



**BNP PARIBAS**

**FINAL TERMS DATED 16 April 2010**

**BNP Paribas Arbitrage Issuance B.V.**

*(incorporated in The Netherlands)*

*(as Issuer)*

**BNP Paribas**

*(incorporated in France)*

*(as Issuer and, in respect of issues by BNP Paribas Arbitrage Issuance B.V., Guarantor)*

**WARRANT AND CERTIFICATE PROGRAMME**

**BNP Paribas Arbitrage Issuance B.V.**

**ZAR 100,000,000 Certificates relating to  
iShare South Africa Index Fund due March 2015**

**ISIN Code: ZAG000076324**

**BNP Paribas Arbitrage S.N.C.**

*(as Manager)*

**ISSUANCE OF SECURITIES BY BNP PARIBAS ARBITRAGE ISSUANCE B.V. UNDER THE WARRANT AND CERTIFICATE PROGRAMME (the "Programme") HAS BEEN APPROVED BY JSE LIMITED ("JSE"), A LICENSED FINANCIAL EXCHANGE IN TERMS OF THE SOUTH AFRICAN SECURITIES SERVICES ACT, 2004 ON 16 APRIL 2010.**

**PART A - CONTRACTUAL TERMS**

This document constitutes the Final Terms relating to the issue and listing of Certificates as described herein on the JSE Limited. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 4 June 2009 and the Supplements to the Base Prospectus dated 13 August 2009, 12 October 2009, 17 November 2009 and 2 March 2010 which, together, constitute a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") read with the placement document, dated 7 September 2009, prepared by the Issuer for purposes of listing Securities (as defined therein) on the JSE (the "**JSE Placement Document**"). This document constitutes the Final Terms of the Certificates described herein and must be read in conjunction with such Base Prospectus as so supplemented and the JSE Placement Document. Full information on BNP Paribas Arbitrage Issuance B.V. (the "**Issuer**") and the offer of the Certificates is only available on the basis of the combination of these Final Terms, the Base Prospectus and the JSE Placement Document. To the

extent there is any conflict or inconsistency between the contents of this Final Terms, the Base Prospectus and/or the JSE Placement Document, the provisions of the Final Terms shall prevail.

References herein to numbered Conditions are to the terms and conditions of the relevant series of Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms (including Schedule 1 of this Final Terms headed "*Additional Terms and Conditions*") insofar as they relate to such Series of Certificates set out in "*Specific Provisions for each Series*" below save as where otherwise expressly provided.

References herein to "**Certificates**" shall be deemed to be references to the relevant Certificates that are the subject of these Final Terms and references to "**Certificates**" and "**Certificate**" shall be construed accordingly.

The reference to Issue Price is not an expression of market value and does not imply that transactions in the market will not be executed at prices above or below such Issue Price to reflect prevailing market conditions.

Neither the Issuer nor the Principal Certificate Agent accepts responsibility for the calculation, maintenance or publication of the Custom Index or any successor index.

1. Issuer: BNP Paribas Arbitrage Issuance B.V.
2. Guarantor: BNP Paribas

#### **SPECIFIC PROVISIONS FOR EACH SERIES**

Series Number	No. of Certificates issued	No. of Certificates	ISIN	Common Code	Issue Price per Certificate	Redemption Date
<b>CE0029SAD</b>	<b>100,000,000</b>	<b>100,000,000</b>	<b>ZAG000076324</b>	<b>ZA007</b>	<b>100%</b>	<b>31 March 2015</b>

#### **GENERAL PROVISIONS**

The following terms apply to each series of Certificates:

3. Trade Date: 15 March 2010.
4. Issue Date and Interest Commencement Date: 16 April 2010.
5. Consolidation: Not applicable.
6. Type of Certificates: The Certificates are Fund Certificates.  
The Certificates relate to the performance of the iShares South Africa Index Fund incorporated in the United States (further particulars set out below).  
The provisions of Annex 8 (*Additional Terms and Conditions for Fund Linked Certificates*) shall apply.
7. Form of Certificates: Uncertificated Securities

8. Last Day to Register:

By 17h00 on 20 March 2015

9. Books Closed Period:

The 10 (ten) calendar day period immediately succeeding the Last Day to Register

10. Business Day Centre(s):

The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 4 is TARGET

11. Settlement:

Settlement of Certificates will be by way of cash payment ("**Cash Settled Certificates**").

12. Variation of Settlement:

(a) Issuer's option to vary settlement:

The Issuer does not have the option to vary settlement in respect of the Certificates.

(b) Variation of Settlement of Physical Delivery Certificates:

Not applicable.

13. Relevant Asset(s):

Not applicable.

14. Entitlement:

Not applicable.

15. Instalment Certificates:

The Certificates are not Instalment Certificates.

16. Partly Paid Certificates:

The Certificates are not Partly Paid Certificates.

17. Exchange Rate:

Not applicable.

18. Settlement Currency:

The settlement currency is South African Rand ("**ZAR**").

19. Notional Amount of each Certificate:

ZAR 1.

20. Syndication:

The Certificates will be distributed on a non-syndicated basis.

21. Minimum Trading Size:

100,000 Certificates and multiples of 1 Certificate thereafter

22. Principal Certificate Agent:

BNP Paribas Arbitrage S.N.C.

23. Calculation Agent:

BNP Paribas Arbitrage S.N.C., 8 rue de Sofia, 75018 Paris, France.

24. Governing law:

English law.

25. Special conditions or other modifications to the Terms and Conditions:

(a) This Series of Certificates will be issued on, and subject to, the Applicable Terms and Conditions

(being the terms and conditions of the Certificates set out in that section of the Base Prospectus headed “*Terms and Conditions of Certificates*” (the “**Terms and Conditions**”), as replaced and/or supplemented by (i) the additional terms and conditions set out in Schedule 1 to this Final Terms headed “*Additional Terms and Conditions*” and (ii) the terms and conditions of this Series of Certificates set out in this Final Terms).

- (b) In addition to (a) above, the second sentence of Condition 6(A) of the Terms and Conditions shall be deleted and replaced with the following:

*“If the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day (and shall not be entitled to any further payment in respect of such delay) unless such date for payment would thereby fall into the next calendar month, in which event such payment shall be brought forward to the immediately preceding Business Day.”*

- (c) The following additional paragraph shall be added to General Condition 16 “*Additional Disruption Events*” of the Terms and Conditions as sub-paragraph (c)(v):

*“the Calculation Agent may use commercially reasonable efforts to select a successor index with a substantially similar strategy as the original Custom Index within five Scheduled Custom Index Business Days (or such other number of Scheduled Custom Index Business Days specified in the applicable Final Terms) of the relevant Additional Disruption Event and, upon selection of such index, the Calculation Agent shall promptly notify the Issuer and the Issuer will give notice to the holders in accordance with General Condition 11 and such index shall become the Successor Index and deemed to be a “Custom Index” for the purposes of the Certificates and the Calculation Agent will make such adjustment, if any to one or more of the terms of the Certificates as the Calculation Agent in its sole and absolute discretion determines appropriate. Such substitution and the relevant adjustment to the terms of the Certificates will be deemed to be effective as of the date selected by the Calculation Agent (the “**Substitution Date**”) in its absolute discretion and specified in the notice referred to below which may, but need not be the date on which the Additional Disruption Event occurred.”*

- (d) Changes to Transfer Agent and Paying Agent:

In relation to the listing of Securities (as defined in the JSE Placement Document) on the JSE, Computershare Investor Services (Proprietary) Limited ("Computershare"), FirstRand Bank Limited, acting through its First National Bank division ("FNB"), BNP Paribas Arbitrage SNC ("BNPA") and the Issuer entered into a separate Agency Agreement dated 7 September 2009, as amended and restated by the Amendment and Restatement Agreement entered into amongst the parties dated 10 February 2010, as further amended and/or supplemented from time to time (the "South African Agency Agreement") in terms of which the Issuer has appointed Computershare to act as Transfer Agent, FNB to act as Paying Agent and BNPA and BNP Paribas to act as Calculation Agent respectively in respect of the Series of Securities to be issued under the Programme pursuant to the Base Prospectus as read with the JSE Placement Document. All references in the Base Prospectus to the "Amended and Restated Agency Agreement" in the Base Prospectus shall be the "South African Agency Agreement"

Specified Offices:

**Computershare Investor Services (Proprietary) Limited**

70 Marshall Street  
Johannesburg, 2001  
South Africa

Contact: Mr C Lourens  
Tel: +27 11 370 7843  
Fax: +27 11 688 7707

**FirstRand Bank Limited,  
acting through its First National Bank division**

BankCity, 3 First Place Mezzanine Floor  
Cnr Simmonds & Jeppe Street  
Johannesburg, 2001  
South Africa

Contact: Mr A Jansen van Vuuren  
Tel: +27 11 371 3451  
Fax: +27 11 352 2010

**PRODUCT SPECIFIC PROVISIONS**

26. Index Certificates:

Not applicable.

27. Share Certificates:

Not applicable.

28. GDR/ADR Certificates:	Not applicable.
29. Debt Certificates:	Not applicable.
30. Commodity Certificates:	Not applicable.
31. Inflation Index Certificates:	Not applicable.
32. Currency Certificates:	Not applicable.
33. Fund Certificates:	Applicable.
(a) Fund/Fund Basket:	As set forth in paragraph 6, above.
	Sources of information relating to the ETF are the relevant screen page Bloomberg code EZA US and The CUSIP is 464286780
(b) Fund Share(s):	Units in the ETF
(c) Exchange(s) (only applicable to ETFs):	New York Arca
(d) Related Exchange (only applicable to ETFs):	All Exchanges
(e) Scheduled Trading Days (only applicable to ETFs):	Single Fund Share Basis
(f) Fund Documents:	The Prospectus dated 1 January 2010 as supplemented on 2 February 2010
(g) Fund Business Day:	As per Conditions
(h) Fund Service Provider:	As per Conditions
(i) Calculation Date(s):	As per Conditions
(j) Initial Calculation Date:	The Strike Date
(k) Final Calculation Date:	The Valuation Date for ETF
(l) Portfolio:	Not applicable
(m) Cash Facility and Spread:	Not applicable
(n) Protected Amount:	Not applicable
(o) NAV Barrier:	Not applicable
(p) NAV Trigger Percentage:	Not applicable
(q) NAV Trigger Period:	Not applicable
(r) Number of NAV Publication Days:	5 Scheduled Trading Days
(s) Basket Trigger Level:	Not applicable
Valuation Date (only applicable to ETFs):	The Redemption Valuation Date
(t) Valuation Time (only applicable to ETFs):	The close of trading on the Exchange.
(u) Additional Extraordinary Fund Event(s):	Not applicable
(v) Consequences of	As per Conditions

Extraordinary Fund Event:

- |   |  |
|---|--|
| (w) Termination Amount:   | Principal Protected Termination Amount |
| (x) Delta-1 Termination Amount:   | Not applicable                         |
| (y) Simple Interest Spread:   | Not applicable                         |
| (z) Termination Date:   | The Redemption Date                    |
| (aa) Knock-in Event:  | Not applicable                         |
| (bb) Knock-out Event:   | Not applicable                         |
| (cc) Automatic Early Redemption Event:                                    | Not applicable                         |
| (dd) Delayed Redemption on the Occurrence of an Extraordinary Fund Event: | Applicable                             |
| (ee) Weighting:   | Not applicable                         |
| (ff) Other terms or special conditions:                                   | Not applicable                         |
34. Market Access Certificates: Not applicable.
35. Credit Certificates: Not applicable.
36. Futures Certificates: Not applicable.
37. Reference Rate Certificates: Not applicable.
38. Custom Index Certificates: Not Applicable
39. Additional Disruption Events: (a) The following Additional Disruption Events apply to the Certificates:
- Change in Law;  
Hedging Disruption;  
Increased Cost of Hedging.
- (b) Condition 16(B) (Additional Definitions): Not applicable.
- (c) Delayed Redemption on the Occurrence of an Additional Disruption Event: Not applicable.

**PROVISIONS RELATING TO INTEREST**

40. Interest: The Certificates do not pay interest.
41. Fixed Rate Provisions: Not applicable.
42. Floating Rate Provisions: Not applicable.
43. Index Linked Interest Certificates: Not applicable.
44. Share Linked Interest Certificates: Not applicable.

- |   |                 |
|---|-----------------|
| 45. GDR/ADR Linked Interest Certificates:         | Not applicable. |
| 46. Debt Linked Interest Certificates:            | Not applicable. |
| 47. Commodity Linked Interest Certificates:       | Not applicable. |
| 48. Inflation Index Linked Interest Certificates: | Not applicable. |
| 49. Currency Linked Interest Certificates:        | Not applicable. |
| 50. Fund Linked Interest Certificates:            | Not applicable. |
| 51. Futures Linked Interest Certificates:         | Not applicable. |
| 52. Custom Index Linked Interest Certificates:    | Not Applicable. |

#### ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

- |                         |                 |
|-------------------------|-----------------|
| 53. Issuer Call Option: | Not applicable. |
|-------------------------|-----------------|

#### HOLDER PUT OPTION IN RESPECT OF CERTIFICATES

- |                        |                 |
|------------------------|-----------------|
| 54. Holder Put Option: | Not applicable. |
|------------------------|-----------------|

#### PROVISIONS RELATING TO VALUATION AND REDEMPTION

- |                             |  |
|-----------------------------|--|
| 55. Cash Settlement Amount: | On the Redemption Date, provided that the Certificates have not been redeemed or purchased and cancelled by the Issuer prior to the Redemption Valuation Date, the Holder shall receive in respect of each Certificate payment of a Cash Settlement Amount determined in accordance with the following provisions: |
|-----------------------------|--|

$$100\% + \text{Max} \left[ 0\%; \text{Max} \left( \frac{DB_{\text{Max}(0, \text{Final}-3Y)}}{DB_0}, \frac{DB_{\text{Final}}}{DB_0} \right) - 1 \right]$$

Where:

"**DB<sub>F</sub>**" means the value of the Dynamic Basket on the Calculation Date, determined in accordance with the provisions of Section 1 of Part C "Other Applicable Terms";

"**DB<sub>0</sub>**" means the value of the Dynamic Basket on the Initial



## **Purpose of Final Terms**

These Final Terms comprise the final terms required for issue and admission to trading on the Bond Market of the JSE of the Certificates described herein pursuant to the BNP Paribas Arbitrage Issuance B.V. and BNP Paribas Warrant and Certificate Programme.


## **Responsibility**

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed on behalf of BNP Paribas Arbitrage Issuance B.V.

As Issuer:

By:   
**MARA BOTTARI**  
**AUTHORISED SIGNATORY**

  
**MARYSE JACQUOT**  
**AUTHORISED SIGNATORY**

Duly authorised  
Dated: **15** April 2010

Calculation Date, being 100%.

**"DB<sub>Max(0,Final-3y)</sub>"** means the highest value of Dynamic Basket from and including the Strike Date to and including the date falling 3 years prior to the Calculation Date determined in accordance with the provisions of Section 1 of Part C "Other Applicable Terms";

56. Renouncement Notice Cut-off Time: Not applicable.
57. Strike Date: 17 March 2010
58. Redemption Valuation Date: 17 March 2015
59. Averaging: Averaging does not apply to the Certificates.
60. Observation Dates: Not applicable.
61. Observation Period: Not applicable.
62. Settlement Business Day: TARGET
63. Cut-off Date: Not applicable.

#### **DISTRIBUTION AND US SALES ELIGIBILITY**

64. Selling Restrictions: As set out in the Base Prospectus and the JSE Placement Document.
- in (a) Eligibility for sale of Certificates the United States to AIs: The Certificates are not eligible for sale in the United States to AIs.
- in (b) Eligibility for sale of Certificates the United States to QIBs within the meaning of rule 144a: The Certificates are not eligible for sale in the United States under Rule 144A to QIBs.
65. Additional U.S. Federal income tax consequences: Not applicable.
66. Registered broker/dealer: Not applicable.
67. Non exempt Offer: Not applicable.

## **PART B - OTHER INFORMATION**

### **1. Listing and Admission to trading**

Application has been made to list the Certificates on the Bond Market of the JSE and to admit the Certificates for trading through the CSD.

### **2. Ratings**

Ratings: The Certificates to be issued have not been rated.

### **3. Risk Factors**

The attention of potential purchasers of the Certificates is drawn to the Risk Factors in the Base Prospectus. Furthermore potential purchasers should ensure they establish whether notification of the exercise of the Deleverage Option or the Early Redemption Option, as the case may be, (as set out in paragraph 3 of PART C – Other Applicable Terms) has been given prior to committing to exercise such option.

### **4. Interests of National and Legal Persons Involved in the Issue**

Save as discussed in "*Risk Factors*" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.

### **5. Performance of Underlying, Explanation of Effect on Value of Investment and Associated Risks and Other Information concerning the Underlying**

The Certificates are ZAR denominated Certificates with a five year maturity.

If neither early redeemed nor purchased and cancelled, the Certificates offer the possibility to receive on the Redemption Date a Redemption Amount pursuant to the provisions detailed in paragraph 55 in Part A.

During the tenor of the Certificates, the price of the Certificates will depend upon market conditions and may be subject to significant fluctuations.

If Certificates are sold, before maturity, there is a higher probability that the investor will suffer a loss of its investment.

Over the same time period, the yield of the Certificates may be inferior to the yield of a market-neutral-risk investment.

### **6. Operational Information**

Relevant Clearing System(s):

If other than Euroclear Bank S.A./N.V.,  
Clearstream Banking, société anonyme,  
Euroclear France, Iberclear, the relevant Strate Limited  
identification number(s) and in the case of  
VPC Certificates, the VPC Certificate  
Agent:

#### **Disclosure Requirements in terms of Paragraphs 3(5) of the Commercial Paper Regulations**

##### **Paragraph 3(5)(a)**

The ultimate borrower is the Issuer.

##### **Paragraph 3(5)(b)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

**Paragraph 3(5)(c)**

The auditors of the Issuer are Deloitte Accountants B.V.

**Paragraph 3(5)(d)**

As at the Issue Date:

- (i) the Issuer has issued ZAR1,900,000,000, excluding this series, commercial paper (as defined in the Commercial Paper Regulations) in South Africa; and
- (ii) to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue commercial paper (as defined in the Commercial Paper Regulations) up to an amount of ZAR4,000,000,000 during the current financial year ending 31 December 2010.

**Paragraph 3(5)(f)**

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

**Paragraph 3(5)(g)**

This Series of Certificates will be listed on the Bond Market of the JSE.

**Paragraph 3(5)(h)**

The proceeds of the issue of this Series of Certificates will be applied by the Issuer for its general corporate purposes.

**Paragraph 3(5)(i)**

The obligations of the Issuer in respect of this Series of Certificates are unsecured, however, they are guaranteed by the Guarantor.

**Paragraph 3(5)(j)**

Deloitte & Touche South Africa have confirmed that, based on their procedures performed, nothing has come to their attention which indicates each of the Issuers will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

## PART C - OTHER APPLICABLE TERMS

### 1. Dynamic Basket

The value of the Dynamic Basket on the Initial Calculation Date (“**DB<sub>0</sub>**”) shall be deemed to be 100.

The value of the Dynamic Basket on each subsequent Calculation Date (“**DB<sub>t</sub>**”) shall be determined recursively by reference to the value of the Dynamic Basket on the immediately preceding Calculation Date (“**DB<sub>t-1</sub>**”) in accordance with the following formulae:

(a) if  $0\% < W_{t-1} \leq 100\%$

$$DB_t = DB_{t-1} \times \left( 1 - \frac{Fees \times Act(t-1, t)}{360} \right) \times \left[ \frac{W_{t-1} \times \left( 1 - \frac{AF \times Act(t-1, t)}{360} \right) \times \frac{Isovol_t}{Isovol_{t-1}}}{+ (1 - W_{t-1}) \times \frac{PZC_{t, T(t-1)}}{PZC_{t-1, T(t-1)}} - RCost_{t-1}} \right]$$

where

$$RCost_t = \begin{cases} 0.35\% \times W_t & \text{if } t=0 \\ 0.10\% \times W_t & \text{if } t=Final-1 \\ 0.35\% \times |W_{t-1} - W_t| & \text{if } W_{t-1} - W_t < 0 \\ 0.10\% \times |W_{t-1} - W_t| & \text{otherwise} \end{cases}$$

(b) If a Trigger Event has occurred

$$DB_t = DB_{t-1} \times \left( 1 - \frac{FeesG \times Act(t-1, t)}{360} \right) \times \frac{PZC_{Tg(t)}}{PZC_{Tg(t-1)}}$$

Where :

“**W<sub>t</sub>**” means the weighting of the Dynamic Basket to the Isovol, in relation to Basket Calculation Date t set in accordance with the procedure specified in section “Weight Computation” below. W<sub>0</sub> will be determined by the Calculation Agent on the Initial Basket Calculation Date according to prevailing market conditions at that time. W<sub>1</sub> will be equal to W<sub>0</sub>.

“**Fees**” means 2.50%

“**FeesG**” means 1.50%

“**AF**” means the adjustment factor of 0.50%

“**PZC<sub>Tg(t)</sub>**” means the price of a hypothetical puttable zero coupon bond (the “Trigger Zero Coupon Bond”) calculated by the Calculation Agent in its sole and absolute discretion, by reference to the Zero Coupon Curve and its funding costs and with the following characteristics:

- a) a maturity date which falls on the day which is 3 years after the Trigger Event Date (as defined below)
- b) a put option giving the right to investors to require the Issuer to redeem the Trigger Zero Coupon Bond with a notice to be received by no later than 11:00 am (CET) on the day which falls 5 Business Days prior to the contemplated maturity date at a price

$$\frac{DB_{Max(0; OTD(i)-3Y)}}{DB_0}$$

equal to  $DB_0$  of the notional amount of the Trigger Zero Coupon Bond on each relevant Optional Termination Date i OTD(i) which is comprised between Business Day t and the Trigger Event Date + 3Y.

- c) an issue date identical to the Trigger Event Date

- $\frac{DB_{Max(0;TG)}}{DB_0}$
- d) a redemption price at maturity of  $\frac{DB_{Max(0;TG)}}{DB_0}$  of the notional amount of the Trigger Zero Coupon Bond
- e) notional amount of 1 ZAR

“OTD(i)” means a relevant Optional Termination Date i, being the first Basket Calculation Date of each month from but excluding the third anniversary of the Strike Date to but excluding the Final Basket Calculation Date

## 2. Isovol Computation - Weight Computation and Target Weighting ( $Wiso_{ig(t)}$ )

The Calculation Agent will compute the Isovol Value for each Basket Calculation Date t recursively on the basis of Basket Calculation Date t-1, using the following formulae:

(a) if  $0\% < Wiso_{t-1} \leq 100\%$

$$Isovol_t = Isovol_{t-1} \times \left( Wiso_{t-1} \times \frac{Index\_ZAR_t}{Index\_ZAR_{t-1}} + (1 - Wiso_{t-1}) \times \frac{ZC_t}{ZC_{t-1}} - RCostiso_{t-1} \right)$$

(b) if  $100\% < Wiso_{t-1}$

$$Isovol_t = Isovol_{t-1} \times \left( \frac{Wiso_{t-1} \times \frac{Index\_ZAR_t}{Index\_ZAR_{t-1}} + (1 - Wiso_{t-1}) \times \left( 1 + rate_{t-1} \times \frac{Act(t-1, t)}{360} \right)}{-RCostiso_{t-1}} \right)$$

Where:

$$RCostiso_t = \begin{cases} 0.35\% \times Wiso_t & \text{if } t=0 \\ 0.10\% \times Wiso_t & \text{if } t=Final-1 \\ 0.35\% \times |Wiso_{t-1} - Wiso_t| & \text{if } Wiso_{t-1} - Wiso_t < 0 \\ 0.10\% \times |Wiso_{t-1} - Wiso_t| & \text{otherwise} \end{cases}$$

“Index \_ ZAR<sub>t</sub>” means the Index Value in ZAR Calculation Date t as further specified below in section 3

“Wiso<sub>t</sub>” means the exposure of the Isovol to the Index on Basket Calculation Date t

“Rate<sub>t</sub>” means the rate for deposits in ZAR with a 3 month designated maturity which appears on the Reuters Page “0#JIBAR=”, on the day that is two Business Days prior to Basket Calculation Date t, provided that, if no rate is so published, the Calculation Agent will determine such rate from such other source as it in its absolute discretion may deem appropriate, plus a financing spread of 1.50% per annum;

The Target Weighting on each subsequent Calculation Date (“Wiso<sub>ig(t)</sub>”) shall be determined in accordance with the following formula:

$$Wiso_{ig(t)} = \text{Min} \left( 150\%, \text{Max} \left( \frac{15\%}{Volatility_t}, 0\% \right) \right)$$

with

$$Volatility_t = \sqrt{252} \times \sqrt{\frac{n}{n-1} \times \left[ \frac{1}{n} \sum_{j=1}^{j=n} \left( \ln \left( \frac{Index\_ZAR_{t-n+j}}{Index\_ZAR_{t-n+j-1}} \right) \right)^2 - \left( \frac{1}{n} \sum_{j=1}^{j=n} \ln \left( \frac{Index\_ZAR_{t-n+j}}{Index\_ZAR_{t-n+j-1}} \right) \right)^2 \right]}$$

“n” means 60

- (i) If the Calculation Agent determines that any  $Wiso_t$  is less than 90 per cent. of target exposure  $Wiso_{ig(t)}$  then the Weighting shall be increased to  $Wiso_{t+2}$  to the target exposure  $Wiso_{ig(t)}$  on the Basket Calculation Date t;
- (ii) If the Calculation Agent determines that any  $Wiso_t$  is greater than 110 per cent. of the target exposure  $Wiso_{ig(t)}$  then the Weighting shall be decreased to  $Wiso_{t+2}$  to the target exposure  $Wiso_{ig(t)}$  on the Basket Calculation Date t;
- (iii) Otherwise, no adjustment shall be made to the Weighting.

Provided that, if any exposure adjustment determined by the Calculation Agent for a Basket Calculation Date t-1 is to be effective on Basket Calculation Date t+1, the Calculation Agent will include the pending exposure adjustment in its calculation of the exposure on Basket Calculation Date t ( $Wiso_t$ ) in determining whether any exposure adjustment should be made on Basket Calculation Date t+2.

$Wiso_0 = Wiso_1$  is equal to the target exposure computed on the day that is two Business Days before the Initial Basket Calculation Date

### 3. Index Value in ZAR

The Calculation Agent will compute the value of the Index in ZAR ( $Index\_ZAR_t$ ) for each Basket Calculation Date t using the following formula:

$$Index\_ZAR_t = Index\_ZAR_{t-1} \times \left( \frac{ETF_t \times SpotRate_t}{ETF_{t-1} \times SpotRate_{t-1}} \right)$$

“**ETF<sub>t</sub>**” means the last available price for the ETF on Basket Calculation Date t at which the Hedge Provider would be able to execute any purchase or redemption order on the relevant Exchange

“**Index \_ZAR<sub>t</sub>**” means the Index Value in ZAR on Basket Calculation Date t

“**Index \_ZAR<sub>0</sub>**” means 100% which is the Index Value in ZAR on the 1<sup>st</sup> December 2009

“**SpotRate<sub>t</sub>**” means the value of the USD/ZAR Spot Rate fixing on Index Level Determination Date t as determined by the Index Calculation Agent and based on Reuters fixing USDZARFXM=WM (or if not available, based on any other sources as determined by the Index Calculation Agent).

### 4. Distance

The Distance on each subsequent Calculation Date (“**D<sub>t</sub>**”) shall be determined in accordance with the following formula:

$$D_t = \frac{DB_t - PZC_{t,T(t)} - UnPaidfees_t}{DB_t}$$

“  $PZC_{t,T(t-1)}$  ” mean the price of a hypothetical puttable zero coupon bond calculated by the Calculation Agent in its sole and absolute discretion, by reference to the Zero Coupon Curve and its funding costs and with the following characteristics:

- a) a maturity date of  $T(t-1)$  which is three years after Basket Calculation  $t-1$ .
- b) a put option giving the investor therein the right to require the issuer thereof to redeem the Zero Coupon Bond with no less than 5 Business Days notice at a price equal to  $\frac{DB_{Max(0;OTD(j)-3Y)}}{DB_0}$  of the notional amount of the Zero Coupon Bond on each relevant Optional Termination Date  $j$  which is comprised between Basket Calculation Date  $t$  and the date which is Basket Calculation Date  $t + 3$  years
- c) an issue date of Basket Calculation Date  $t$
- d) a redemption price at maturity of  $\frac{DB_{Max(0;T(t-1)-3Y)}}{DB_0}$  of the notional amount of the Zero Coupon Bond
- e) a notional amount of 1 ZAR

“  $OTD(j)$  ” means a relevant Optional Termination Date  $j$ , being the the first Basket Calculation Date of each month from but excluding the third anniversary of the Strike Date to but excluding the Final Basket Calculation Date

“  $UnPaidfees_t$  ” means the unpaid fees calculated on Basket Calculation Date  $t$  by the Calculation Agent in accordance with the following formula:

**a) If a Trigger Event has not occurred:**

$$UnPaidfees_t = DB_t \times FeesG \times \min\left(3; \frac{Act(t, Final)}{360}\right)$$

**b) If a Trigger Event has occurred:**

$$UnPaidfees_t = DB_t \times FeesG \times \frac{Act(t, TG + 3Y)}{360}$$

with

“  $Act(t, TG + 3Y)$  ” means the actual number of calendar days from but excluding the relevant Basket Calculation Date  $t$  to and including the date falling three years after the Trigger Event Date.

“  $Act(t, Final)$  ” means the actual number of calendar days from but excluding the relevant Basket Calculation Date  $t$  to and including the Final Basket Calculation Date.

## 5. Weighting and Target Weighting

The Target Weighting on each subsequent Calculation Date (“ $W_{TG(t)}$ ”) shall be determined in accordance with the following formula:



$$W_{Tg(t)} = \text{Min}(100\%; \text{Max}(\text{LeverageFactor} \times D_t, 0\%))$$

Then

1) If  $D_t < 1.50\%$  then a Trigger Event is deemed to have occurred and  $W_{t+2} = 0\%$ .

2) Otherwise:

- (iv) If the Calculation Agent determines that any  $W_t$  is less than 90 per cent. of target exposure  $W_{Tg(t)}$  then the Weighting shall be increased to  $W_t$  to the target exposure  $W_{Tg(t)}$  on the Basket Calculation Date  $t$ ;
- (v) If the Calculation Agent determines that any  $W_t$  is greater than 110 per cent. of the target exposure  $W_{Tg(t)}$  then the Weighting shall be decreased to  $W_t$  to the target exposure  $W_t$  on the Basket Calculation Date  $t$ ;
- (vi) Otherwise, no adjustment shall be made to the Weighting.

**"Trigger Event"** means the event that will be deemed to have occurred if at any time from, and including, the Initial Basket Calculation Date to, and including, the Final Calculation Date, the Distance falls below 1.50%.

**"Trigger Event Date"** means the date when a Trigger Event has occurred, as determined by the Calculation Agent. For the avoidance of doubt, no reweighting will be effected following the Trigger Event Date.

## 6. Definitions

**"Act<sub>t-1, t</sub>"** means the actual number of calendar days from but excluding the Basket Calculation Date  $t$  to and including the Basket Calculation Date  $t-1$ .

**" $DB_{\text{Max}(0; TG)}$ "** means the maximum value of the Dynamic Basket reached in the period from and including the Initial Basket Calculation Date to but excluding the Trigger Event Date.

**" $DB_{\text{Max}(0; OTD(i)-3Y)}$ "** means the highest value of the Dynamic Basket Value from and including, the Initial Basket Calculation Date to, and including, the date which is three years before the relevant OTD(i).

**"DB<sub>t</sub>"** means the value of the Dynamic Basket in relation to Basket Calculation Date  $t$ . In relation to the Initial Basket Calculation Date **DB<sub>0</sub>** is equal to 100%;

**"Isovol<sub>t</sub>"** means the value of the Isovol in relation to Basket Calculation Date  $t$ . In relation to the Initial Basket Calculation Date **Isovol<sub>0</sub>** is equal to 100%;

**"Leverage Factor"** means 3

**"Zero Coupon Bond"** or **"ZC"** means a notional zero coupon bond calculated by the Calculation Agent in its sole and absolute discretion with the following characteristics: (i) an issuer of similar creditworthiness and funding costs as the Issuer; (ii) an issue date equal to the Initial Basket Calculation Date; (iii) a maturity date equal to the Final Basket Calculation Date; and (iv) a final redemption amount of ZAR 1 i.e. 100 per cent. of its nominal amount.

**"Zero Coupon Curve"** means a notional reference curve determined by the Calculation Agent on the basis of: (a) the rates for deposits in ZAR published as of 11:00 am CET on the Reuters Page "0#JIBAR=" for maturities up to (and including) eleven months provided that if no rate is published on such page, the Calculation Agent will determine such rate from such other source as it, in its absolute discretion, may decide appropriate and, (b) the ZAR Libor swap rate fixings published as of

11:00 am CET time on the Bloomberg page "BTMM SA" for maturities greater or equal to one year provided that if no rate is published on such page, the Calculation Agent will determine such rate from such other source as it, in its absolute discretion, may determine is appropriate

*The following is the text of the Additional Terms and Conditions:*

## **1. ISSUE**

The Applicable Terms and Conditions of a Series of Securities are incorporated by reference into the Certificate(s) (if any) representing the Securities in that Series. The relevant Final Terms relating to a Series of unlisted registered Securities issued in certificated form will be attached to the Definitive Certificate(s) representing the Securities in that Series. The Holders of the Securities in a Series are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the relevant Final Terms relating to that Series.

## **2. DENOMINATION, FORM AND TITLE**

### **2.1. General**

- 2.1.1. The denomination of each Security in a Series will be the Specified Denomination. The Securities will be issued for an amount not less than ZAR100,000 per single addressee.
- 2.1.2. The Holders of Certificates that are not listed on the Bond Market of the JSE will have no recourse against the BESA Guarantee Fund. The Holders of Certificates that are listed on the Bond Market of the JSE will have recourse against the BESA Guarantee Fund only if such Certificates are traded by or through members of the JSE (in accordance with the rules and operating procedures for the time being of JSE and the CSD) through the CSD electronic settlement system.

### **2.2. Certificated Securities**

- 2.2.1. All Securities issued in certificated form will be represented by a single Definitive Certificate in registered form. Each Definitive Certificate will be registered in the Register in the name of the individual holder(s) of the Securities represented by that Definitive Certificate.
- 2.2.2. Title to Securities represented by a Definitive Certificate will pass upon registration of transfer in accordance with Condition 1 of the Terms and Conditions.
- 2.2.3. The Issuer, the Paying Agent and the Transfer Agent will recognise the Holder of Securities, named in the Register, as the sole and absolute owner of the Securities registered in that Holder of Securities' name (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes, but without prejudice to the provisions of Condition 2.4 below.

### **2.3. Uncertificated Securities**

A Series of Securities which is listed on the JSE may be issued in uncertificated form in terms of section 37 of the South African Securities Services Act. Uncertificated Securities will not be represented by any certificate or written instrument. A Series of Securities issued in uncertificated form will be held by the CSD, and the CSD's Nominee will be named in the Register as the registered holder of that Series of Securities.

### **2.4. Securities held in the CSD**

- 2.4.1. The CSD's Nominee will be listed in the Register as the registered holder of each Series of Securities (other than those Securities in that Series which are represented by Definitive Certificates) which is listed on the JSE. While a Series of Securities is held in its entirety in the CSD, the CSD's Nominee will be named in the Register as the sole Holder of Securities in that Series and, accordingly, all amounts to be paid and all rights to be exercised in respect of the

Securities in that Series will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in that Series of Securities.

- 2.4.2. While any Securities in a Series of Securities are held in the CSD, each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular Aggregate Nominal Amount of such Securities (in which regard any certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the Aggregate Nominal Amount of such Securities standing to the account of such person shall be *prima facie* proof of such Beneficial Interest) shall, subject to the Additional Terms and Conditions, be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant CSD Participant as the holder of that Aggregate Nominal Amount of such Securities for all purposes, other than with respect to the payment of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such Securities, for which latter purpose the CSD's Nominee (as the registered holder of such Securities named in the Register) shall be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant CSD Participant as the holder of such Securities in accordance with and subject to the Additional Terms and Conditions.
- 2.4.3. Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.
- 2.4.4. The clients of CSD Participants, as the Holders of Beneficial Interests or as custodians for such Holders, may exercise their rights in respect of the Securities held by them in the CSD only through their CSD Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme, (Clearstream Luxembourg) ("Clearstream") may hold Securities through their CSD Participant.
- 2.4.5. Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants, in accordance with the Applicable Procedures (as contemplated in Condition 4.1 below). Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients, in accordance with the Applicable Procedures (as contemplated in Condition 4.1 below).
- 2.4.6. Holders of Beneficial Interests vote in accordance with the relevant Applicable Procedures.
- 2.4.7. The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Securities represented by a Definitive Certificate in accordance with Condition 5 below.
- 2.4.8. Each Series of Securities held by the CSD will be held subject to the South African Securities Services Act and the Applicable Procedures.

### **3. PAYMENTS**

#### **3.1. General**

- 3.1.1. Only Holders of Securities named in the Register at 17h00 (South African time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of the Securities.
- 3.1.2. Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Securities shall be made by the Paying Agent, on behalf of the Issuer, on the terms and conditions of the Agency Agreement and this Condition 3. The Issuer shall not be responsible for the loss in transmission of any funds paid by the Paying Agent to the Holders of listed Securities or in the case of unlisted Securities, to the Transfer Agent, 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 Securities 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 Holders of Securities under the Securities, the Applicable Terms and Conditions and the Agency Agreement.
- 3.1.3. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. Any reference in the Applicable Terms and Conditions to any amounts in respect of any Securities shall be deemed also to refer to any additional amounts which may be payable under the Applicable Terms and Conditions.

### 3.2. **Method of payment**

The Paying Agent will, on behalf of the Issuer, pay all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Securities:

- 3.2.1. in the case of Securities issued in uncertificated form in immediately available and freely transferable funds, in the Currency (subject to the Exchange Control Regulations) by electronic funds transfer to the bank account of the CSD's Nominee, as the registered holder of such Securities, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests in such Securities;
- 3.2.2. in the case of Securities represented by a Definitive Certificate, in immediately available and freely transferable funds, in the Currency (subject to the Exchange Control Regulations) by electronic funds transfer, to the bank account of the Transfer Agent where after the Transfer Agent will transfer the funds to the bank account of the person named as the registered holder of such Securities in the Register or, in the case of joint registered Holders of Securities, the bank account of the first one of them named in the Register in respect of such Securities.

### 3.3. **Beneficial Interests**

- 3.3.1. Following payment to the CSD's Nominee of amounts due and payable in respect of Securities issued in uncertificated form pursuant to Condition 3.2.1 above, the relevant funds will be transferred by the CSD's Nominee, via the CSD Participants, to the holders of Beneficial Interests in such Securities.
- 3.3.2. Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Securities, will look solely to the CSD or the relevant CSD 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 CSD's Nominee, as the registered holder of such Securities.

3.3.3. 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.

3.3.4. Payments of amounts due and payable in respect of Beneficial Interests in Securities will be recorded by the CSD's Nominee, as the registered holder of such Securities, distinguishing between interest, principal and any other amount, and such record of payments by the CSD's Nominee, as the registered holder of such Securities, will be *prima facie* proof of such payments.

#### 3.4. **Payment Date**

Notwithstanding anything to the contrary contained in the Applicable Terms and Conditions, if the date for payment of any amount due and payable in respect of a Series of Securities is not a Business Day, then such date for payment shall be the following Business Day, and the holders of such Securities will not be entitled to further interest or other payments in respect of any such delay.

#### 3.5. **Cancellation of uncertificated Securities**

No payment of any amount due and payable in respect of any such Securities which are to be redeemed pursuant to the Applicable Terms and Conditions shall be made unless, on or before the date for redemption, the Transfer Agent has received written notice at its Specified Offices from the CSD's Nominee for the redemption and cancellation of such Securities.

#### 3.6. **Surrender of Definitive Certificates**

3.6.1. No payment of any amount due and payable in respect of any Securities which are to be redeemed pursuant to the Applicable Terms and Conditions shall be made unless, on or before the date for redemption, the Definitive Certificate(s) representing such Securities (if any) have been surrendered for cancellation at the Specified Office of the Transfer Agent.

3.6.2. If Definitive Certificate(s) representing any Securities which are to be redeemed pursuant to the Applicable Terms and Conditions is/are not surrendered for cancellation on or before the date for redemption, as set out in Condition 3.6.1 above, interest (if any) on such Securities will cease to accrue to the holder of such Securities from the date for redemption.

3.6.3. All documents and Definitive Certificates which are required to be presented and/or surrendered to the Transfer Agent in accordance with the Applicable Terms and Conditions must be so presented and/or surrendered at the Specified Office of the Transfer Agent.

### 4. **TRANSFER OF SECURITIES**

#### 4.1. **Transfer of Beneficial Interests**

Transfers of Beneficial Interests to and from clients of CSD Participants occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for their clients, in accordance with the Applicable Procedures. Transfers of Beneficial Interests among CSD Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the Applicable Procedures. Transfers of Beneficial Interests in Securities will not be recorded in the Register, and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Securities notwithstanding such transfers.

#### 4.2. **Transfer of Securities represented by Definitive Certificates**

Securities represented by a Definitive Certificate will be transferred in accordance with Condition 2 of the Terms and Conditions.

## **5. EXCHANGE OF BENEFICIAL INTERESTS FOR A DEFINITIVE CERTIFICATE**

- 5.1. The holder of a Beneficial Interest in a Security may, subject to section 44 of the South African Securities Services Act, by written notice to the CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Securities in definitive form represented by a Definitive Certificate (the "Exchange Notice"). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.
- 5.2. The CSD Participant shall, within 7 (seven) Business Days of receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Securities represented by a Definitive Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Business Days of receipt of such notice from the CSD, procure that a Definitive Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Business Day period ("Exchange Date"), to the CSD Participant at the Specified Office of the Transfer Agent.
- 5.3. The Transfer Agent will, subject to this Condition 5, prepare and authenticate the Definitive Certificate, and make the Definitive Certificate available for delivery to the CSD Participant at the Transfer Agent's Specified Office.
- 5.4. A Definitive Certificate issued pursuant to this Condition 5 shall, in relation to a Beneficial Interest in any number of Securities issued in uncertificated form of a particular Aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Securities of that Aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such Aggregate Nominal Amount is equivalent to a fraction of ZAR100,000 or a fraction of any multiple thereof, such Definitive Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## **6. REGISTER**

- 6.1. The Register will be kept at the Specified Office of the Transfer Agent. The Register will, in relation to a Series of Securities, contain the name, address and bank account details of each Holder of Securities in that Series. The CSD's Nominee will be listed in the Register as the registered holder of each Series of Securities (other than those Securities in that Series which are represented by Definitive Certificates) which is listed on the JSE. The Register will set out the Aggregate Nominal Amount of the Securities in that Series issued to the Holder of Securities or the Aggregate Nominal Amount of the Securities in that Series transferred to the Holder of Securities, as the case may be, the Issue Date, the date of transfer of such Securities (if applicable) and the date upon which the Holder of Securities became registered as such. The Register will show the serial numbers of the Definitive Certificates issued and the reference numbers of Securities issued in uncertificated form. The Register will be open for inspection during the normal business hours of the Transfer Agent to the Issuer (or any person authorised by the Issuer) and any Holder of Securities (or any person of proven identity authorised in writing by any Holder of Securities).
- 6.2. Neither the Issuer nor the Paying Agent 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 Security may be subject.
- 6.3. The Register will, in relation to a Series of Securities, be closed during the 10 (ten) Business Days preceding each Interest Payment Date and the date for redemption from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the Interest

Payment Date (where applicable) and the date for redemption. 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 Security Holders (in the manner set out in Condition 7.1 below).

- 6.4. The Transfer Agent will amend the Register in respect of any change of name, address or bank account number of any of the Holders of Securities of which it is notified; provided that the Register will only be amended to reflect a transfer of Securities if such transfer is carried out in accordance with Condition 4 above.

## **7. NOTICES**

### **7.1. Notice to Security Holders**

- 7.1.1. All notices to the Security Holders shall be in writing and shall:

7.1.1.1. be sent by registered mail to the respective postal addresses of Holders of Securities appearing in the Register or delivered by hand to the respective addresses of Security Holders appearing in the Register; and

7.1.1.2. in the case of Definitive Certificates, be published in a leading English language daily newspaper of general circulation in South Africa; and

7.1.1.3. for so long as Securities are listed on the JSE, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.

7.1.2. A notice given to Holders of Securities in terms of Condition 7.1.1 above shall be deemed to have been received by the Security Holders on the date on which that notice is first published in the daily newspaper contemplated in Condition 7.1.1.2 above.

7.1.3. Notwithstanding the provisions of Condition 7.1.1 above, (i) for so long as all of the Securities in a Series of Securities are held in their entirety in the CSD and (ii) in the case of a Series of Securities issued in uncertificated form, there may be substituted for the notice contemplated in Condition 7.1.1 above the delivery by hand of the relevant notice to the CSD's Nominee (as the registered holder of such Securities) and the JSE, for communication by them to the holders of Beneficial Interests in such Securities in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests and the CSD's Nominee on the day of such delivery by hand.

7.1.4. Where any provision of the Terms and Conditions requires notice to be given to the Holders of Securities of any matter other than a meeting of Holders of Securities, such notice will be given *mutatis mutandis* as set out in this Condition 7.1, subject to compliance with any other time periods prescribed in the provision concerned.

### **7.2. Notice by Holders of Securities**

7.2.1. All notices to be given by any Holder of Securities represented by a Definitive 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 Definitive 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 Business Day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).



- 7.2.2. All notices to be given by any holder of a Beneficial Interest to the Issuer or the Transfer Agent, as the case may be, shall be given by such holder through such holder's CSD Participant in accordance with the Applicable Procedures.

## **8. COSTS**

- 8.1. The costs and expenses of the printing, issue and delivery of each Definitive Certificate pursuant to Condition 5 above and all taxes or governmental charges that may be imposed in relation to such Definitive Certificate and/or the printing, issue and delivery of such Definitive Certificate shall be borne by the holder of the Securities represented by that Definitive Certificate.
- 8.2. Separate costs and expenses relating to the provision of Definitive Certificates and/or the transfer of Securities represented by Definitive Certificates may be levied by other persons, such as CSD Participants, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

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## DEFINITIONS

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Unless, in relation to a Series of Securities, separately defined in the relevant Final Terms, the following expressions shall have the following meanings:

**“Additional Terms and Conditions”** means the terms and conditions of the Securities set out in Schedule 1 to the relevant Final Terms headed *“Additional Terms and Conditions of the Base Prospectus”*;

**“Applicable Procedures”** means, in relation to a Series of Securities listed on the JSE, the rules and operating procedures for the time being of the CSD and the JSE;

**“Applicable Terms and Conditions”** means, in relation to a Series of Securities, the Terms and Conditions, as replaced and/or supplemented by (i) the Additional Terms and Conditions and (ii) the terms and conditions of the Securities set out in the relevant Final Terms;

**“Beneficial Interest”** means, in relation to a Series of Securities listed on the JSE, the beneficial interest as co-owner of an undivided share in all of the Securities in that Series, as contemplated in section 41(1) of the South African Securities Services Act, the Aggregate Nominal Amount of which beneficial interest, in relation to any number of Securities in that Series, is determined by reference to the proportion that the Aggregate Nominal Amount of such number of Securities bears to the Aggregate Nominal Amount of all of the Securities in that Series, as contemplated in section 41(3) of the South African Securities Services Act;

**“BESA Guarantee Fund”** means the Guarantee Fund established and operated by the Bond Exchange of South Africa Limited (“BESA”) prior to its merger with the JSE on 1 July 2009 and, as at the Issue Date, operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE, as required by sections 9(1)(e) and 18(2)(x) of the South African Securities Services Act or such other fund of any successor exchange, as the case may be;

**“Business Day”** means a day (other than a Saturday, Sunday or statutory public holiday in South Africa) on which commercial banks settle payments in Rand in Johannesburg;

**“Calculation Agent”** means BNP Paribas, unless the Issuer elects to appoint another entity as Calculation Agent in relation to one or more Series of Securities, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Issuer) will be specified in the relevant Final Terms;

**“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 South African Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

**“CSD”** means Strate Limited (registration number 1998/022242/06), licensed as a central securities depository in terms of section 32 of the South African Securities Services Act, and any reference to “CSD” shall, whenever the context permits, be deemed to include any successor depository operating in terms of the South African Securities Services Act, and any additional or alternate depository approved by the Issuer;

**“CSD’s Nominee”** means a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the South African Securities Services Act, and any reference to “CSD’s Nominee” shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the South African Securities Services Act;

**“CSD Participant”** means a person accepted by the CSD as a participant, as contemplated in section 34 of the South African Securities Services Act, and who is approved by the CSD, in terms of the rules of CSD, as a settlement agent to perform electronic settlement of funds and scrip;

**“Currency”** means, in relation to a Series of Securities, South African Rand (ZAR) or (subject to the Exchange Control Regulations) any other currency specified as such in the relevant Final Terms;

**“Definitive Certificate”** means (i) the single certificate in definitive registered form without interest coupons representing those Securities for which a Beneficial Interest has been exchanged in accordance with Condition 5 of the Additional Terms and Conditions or (ii) the single certificate in definitive registered form without interest coupons representing any other Securities, as the context requires;

**“JSE”** means the JSE Limited (registration number 2005/022939/06) incorporated with limited liability under, licensed as an exchange in terms of the South African Securities Services Act, and any reference to “JSE” shall, whenever the context permits, be deemed to include any successor exchange operating in terms of the South African Securities Act;

**“Issue Date”** means, in relation to a Series of Securities, the date specified as such in the relevant Final Terms;

**“Last Day to Register”** means, in relation to a Series of Securities, the eleventh day (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the date for redemption of such Securities until 17h00 (South African time) on that eleventh day, such eleventh day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Securities in that Series;

**“Paying Agent”** means First National Bank, a division of FirstRand Bank Limited (incorporated with limited liability under registration number 1929/001225/06 in South Africa), unless the Issuer elects to appoint another entity as Paying Agent in relation to one or more Series of Securities, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Issuer) will be specified in the relevant Final Terms;

**“place”** means to subscribe and pay for, or to use reasonable commercial endeavours to procure the subscription and payment for, the Securities in one or more Series of Securities issued under the Programme, in terms of a Subscription Agreement so that all of the Securities in such Series are subscribed and paid for on the Issue Date(s) and “placing” will be construed accordingly;

**“R” or “Rand” or “ZAR” or “South African Rand” or “cent”** means the lawful currency of South Africa;

**“Register”** means the register of Security Holders maintained by the Transfer Agent in terms of Condition 6 of the Additional Terms and Conditions;

**“Security Holders” and “Holders of Securities”** means, subject to Condition 2 of the Additional Terms and Conditions, the Holders of Securities recorded as such in the Register;

**“Securities”** means the unsecured certificated or uncertificated Securities of any kind issued by the Issuer, under the Programme, pursuant to the Base Prospectus (as read with the JSE Placement Document);

**“Series”** means a Series of Securities which, together with any other Series or Series of Securities, (i) are expressed in the relevant Final Terms to be consolidated and form a single Series and (ii) are identical in all respects (including as to listing) except for their respective Issue Dates and/or Interest Commencement Dates and/or Issue Prices;

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

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

**“Specified Denomination”** means the amount specified as such in the relevant Final Terms;

**“Specified Office”** means, in relation to each of the Issuer, the Paying Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of the JSE Placement Document, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Security Holders of Securities (in the manner set out in Condition 7.1 of the Additional Terms and Conditions), as the case may be;

**“Terms and Conditions”** means the terms and conditions of the Certificates set out in that section of the Base Prospectus headed *“Terms and Conditions of the Certificates”*;

**“Transfer Agent”** means Computershare Investor Services (Proprietary) Limited (incorporated with limited liability under registration number 2004/003647/07 in South Africa), unless the Issuer elects to appoint another entity as Transfer Agent in relation to one or more Series of Securities, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Issuer) will be specified in the relevant Final Terms.