competitive agricultural value chain in South Africa and the rest of Africa. Financing of primary agriculture is aimed at the establishment of high value permanent crops, intensive agricultural or aquaculture products, and the expansion or establishment of enterprises involved in the manufacturing or processing of agricultural-related products. In addition, this unit seeks opportunities that are pioneering globally competitive new crops and technologies, supporting down stream processing of primary agricultural products, increasing the IDC's participation on the continent in line with SA's goals of stimulating economic activity in the rest of the continent and new enterprise development under Black Economic Empowerment ("BEE").

2.2 Resources and Beneficiation Industries

This unit focuses on the development of new, and the expansion of existing, mines, the financing of mining contractors, expansionary BEE transactions in mining and the establishment of beneficiation operations.

2.3 Wood, Paper and Other Manufacturing Industries

The major focus of this unit is on manufacturing business' right through the timber value chain. This unit supports projects and expansions in businesses associated with plantations, pulp, paper, sawmilling, particle board, packaging, wood chips, charcoal, furniture, and all other wood-related products. Priority is given to sustainable forest management, Clean Development Mechanism and tradable renewable energy.

2.4 Textiles and Clothing Industry

This unit places specific focus on the development of the textile and clothing supply chain, regional optimism through the Southern Africa Development Community ("SADC") free trade agreement, project initiation, support and development of niche opportunities, and strategic technical and marketing alliances.

2.5 Chemicals and Allied Industries

The strategic focus of this unit is to increase the exposure to these chemicals and non metallic mineral industries in view of the anticipated future job creation potential of these industries and the various sub-sectors, including but not limited to chemicals, ceramics, concrete, cosmetics, detergents, glass and recycling products, rubber and plastics.

2.6 Metal, Transport Equipment and Machinery Industry

This unit focuses on specific manufacturing sectors, including basic iron and steel and fabricated metal products, plant, machinery and equipment, motor vehicles, components and accessories, and transport vehicles such as boats, planes and trains.

2.7 Public, Private Partnerships

This unit facilitates private-sector provisioning of industrial infrastructure in support of sustainable economic development in the African continent. This unit provides both financial and technical assistance as well as advisory services through the provision of private sector participation.

2.8 Construction Industry

This unit provides development finance to economically viable businesses in the construction industry.

2.9 Tourism Industry

The tourism industry is a key source of economic growth and a national industrial policy priority. This unit has a strong emphasis on accommodation establishments, sub-sectors of tourism such as adventure tourism, cultural tourism, new developments and refurbishment of existing establishments.

2.10 Transport, Financial and Other Services Industries

The five key areas on which this unit focuses are transport services, logistics, passenger transport, financial services, provision of security services and catering.

2.11 Media and Motion Pictures

This unit focuses on publishing, printing, electronic media, motion pictures, radio, television and video.

2.12 Techno Industries

This unit focuses on the provision of growth capital to companies with proven technology in the high growth market segment focused specifically on information technology, telecommunications and electronics.

2.13 Healthcare Industries

This unit provides development funding to the healthcare sector in South Africa and the rest of the African continent, ensuring economic growth and transformation in this industry and improving accessibility and affordability.

In addition to these sector-focused units, there are two operational units that handle investments covering a range of sectors, namely the franchising and venture capital units:

2.14 Franchising

This unit is focused on supporting emerging entrepreneurs with limited capital to own a franchised business to assist new franchised concepts to expand both in South Africa and the rest of the African continent.

2.15 Venture Capital

The focus of this unit is on the financing of early stage technology businesses with innovation through applied research, technology development and technology transfer.

3. CORPORATE STRUCTURE

The Board

The IDC Act determines the constitution of the board of directors of the IDC (the “**Board**”) as well as the Board’s rights, powers and obligations. The Board meets at least eight times annually.

The Board is appointed by the Shareholder and operates within a unitary structure that provides for interaction among all members in decision-making processes on strategy, planning performance, resources, business ethics and communication with stakeholders. The Board is chaired by a non-executive chairman, and all members of the Board, except for the managing director (chief executive officer), are non-executive.

The Board conducts the business of the IDC with integrity and generally in accordance with practices as contained in the King III Report on Corporate Governance for South Africa.

The Chairman of the Board is a non-executive director. The managing director (chief executive officer) is the only executive member of the Board. The chief financial officer is the managing director’s alternate on the Board and appropriate recommendations have been made to the Shareholder for the chief financial officer to sit on the Board as a full director in accordance with the King III Report on Corporate Governance for South Africa. The non-executive directors receive no remuneration other than directors’ fees, which are determined by the Shareholder.

The Board retains full and effective control over the IDC by monitoring management and implementing Board policies and strategies within the parameters of the Board’s mandate from the Shareholder, by setting targets and measuring the IDC’s performance.

In order to ensure transparency and to avoid conflicts of interest, a register of directors’ interests in companies containing the nature of such interests, as well as the nature and extent of beneficial shares held in companies, is submitted and circulated at each meeting of the Board to be noted and updated (where necessary). Where a director has an interest in any matter before the Board for consideration, the director concerned recuses him/herself from such meeting. Such a matter must be considered by the Governance and Ethics Committee and the full Board, which must confirm that such matter has not been dealt with differently from other matters due to the membership of the Board of the affected director.

The members of the Board as at the Programme Date are as follows:

Director	Executive/Non-Executive	Appointed to Board
Ms M W Hlahla (Monhla Wilma)	Acting Chairperson (Non-Executive)	October 2005
Mr M G Qhena (Geoffrey)	Managing Director (Executive)	March 2005
Ms L I Bethlehem (Lael Irene)	(Non-Executive)	October 2008
Ms L L Dhlamini (Lindani Lorna)	(Non-Executive)	October 2008
Mr G S Gouws (Gert Stephanus)	Chief Financial Officer (Executive) (Alternate to M G Qhena)	February 1999
Mr J C Mtshali (Jabulani Cyprian)	(Non-Executive)	October 2005
Ms B N Njobe (Bongiwe Nomandi)	(Non-Executive)	October 2005
Mr M C Nkuhlu (Mfundo Clement)	(Non-Executive)	October 2005
Mr M S Moloko (Matthews Sello)	(Non-Executive)	October 2005
Ms M W Hlahla (Monhla Wilma)	(Non-Executive)	October 2005
Mr N G Nika (Nkosemntu Gladman)	(Non-Executive)	October 2006
Ms N N Nokwe (Nosizwe Nocawe)	(Non-Executive)	October 2006
Mr J R Barton (John Robert)	(Non-Executive)	October 2006
Mr. L R Pitot (Longchamp Roger)	(Non-Executive)	October 2008
Mr S Mapetla (Shadrack)	(Non-Executive)	October 2008
Mr. N E Zalk (Nimrod Elijah)	(Non-Executive)	July 2009

Credit Decisions

The Board– The Board retains the authority to approve financing transactions where the counterparty exposure is above R7 billion, the investment is of a strategic nature, or a conflict of interest through a director's involvement in the transaction might arise. The Board has delegated authority for the consideration of other transactions to the Board Investment Committee, Special Credit and Credit Committees.

Board Investment Committee– The newly established Board Investment Committee considers funding transactions above R250 million or where the counterparty exposure is above R1 billion but below R7 billion. This committee also considers all transactions where the IDC's country boundary or sector, transaction or regional limits are breached.

Special Credit Committee– This committee comprises all executives and two external members. It considers transactions where the IDC transaction exposure is between R25 million and R250 million or the counterparty exposure is between R250 million and R1 billion.

Credit Committee– This committee comprises all executives (excluding the chief executive officer) and 4 (four) external members. For purposes of a quorum, only one external member is required. This committee considers transactions where the IDC transaction exposure is equal to or less than R25 million and the counterparty exposure is less than R250 million.

Governance and Ethics Committee

This committee comprises of 5 (five) non executive-directors, including the chairman of the committee, as appointed by the Board. The main purpose of this Committee is to advise the Board generally on corporate governance and ethics matters by promoting ideals of corporate fairness, transparency and accountability as well as to assist the Board in vetting funding applications, projects and any matter in which a director of the IDC has an interest.

Board Human Capital and Nominations Committee

This committee comprises 5 (five) independent non-executive directors who consider matters of general human capital policy and recommend executive and senior management remuneration to the Board. The chairman of this committee is a non-executive director. This committee ensures that the Board is apprised of current developments in human capital practices and that the IDC retains its talent and grows its people through oversight over management of human capital implementation processes.

Board Audit Committee

This committee ensures the effectiveness of the IDC's internal control mechanisms and monitors the IDC's audit and compliance processes. This committee ensures that the finance function is properly resourced to carry out its function. This committee further considers the appointment of the external auditors of the IDC and has direct access to the internal audit function.

Board Investment Committee

The Board Investment Committee (BIC) consists of five non-executive Board members and the chief executive officer. This committee considers funding transactions above R250 million or where the counterparty exposure is above R1 billion but below R7 billion. It also considers all transactions where IDC's country boundary or sector, transaction or regional limits are breached.

Board Development and Innovation Committee

This committee comprises 6 (six) independent, non-executive directors who act as technical advisers to the Board. This committee assists the Board in considering sectoral research papers and strategies, makes recommendations on a high level approach and assesses project proposals and investment opportunities of a technical nature in terms of pre-feasibility, feasibility and implementation.

Board Risk Management Committee

This committee is chaired by an independent non-executive director. Its function is to develop the IDC's risk strategy and risk management policies and procedures and to ensure compliance with all relevant statutory requirements. This committee considers enterprise wide risk reports from management, challenges management on its understanding of the IDC's risks and provides reports to the Board on the management of risk.

4. CORPORATE GOVERNANCE

In compliance with the highest standards of integrity:

- The IDC subscribes generally to the principles of the King III Report on Corporate Governance for South Africa and Protocols in Corporate Governance in the Public Sector.
- The IDC is subject to the Public Finance Management Act, 1999, which provides for best practices in financial management.
- The IDC follows internationally accepted company policies and procedures.

5. KEY PRINCIPLES

Caring for the environment

The IDC supports the South African Government's environmental policies and integrates these policies into all its activities by:

- encouraging compliance from all applicants;
- considering the impact of all proposed agricultural, forestry, industrial, mining and tourism projects;
- promoting the use of renewable resources and environmentally friendly products;

- using non-renewable resources responsibly;
- measuring and managing the environmental impact of projects in which the IDC is involved.

Shareholder engagement

The Board has approved the shareholder engagement and proxy voting guidelines towards the introduction of a more formalised and consistent approach to shareholder engagement between the IDC and its investee companies. This is also aimed at outlining the IDC's position on various matters relating to corporate governance and its expectations from its investee companies as a good corporate citizen.

Procurement

The IDC ensures the efficient, effective, economic and uniform procurement of goods and services required for the functioning of the IDC while adhering to the IDC Act and all relevant legislation as required by the government of South Africa, for example, the Public Finance Management Act (PFMA), the Preferential Procurement Policy Framework Act (PPFPA), the National Industrial Participation Programme (NIPP), the Broad Based Black Economic Empowerment Act, 2003 (BBBEE) and the Codes of Good Practice. The IDC also ensures that its objective of supporting corporate and professional entities owned by blacks (as defined in the Broad Based Black Economic Empowerment Act, 2003) and small and medium enterprises (SMEs) is adhered to.

Skills development

As a development finance institution, the IDC focuses on providing skills development and training not only to its staff, but also externally to clients and entrepreneurs. In addition, the deployment and secondment policy allows the IDC to host staff from other organisations and thereby strengthen the skills and capacity of less developed/smaller development finance institutions (DFIs), Department of Trade and Industry agencies, and other government offices.

6. GENERAL

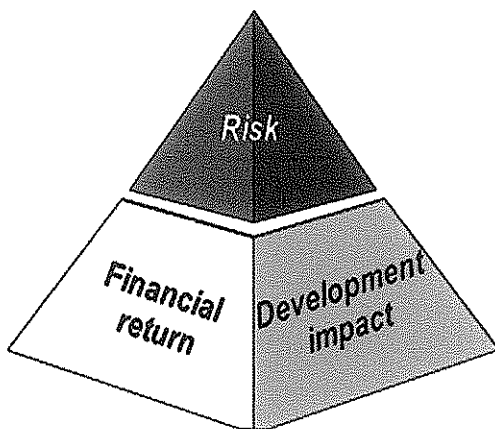
Further information on the IDC, its operations and business can be found in the annual reports which are included with the consolidated annual financial statements of the IDC (see "*Financial Information – General*" below).

7. RISK MANAGEMENT

For a description of the risks relating to the IDC, see the section of this Programme Memorandum headed "*Risk Factors*" – "*Risks relating to the Issuer*" and "*Board Risk Management Committee*" above.

The effective management of risk has been identified as a key component for the future sustainability of the IDC and the achievement of its strategic objectives accordingly requires a strong risk management culture. This culture ensures that sound financial and development decisions are taken to adequately balance risk and return.

A visible and simple way to express risk in relation to the IDC's strategies is represented in the triangle below which reveals that risk, from an IDC context, should be balanced or underpinned by adequate financial and development returns.



Risk is not only considered as a negative event in the IDC but as a positive means to achieve its strategic objectives.

8. FINANCIAL INFORMATION

Extracts from the financial statements

Set out below are certain extracts from the audited consolidated annual financial statements of the IDC for the financial year ended 31 March 2009:

Balance Sheets as at 31 March 2009

(R'm)	Notes	GROUP		IDC	
		2009	2008	2009	2008
Assets					
Cash and cash equivalents	2	5 607	5 370	5 133	3 964
Derivative assets	16	42	448	27	373
Trade and other receivables	3	1 796	1 166	297	157
Income tax receivable		132	5	122	-
Loans and advances	4	8 820	6 133	7 011	4 773
Non-current assets held-for-sale	5	-	91	-	-
Inventories	6	816	1 032	10	15
Investments	7	42 355	61 245	27 665	40 490
Investments in subsidiaries	8			29 816	31 897
Investments in associates, partnerships and joint ventures	9	10 704	11 553	9 275	15 510
Deferred taxation asset	10	14	335	-	-
Investment property	11	45	44	9	9
Property, plant and equipment	12	3 038	3 002	181	87
Biological assets	13	6	8	2	4
Intangible assets	14	2	1	-	-
Total assets		73 377	90 433	79 548	97 279
Equity					
Share capital	15	1 393	1 393	1 393	1 393
Reserves		63 294	74 410	63 105	75 734
Total equity attributable to the holders of the parent		64 687	75 803	64 498	77 127
Minority shareholders' interests		358	45		
Total equity		65 045	75 848	64 498	77 127
Liabilities					
Bank overdrafts		14	14	-	-
Derivative liabilities	16	101	63	68	-
Other liabilities	17	1 339	1 651	502	374
Income tax payable		108	17	-	7
Loans	18	5 165	5 825	11 234	11 145
Liabilities directly associated with non-current assets held-for-sale	5	-	12	-	-
Deferred taxation liability	10	1 171	6 609	3 048	8 434
Provisions	19	228	194	59	59
Employee benefit liability	36	206	200	139	133
Total liabilities		8 332	14 585	15 050	20 152
Total equity and liabilities		73 377	90 433	79 548	97 279

Income Statements
for the year ended 31 March 2009

(R'm)	Notes	GROUP		IDC	
		2009	2008	2009	2008
Revenue	20	14 985	7 299	6 449	3 181
Cost of sales		5 162	2 773	4	-
Gross profit		9 823	4 526	6 445	3 181
Financing costs	21	570	499	571	505
Gross profit after financing costs		9 253	4 027	5 874	2 676
Net capital gains	23	128	488	325	492
Other income		-	314	3	-
Operating expenses		4 067	2 674	2 636	1 422
Net operating income	24	5 314	2 155	3 566	1 746
Share of profit/(loss) of equity-accounted investments		1 132	1 950	-	(13)
Profit before tax		6 446	4 105	3 566	1 733
Taxation	26	825	154	9	(143)
Profit for the year		5 621	3 951	3 557	1 876
Attributable to:					
Equity holders of the parent		5 352	3 941	3 557	1 876
Minority interest		269	10		
Profit for the year		5 621	3 951	3 557	1 876

Statements of Changes in Equity
for the year ended 31 March 2009

(R'm)	Share capital	Revaluation reserve *	Associated entities reserve	Foreign currency translation reserve	Retained earnings	Minority shareholders' interest	Total equity
GROUP							
Balance at 1 April 2007	1 393	29 151	4 788	64	17 140	38	52 574
Total income/(expenses) for the year		19 071			3 941	10	23 022
Profit for the year					3 941	10	3 951
Total income/(expenses) recognised directly in equity		19 071					19 071
Revaluation of investments to fair value							
- Fair value adjustments		21 576					21 576
Deferred taxation		(2 552)					(2 552)
Revaluation of property, plant and equipment to fair value		28					28
Revaluation of investment property to fair value		(2)					(2)
Reversal of previous equity impairments		21					21
Minority interest on acquisition of subsidiaries						(3)	(3)
Share of profits of equity-accounted investments accounted for directly in equity			152	178	(75)		330
Dividends paid					(75)		(75)
Balance at 31 March 2008	1 393	48 222	4 940	242	21 006	45	75 848
Total income/(expenses) for the year		(15 114)			5 352	269	(9 493)
Profit for the year					5 352	269	5 621
Total income/(expenses) recognised directly in equity		(15 114)					(15 114)
Revaluation of investments to fair value							
- Fair value adjustments		(20 374)					(20 374)
- Impairment losses		(200)					(200)
Revaluation of property, plant and equipment to fair value		221					221
Reversal of previous equity impairments		20					20
Deferred taxation		5 219					5 219
Minority interest on acquisition of subsidiaries						239	239
Share of (losses)/profits of equity-accounted investments accounted for directly in equity			(1 897)	643	(100)	(195)	(1 254)
Dividends paid					(100)	(195)	(295)
Balance at 31 March 2009	1 393	33 108	3 043	885	26 258	358	65 045

* The revaluation reserve comprises revaluations recognised in respect of land and buildings and available-for-sale investments.

(R'm)	Share capital	Revaluation reserve*	Associated entities reserve	Retained earnings	Total equity
IDC					
Balance at 1 April 2007	1 393	36 041	204	9 560	47 198
Total income/(expenses) for the year		28 169		1 876	30 045
Profit for the year				1 876	1 876
Total income/(expenses) recognised directly in equity		28 169			28 169
Revaluation of investments to fair value					
-Fair value adjustments		32 368			32 368
Deferred taxation		(4 117)			(4 117)
Reversal of previous equity impairments		(82)			(82)
Share of losses of equity-accounted investments accounted for directly in equity			(41)		(41)
Dividends paid				(75)	(75)
Balance at 31 March 2008	1 393	64 210	163	11 361	77 127
Total income/(expenses) for the year		(16 033)		3 557	(12 476)
Profit for the year				3 557	3 557
Total income/(expenses) recognised directly in equity		(16 033)			(16 033)
Revaluation of investments to fair value					
-Fair value adjustments		(21 257)			(21 257)
-Impairment losses		(200)			(200)
Revaluation of property, plant and equipment to fair value		26			26
Reversal of previous equity impairments		5			5
Deferred taxation		5 393			5 393
Share of losses of equity-accounted investments accounted for directly in equity			(53)		(53)
Dividends paid				(100)	(100)
Balance at 31 March 2009	1 393	48 177	110	14 818	64 498

* The revaluation reserve comprises revaluations recognised in respect of land and buildings and available-for-sale investments.

Cash Flow Statements
for the year ended 31 March 2009

(R'm)	Notes	GROUP		IDC	
		2009	2008	2009	2008
Net cash inflows from operating activities		6 329	1 620	5 046	1 341
Cash generated by/(utilised by) operations	28	2 307	(99)	(510)	(899)
Dividends received		3 451	1 303	4 621	1 990
Interest received		1 877	1 140	1 637	987
Interest paid		(570)	(499)	(571)	(505)
Taxation paid	29	(736)	(225)	(131)	(232)
Change in operating funds		(3 380)	(1 072)	(2 161)	(685)
Increase in operating assets		(2 758)	(1 095)	(2 318)	(1 157)
(Decrease)/increase in operating liabilities		(622)	23	157	472
Cash generated by operating activities		2 949	548	2 885	656
Net cash (outflows)/inflows from investing activities		(2 597)	422	(1 616)	(217)
Additions to property, plant and equipment		(709)	(490)	(149)	(7)
Proceeds on the disposal of property, plant and equipment		88	35	67	-
Removal of biological assets		2	-	2	-
Additions to intangible assets		(32)	(6)	-	-
Acquisition of investments		(2 126)	303	(1 334)	(794)
Proceeds on realisation of investments	30	180	580	377	584
Net cash outflows from financing activities					
Dividends paid		(100)	(75)	(100)	(75)
Net increase in cash and cash equivalents		252	895	1 169	364
Cash and cash equivalents at the beginning of the year		5 356	4 461	3 964	3 600
		5 608	5 356	5 133	3 964
Relating to subsidiaries acquired and sold	31/32	(15)	-	-	-
Cash and cash equivalents at the end of the year		5 593	5 356	5 133	3 964
Comprises:					
Cash and cash equivalents	2	5 607	5 370	5 133	3 964
Bank overdrafts		(14)	(14)	-	-
		5 593	5 356	5 133	3 964

General

The (A) audited consolidated annual financial statements of the IDC together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial years ended 31 March 2008, 31 March 2009 and 31 March 2010, and (B) the audited consolidated annual financial statements of the IDC, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements, in respect of all financial years of the IDC after the Programme Date, are incorporated by reference into, and form part of, this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*").

Copies of the audited consolidated annual financial statements of the IDC, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial years ended 31 March 2008 and 31 March 2009 are available, upon request, to each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the IDC. In addition, these consolidated annual financial statements are available on the IDC's website at <http://www.idc.co.za>.

Copies of (i) the audited consolidated annual financial statements of the IDC, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements for the financial year ended 31 March 2010, and (ii) the audited consolidated annual financial statements of the IDC, together with such statements, reports and notes attached to or intended to be read with such consolidated annual financial statements, in respect of all financial years of the IDC after the Programme Date will, as and when such audited consolidated annual financial statements are approved and become available, be available, upon request, to each person to whom a copy of this Programme Memorandum has been delivered, during normal office hours, at the Specified Office of the IDC. In addition, these consolidated annual financial statements will (as and when the relevant consolidated annual financial statements are approved and become available) be available on the IDC's website at <http://www.idc.co.za>.

Report of the Auditors

KPMG Inc. and SizweNtsaluba VSP are the Auditors of the IDC as at the Programme Date. The reports of the Auditors of the IDC are included with the audited consolidated annual financial statements of the IDC (see "*General*" above).

SUBSCRIPTION AND SALE

Dealer and Placing Arrangements

A Tranche of Notes may be offered by way of private placement or any other means permitted by Applicable Law, as determined by the Issuer.

In terms of (and subject to) the Programme Agreement, the Issuer has appointed Nedbank Capital as Sponsor of the Programme and each of Nedbank Capital and Basis Points Capital as Arrangers of the Programme and as Dealers for the duration of the Programme (subject to the Issuer's right to terminate the appointment of any Arranger and/or any Dealer). The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more other Dealers to place one or more Tranches of Notes or on an ongoing basis for the duration of the Programme (subject to the Issuer's right to terminate the appointment of any Dealer).

Subject to the Programme Agreement, the Issuer may from time to time agree with any Dealer(s) to issue, and any Dealer(s) may agree to place, one or more Tranches of Notes by entering into a Note Subscription Agreement.

On the Issue Date, delivery of the Notes in a Tranche of Notes which is listed on the Bond Market of the JSE and/or held in the Central Securities Depository to the subscribers of such Notes will, in accordance with the Note Subscription Agreement, be effected by the Issuer's Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The Dealer(s) may procure sale and purchase transactions in respect of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the Note Subscription Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date. If the Note Subscription Agreement is terminated before the Issue Date, the transactions in such Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination.

Selling Restrictions

South Africa

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Notes in that Tranche, and will itself not sell the Notes in that Tranche of Notes, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time. Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1,000,000.

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "*South African Exchange Control*").

United States of America

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States of America or to, or for the account of 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.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States of America or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution, as determined and certified by the Dealer or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States of America or to, or for the account or benefit of, U.S. persons;

- c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons;
- d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

Until 40 days after the commencement of the offering of a Series of Notes, an offer or sale of such Notes within the United States of America by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

European Economic Area

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of any of such Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of any of such Notes to the public in that Relevant Member State:

- a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 000 000.00 and (3) an annual turnover of more than €50 000 000.00 as shown in its last annual or consolidated accounts; or
- d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 (the "**FSMA**") by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;

- c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

General

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that:

- a) it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures the subscription for, offers or sells Notes in that Tranche or has in its possession or distributes this Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscription, offers or sales;
- b) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or 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 subscription or sale.

SOUTH AFRICAN TAXATION

The information below is intended as a general guide to the relevant tax laws of South Africa as at the Programme Date. The contents of this section headed "South African Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

Securities Transfer Tax

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.

Income Tax

Nature of any original issue discount or premium

Any original issue at a discount to the Nominal Amount of the Notes will, in terms of section 24J of the Income Tax Act, be treated as interest for tax purposes, and the discount amount will be deemed to accrue to the Noteholder on a yield to maturity as if such Noteholder were to hold the Notes until maturity. Any original issue premium over the Nominal Amount of the Notes will also be treated as interest for tax purposes, and will be deemed to have been incurred by the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until maturity.

Position as at the Programme Date

A "resident" (as defined in section 1 of the Income Tax Act) ("**Resident**") will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Noteholder who is a Resident will be liable to pay income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Noteholder in any relevant year of assessment of that Noteholder.

A non-Resident is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be within South Africa. A non-Resident is a person who or which is not a Resident. Interest which is received or accrued in respect of the Notes during any year of assessment to any non-Resident under the Income Tax Act will be exempt from income tax under the Income Tax Act, unless that person:

- a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the relevant year of assessment; or
- b) at any time during the relevant year of assessment, carried on business through a permanent establishment in South Africa.

Capital Gains Tax

Capital gains tax applies to any capital gain earned on the disposal or deemed disposal of an asset by a Resident. Capital gains tax will not be levied in relation to the disposal of any Notes by a non-Resident unless such Notes comprise assets which are attributable to a permanent establishment of that non-Resident in South Africa during the relevant year of assessment.

Withholding Tax

As at the Programme Date, all payments made under the Notes to Noteholders will be made free of withholding or deduction for or on account of any Taxes.

SOUTH AFRICAN EXCHANGE CONTROL

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

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

The issue of a particular Tranche of Notes may, depending on the type of Notes in that Tranche, require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations. Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the Applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Blocked Rand

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

Emigrants from the Common Monetary Area

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

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

Any payments of interest and/or principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area in the Central Securities Depository, the securities account maintained for such Noteholder by the relevant Participant will be designated as a "non-resident" account.

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

SETTLEMENT, CLEARING AND TRANSFERS OF NOTES

Notes listed on the Bond Market of the JSE and unlisted Notes

Each Tranche of Notes which is listed on the Bond Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, in terms of section 37 of the Securities Services Act, and will be held in the Central Securities Depository.

Clearing system

The Central Securities Depository has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the Bond Market of the JSE. Each Tranche of Notes which is held in the Central Securities Depository will be issued, cleared and settled in accordance with the rules and operating procedures for the time being of the JSE and the Central Securities Depository through the electronic settlement system of the Central Securities Depository. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the Central Securities Depository. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

Participants

The Central Securities Depository maintains accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear and Clearstream will settle off-shore transfers in the Notes through their Participants.

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the Central Securities Depository, the Bond Market of the JSE and the South African Reserve Bank.

While a Tranche of Notes is held in its entirety in the Central Securities Depository, the Central Securities Depository's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository's Nominee for the holders of Beneficial Interests in such Notes.

In relation to each person shown in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Principal Amount of Notes, a certificate or other document issued by the Central Securities Depository or the relevant Participant, as the case may be, as to the Principal Amount of such Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest. The Central Securities Depository's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Principal Amount of such Notes for all purposes.

Payments of all amounts in respect of a Tranche of Notes which is held in the Central Securities Depository will be made to the Central Securities Depository's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the persons reflected in the records of the Central Securities Depository or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the Central Securities Depository's Nominee, as the registered Noteholder of such Notes.

Payments of all amounts due and payable in respect of Beneficial Interests in Notes will be recorded by the Central Securities Depository's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments by the Central Securities Depository's Nominee, as the registered Noteholder of such Notes, will be *prima facie* proof of such payments.

Transfers and exchanges

Title to Beneficial Interests held by clients of Participants indirectly through such Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Title to

Beneficial Interests held by Participants directly through the Central Securities Depository will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the Central Securities Depository for such Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 13.1.

Records of payments, trust and voting

Neither the Issuer nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Neither the Issuer nor the Transfer Agent will be bound to record any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Note may be subject. Holders of Beneficial Interests vote in accordance with the Applicable Procedures.

BESA Guarantee Fund

The holders of Notes that are not listed on the Bond Market of the JSE will have no recourse against the JSE and/or the BESA Guarantee Fund. Unlisted Notes are not regulated by the JSE. Claims against the BESA Guarantee Fund may only be made in respect of the trading of Notes listed on the Bond Market of the JSE and in accordance with the rules of the BESA Guarantee Fund.

Notes listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE

Each Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) the Bond Market of the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Financial Exchange. The settlement and redemption procedures for a Tranche of Notes which is listed on any Financial Exchange (other than or in addition to the Bond Market of the JSE) will be specified in the Applicable Pricing Supplement.

GENERAL INFORMATION

Authorisations

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of this Programme Memorandum and for the Issuer to enter into and perform its obligations under the Programme Agreement and the Agency Agreement.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa will be given, prior to the Issue Date of a Tranche of Notes, for (among other things) the Issuer to issue that Tranche of Notes, to execute the Applicable Pricing Supplement relating to that Tranche of Notes, to enter into and perform its obligations under the Applicable Terms and Conditions of that Tranche of Notes, and to enter into and perform its obligations under the Note Subscription Agreement relating to the issue and placing of that Tranche of Notes.

Listing

This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the Bond Market of the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange.

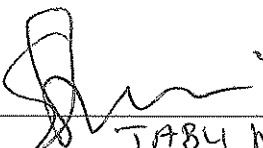
Litigation


The Issuer is not aware of any material litigation against the Issuer which could reasonably be expected to be determined adversely to the Issuer.

Auditors

KPMG Inc. and SizweNtsaluba VSP are the Auditors of the Issuer as at the Programme Date.

For: INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED

By: 
Name: JABU MTSHAU
Capacity: Director, duly authorised
Date: 11 May 2010

By: 
Name: MULIWA GEOFFREY
Capacity: Director, duly authorised
Date: 11 May 2010

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