

APPLICABLE PRICING SUPPLEMENT - RWL26 - SUSTAINABILITY-LINKED BONDS



RAND WATER

(deemed to have been established in terms of section 84 of the Water Services Act, 1997)

ZAR10,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

Issue of ZAR586,000,000 Senior Unsecured Floating Rate Notes due 30 June 2026

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 23 June 2021, as amended and/or supplemented from time to time ("**Programme Memorandum**") prepared by Rand Water (deemed to have been established in terms of section 84 of the Water Services Act, 1997) ("**Issuer**") in connection with the Rand Water ZAR10,000,000,000 Domestic Medium Term Note Programme ("**Programme**").

The Programme Memorandum, dated 23 June 2021, was registered and approved by JSE Limited ("**JSE**") on 23 June 2021.

References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions*". A reference to any Condition shall be a reference to that Condition of the Terms and Conditions.

Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in 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 DESCRIPTION OF THE NOTES

1. Issuer	Rand Water
2. Tranche number	1
3. Series number	1
4. Status of Notes	Senior Notes (see Condition 5)
5. Form of Notes	The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD.
6. Type of Notes	Floating Rate Notes - Sustainability-Linked Bonds (see Annexure "A" (<i>Additional Terms and Conditions</i>) to this Applicable Pricing Supplement)
7. Security	Unsecured Notes
8. Issue Date	30 June 2021
9. Issue Price	100% of the Principal Amount
10. Aggregate Principal Amount of this:	
(a) Tranche	ZAR586,000,000

(b) Series	ZAR586,000,000
11. Interest	Floating Rate Note provisions (see Condition 8.2)
12. Redemption/Payment Basis	Redemption at par
13. Change of interest or redemption payment basis	Not Applicable
14. Specified Denomination (Principal Amount per Note)	ZAR1,000,000
15. Specified Currency	ZAR
16. Business Day Convention	Modified Following Business Day Convention
17. Day Count Fraction	Actual/365
18. Business Centre	Johannesburg

B PROGRAMME AMOUNT

1. Programme Amount as at the Issue Date	ZAR10,000,000,000
2. Aggregate Outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date	ZAR2,670,000,000, excluding the aggregate Principal Amount of this Tranche and any other Tranche/s of Notes issued on the Issue Date specified in Item A(8) above.
3. Issuer confirmation as to Programme Amount	The Issuer confirms that the issue of this Tranche of Notes will not cause the Issuer to exceed the Programme Amount.

C FLOATING RATE NOTES

1. Floating Interest Rate	The floating interest rate per annum (nominal annual compounded quarterly) equal to the sum of the Reference Rate and the Margin for the period from and including the Interest Commencement Date to but excluding the Redemption Date.
2. Interest Commencement Date	Issue Date
3. Interest Payment Dates	Quarterly in arrear on 30 September, 30 December, 30 March and 30 June of each year for the period from and including the Interest Commencement Date to but excluding the Redemption Date or, if any such date is not a Business Day, the date determined in accordance with the Modified Following] Business Day Convention (see Item A(16) above).
4. First Interest Payment Date	30 September 2021
5. Interest Periods	Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date (30 June 2021) and end on (but exclude) the First Interest Payment Date (30 September 2021) and the last Interest Period will end on but exclude the Redemption Date, it being recorded, for the avoidance of doubt, that if any such date is not a Business Day, the date will be determined in accordance with the Following Business Day

- Convention (see Item C(3) above).
6. Manner in which the Floating Interest Rate is to be determined: Screen Rate Determination
- 7. Screen Rate Determination:** Applicable
- (a) Reference Rate ZAR-JIBAR-SAFEX that is, subject to Condition 8.2.3.2, 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 Rate Determination Date, determined by the Issuer Agent in accordance with Condition 8.2.3)
- (b) Rate Determination Dates The first day of each Interest Period; provided that the first Rate Determination Date shall be 25 June 2021.
- (c) Relevant Screen Page and Reference Code Reuters Screen SAFEX MNY MKT page - "SFX 3M YIELD"
- (d) Relevant Time 11h00 (South African time)
- (e) Reference Banks Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited
- 8. ISDA Determination:** Not Applicable
- 9. Other Determination:** Not Applicable
10. Margin Subject to the provisions set out in Annexure "A" (*Additional Terms and Conditions*) to this Applicable Pricing Supplement, 2.25%
11. Minimum Floating Interest Rate Not Applicable
12. Maximum Floating Interest Rate Not Applicable
13. Default Rate Floating Interest Rate specified in Item C(1) above plus 2% (see Condition 8.6.1)
14. Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes, if different from those set out in the Terms and Conditions See Annexure "A" (*Additional Terms and Conditions*) to this Applicable Pricing Supplement
- D REDEMPTION**
1. Maturity Date 30 June 2026
2. Final Redemption Amount The aggregate Outstanding Principal Amount of this Tranche plus interest accrued to the Maturity Date.
- 3. Redemption for tax reasons:** Applicable (see Condition 10.2)
- (a) Early Redemption Date The Interest Payment Date stipulated as the date for redemption of this Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 10.2 .
- (b) Early Redemption Amount If redemption in whole is applicable: the aggregate Outstanding Principal Amount of this Tranche of Notes plus interest accrued to the Early Redemption Date.

If redemption in part is applicable: the percentage of the aggregate Outstanding Principal Amount of this Tranche of Note specified in the relevant notice of partial redemption given by the Issuer in terms of Condition 10.2 plus interest accrued to the Early Redemption Date.

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| 4. | Redemption at the option of the Issuer: | Not Applicable |
| 5. | Redemption following a Change of Control Event: | Applicable – see Condition 10.4 |
| 6. | If "Redemption following a Change of Control Event" applicable: | |
| (a) | Mandatory Redemption Date | The date selected by the Issuer for redemption of this Tranche of Notes in terms of Condition 10.4; provided that such date shall fall no later than 30 (thirty) days of the date on which the Extraordinary Resolution is passed by the relevant Group of Noteholders, as set out in Condition 10.4. |
| (b) | Mandatory Redemption Amount | The aggregate Outstanding Principal Amount of this Tranche of Notes plus accrued interest to the Mandatory Redemption Date. |
| 7. | Section 4.17(gg) of the JSE Debt Listings Requirements | The Notes will not be "automatically redeemed on the occurrence of a trigger event" as contemplated in Section 4.17(gg) of the JSE Debt Listings Requirements. |
| 8. | Other terms applicable on redemption | Not Applicable |

E AGENTS AND SPECIFIED OFFICES

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| 1. | Issuer Agent | Rand Water |
| 2. | Specified Office of the Issuer Agent | 522 Impala Road, Glenvista 2058, Gauteng, South Africa |
| 3. | Settling Bank | The Standard Bank of South Africa Limited |
| 4. | Specified Office of the Settling Bank | 2nd Floor, 5 Simmonds Street Johannesburg 2001, South Africa |
| 5. | Transfer Agent | The Standard Bank of South Africa Limited |
| 6. | Specified Office of the Transfer Agent | 2d Floor, 5 Simmonds Street, Johannesburg 2001, South Africa |
| 7. | Issuer's CSD Participant/Settlement Agent | The Standard Bank of South Africa Limited |
| 8. | Specified Office of the Issuer's CSD Participant/Settlement Agent | 2nd Floor, 5 Simmonds Street Johannesburg 2001, South Africa |

F REGISTER CLOSED

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| 1. | Last Day to Register | Up until close of business on the Business Day immediately preceding the first day of a Books Closed Period (see Item F(2) below). |
| 2. | Books Closed Periods | The Register will be closed from 20 September to 29 September, 20 December to 29 December, 20 March to 29 March and 20 June to 29 June in each year until the Redemption Date, being the period during which |

the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of the Notes.

G GENERAL

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| 1. | Exchange control approval | Not Applicable |
| 2. | Additional selling restrictions (if any) | Not Applicable |
| 3. | International Security Identification Number (ISIN) | ZAG000177619 |
| 4. | Stock Code Number | RWL26 |
| 5. | Exchange | JSE Limited (Interest Rate Market of the JSE) |
| 6. | Debt Sponsor | The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division |
| 7. | Name of Dealer | FirstRand Bank Limited, acting through its Rand Merchant Bank division (" RMB ") |
| 8. | Stabilisation Manager (if applicable) | Not Applicable |
| 9. | Method of distribution | Dutch Auction (sealed bid without feedback) |
| 10. | Bookbuild and allocation Policy | As set out under " <i>Auction Process</i> " in the Term Sheet, dated 25 June 2021, prepared by RMB and sent to potential investors for purposes of placing the Notes |
| 11. | Pricing methodology | Not Applicable |
| 12. | Rating assigned to the Issuer, Rating Agency and date on which such Rating is expected to be reviewed | As at the Issue Date, the Issuer has a "South Africa National Scale" credit rating of zaAAA from the South African branch of Standard and Poor's Credit Market Services Europe Ltd last reviewed on 14 June 2021 (and expected to be reviewed from time to time). |
| 13. | Rating (if any) assigned to the Notes, Rating Agency and date on which such Rating is expected to be reviewed | Not Applicable |
| 14. | 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. |
| 15. | Use of proceeds | The proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes. |
| 16. | Material change | The Issuer confirms that, as at the date of signature of this Applicable Pricing Supplement, no material change in the financial or trading condition of the Issuer or any " <i>subsidiary</i> " (as defined in the Companies Act) of the Issuer has occurred since 31 December 2020 (being the end of the last financial period for which unaudited interim financial statements of the Issuer have been published). This statement has not been confirmed or verified or reviewed and reported on by the auditors of the Issuer. |

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| 17. Commercial Paper Regulations | Applicable - see Annexure "B" (<i>Commercial Paper Regulations</i>) to this Applicable Pricing Supplement |
| 18. Other relevant information | Applicable – see Annexure "A" (<i>Additional Terms and Conditions</i>) to this Applicable Pricing Supplement |
| 19. Additional terms or conditions | Applicable – see Annexure "A" (<i>Additional Terms and Conditions</i>) to this Applicable Pricing Supplement |

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make this Applicable Pricing Supplement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Applicable Pricing Supplement contains all information required by the JSE Debt Listings Requirements (and all other Applicable Laws) to appear in this Applicable Pricing Supplement.

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the annual financial statements of the Issuer, this Applicable Pricing Supplement, the "Rand Water Annual Report" of the Issuer ("**Annual Report**") and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Programme Memorandum, the annual financial statements of the Issuer, this Applicable Pricing Supplement, the Annual Reports and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum, the annual financial statements of the Issuer, this Applicable Pricing Supplement, the Annual Reports and any amendments or supplements to the aforementioned documents, and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the Notes is not to be taken in any way as an indication of the merits of the Issuer or of the Notes and, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list this Tranche 1 of Series 1 of the Notes on the Interest Rate Market of the JSE, as from 30 June 2021, pursuant to the Rand Water ZAR10,000,000,000 Domestic Medium Term Note Programme.

RAND WATER

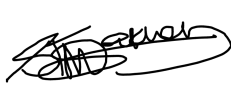
By:  _____

Name: Mr. Siphosiso Mosai

Capacity: Chief Executive

Duly authorised

Date: 28 June 2021

By:  _____

Name: Ms. Matshidiso Nyembe

Capacity: Chief Financial Officer

Duly authorised

Date: 28 June 2021

ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT – ADDITIONAL TERMS AND CONDITIONS

Sustainability-Linked Bonds Provisions

The additional terms and conditions set out below ("**Additional Terms and Conditions**") shall apply to the Tranche of Notes described in the Applicable Pricing Supplement ("**relevant Tranche of Notes**" and "**Notes**") and shall form part of the Applicable Terms and Conditions of the relevant Tranche of Notes.

The Applicable Terms and Conditions (including the Additional Terms and Conditions) of the relevant Tranche of Notes are incorporated by reference into the Certificate/s (if any) representing the Notes.

1. DEFINITIONS

Capitalised terms not defined in this Annexure "A" (*Additional Terms and Conditions*) shall have the meanings ascribed to them in the Applicable Pricing Supplement. The following expressions have the following meanings:

"**Initial Margin**" means the Margin specified in Item C(10) (*Margin*) of the Applicable Pricing Supplement;

"**Key Performance Indicators**" means the following:

- a) **Additional installed solar energy capacity**, in relation to the Issuer, means additional installed solar energy installed measured in Kilowatt Peak ("KWp") as set out in the Sustainability Table;
- b) **Additional people with access to safe and clean water**, in relation to the Issuer, means an increase in the number of people with access to safe and clean water due to the Issuer's generating capacity measured in percentage increase of the number of people as set out in the Sustainability Table ;
- c) **Female representation at supervisory to senior management levels**, in relation to the Issuer, means an increase in the total number of permanent female Issuer employees falling within bands M-Q as per the Issuer's human capital policy measured in percentage of the Issuer's total permanent employees based within bands M-Q. as set out in the Sustainability Table;

"**Key Performance Indicator Auditors**" means the Auditor-General of South Africa, as described in section 188 of the Constitution of the Republic of South Africa, 1996 and the Public Audit Act, 2004 ("**Auditor-General of South Africa**") or, failing the Auditor-General of South Africa, an independent auditor (licensed to practice in South Africa) appointed by the Issuer; provided that such auditor shall have the necessary expertise and capacity to verify the Issuer's determination that, in relation to a Target Observation Date, each of the Key Performance Indicators (and not only some of them) as at that Target Observation Date has achieved the respective Sustainability Performance Targets for that Target Observation Date;

"**Step Down Date**" means, in relation to a Sustainability Certificate, the date on which that Sustainability Certificate is delivered to the Sustainability Agent;

"**Step Down Event**" means, in relation to a Target Observation Date, the delivery of the Sustainability Certificate relating to that Target Observation Date to the Sustainability Agent;

"**Step Down Interest Period**" means, following a Step Down Event, the Interest Period commencing on 30 December of the year in which the Target Observation Date falls;

"**Step Down Margin**" means, following a Step Down Event, the Step Down Margin specified as such in the Sustainability Table;

"**Step Down Notification Date**" means, following a Step Down Event, 30 November of the year in which the Target Observation Date falls;

"**Sustainability Agent**" means FirstRand Bank Limited, acting through its Rand Merchant Bank division ("**RMB**");

"**Sustainability Certificate**" means, in relation to a Target Observation Date, the certificate signed by the Key Performance Indicator Auditors verifying the Issuer's determination that each of the Key Performance Indicators (and not only some of them) as at that Target Observation Date has achieved the respective Sustainability Performance Targets for that Target Observation Date, to the satisfaction of the Key Performance Indicator Auditors, and showing the calculation or quantification of the Key Performance Indicators;

"**Sustainability Certificate Delivery Date**" means, in relation to a Target Observation Date, 15 November of the year in which that Target Observation Date occurs;

"**Sustainability Performance Target**" means, in relation to each Key Performance Indicator, the target specified as such in the Sustainability Table;

"**Sustainability Table**" means, in relation to a Target Observation Date, the table at the end of this Annexure "A" headed "*Sustainability Table*" which applies in respect of that Target Observation Date;

"**Target Observation Date**" means 30 June 2023 and 30 June 2025, being the date as at which the performance of each Key Performance Indicator against each Sustainability Performance Target is determined.

2. SUSTAINABILITY INTEREST RATE ADJUSTMENTS

- 2.1 The Issuer shall, as soon as may be practicable following the Target Observation Date, request the Key Performance Indicator Auditors to determine whether or not each of the Key Performance Indicators (and not only some of them) as at that Target Observation Date has achieved the respective Sustainability Performance Targets for that Target Observation Date.
- 2.2 If the Key Performance Indicator Auditors determine that each of the Key Performance Indicators (and not only some of them) as at a Target Observation Date has achieved the respective Sustainability Performance Targets for that Target Observation Date:
- 2.2.1 the Issuer shall procure that the Key Performance Indicator Auditors finalise, sign and certify the Sustainability Certificate relating to that Target Observation Date by no later 10 November of the year in which that Target Observation Date falls;
- 2.2.2 the Issuer shall procure that the Sustainability Certificate, duly signed and certified by the Key Performance Indicator Auditors, is delivered to the Sustainability Agent by no later than 15 November of the year in which that Target Observation Date occurs;
- 2.2.3 following delivery of the Sustainability Certificate to the Sustainability Agent, the Issuer shall procure that the Sustainability Agent notifies the Noteholders *mutatis mutandis* in accordance with Condition 18 ("**Step Down Notification**") of the occurrence of the Step Down Event, such Step Down Notification to be made by no later than the Step Down Notification Date;
- 2.2.4 the Step Down Notification shall be irrevocable and shall:
- a) specify the Step Down Margin for the Step Down Interest Period;
 - b) specify the Step Down Date;
 - c) be signed by two directors or authorised officers of the Issuer; and
 - d) be accompanied by a copy of the Sustainability Certificate.
- 2.3 Following the occurrence of a Step Down Event in relation to the first Target Observation Date (30 June 2023), the Initial Margin for the Step Down Interest Period (and, subject to clauses 2.4 and 2.6 below, for each successive Interest Period thereafter) shall be decreased by the Step Down Margin, and all references to "Margin" in the Applicable Pricing Supplement shall be construed accordingly.
- 2.4 Following the occurrence of a Step Down Event in relation to the second Target Observation Date (30 June 2025), the then applicable Margin (being either (i) the Initial Margin, if no Step Down Event occurred in relation to the first Target Observation Date) or (2) the Initial Margin less the Step Down Margin, if a Step Down Event did occur in relation to the first Target Observation Date, as the case may be) for the Step Down Interest Period (and for each successive Interest Period thereafter) shall be decreased by the Step Down Margin, and all references to "Margin" in the Applicable Pricing Supplement shall be construed accordingly.
- 2.5 Neither the Sustainability Agent nor the Noteholders shall be obliged to monitor or inquire as to whether or not a Step Down Event has occurred and the Sustainability Agent shall be entitled to rely absolutely on any notice and/or certificate given to it by the Issuer and/or the Key Performance Indicator Auditors without further enquiry or liability.
- 2.6 Subject to clause 2.4 above, the provisions of this clause 2 shall be repeated, and shall apply *mutatis*

mutandis, in respect of each Target Observation Date following the first Target Observation Date (30 June 2023).

3. SUSTAINABILITY TABLE

Theme	Applicable UN Sustainability Development Goal	Key Performance Indicator	Unit of Measurement	Target Observation Date 1 (30 June 2023)		Target Observation Date 2 (30 June 2025)
				Baseline	Sustainability Performance Target	Sustainability Performance Target
Renewable Energy	UN SDG 7	Additional installed solar energy capacity	KWp	0 (2021)	5 192	495 (5 677 cumulative)
Access to potable water	UN SDG 6	Additional people with access to safe and clean water	% increase in installed capacity	12 000 000 (2020)	5.25% (630 000 number of people)	8.75% (1 050 000 number of people)
Gender Equality	UN SDG 5	Female representation at supervisory to senior management levels (M-Q)	%	35% (2021)	≥ 40%	≥45%
					Target Observation Date1 (30 June 2023)	Target Observation Date2 (30 June 2025)
Step-Down Margin (maximum pricing benefit as at each Target Observation Date)					0.05%	0.05%

ANNEXURE "B" TO THE APPLICABLE PRICING SUPPLEMENT- COMMERCIAL PAPER REGULATIONS

Disclosure requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

This Annexure "A" relates to the Tranche of Notes described in the Applicable Pricing Supplement ("**relevant Tranche of Notes**" and "**Notes**").

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

Capitalised terms not defined in this Annexure "A" shall have the meanings ascribed to them in the Applicable Pricing Supplement.

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. Issuer and Ultimate Borrower (*paragraph 3(5)(a) of the Commercial Paper Regulations*)

The Issuer of the relevant Tranche of Notes is Rand Water (deemed to have been established in terms of section 84 of the Water Services Act, 1997).

The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.

2. Going concern (*paragraph 3(5)(b) of the Commercial Paper Regulations*)

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.

3. Auditor (*paragraph 3(5)(c) of the Commercial Paper Regulations*)

The auditor of the Issuer as at the Issue Date is the Auditor-General of South Africa, as described in section 188 of the Constitution of the Republic of South Africa, 1996 and the Public Audit Act, 2004 ("**Auditor-General of South Africa**"). The Auditor-General of South Africa has acted as the auditors of the Issuer's latest audited financial statements.

However, the Issuer has, with the agreement of the Auditor-General of South Africa, appointed Nexia SAB&T for purposes of preparing the auditors confirmation confirming compliance with the Commercial Paper Regulations for purposes of paragraph 10 below.

4. Total amount of Commercial Paper (*paragraph 3(5)(d) of the Commercial Paper Regulations*)

a) The Issuer has, prior to the Issue Date, issued "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR2,670,000,000.

b) As at Issue Date, 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) in an aggregate amount of ZAR0 during the Issuer's current financial year (excluding the relevant Tranche of Notes).

5. Other information (*paragraph 3(5)(e) of the Commercial Paper Regulations*)

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

6. Material adverse change (*paragraph 3(5)(f) of the Commercial Paper Regulations*)

Save as disclosed in the Programme Memorandum, there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

7. Listing (*paragraph 3(5)(g) of the Commercial Paper Regulations*)

The relevant Tranche of Notes will be listed on the Interest Rate Market of the JSE.

8. Use of proceeds (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

The Issuer will use the proceeds from the issue of the relevant Tranche of Notes for its general corporate purposes.

9. Security (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

The relevant Tranche of Notes is unsecured.

10. Auditors confirmation (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

Nexia SAB&T has confirmed in writing that nothing has come to its attention which causes it to believe that the issue of the relevant Tranche of Notes under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

11. Audited financial statements (*paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations*)

Where, in relation to the issue and placing of the relevant Tranche of Notes, the Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Programme Memorandum and/or the Applicable Pricing Supplement, as required by the Commercial Paper Regulations.