



BNP PARIBAS

**BNP PARIBAS,
acting through its South Africa branch**

*(Incorporated under number 662 042 449 in France and
registered as an external company under registration number K2011/100541/10 in the Republic of South Africa)*

ZAR10,000,000,000 Domestic Note Programme

Under this ZAR10,000,000,000 Domestic Note Programme (the **Programme**), BNP Paribas, acting through its South Africa branch (the **Issuer**) may from time to time issue notes (the **Notes**) subject to all Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant authority, the debt listings requirements of the JSE Limited (the **JSE**) or such other Financial Exchange(s), that are subject to the terms and conditions (the **Terms and Conditions**) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the **Applicable Pricing Supplement**).

Capitalised terms used in this Programme Memorandum (as defined herein) are defined in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*", unless separately defined, and/or in relation to a Tranche of Notes, in the Applicable Pricing Supplement.

As at the Programme Date (as defined herein), the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR10,000,000,000 unless such amount is increased by the Issuer pursuant to the section of this Programme Memorandum headed "*General Description of the Programme*".

The Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes and/or such combination of the foregoing Notes and/or such other type of Notes as may be determined by the Issuer and the relevant Dealer(s) and specified in the Applicable Pricing Supplement. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. A copy of the Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD (as defined herein), before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The placement of a Tranche of unlisted Notes may (at the sole discretion of the Issuer) be reported through the JSE reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section headed "*Summary of Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis. References in this Programme Memorandum to the "**relevant Dealer**" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

As at the Programme Date, BNP Paribas and the Programme are rated however the Issuer is not rated. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement.

Global Coordinator
BNP Paribas

Arrangers
BNP Paribas

Investec Bank Limited, acting through its Corporate and Institutional Banking division
Rand Merchant Bank, a division of FirstRand Bank Limited

Dealers

Absa Corporate and Investment Bank, a division of Absa Bank Limited
Investec Bank Limited, acting through its Corporate and Institutional Banking division
Nedbank Capital, a division of Nedbank Limited
Rand Merchant Bank, a division of FirstRand Bank Limited

The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking Division

JSE Debt Sponsor

Rand Merchant Bank, a division of FirstRand Bank Limited

Programme Memorandum dated 15 October 2014.

GENERAL

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

The Issuer accepts full responsibility for the information contained in this Programme Memorandum and all documents incorporated by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Programme Memorandum is in accordance with the facts and does not omit any fact which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Programme Memorandum contains all information required by law and the debt listings requirements of the JSE.

The JSE takes no responsibility for the contents of this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time), makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum, any Applicable Pricing Supplements, or the annual reports of the Issuer (as amended or restated from time to time).

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates all information which is material in the context of the issue and the offering of Notes, that the information contained or incorporated in this Programme Memorandum is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Programme Memorandum are honestly held and that there are no other facts, the omission of which would make this Programme Memorandum or any of such information or expression of any such opinions or intentions misleading in any material respect.

This document is to be read and construed with any amendment or supplement thereto (this document, as amended or supplemented, the **Programme Memorandum**) and in conjunction with any other documents which are deemed to be incorporated herein by reference (see the section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

The Global Coordinator, Arrangers, the Dealers, the JSE Debt Sponsor or any of their respective subsidiary or holding companies or a subsidiary of their holding company (**Affiliates**), other professional advisers named herein and the JSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Global Coordinator, Arrangers, the Dealers, the JSE Debt Sponsor nor any of their Affiliates or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Global Coordinator, Arrangers, the Dealers, the JSE Debt Sponsor and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No Person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Global Coordinator, the Arrangers, the Dealers, the JSE Debt Sponsor or other professional advisers.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Global Coordinator, the Arrangers, the Dealers, the JSE Debt Sponsor and other professional advisers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each Person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in this Programme Memorandum and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Global Coordinator, the Arrangers, or any of the Dealers to any Person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum nor any Applicable Pricing Supplement nor the offering, sale or delivery of any Note shall at any time imply that the information contained herein is correct at any time subsequent to the date hereof, or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Global Coordinator, Arrangers, the Dealers, the JSE Debt Sponsor and other professional advisers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements, if any, of the Issuer, when deciding whether or not to subscribe for, or purchase, any Notes.

Neither this Programme Memorandum nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes. The distribution of this Programme Memorandum and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Memorandum or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Global Coordinator, the Arrangers, the Dealers, the JSE Debt Sponsor and other professional advisers to inform themselves about, and observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Programme Memorandum or any Applicable Pricing Supplement and other offering material relating to the Notes, see the section headed "*Subscription and Sale*".

None of the Issuer, the Global Coordinator, the Arrangers, the Dealers, the JSE Debt Sponsor nor other professional advisers represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Global Coordinator, the Arrangers, the Dealers, the JSE Debt Sponsor or other professional advisers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Dealers have represented that all offers and sales by it will be made on the same terms.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Notes may not be offered, sold or delivered within the United States or to U.S. Persons except in accordance with Regulation S under the Securities Act.

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DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) BNP Paribas's document de référence et rapport financier annuel in English for 2011 (the **2011 Registration Document**), BNP Paribas's document de référence et rapport financier annuel in English for 2012 (the **2012 Registration Document**) and BNP Paribas's document de référence et rapport financier annuel in English for 2013 (the **2013 Registration Document**), each as supplemented and updated from time to time, which incorporate a free English translation of the audited consolidated financial statements of BNP Paribas as at, and for the years ended, 31 December 2011, 31 December 2012 and 31 December 2013, respectively, together with the free English translation of the respective statutory auditors' reports thereon;
- (c) the first update, the second update and the third update to the 2013 Registration Document, and any further update to the 2013 Registration Document and BNP Paribas's document de référence in English for any financial year after the Programme Date, as supplemented and updated from time to time which incorporates a free English translation of the audited consolidated annual financial statements of BNP Paribas, together with the free English translation of the respective statutory auditors' reports thereon, as and when such document becomes available;
- (d) BNP Paribas's document de référence et rapport financier annuel in English (the **Registration Document**) in respect of any further financial years, each as supplemented and updated from time to time, as and when the same become available;
- (e) the audited annual financial statements of the Issuer, for the financial year ended 31 December 2013 together with such statements, reports and notes attached to or intended to be read with such financial statements, and the audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when the same become available;
- (f) the unaudited interim financial statements of the Issuer (if any), together with such statements, reports and notes attached to or intended to be read with such unaudited interim financial statements, in respect of further financial years, as and when such unaudited interim financial statements become available;
- (g) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme; and
- (h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which will be electronically submitted through the Stock Exchange News Service (**SENS**) or similar service established by the JSE, to SENS subscribers, if required,

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

Notwithstanding the foregoing, any section entitled "Person Responsible" and any reference to a completion letter ("*lettre de fin de travaux*") included in any of the foregoing documents shall not be deemed incorporated herein.

The Issuer will, for as long as any Note remains Outstanding, provide at its registered office as set out at the end of this Programme Memorandum, without charge, to any Person, upon request of such Person, a copy of the Programme Memorandum and all of the documents which are incorporated

herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided, including the most recently obtained beneficial disclosure report made available by the Participant to the CSD. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. The constitutive documents of the Issuer will also be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

This Programme Memorandum, any amendments and/or supplements thereto, the Applicable Pricing Supplements relating to any issue of listed Notes and the audited annual financial statements of the Issuer are also available on the Issuer's website at <http://southafrica.bnpparibas.com>. BNP Paribas's audited consolidated financial statements are available on its website at <http://invest.bnpparibas.com/en/pid5858/financial-statement.html>. In addition, this Programme Memorandum, any amendments and/or supplements thereto, and the Applicable Pricing Supplements relating to any issue of listed Notes will be filed with the JSE which will publish such documents on its website at <http://www.jse.co.za>. This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Arrangers and the Dealers or their Affiliates, the JSE Debt Sponsor or other professional advisors to any Person in any jurisdiction to subscribe for or purchase any Notes.

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

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

provided that, in the circumstances set out in paragraphs (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's audited annual financial statements if such audited annual financial statements are incorporated by reference into this Programme Memorandum and such audited annual financial statements are published, as required by the Companies Act, and submitted to the JSE.

GENERAL DESCRIPTION OF THE PROGRAMME

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

The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to Applicable Laws. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange. If the Issuer issues a Tranche of unlisted Notes or a Tranche of Notes is listed on any Financial Exchange other than (or in addition to) the JSE, the Issuer will, by no later than the last Day of the month of issue of that Tranche of Notes, inform the JSE in writing of the aggregate Nominal Amount and the Maturity Date (if any) of that Tranche of Notes.

This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which does not exceed ZAR10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate Nominal Amount of the Notes issued under the Programme from time to time, the South African Rand equivalent of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of agreement to issue such Notes (the **Agreement Date**) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the **Conversion Rate**) and in respect of:

- (a) Zero Coupon Notes and other Notes, the Conversion Rate shall be applied to the net subscription proceeds received by the Issuer for the relevant issue; and
- (b) Partly-Paid Notes and Index-Linked Notes, the Conversion Rate shall be applied to the Nominal Amount regardless of the amount paid up on such Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement (as defined in the section headed "*Subscription and Sale*"), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions, and to the Arrangers, the Dealer(s), the JSE and the CSD. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to exercise this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

This Programme Memorandum will only apply to Notes issued under the Programme on or after the Programme Date.

A summary of the Programme and the Terms and Conditions appears below.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Capitalised terms used in this section headed "Summary of the Programme" shall bear the same meanings as used in the Terms and Conditions.

PARTIES

Issuer	BNP Paribas, acting through its South Africa branch incorporated under the laws of France under number 662 042 449 and registered as an external company under registration number K2011/100541/10 in accordance with the company laws of South Africa and authorised to conduct " <i>the business of a bank</i> " as a branch in South Africa.
Global Coordinator	BNP Paribas.
Arrangers	BNP Paribas; Investec Bank; and RMB.
Dealers	Absa; Investec Bank; Nedbank Capital; RMB; Standard Bank, and any additional Dealers appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of such Dealer.
Transfer Agent	Standard Bank, or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
Paying Agent	Standard Bank, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent, as specified in the Applicable Pricing Supplement.
Calculation Agent	The entity appointed by the Issuer as Calculation Agent, as specified in the Applicable Pricing Supplement.
JSE Debt Sponsor	RMB, or such other entity appointed by the Issuer from time to time.
CSD	Strate Limited (registration number 1998/022242/06), registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
JSE	The JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE.

GENERAL

Blocked Rands	Blocked Rands may be used to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.
Clearing and Settlement	Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the JSE. Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD (see the section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfers of Notes</i> ").
Denomination	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
Description of Programme	BNP Paribas, South Africa branch ZAR10,000,000,000 Domestic Note Programme.
Distribution	Notes may be distributed by way of private placement, auction or bookbuild or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Form of Notes	Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, and will be held in the CSD. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing Law	The Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date.
Interest Period(s)/Interest Payment Date(s)	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Issue and Transfer Taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable in South Africa in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " <i>Taxation</i> "). Any transfer

duties and/or taxes that may apply in South Africa or elsewhere in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.

Issue Price

Notes may be issued on a fully paid or a partly paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.

Listing

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

Maturities of Notes

Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.

Notes

Notes may comprise:

Fixed Rate Notes

Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Notes

Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement.

The Margin (if any) relating to such Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) for each issue of Floating Rate Notes, as indicated in the Applicable Pricing Supplement.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the Applicable Pricing Supplement.

The Interest Period for Floating Rate Notes may be 1 (one), 2 (two), 3 (three),

	6 (six) or 12 (twelve) months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes will be issued at a discount to their Nominal Amount and will not bear interest (except in the case of late payment as specified).
Index-Linked Notes	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.
Mixed Rate Notes	Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index-Linked Notes or Dual Currency Notes, each as specified in the Applicable Pricing Supplement.
Instalment Notes	The Applicable Pricing Supplement will set out the dates on which, and the amounts in which, Instalment Notes may be redeemed.
Partly Paid Notes	The Issue Price will be payable in two or more instalments as set out in the Applicable Pricing Supplement.
Exchangeable Notes	Exchangeable Notes may be redeemed by the Issuer in cash or by the delivery of securities, as specified in the Applicable Pricing Supplement.
Other Notes	Terms applicable to any other type of Notes that are approved by the JSE, or its successor, or such other or further exchange or exchanges as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

Noteholders

The holders of Notes which are recorded as the registered Noteholders of those Notes in the Register. The CSD's Nominee will be named in the Register as the registered Noteholder of each Tranche of Notes which is held in the CSD. Each holder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

Rating

As at the Programme Date, BNP Paribas and the Programme are rated however the Issuer is not rated. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement.

A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, could adversely affect the trading price of all or any of the Notes.

Redemption

A tranche of Notes will, subject to the Applicable Pricing Supplement, be redeemed on the Maturity Date, as set out in Condition 8.1 (*Redemption at Maturity*).

The Issuer may redeem the Notes prior to the Maturity Date for tax reasons, as set out in Condition 8.2 (*Redemption for Tax Reasons*).

If "*Early Redemption at the Option of the Issuer*" is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 8.3 (*Redemption at the Option of the Issuer*), the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 17 (*Notices*), redeem the Tranche of Notes on any Optional Redemption Date(s), or unless otherwise set out in the Applicable Pricing Supplement.

If "*Redemption at the Option of Noteholders*" is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days notice (or such other period of notice as may be specified in the Applicable Pricing Supplement), require the Issuer to redeem Notes on any Optional Redemption Date in the manner specified in Condition 8.4 (*Redemption at the Option of the Noteholders*) and the Applicable Pricing Supplement.

Selling Restrictions

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, France, the United Kingdom, the European Economic Area and South Africa (see the section of this Programme Memorandum headed "*Subscription and*

Sale"). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

Size of the Programme

As at the Programme Date, the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in the section of this Programme Memorandum headed "*General Description of the Programme*". The Programme Amount at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.

Specified Currency

South African Rand or, subject to all Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE and the debt listings requirements of the JSE, such other currency as is specified in the Applicable Pricing Supplement.

Status of Notes

The Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

Taxation

A summary of the applicable tax legislation in respect of the Notes, as at the Programme Date, is set out in the section of this Programme Memorandum headed "*Taxation*". The summary does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential tax consequences of, and their tax positions in respect of, an investment in the Notes.

Terms and Conditions

The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed "*Terms and Conditions of the Notes*". The Applicable Pricing Supplements may specify other terms and conditions (which may replace, modify or supplement the Terms and Conditions) in relation to specific terms and conditions of the Notes of any Tranche of Notes issued.

Use of Proceeds

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

Withholding Taxes

As at the Programme Date, all payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in South Africa or France unless such withholding or deduction is required by law. In the event that withholding tax or such other deduction is required by South African or French law, then the Issuer will, subject to certain exceptions as provided in Condition 9 (*Taxation*), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts

of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction.

FORM OF THE NOTES

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

Notes issued in certificated form

All certificated Notes will be represented by a single Individual Certificate in registered form. Notes represented by Individual Certificates will be registered in the Register in the name of the individual Noteholders of such Notes.

Title to Notes represented by Individual Certificates will pass upon registration of transfer in accordance with Condition 12.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

The Issuer shall regard the Register as the conclusive record of title to the Notes represented by Individual Certificates.

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 7 (*Payments*) of the Terms and Conditions to the Person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the payment obligations of the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Notes issued in uncertificated form

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Tranche of Notes issued in uncertificated form will be held by the CSD, and the CSD's Nominee will be named in the Register as the registered Noteholder of that Tranche of Notes.

Beneficial Interests in Notes held in the CSD

A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD. While a Tranche of Notes is held in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

The CSD will hold each Tranche of Notes subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

The CSD maintains central securities accounts only for Participants. As at the Programme Date, the Participants are Absa Bank Limited, Citibank N.A., South Africa branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.

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

In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular outstanding Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to

the outstanding Nominal Amount of such Notes standing to the account of any Person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered Noteholder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that outstanding Nominal Amount of such Notes for all purposes.

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

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 10 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Terms and Conditions.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement that will be completed for each Tranche of Notes issued under the Programme:

**BNP PARIBAS**

**BNP PARIBAS,
acting through its South Africa branch**

*(Incorporated under number 662 042 449 in France and
registered as an external company under registration number K2011/100541/10 in the Republic of South Africa)*

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Under its ZAR10,000,000,000 Domestic Note Programme

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 15 October 2014, prepared by BNP Paribas, acting through its South Africa branch in connection with the BNP Paribas, South Africa branch ZAR10,000,000,000 Domestic Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

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

PARTIES

1.	Issuer	BNP Paribas, acting through its South Africa branch
2.	Dealer	[]
3.	Managers	[]
4.	Debt Sponsor	[]
5.	Paying Agent	[]
	Specified Address	[]
6.	Calculation Agent	[]
	Specified Address	[]
7.	Transfer Agent	[]
	Specified Address	[]

PROVISIONS RELATING TO THE NOTES

8.	Status of Notes	Unsecured
9.	Series Number	[]
10.	Tranche Number	[]

11. Aggregate Nominal Amount:
- (a) Series []
- (b) Tranche []
12. Interest [Interest-bearing/Non-interest-bearing]
13. Interest Payment Basis [[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked/Dual Currency/Partly Paid /Instalment] Notes/other]
14. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another [Insert details including date for conversion]
15. Form of Notes The Notes in this Tranche are issued in [uncertificated form and held by the CSD] / [certificated form and represented by an Individual Certificate(s)]
16. Issue Date []
17. Nominal Amount per Note []
18. Specified Denomination []
19. Specified Currency []
20. Issue Price []
21. Interest Commencement Date []
22. Maturity Date []
23. Applicable Business Day Convention [Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]/[Not adjusted]
24. Final Redemption Amount []
25. Last Day to Register []
26. Books Closed Period(s) The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
27. Default Rate []

FIXED RATE NOTES

28. (a) Fixed Rate of Interest [] percent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Fixed Interest Payment Date(s) [] in each year up to and including the Maturity Date/other
- (c) Fixed Coupon Amount(s) [] per [] in Nominal Amount
- (d) Initial Broken Amount []
- (e) Final Broken Amount []
- (f) Interest Determination Date(s) []
- (g) Day Count Fraction []
- (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

29. (a) Floating Interest Payment Date(s) []
- (b) Interest Period(s) []
- (c) Definition of Business Day (if different from that set out in Condition 1) (*Interpretation*) []
- (d) Minimum Rate of Interest [] percent per annum
- (e) Maximum Rate of Interest [] percent per annum
- (f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []
30. Manner in which the Rate of Interest is to be determined [ISDA Determination / Screen Rate Determination/other – insert details]
31. Margin [(...) basis points to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
32. If ISDA Determination
- (a) Floating Rate []
- (b) Floating Rate Option []
- (c) Designated Maturity []
- (d) Reset Date(s) []
- (e) ISDA Definitions to apply []
33. If Screen Determination:
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) []
- (b) Interest Determination Date(s) []
- (c) Relevant Screen Page and Reference Code []
34. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fallback provisions []
35. Calculation Agent responsible for calculating amount of principal and interest []

ZERO COUPON NOTES

36. (a) Implied Yield []
- (b) Reference Price Percent[NACA] [NACM] [NACQ] [NACS] [other method of compounding]

- (c) Any other formula or basis for determining amount(s) payable []

PARTLY PAID NOTES

37. (a) Amount of each payment comprising the Issue Price []
- (b) Dates upon which each payment is to be made by Noteholder []
- (c) Consequences (if any) of failure to make any such payment by Noteholder []
- (d) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments [] percent per annum

INSTALMENT NOTES

38. Instalment Dates []
39. Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes) []

MIXED RATE NOTES

40. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:
- (a) Fixed Rate Notes []
- (b) Floating Rate Notes []
- (c) Index-Linked Notes []
- (d) Dual Currency Notes []
- (e) Other Notes []
41. The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

INDEX-LINKED NOTES

42. (a) Type of Index-Linked Notes [Indexed Interest Notes / Indexed Redemption Amount Notes]
- (b) Index/Formula by reference to which Interest Rate / Interest Amount is to be determined []
- (c) Manner in which the Interest Rate / Interest Amount is to be determined []
- (d) Interest Period(s) []
- (e) Interest Payment Date(s) []

- (f) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable []
- (g) Definition of Business Day (if different from that set out in Condition 1 (*Interpretation*)) []
- (h) Minimum Rate of Interest [] percent per annum
- (i) Maximum Rate of Interest [] percent per annum
- (j) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision) []

DUAL CURRENCY NOTES

43. (a) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- (b) Rate of Exchange/method of calculating Rate of Exchange []
 - (c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable []
 - (d) Person at whose option Specified Currency(ies) is/are payable []

EXCHANGEABLE NOTES

44. (a) Mandatory Exchange applicable? [Yes/No]
- (b) Noteholders' Exchange Right applicable? [Yes/No]
 - (c) Exchange Securities []
 - (d) Manner of determining Exchange Price []
 - (e) Exchange Period []
 - (f) Other []

OTHER NOTES

45. If the Notes are not Partly Paid Notes, Instalment Notes, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Index-linked Notes, Dual Currency Notes or Exchangeable Notes or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional Terms and Conditions relating to such Notes. []

PROVISIONS REGARDING REDEMPTION/MATURITY

46. Redemption at the Option of the Issuer: [Yes/No]
- If yes:
- (a) Optional Redemption Date(s) []
 - (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) []
 - (c) Minimum period of notice (if different from Condition 8.3 (*Redemption at the Option of the Issuer*)) []
 - (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
 - (e) Other terms applicable on Redemption []
47. Redemption at the Option of the Noteholders: [Yes/No]
- if yes:
- (a) Optional Redemption Date(s) []
 - (b) Optional Redemption Amount(s) []
 - (c) Minimum period of notice (if different from Condition 8.4 (*Redemption at the Option of the Noteholders*)) []
 - (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
 - (e) Other terms applicable on Redemption []
 - (f) Attach *pro forma* put notice(s) []
48. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required or if different from that set out in Condition 8.5 (*Early Redemption Amounts*)). [Yes/No]
- If no:
- (a) Amount payable; or []

(b) Method of calculation of amount payable []

GENERAL

- 49. Financial Exchange []
- 50. Nominal Amount of Notes Outstanding as at the Issue Date (excluding this Tranche of Notes) []
- 51. Additional selling restrictions []
- 52. ISIN No. []
- 53. Stock Code []
- 54. Method of distribution [Auction/Bookbuild/Private Placement]
- 55. Credit Rating assigned to the [Issuer]/[Programme]/[Notes] [] *[issue date and renewal date of rating to be specified]*
- 56. Applicable Rating Agency []
- 57. Governing law (if the laws of South Africa are not applicable) []
- 58. Other provisions *[Other Events of Default in addition to the Events of Default referred to in Condition 15 (Events of Default)]*
[Other covenants, provisions]

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE.

Application **[is hereby]/[will not be]** made to list this issue of Notes **[on • ••••]**.

SIGNED at _____ on this _____ day of _____ 20●● .

For and on behalf of
BNP PARIBAS,
acting through its South Africa branch

Name:
Capacity:
Who warrants his/her authority hereto

Name:
Capacity:
Who warrants his/her authority hereto

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note. A Tranche of Notes will be issued on, and subject to, the below Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement.

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE or such other or further Financial Exchange(s) and the CSD a pricing supplement based on the *pro forma* Applicable Pricing Supplement included in the Programme Memorandum setting out details of such Notes. The Issuer may determine that particular Notes will not be listed on the Interest Rate Market of the JSE or such other Financial Exchanges and, in that case, no Applicable Pricing Supplement will be delivered to JSE or such other or further Financial Exchange(s).

If there is any conflict or inconsistency between provisions set out in the Applicable Pricing Supplement and the provisions set out in these Terms and Conditions of the Notes, then the provisions in the Applicable Pricing Supplement will prevail.

Capitalised terms and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings:

Absa	Absa Corporate and Investment Bank, a division of Absa Bank Limited (registration number 1986/004794/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
Applicable Laws	in relation to any Person, all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that Person;
Applicable Pricing Supplement	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of this Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ";
Applicable Procedures	the rules and operating procedures for the time being of the CSD, the Participants and the debt listings requirements of the JSE and/or any other Financial Exchange;
Bail-in Power	any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France in effect and applicable in France to the Issuer (or any successor entity thereof), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit

institutions and investment firms and/or within the context of a French resolution regime under the French monetary and financial code, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person. For the avoidance of doubt "**Bail-In Power**" shall include any statutory cancellation, write-down and/or conversion power existing from time to time which may be exercised by the Relevant Resolution Authority in France pursuant to the laws of South Africa or to a binding agreement between France and South Africa;

Banks Act	the Banks Act, 1990;
Beneficial Interest	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate outstanding Nominal Amount of all of the Notes in that Tranche, as provided in section 37(3) of the Financial Markets Act;
BESA Guarantee Fund Trust	the guarantee fund trust established and operated by the Bond Exchange of South Africa Limited (BESA), prior to its merger with the JSE on 22 June 2009 and, as at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
BNP Paribas	BNP Paribas, a French law <i>société anonyme</i> registered with the <i>Registre du Commerce et des Sociétés</i> under number 662 042 449 in Paris and licensed as a bank in accordance with the company and banking laws of France;
Books Closed Period	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered in order to determine those Noteholders entitled to receive principal and/or interest;
Business Day	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg, save further that if the Applicable Pricing Supplement so provides, " Business Day " shall include a Saturday;
Calculation Agent	the entity appointed by the Issuer as Calculation Agent, as specified in the Applicable Pricing Supplement;
Class of Noteholders	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
Companies Act	the Companies Act, 2008;
CSD	Strate Limited (registration number 1998/022242/06), or its nominee, licensed as a central securities depository in terms of the Financial Markets Act or any successor depository, or any additional or alternate depository approved by the Issuer;
CSD's Nominee	a wholly owned subsidiary of the CSD approved by the Registrar of Securities Services in terms of the Financial Markets 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 Financial Markets Act;

Day

a Gregorian calendar day unless qualified by the word "*Business*";

Day Count Fraction

in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the **Calculation Period**), the Day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:

- (a) if **Actual/365** or **Act/365** is so specified, means the actual number of Days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of Days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of Days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if **Actual/Actual (ICMA)** is so specified, means:
 - 1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of Days in the Calculation Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
 - 2. where the Calculation Period is longer than one Regular Period, the sum of:
 - a. the actual number of Days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and
 - b. the actual number of Days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (c) if **Actual/Actual** or **Actual/Actual (ISDA)** is so specified, means the actual number of Days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of Days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of Days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (d) if **Actual/365 (Fixed)** is so specified, means the actual number of Days in the Calculation Period divided by 365;
- (e) if **Actual/360** is so specified, means the actual number of Days in the Calculation Period divided by 360;
- (f) if **30/360**, **360/360** or **Bond Basis** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

Y_1 is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

D_1 is the first Day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

D_2 is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(g) if **30E/360** or **Eurobond Basis** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

Y_1 is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

D_1 is the first Day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D_1 will be 30; and

D_2 is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31, in which case D_2 will be 30; and

(h) if **30E/360 (ISDA)** is so specified, means the number of Days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

where:

Y_1 is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y_2 is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

M_1 is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

M_2 is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

D_1 is the first Day, expressed as a number, of the Calculation Period unless (i) that Day is the last Day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless (i) that Day is the last Day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

Dealers	Absa, Investec Bank, Nedbank Capital, RMB, Standard Bank, and/or any other entity appointed as a Dealer by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any such Dealer, as indicated in the Applicable Pricing Supplement;
Default Rate	in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;
Dual Currency Notes	Notes which pay interest in a base currency and the principal in a non-base currency or <i>vice versa</i> , as indicated in the Applicable Pricing Supplement;
Early Redemption Amount	in relation to a Tranche of Notes, the amount, as set out in Condition 8.5 (<i>Early Redemption Amounts</i>), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Conditions 8.2 (<i>Redemption for Tax Reasons</i>), 8.3 (<i>Redemption at the Option of the Issuer</i>), 8.4 (<i>Redemption at the Option of the Noteholders</i>);
Event of Default	in relation to a Series of Notes, any of the events described in Condition 15 (<i>Events of Default</i>);
Exchangeable Notes	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
Exchange Control Regulations	the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;
Exchange Period	in relation to a Tranche of Notes, in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
Exchange Price	in relation to a Tranche of Exchangeable Notes, the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;

Exchange Securities	in relation to a Tranche of Exchangeable Notes, the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of the Exchangeable Notes to the value of the Exchange Price;
Extraordinary Resolution	a resolution passed at a meeting (duly convened) of the Noteholders or a Class of Noteholders, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point sixty-seven percent) of the Persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty-six point sixty-seven percent) of the votes given on such poll;
Final Broken Amount	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
Final Redemption Amount	in relation to a Tranche of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date;
Financial Exchange	the JSE and/or such other or additional financial exchange(s) as may be determined by the Issuer and the relevant Dealer, subject to Applicable Laws, and upon which the Notes are listed as specified in the Applicable Pricing Supplement;
Financial Markets Act	the Financial Markets Act, 2012;
Fixed Coupon Amount	in relation to a Tranche of Fixed Rate Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement;
Fixed Interest Payment Date	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
Fixed Interest Period	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement;
Fixed Rate Notes	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
Fixed Rate of Interest	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;
Floating Rate Notes	Notes which will bear interest at a Floating Rate Interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 6.2 (<i>Floating Rate Notes and Indexed Interest Notes</i>);
Floating Rate	in relation to a Tranche of Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement;
Higher Redemption Amount	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
IFRS	the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);
Implied Yield	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the Applicable Pricing Supplement;
Income Tax Act	Income Tax Act, 1962;

Indexed Interest Notes	Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;
Index-Linked Notes	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable and as indicated in the Applicable Pricing Supplement;
Indexed Redemption Amount Notes	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
Individual Certificate	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 10 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>) and any further certificate issued in consequence of a transfer thereof;
Initial Broken Amount	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;
Instalment Amount	in relation to a Tranche of Instalment Notes, the amount expressed (in the Applicable Pricing Supplement) as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
Instalment Notes	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
Instalment Dates	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
Interest Amount	in relation to a Tranche of Notes, the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Interest Notes, as determined by the Calculation Agent in accordance with Condition 6 (<i>Interest</i>);
Interest Commencement Date	in relation to a Tranche of Notes (where applicable) the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
Interest Determination Date	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
Interest Payment Date	in relation to a Tranche of Notes, the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last Day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
Interest Period	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
Interest Rate and Rate of Interest	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
Interest Rate Market of the JSE	the separate platform or sub-market of the JSE designated as the " <i>Interest Rate Market</i> ", or such other platform or sub-market designated by the JSE from time to time, and on which Notes (and other debt securities) may be listed;

Investec Bank	Investec Bank Limited, acting through its Corporate and Institutional Banking division (registration number 1969/004763/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
ISDA	the International Swaps and Derivatives Association Inc.;
ISDA Definitions	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
Issue Date	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
Issue Price	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
Issuer	BNP Paribas, acting through its South Africa branch incorporated under the laws of France under number 662 042 449 and registered as an external company under registration number K2011/100541/10 in accordance with the company laws of South Africa and authorised to conduct the business of a bank as a branch in South Africa as contemplated in the Banks Act;
JSE	the JSE Limited (Registration Number 2005/022939/06), a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;
Last Day to Register	with respect to a particular Tranche of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Register is closed for further transfers or entries until the Payment Day;
Mandatory Exchange	in relation to a Tranche of Exchangeable Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;
Margin	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
Maturity Date	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
Minimum Redemption Amount	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
Mixed Rate Notes	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index-Linked Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.4 (<i>Mixed Rate Notes</i>);
NACA	nominal annual compounded annually;
NACM	nominal annual compounded monthly;
NACQ	nominal annual compounded quarterly;
NACS	nominal annual compounded semi-annually;
Nedbank Capital	Nedbank Capital, a division of Nedbank Limited (registration number 1951/000009/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
Nominal Amount	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;

Noteholders	the registered holders of the Notes as recorded in the Register;
Noteholders' Exchange Right	in relation to Exchangeable Notes, if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
Notes	unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
Outstanding	<p>in relation to the Notes, all the Notes issued under the Programme other than:</p> <ul style="list-style-type: none"> (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Individual Certificates (if any); (c) those which have been purchased and cancelled as provided in Condition 8 (<i>Redemption and Purchase</i>); (d) those which have become prescribed under Condition 13 (<i>Prescription</i>); (e) those represented by mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 10 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>); or (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 10 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>), <p>provided that for each of the following purposes:</p> <ul style="list-style-type: none"> (i) the right to attend and vote at any meeting of the Noteholders; and (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 18 (<i>Amendment of these Conditions</i>) and 19 (<i>Meetings of Noteholders</i>), <p>all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any Person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held), shall be deemed not to be Outstanding;</p>
Optional Redemption Amount	in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;

Participant	a Person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act, and who is approved by the JSE, in terms of the debt listings requirements of the JSE, as a Settlement Agent to perform electronic settlement of funds and scrip;
Partly Paid Notes	Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments as indicated in the Applicable Pricing Supplement;
Paying Agent	Standard Bank, unless the Issuer elects to appoint another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
Payment Day	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
Person	shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
Programme	BNP Paribas, South Africa branch ZAR10,000,000,000 Domestic Note Programme under which the Issuer may from time to time issue Notes;
Programme Amount	the maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time, being ZAR10,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ";
Programme Date	the date of this Programme Memorandum being 15 October 2014;
Rating	in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating of the Issuer and/or the Programme and/or the Tranche of Notes, as the case may be, granted by the Rating Agency, specified in the Applicable Pricing Supplement;
Redemption Date	in relation to a Tranche of Notes, the date upon which the Notes are redeemed by the Issuer, in accordance with Condition 8 (<i>Redemption and Purchase</i>);
Reference Banks	four leading banks in the South African inter-bank market selected by the Paying Agent or the Calculation Agent, as the case may be;
Reference Rate	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
Reference Price	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
Register	the register of Noteholders maintained by the Transfer Agent in terms of Condition 11 (<i>Register</i>), including any Uncertificated Securities Register, as the case may be;
Regular Period	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case Notes where, apart from the first Interest Period,</p>

interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the Day and the month (but not the year) on which any Interest Payment Date falls; and

- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the Day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Relevant Date	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
Relevant Resolution Authority	any authority with the ability to exercise the Bail-in Power;
Relevant Screen Page	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
Representative	a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent or the Paying Agent, as the case may be, who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the Transfer Agent and the Paying Agent;
RMB	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
Series	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none">(i) expressed to be consolidated and form a single series; and(ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
Settlement Agent	a Participant, approved by the JSE in terms of the Applicable Procedures to perform electronic settlement of both funds and scrip on behalf of market participants;

Specified Currency	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified in the Applicable Pricing Supplement;
Specified Denomination	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;
Specified Office	the office of the Transfer Agent, the Paying Agent and/or the Calculation Agent as specified in the Applicable Pricing Supplement;
South Africa	the Republic of South Africa;
Standard Bank	The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (registration number 1962/000738/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
Sub-unit	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
Terms and Conditions	the terms and conditions incorporated in this section headed " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued;
Tranche	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
Transfer Agent	Standard Bank, unless the Issuer elects to appoint another entity as a Transfer Agent in which event that other entity shall act as a Transfer Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
Transfer Form	the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
Uncertificated Securities Register	an Uncertificated Securities Register as contemplated in section 1 of the Companies Act;
ZAR	the lawful currency of South Africa, being South African Rand, or any successor currency;
ZAR-JIBAR-SAFEX	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
Zero Coupon Notes	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

2. ISSUE

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms and Conditions of a Tranche of Notes which are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.
- 2.3. Each Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-Linked Note, a Dual Currency Note, a Mixed Rate Note or such combination of any of the

foregoing or such other type of Note as may be determined by the Issuer and specified in the relevant Applicable Pricing Supplement.

- 2.4. All payments in relation to the Notes will be made in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 2.5. The Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.

3. FORM AND DENOMINATION

3.1. General

- 3.1.1. A Tranche of Notes may be issued in the form of listed or unlisted Notes, as specified in the Applicable Pricing Supplement.
- 3.1.2. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or further Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to any applicable laws and Applicable Procedures. Unlisted Notes may also be issued under the Programme. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and if so, the Financial Exchange on which such Tranche of Notes will be listed.

3.2. Registered Notes

A Tranche of Notes will be issued in certificated form or in uncertificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*) and Condition 3.2.2 (*Notes issued in uncertificated form*), as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE whether issued in certificated form or in uncertificated form, will be held in the CSD, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*) and Condition 3.2.2 (*Notes issued in uncertificated form*), respectively. A Tranche of unlisted Notes may also be held in the CSD.

3.2.1. **Notes issued in certificated form**

All Notes issued in certificated form will be represented by Individual Certificates.

3.2.2. **Notes issued in uncertificated form**

A Tranche of Notes which is listed on the Interest Rate Market of the JSE may, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act. Notes issued in uncertificated form will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument. A Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

3.2.3. **Beneficial Interests in Notes held in the CSD**

- (i) A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.
- (ii) The CSD will hold Notes subject to the Financial Markets Act and the Applicable Procedures.
- (iii) All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.
- (iv) A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 10 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

3.2.4 **Recourse to the BESA Guarantee Fund Trust**

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

4. **TITLE**

4.1. **Notes issued in certificated form**

- 4.1.1. Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.
- 4.1.2. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 12.2 (*Transfer of Notes represented by Individual Certificates*).
- 4.1.3. The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

4.2. **Notes issued in uncertificated form**

The CSD's Nominee will be named in the Register as the registered holder of each Tranche of Notes which is issued in uncertificated form.

4.3. **Beneficial Interests in Notes held in the CSD**

- 4.3.1. While a Tranche of Notes is held in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.
- 4.3.2. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.
- 4.3.3. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.
- 4.3.4. In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest. The CSD's Nominee (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the relevant Participant as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 4.3.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes, notwithstanding such transfers.
- 4.3.6. Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

5. STATUS OF THE NOTES

The Notes are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and at least *pari passu* with all other direct, unconditional, unsecured and unsubordinated indebtedness of the Issuer (save for statutorily preferred exceptions).

6. INTEREST

6.1. Fixed Rate Notes

- 6.1.1. Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.
- 6.1.2. The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.
- 6.1.3. Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:
 - 6.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
 - 6.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 6.1.4. If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6.2. Floating Rate Notes and Indexed Interest Notes

Interest Payment Dates

Each Floating Rate Note and Indexed Interest Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement, and such interest will be payable in arrears on the Interest Payment Date(s) in each year specified in the Applicable Pricing Supplement. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Indexed Interest Notes will be determined in the manner specified in the Applicable Pricing Supplement.

Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the Applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of

Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Determination of Rate of Interest and Calculation of Interest Amount

The Calculation Agent, in the case of Floating Rate Notes and Indexed Interest Notes will at, or as soon as is practicable after, each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note and Indexed Interest Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of Interest for the relevant Interest Period as soon as is practicable after calculating the same. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Interest Determination, Screen Rate Determination including Fallback Provisions

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph, **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by such agent as is specified in the Applicable Pricing Supplement under an interest rate swap transaction if that agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the most recent ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- (b) the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- (c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on ZAR-JIBAR-SAFEX, the first Day of that Interest Period; or (ii) in any other case, as specified in the Applicable Pricing Supplement.

For the purposes of the above sub-paragraph **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions specified in the Applicable Pricing Supplement.

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to the provisions below, be either:

- (a) if the Relevant Screen Page is available,
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the

Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or

- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the Applicable Pricing Supplement as being other than ZAR-JIBAR-SAFEX, the Rate of Interest in respect of such Notes will be determined as provided in the Applicable Pricing Supplement.

Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE and the CSD and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the CSD and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 17 (*Notices*).

Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this subparagraph 6.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3. **Dual Currency Interest Notes**

In the case of Dual Currency Interest Notes, the Interest Rate or Interest Amount payable shall be determined in the manner specified in the Applicable Pricing Supplement.

6.4. **Mixed Rate Notes**

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on the form of interest-bearing Note (be it a Fixed Rate Note, Floating Rate Note, Index-Linked Note or Dual Currency Note) specified for each respective period, each as specified in the Applicable Pricing Supplement. During each such applicable period, the Interest Rate on the Mixed Rate Notes shall be determined and fall due for payment on the basis that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Index-Linked Notes or Dual Currency Notes, as the case may be.

6.5. **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 17 (*Notices*).

6.6. **Business Day Convention**

If any Interest Payment Date (or other date), which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention, would otherwise fall on a Day that is not a Business Day, then, if the Business Day Convention specified is:

- (a) the **Floating Rate Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months, or other period specified as the Interest Period in the Applicable Pricing Supplement, after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the **Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day; or
- (c) the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

7. **PAYMENTS**

7.1. **General**

Payments of principal and/or interest on an Individual Certificate shall be made to the registered holder of such Note, as set forth in the Register on the close of business on the Last Day to Register (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of a final redemption payment, the holder of the Individual Certificate shall be required, on or before the Last Day to Register prior to the Maturity Date, to surrender such Individual Certificate at the offices of the Transfer Agent.

Payments of principal and/or interest in respect of uncertificated Notes shall be made to the CSD' Nominees or the Participants, as shown in the Register on the Last Day to Register,

and the Issuer will be discharged of its payment obligations by proper payment to the CSD's Nominees or the Participants, in respect of each amount so paid. Each of the Persons shown in the records of the CSD and the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes.

7.2. Method of Payment

Payments will be made in the Specified Currency by credit or transfer, by means of electronic settlement, to the Noteholder.

Payments will be subject in all cases to (i) any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "*not transferable*" (or by such number of cheques as may be required in accordance with applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by registered post, provided that neither the Issuer, nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 7.2.

In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.

7.3. Payment Day

If the date for payment of any amount in respect of any Note is not a Business Day and is not subject to adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

7.4. Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- 7.4.1. any additional amounts which may be payable with respect to principal under Condition 9 (*Taxation*);
- 7.4.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- 7.4.3. the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes;
- 7.4.4. in relation to Instalment Notes, the Instalment Amounts;
- 7.4.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.5.3); and

- 7.4.6. any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 (*Taxation*).

8. REDEMPTION AND PURCHASE

8.1. Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer in the Specified Currency at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

8.2. Redemption for Tax Reasons

- 8.2.1. Notes may be redeemed, in whole but not in part, at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 (thirty) Days nor more than 45 (forty-five) Days notice to the Noteholders prior to such redemption, in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable), if as a result of any change in, or the official interpretation or administration of, any laws or regulations of South Africa or France or any political sub-division of, or any authority in, or of, South Africa or France which becomes effective on or after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided in Condition 9 (*Taxation*).

Notes redeemed for tax reasons pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.5 (*Early Redemption Amounts*), together (if appropriate) with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding taxes.

- 8.2.2. If the Issuer would, on the next due date for payment of any amount in respect of the Notes, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 9 (*Taxation*), then the Issuer shall forthwith give notice of such fact to the Paying Agent and shall, at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes) redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount referred to in Condition 8.5 (*Early Redemption Amounts*) together with interest accrued to the date fixed for redemption, upon giving not less than 7 nor more than 45 days' prior notice to the Noteholders (in accordance with Condition 17 (*Notices*)), provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of interest payable in respect of the Notes or, if such date is already past, as soon as practicable thereafter.

8.3. Redemption at the Option of the Issuer

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice to the Noteholders in accordance with Condition 17 (*Notices*) or unless otherwise specified with the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated, and in each case not more than 30 (thirty) Days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).

In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 (fifteen) Days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph, and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least 10 (ten) Days prior to the Selection Date.

Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to the Noteholders, as the case may be, in respect of the balance of the Notes.

8.4. **Redemption at the Option of the Noteholders**

If Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such Noteholders may exercise such option in respect of such Notes by delivering to the Transfer Agent, in accordance with Condition 17 (*Notices*), a duly executed notice (**Put Notice**), at least 30 (thirty) Days but not more than 60 (sixty) Days, prior to the Optional Redemption Date.

For redemption in part, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption by the Noteholders of uncertificated Notes shall take place in accordance with the Applicable Procedures.

The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate to the Transfer Agent for cancellation. A holder of an Individual Certificate shall, in that holder's Put Notice, specify a bank account into which the redemption payment amount is to be paid.

The delivery of Put Notices shall be required to take place during normal office hours to the Transfer Agent. Put Notices shall be available for inspection at the Specified Offices of the Transfer Agent.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where, after giving the notice but prior to the due date of redemption, an Event of

Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 15 (*Events of Default*).

The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.

8.5. **Early Redemption Amounts**

For the purpose of Conditions 8.2 (*Redemption for Tax Reasons*), and/or Condition 15 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- 8.5.1. in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 8.5.2. in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, at the amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement or, if no such amount or manner is so specified in the Pricing Supplement, at their Nominal Amount; or
- 8.5.3. in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
- 8.5.4. such other amount or method of calculation of the amount payable as is provided in the Applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual Days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

8.6. **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Condition 8.2 (*Redemption for Tax Reasons*), and/or Condition 15 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 8.5 (*Early Redemption Amounts*).

8.7. **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 (*Redemption and Purchase*) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Condition 8.2 (*Redemption for Tax Reasons*), and/or Condition 15 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 8.5 (*Early Redemption Amounts*).

8.8. **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in the manner indicated in the Applicable Pricing Supplement. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder as many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Notes.

8.9. **Purchases**

The Issuer may, but is not obliged to, at any time purchase Notes at any price in the open market or otherwise. Unless indicated in the relevant Applicable Pricing Supplement, the Notes so purchased by the Issuer may be held and resold in accordance with applicable

laws and regulations for the purpose of enhancing the liquidity of the Notes or cancelled or surrendered to the Transfer Agent for cancellation.

8.10. **Cancellation**

All Notes which have been redeemed or purchased to be cancelled will forthwith be cancelled. All Notes so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by an Individual Certificate are cancelled, the Transfer Agent shall deliver an Individual Certificate to such Noteholder in respect of the balance of the Notes.

8.11. **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 8 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 15 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.5.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) Days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 17 (*Notices*).

8.12. **Applicable Procedures**

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

9. **TAXATION**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of South Africa or France or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

Where withholding or deduction is required by South African or French law, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note:

- 9.1. held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa or France, as applicable, other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 9.2. presented for payment by or on behalf of, or held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 9.3. where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 9.4. where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented more than 30 (thirty) Days after the Relevant Date, except to the extent that the Noteholder thereof would

have been entitled to an additional amount on presenting the same for payment on such thirtieth Day; or

- 9.5. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- 9.6. where such withholding or deduction is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income, the related agreements between the EU Member States with certain territories dependent or associated with an EU Member State or any other directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such directive and providing for measures equivalent to those laid down in such directive.

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under these Terms and Conditions or under any undertakings given in addition to, or in substitution for, these Terms and Conditions.

10. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

10.1. Exchange of Beneficial Interests

- 10.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 42 of the Financial Markets Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the Day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such Day shall be a Business Day and shall fall not less than 30 (thirty) Days after the Day on which such Exchange Notice is given.
- 10.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 10.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
 - 10.1.3.1. the CSD's Nominee will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office; and
 - 10.1.3.2. the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
 - 10.1.3.3. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes 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 the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

10.2. Replacement

If any Individual Certificate is worn-out, mutilated, defaced, stolen, destroyed or lost it may be replaced at the Specified Office of the Transfer Agent, on payment by the claimant of

such costs and expenses as may be incurred in connection therewith and the provision of such indemnity as the Issuer and the Transfer Agent may reasonably require. Worn-out, mutilated or defaced Individual Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

10.3. **Death and sequestration or liquidation of Noteholder**

Any Person becoming entitled to Notes as a consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 10.3, or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 10.3 and Condition 12.2 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or until such time such Notes are duly transferred.

10.4. **Costs**

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

11. REGISTER

11.1. The Register of Noteholders:

- 11.1.1. shall be kept at the Specified Office of the Transfer Agent and a copy thereof shall be made available for inspection at the registered office of the Issuer (as set out at the end of this Programme Memorandum) or such other Person as may be appointed for the time being by the Issuer to maintain the Register;
 - 11.1.2. shall contain the names, addresses and bank account numbers of the registered Noteholders;
 - 11.1.3. shall show the total Nominal Amount of the Notes held by Noteholders;
 - 11.1.4. shall show the dates upon which each of the Noteholders was registered as such;
 - 11.1.5. shall show the serial numbers of the Individual Certificates and the dates of issue thereof;
 - 11.1.6. shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any Person authorised in writing by a Noteholder; and
 - 11.1.7. shall be closed during the Books Closed Period.
- 11.2. The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 11.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 11.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

12. TRANSFER OF NOTES

12.1. *Transfer of Beneficial Interests in Notes held in the CSD*

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

12.2. *Transfer of Notes represented by Individual Certificates*

- 12.2.1. In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 12.2.1.1. the transfer of such Notes must be embodied in a Transfer Form;
 - 12.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representatives of that registered Noteholder or transferee; and
 - 12.2.1.3. the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
- 12.2.2. Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
- 12.2.3. Subject to this Condition 12.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.
- 12.2.4. Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 12.2.5. The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 12.2.6. Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 12.2.7. No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 11 (*Register*).

If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.

In the event of a partial redemption of Notes under Condition 8.3 (*Redemption at the Option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 8.3 (*Redemption at the Option of the Issuer*), to register the transfer of any Notes during the

period beginning on the tenth Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

13. PRESCRIPTION

The Notes will become void unless presented for payment of principal within a period of three years after their redemption date.

14. BAIL-IN POWER

- 14.1. The Noteholders shall be bound by the exercise of any Bail-in Power by the Relevant Resolution Authority, which may result in the write-down or cancellation of all, or a portion of, the Nominal Amount of, or outstanding amount payable in respect of, and/or interest on, the Notes and/or the conversion of all, or a portion, of the Nominal Amount of, or outstanding amount payable in respect of, or interest on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to these Terms and Conditions of the Notes to give effect to such exercise of Bail-in Power.
- 14.2. No repayment of the Nominal Amount of the Notes or payment of interest thereon (to the extent of the portion thereof affected by the exercise of the Bail-in Power) shall become due and payable after the exercise of any Bail-in Power by the Relevant Resolution Authority, unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations then applicable to the Issuer.
- 14.3. Upon the Issuer becoming aware of the exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes, the Issuer shall notify the Noteholders pursuant to Condition 17 (*Notices*) as well as the Paying Agent, Transfer Agent and Calculation Agent. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in Condition 14.1.
- 14.4. The exercise of the Bail in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the Terms and Conditions of the Notes shall continue to apply in relation to the residual Nominal Amount of, or outstanding amount payable in respect of the Notes, subject to any modification of the amount of interest payable to reflect the reduction of the Nominal Amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in France.

15. EVENTS OF DEFAULT

A Noteholder may give written notice to the Issuer that the Notes are, and it shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount, together, if appropriate, with interest accrued to the date of repayment, in any of the following events (**Events of Default**):

- 15.1. the Issuer fails to pay any amount payable in respect of the Notes or any of them when due and payable and such default is not remedied within 30 days after the relevant due date; or
- 15.2. the Issuer fails to perform or observe any of its other obligations under the Notes and such default is not remedied within 45 days after notice of such default has been given to the Issuer by any Noteholder; or
- 15.3. BNP Paribas ceases its payments, or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of BNP Paribas or for a transfer of the whole of its business (*cession totale de l'entreprise*), or the Issuer or BNP Paribas is subject to similar proceedings, or, in the absence of legal proceedings, the Issuer or BNP Paribas makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer or BNP Paribas for its winding-up or dissolution, except in connection with a merger or other reorganisation in which all of the Issuer's or BNP Paribas's assets are transferred to, and all of the Issuer's or BNP Paribas's debts and liabilities (including the Notes) are assumed by, another entity which continues the Issuer's or BNP Paribas's activities.

16. CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT

Any third party appointed by the Issuer as Calculation Agent, Transfer Agent, Paying Agent or otherwise shall act solely as the agents of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. The Issuer is entitled to vary or terminate the appointment of such agents and/or appoint additional or other agents and/or approve any change in the specified office through which any agent acts.

17. NOTICES

- 17.1. Notices to Noteholders shall be valid if mailed to their registered addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh Day after the Day on which it is mailed.
- 17.2. All notices to the holders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 17.3. Notwithstanding the provisions of Condition 17.1, for so long as all of the Notes in a Tranche are held in their entirety in the CSD, all notices in respect of such Notes shall be by way of delivery by the Issuer via the Participant to the CSD's Nominee (as the registered holder of such Notes) and the JSE or such other Financial Exchange for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the Day of delivery of such notice to the CSD's Nominee.
- 17.4. Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the seventh Day after the Day on which it is sent. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 17.5. For so long as any of the Notes are uncertificated, notice may be given by any holder of an uncertificated Note to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participants may approve for this purpose.

18. AMENDMENT OF THESE CONDITIONS

- 18.1. These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 18, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless the JSE has been notified and the amendments have been reduced to writing and signed by or on behalf of the Issuer and the Noteholders.
- 18.2. The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is established, provided that the JSE or such other Financial Exchange, as the case may be, shall be notified. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be communicated to the relevant Class of Noteholders in accordance with Condition 17 (*Notices*) as soon as is practicable thereafter.
- 18.3. The Issuer may with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66.67% (sixty-six point sixty-seven percent) in Nominal Amount of the Notes Outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 17 (*Notices*).
- 18.4. Any modification of these Terms and Conditions which may have a direct effect on compliance with the debt listings requirements of the JSE or such other Financial Exchange,

as the case may be, will require the approval of the JSE or such other Financial Exchange, as the case may be.

19. MEETINGS OF NOTEHOLDERS

19.1. Convening of meetings

- 19.1.1. The Issuer may at any time convene a meeting of Noteholders (a meeting or the meeting).
- 19.1.2. The Issuer shall convene a meeting upon the requisition in writing of the holders of at least 25% (twenty five percent) of the aggregate Nominal Amount outstanding of the Notes (requisition notice).
- 19.1.3. Whenever the Issuer wishes or is required to convene a meeting, it shall forthwith give notice in writing to the Noteholders of the place, Day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- 19.1.4. All meetings of Noteholders shall be held in Johannesburg.
- 19.1.5. Any director or duly authorised representative of the Issuer, and any other Person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy (as defined below) or duly authorised representative of a Noteholder.

19.2. Requisition

- 19.2.1. A requisition notice shall state the nature of the business for which the meeting is to be held and shall be deposited at the registered office of the Issuer.
- 19.2.2. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

19.3. Convening of meetings by requisitionists

If the Issuer does not proceed to cause a meeting to be held within 10 (ten) Days of the deposit with the representative of the Issuer of a requisition notice, requisitionists who together hold not less than 25% (twenty five percent) of the aggregate Nominal Amount outstanding of the Notes for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 60 (sixty) Days from the date of such deposit and shall be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Notice of the meeting shall be required to be given to the Issuer.

19.4. Notice of meeting

- 19.4.1. Unless the holders of at least 90% (ninety percent) of the aggregate Nominal Amount outstanding of the Notes agree in writing to a shorter period, at least 21 (twenty one) Days written notice specifying the place, Day and time of the meeting and the nature of the business for which the meeting is to be held shall be given by the Issuer to Noteholders. Such notice is required to be given in accordance with Condition 17 (Notices).
- 19.4.2. The accidental omission to give such notice to any Noteholder or the non-receipt of any such notice, shall not invalidate the proceedings at a meeting.

19.5. Quorum

- 19.5.1. A quorum at a meeting shall for the purposes of considering:
 - 19.5.1.1. an ordinary resolution generally, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Nominal Amount outstanding of the Notes;
 - 19.5.1.2. an Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than 50.1% (fifty point one percent) of the aggregate Nominal Amount outstanding of the Notes.
- 19.5.2. No business shall be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

19.5.3. If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting shall, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting shall stand adjourned to the same Day in the third week thereafter, at the same time and place, or if that Day is not a Business Day, the following Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

19.6. **Chairman**

The chairman of the meeting shall be appointed by the Issuer.

19.7. **Adjournment**

19.7.1. Subject to the provisions of this Condition 19 (*Meetings of Noteholders*) the chairman may, with the consent (which consent shall not be unreasonably withheld and/or delayed) of, and shall on the direction of the Issuer, adjourn the meeting from time to time and from place to place.

19.7.2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

19.7.3. At least 14 (fourteen) Days written notice of the place, Day and time of an adjourned meeting shall be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 19.5.3, the notice shall state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

19.8. **How questions are decided**

19.8.1. At a meeting, a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairman or by any one of the Noteholders present in person or by proxy.

19.8.2. Unless a poll is demanded, a declaration by the chairman that on a show of hands a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

19.8.3. A poll demanded on the election of a chairman or on the question of the adjournment of a meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs and the result of such poll shall be deemed to be the resolution of the meeting.

19.8.4. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

19.9. **Votes**

On a show of hands every Noteholder present in person shall have one vote. On a poll every Noteholder, present in person or by proxy, shall have one vote for each ZAR1,000,000 of the Nominal Amount outstanding of the Notes held by him. The joint holders of Notes shall have only one vote on a show of hands and one vote on a poll for each ZAR1,000,000 of the Nominal Amount outstanding of the Notes of which they are the registered holder and the vote may be exercised only by that holder present whose name appears first on the Register in the event that more than one of such joint holders is present in person or by proxy at the meeting. The Noteholder in respect of uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the CSD or its nominee from the holders of Beneficial Interests conveyed through the Settlement Agents in accordance with the Applicable Procedures.

19.10. **Proxies and representatives**

19.10.1. Noteholders may:

19.10.1.1. present in person; or

- 19.10.1.2. through any appointed Person (a proxy), by an instrument in writing (a form of proxy), signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation, vote on a poll.
- 19.10.2. A Person appointed to act as proxy need not be a Noteholder.
- 19.10.3. The form of proxy shall be deposited at the registered office of the Issuer or at the office where the Register is kept or at such other office as the Issuer may determine not less than 24 (twenty four) hours before the time appointed for holding the meeting or adjourned meeting at which the Person named in such form of proxy proposes to vote, and in default, the proxy shall be invalid.
- 19.10.4. No form of proxy shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 19.10.5. A proxy shall have the right to demand or join in demanding a poll.
- 19.10.6. Notwithstanding Condition 19.10.4 the form of proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- 19.10.7. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Agent more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 19.10.8. Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any Person to act as its representative in connection with any meeting or proposed meeting of Noteholders. Any reference in this Condition 19 (Meetings of Noteholders) to a Noteholder present in person includes such a duly authorised representative of a Noteholder.
- 19.11. **Minutes**
- 19.11.1. The Issuer shall cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.
- 19.11.2. Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, shall be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.
- 19.12. **Mutatis mutandis application**
- The provisions of this Condition 19 (*Meetings of Noteholders*) shall apply *mutatis mutandis* to the calling and conduct of meetings on an individual Tranche, Series or Class of Noteholders, as the case may be.

20. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, so that the further Notes shall be consolidated to form a single Series with the Outstanding Notes.

21. GOVERNING LAW

These Terms and Conditions and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

SIGNED at BNP Paribas JHB on this 14 day of October 2014.

For and on behalf of
BNP PARIBAS,
acting through its South Africa branch



Name: Valeria Kodina - v.kodina
Capacity: CEO Branch
Who warrants his/her authority hereto



Name: Sible Kras
Capacity: Chief Operating Officer
Who warrants his/her authority hereto
BNP Paribas SA
South Africa Branch

USE OF PROCEEDS

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

The proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, or as may otherwise be described in the Applicable Pricing Supplement.

DESCRIPTION OF BNP PARIBAS, SOUTH AFRICA BRANCH

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

Introduction

BNP Paribas registered its South African branch (the **Issuer**) in 2012. The Issuer is registered as an external company under registration number K2011/100541/10 in accordance with the company laws of South Africa and is authorised to conduct the business of a bank as a branch of BNP Paribas in South Africa. The Issuer's registered address is 2nd Floor, 11 Crescent Drive, Melrose Arch, Johannesburg, South Africa. The Issuer is a branch of BNP Paribas SA, registered under and in terms of the laws of France, which has a share capital amount of 2,492,414,944 euros as at 30 June 2014.

Business

The Issuer offers corporate finance, equities and commodity derivatives, fixed income, global trade solutions and structured finance and advisory services and is a regional hub for all Southern African Development Community countries.

Corporate Governance

The King Report on Governance for South Africa and the King Report and Code of Governance Principles (the **King III Code**) apply to entities incorporated and resident in South Africa. The BNP Paribas is incorporated in France and the Issuer is registered as an external company in South Africa. Accordingly, the King III Code is not applicable to the Issuer and the Issuer does not comply with the King III Code.

The requirements of the Companies Act and the Banks Act are also taken into account in the corporate governance framework. As the Issuer is a branch of BNP Paribas, the Issuer does not have a board of directors but instead an Executive Management Committee (**Mancom**). Details of the Mancom are described below.

Executive Management Committee

As at the Programme Date, the permanent members are as follows:

- Valerie Kodjo Diop (Chief Executive Officer)

After completing a post graduate degree in banking and finance and an internship with the Assets Liabilities Management Department of Caisse des Depots et Consignations in 1994, Valerie joined Societe Generale – International Branch in Paris in the SOFT Structure Commodity Finance Department. She stayed within various areas of the bank moving to the Corporate & Investment Banking division as Director (Responsible for Africa) in the Metals and Minerals – Structured Commodity Finance Department and in 2005 joined the BNP Paribas, regional office for Southern Africa in Johannesburg as the Head for Energy Commodity Export Project division (ECEP) within SADC and finally as Chief Executive Officer and Head of Territory for South Africa in 2012.
- Sible Kras (Chief Operating Officer)

After obtaining an MBA (focusing on micro economics), Sible joined the Amsterdam branch of BNP Paribas as a Financial Controller. He went on to work for BNP-Dresdner Bank in the Czech Republic as Chief Accountant and then Croatia as Head of Financial Control. In 2003 he joined BNP Paribas as a consultant based in the Netherlands. He has stayed with BNP Paribas in various capacities in Paris and Bahrain and joined the Issuer in the middle of 2013 as the Chief Operating Officer.
- Milco Hertz (Risk Management Officer)

Milco has held various roles in both the local and international banking arena and has spent periods of time working in Amsterdam, London and France. He commenced his career as credit analyst with Standard Bank and has worked as the Country Risk Officer (including Legal Risk Financial Restructuring and Recovery) for ABN AMRO Bank and

Strategic Credit Risk Executive (Consultant) for UBank. Before joining the Issuer as Head of Risk, he was the Chief Compliance Officer for the Bank of Taiwan.

- Mosili Mothepu (Compliance Officer)

Mosili obtained an LLB in 1998 from the National University of Lesotho and thereafter became an Advocate of the High Court of South Africa and a member of the Compliance Institute of Southern Africa. Mosili was a Compliance Officer for Corporate Banking from 2005 to 2007 and thereafter became the Compliance Coordinator for the Africa Region until 2011. From the middle of 2011 to date, Mosili has been the Head of Compliance for the Issuer.

- Daniela Frigenti (AML Officer)

Daniela is a Chartered Accountant (SA) and has been a member of the South African Institute of Chartered Accountants since 2006. She completed her Bachelor of Accountancy through the University of the Witwatersrand (**WITS**) in 2002 and has also completed a Certificate in Entrepreneurship and International Business Development through the MB School of Management, Trieste Italy and a Certificate in Property Investment and Practice through WITS. Before joining the Issuer as Vice President in Compliance and Anti Money Laundering, she spent 11 and a half years with KPMG mainly in financial services.

- Mome Durandt (ALM/Treasury Officer)

Mome has a B.Sc. Actuarial Science from the Randse Afrikaanse Universiteit and WITS as well as a Certificate in Actuarial Techniques and a Diploma in Finance and Investment from the Institute of Actuaries (Staple Inn UK). He was an actuarial student for Swiss Re Life & Health (in the UK and South Africa) before becoming an ALM Dealer for Nedbank (South Africa) in 2000. Thereafter he become an ALM Treasurer for Credit Agricole (South Africa) in 2006 and joined Kepler Capital Markets (Switzerland) in 2012 as a broker before becoming the Local ALM Treasurer for the Issuer in 2014.

- Kimesh Bhaga (Head of Regulatory Report)

Kimesh completed postgraduate studies at the WITS in 2000 (B.Com, B.Acc (WITS) CA(SA)). In 2001 started a three year articles contract with Ernst & Young South Africa (**E&Y**). During this period successfully completed the South African Institute of Chartered Accountants (SAICA) board exams. On completion of the articles contract with E&Y in 2003 joined Rand Merchant Bank's (RMB) Capital Markets division in the finance and reporting area. After 4 years at RMB joined the secondary markets product control team for equities at ABSA Capital. In 2010 joined Credit Agricole CIB, South Africa Branch as Head of Finance for the RSA Branch. Held this position until the closure of Credit Agricole CIB, South Africa Branch at the end of 2012. In 2013 joined BNP Paribas South Africa Branch to look after their Finance and Regulatory reporting area for the RSA branch.

Other attendees: by invitation

Frequency of meetings

Mancom meets on a weekly basis to discuss operational and management issues within the branch. Mancom will focus on key corporate governance issues on a quarterly basis.

Responsibilities

Mancom effectively fulfils the requirements of a board of directors, as prescribed by the Companies Act and the Bank's Act. Due to the size of the branch and the delegation of powers to the local chief executive officer and chief operating officer, from the board of directors of BNP Paribas in France, Mancom will cover both the requirements of the board of directors where possible and the requirements relating to the management subcommittees envisaged in legislation.

General responsibilities

- provides effective leadership based on an ethical foundation;

- manages the relationship between management and the stakeholders of the branch (BNP Paribas SA in France and BNP Paribas in Bahrain, the head office for reporting purposes);
- ensures that the branch is and is seen to be a responsible corporate citizen;
- ensures that the branch's ethics are managed effectively;
- appreciates that strategy, risk, performance and sustainability are inseparable;
- carries out the main functions of the audit committee as the branch does not have a separate audit committee;
- is responsible for risk and IT governance;
- ensures compliance with applicable laws and regulations;
- ensures that the group internal audit requirements are met and liaises with internal audit regarding the timing of their audits and follow up on any findings raised;
- ensures integrity of the company's reporting;
- ensures and reports on the effectiveness of internal controls;
- considers business rescue proceedings if the branch is financially distressed;
- formalises a process for the induction and ongoing training and development of senior officers of the branch;
- evaluates the performance of the management committee and individual executive officers of the branch every year; and
- reporting in terms of the Corporate Governance Requirements in the Regulations of the Bank's Act (per Regulation 40 and 47).

INVESTOR CONSIDERATIONS

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

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum to reach their own views prior to making any investment decision.

References below to the "Terms and Conditions", in relation to Notes, shall mean the "Terms and Conditions of the Notes" set out set out under the section of this Programme Memorandum headed "Terms and Conditions of the Notes".

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Risks Relating to BNP Paribas and its industry

See pages 225 to 348 of the 2013 Registration Document headed "*Risks and Capital Adequacy*", and see pages 142 and 143 of the Third Update to the 2013 Registration Document which are incorporated by reference in the Programme Memorandum.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

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

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

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

the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or France or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because uncertificated Notes are held by or on behalf of the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD's Nominee or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD's Nominee or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

Recourse to the BESA Guarantee Fund Trust

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

Credit Rating

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Risks related to the structure of the particular issue of Notes

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

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index-Linked and Dual Currency Notes

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

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

Partly-paid Notes

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

Notes issued at a substantial discount or premium

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

Variable Rate Notes with a multiplier or other leverage factor

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

Fixed/Floating Rate Notes

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

Notes where denominations involve integral multiples: Individual Certificates

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Principal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Modification and waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Resolution and Recovery Directive

The French law dated 26 July 2013 on separation and regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (the **SRAB Law**) that anticipated the implementation of the BRRD (as defined below) has established, among other things, a resolution regime applicable to French credit institutions and investment firms that gives resolution powers to a new resolution board of the French Prudential Supervisory Authority, renamed the *Autorité de contrôle prudentiel et de résolution* (ACPR). The SRAB Law provides that the French resolution board may, at its discretion, when the point of non-viability is reached, take resolution measures such as the transfer of shares or assets to an acquirer or a bridge bank. It may also cancel or reduce share capital, and subsequently if necessary write down, cancel or convert to equity deeply subordinated notes, *titres participatifs* and any other low ranking subordinated notes whose terms provide that they absorb losses on a going concern basis and thereafter do the same with other subordinated instruments.

On 15 May 2014, the Council of the European Union adopted the Directive 2014/59/EU of the Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**). The BRRD will now have to be implemented in France. It is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory

action would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

- (i) the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;
- (ii) the creation and use of a bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);
- (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and
- (iv) bail-in which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including Notes to equity, which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

When applying bail-in, the resolution authority must first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If and if only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016 at the latest. Many of the provisions contained in the BRRD are similar in effect to provisions already contained in the SRAB Law.

The SRAB Law has already entered into force in France, the provisions of the SRAB Law will however need to be amended to reflect the final version of the BRRD. The amendments which will be made to reflect the BRRD in the future remain unknown at this stage.

The powers set out in the BRRD and, to a certain extent, the powers already set out in the SRAB Law, will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

With the SRAB Law and to an even greater extent when the BRRD will be implemented under French law, the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD and the SRAB Law or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

Change of law

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

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for the tax treatment of financial instruments such as the Notes. Potential investors cannot rely upon the tax summary contained in this Programme Memorandum but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only such adviser is in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Programme Memorandum.

U.S. Foreign Account Tax Compliance Act

The U.S. "Foreign Account Tax Compliance Act" (or **FATCA**) imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, and (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime. The Issuer is classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*".

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

Notes listed on the Interest Rate Market of the JSE and/or held in the CSD

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE in uncertificated form will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.

Clearing systems

Each Tranche of Notes listed on the Interest Rate Market of the JSE will be issued, cleared and settled in accordance with the Applicable Procedures for the time being of the JSE and the CSD through the electronic settlement system of the CSD. Such Notes will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD.

The CSD has, as the operator of an electronic clearing system, been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Subject as aforesaid each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions, and will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

Participants

The CSD maintains accounts only for Participants. As at the Programme Date, the Participants which are approved by the JSE, in terms of the listing requirements of the JSE, as Settlement Agents to perform electronic settlement of funds and scrip are Absa Bank Limited, Citibank N.A., South Africa branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear, as operator of the Euroclear System, and Clearstream will settle off-shore transfers in the Notes through their Participants.

Settlement and clearing

Participants will be responsible for the settlement of scrip and payment transfers through the CSD, the JSE and the South African Reserve Bank.

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

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

Payments of all amounts in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or held in uncertificated form will be made to the CSD's Nominee, as the registered Noteholder of such Notes, which in turn will transfer such funds, via the Participants, to the holders of Beneficial Interests. Each of the Persons reflected in the records of the CSD or the relevant Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD's Nominee, as the registered Noteholder of such Notes.

Payments of all amounts in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE and/or held in uncertificated form will be recorded by the CSD's Nominee, as the registered Noteholder of such Notes, distinguishing between interest and principal, and such record of payments

by the CSD's Nominee, as the registered Noteholder of such Notes, shall be *prima facie* proof of such payments.

Transfers and exchanges

Subject to the applicable laws, title to Beneficial Interest held by clients of Participants indirectly through such Participants will be freely transferable and will pass on transfer thereof by electronic book entry in the securities accounts maintained by such Participants for such clients. Subject to the applicable Laws, title to Beneficial Interests held by Participants directly through the CSD will be freely transferable and will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such Participants. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 12.2 (*Transfer of Notes represented by Individual Certificates*).

Records of payments, trust and voting

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

BESA Guarantee Fund Trust

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

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

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

SUBSCRIPTION AND SALE

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

The Dealers have in terms of the programme agreement dated 15 October 2014, as may be amended, supplemented or restated from time to time (the **Programme Agreement**), agreed with the Issuer a basis upon which each Dealer may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

Selling restrictions

South Africa

Each Dealer has (or will have) represented, warranted and agreed that it (i) will not offer Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the Notes, and (iii) will itself not sell or offer the Notes in South Africa in contravention of the Companies Act, Banks Act, Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time.

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that it will not make an "offer to the public" (as such expression is defined in the Companies Act, and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa. This Programme Memorandum does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act.

Offers not deemed to be offers to the public

Offers for subscription for, or sale of, South African Notes are not deemed to be offers to the public if:

- (a) made to certain investors contemplated in section 96(1)(a) of the Companies Act; or
- (b) the total contemplated acquisition cost of Notes, for any single addressee acting as principal, is equal to or greater than ZAR1,000,000, or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the Companies Act.

Information made available in this Programme Memorandum should not be considered as "advice" as defined in the Financial Advisory and Intermediary Services Act, 2002.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

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

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

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

European Economic Area

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

- (a) in the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive and/or, where appropriate, published in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 (twelve) months after the date of such publication;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU.

France

The Issuer and each Dealer have represented and agreed, and each additional Dealer appointed under the Programme will be required to represent and agree, that:

- (a) offer to the public in France:
 - it has only made and will only make an offer of Notes to the public (*offre au public*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers (AMF)*, on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the

European Economic Area which has implemented the EU Prospectus Directive No. 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the relevant prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French Code *monétaire et financier* and the provisions of the *Règlement général* of the AMF; or

- (b) private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the prospectus, the relevant Pricing Supplement or any other offering material relating to the Notes, and such offers, sales and distributions have been and shall be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French Code *monétaire et financier* and other applicable regulations.

United Kingdom

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

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

General

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

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

Neither the Issuer nor any of the Dealers represent that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder nor assumes any responsibility for facilitating such subscription or sale.

TAXATION

Capitalised terms used in this section entitled "South African Taxation" shall bear the same meanings as used in the Offering Circular, except to the extent that they are separately defined in this Programme Memorandum.

The following is an overview limited to certain tax considerations relating to the Notes in South Africa, France and the United States of America as at the Programme Date. The contents of this section headed "Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

South African Taxation

South African Securities Transfer Tax

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007 (the **STT Act**) because the Notes do not constitute "securities" as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

South African Value-Added Tax

No value-added tax (**VAT**) is payable on the issue or transfer of the Notes. The issue, sale or transfer of the Notes constitute "financial services" as defined in section 2 of the Value-Added Tax Act, 1991 (the **VAT Act**). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security as well as the buying and selling of derivatives constitute a financial service, which is exempt from VAT in terms of section 12(a) of the VAT Act. The Notes constitute "debt securities" as defined in section 2(2)(iii) of the VAT Act.

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes will be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act.

South African Income Tax

Under current taxation law effective in South Africa, a "resident" (as defined in section 1 of the South African Income Tax Act, 1962 (the **Income Tax Act**)) is subject to income tax on his/her worldwide income. Accordingly, all holders of Notes who are residents of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned in respect of the Notes.

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to applicable double taxation treaties). Interest income is derived from a South African source if it is attributable to an amount incurred by a South African tax resident (unless it is attributable to a foreign permanent establishment), or it is derived from the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of "interest-bearing arrangement". The Notes will constitute an "interest-bearing arrangement". The Issuer will not be tax resident in South Africa as at the Programme Date, but the interest will be derived from the utilisation or application of the funds obtained in terms of the Notes, in South Africa. Accordingly, the interest earned by a Noteholder will be from a South African source and subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act (which is effective for all amounts of interest that accrue or are paid on or after 1 July 2013), any amount of interest which is received or accrued (during any year of assessment) by or to any person that is not a resident of South Africa is exempt from income tax, unless that person:

- (a) is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or
- (b) at any time during (that year) the twelve-month period preceding the date on which the interest is received or accrued by or to that person carried on business through a permanent establishment in South Africa. With effect from 1 January 2015, section 10(1)(h) will provide that the exemption will apply if the debt is "effectively connected to" a permanent establishment in South Africa.

If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from or reduction of any South African tax liability may be available under an applicable double taxation agreement. Furthermore, certain entities may be exempt from income tax. Purchasers are advised to consult their own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation agreement.

In terms of section 24J of the Income Tax Act, broadly speaking, any discount or premium to the principal amount of a South African Note is treated as part of the interest income on the South African Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder (if the Noteholder is entitled under Section 24J(9) of the Income Tax Act to make such election) to treat its Notes as trading stock on a mark-to-market basis. This day-to-day basis accrual is determined by calculating the yield to maturity (as defined in Section 24J) and applying this rate to the capital involved for the relevant tax period. The premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act. With effect from 1 April 2014, the section 24J(9) election will no longer be available, and section 24JB will deal with the fair value taxation of financial instruments for certain types of taxpayers.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, a gain or loss must be calculated. The gain or loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the gain or loss will take into account interest which has already accrued or been incurred during the period in which the transfer or redemption occurs. In terms of section 24J(4A), where an adjusted loss on transfer or redemption includes interest which has been included in the income of the holder, that amount qualifies as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of Notes will result in a liability to capital gains tax.

Withholding Tax

Under current taxation law in South Africa, all payments made under the South African Notes to resident and non-resident Noteholders will generally be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa.

In terms of the South African Taxation Laws Amendment Act, 2013 (the **TLAA**), withholding tax on interest is due to come into effect on 1 January 2015 and will be applicable in respect of interest that is paid or that becomes due and payable on or after 1 January 2015. The withholding tax will be imposed at the rate of 15 (fifteen) per cent of the amount of any interest that is regarded as having been received or accrued from a South African source in terms of the Income Tax Act. For the purposes of withholding

tax, a "foreign person" is defined as any person that is not a resident. Accordingly, to the extent that any interest is paid to Noteholders who are South African tax residents, the withholding tax will not apply.

In terms of the TLAA, South African sourced interest that is paid to a foreign person will be exempt from the withholding tax on interest if it is (i) paid to them by a bank (being a "bank" as defined in Section 1 of the Banks Act, 1990 (**the Banks Act**)), or (ii) the interest is in respect of any listed debt. In terms of the legislation, a "listed debt" is a debt that is listed on a recognised exchange as defined in the Income Tax Act.

The Issuer qualifies as a "bank" as defined in Section 1 of the Banks Act, and it is intended that the Notes will be listed on a recognised exchange as defined in the Income Tax Act, thus qualifying them as a "listed debt". Therefore, under current law, the interest payable to Noteholders that are not South African residents will be exempt from the withholding tax.

Definition of Interest

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions or any related documentation.

French Taxation

French Withholding Tax

The following is a summary limited to certain withholding tax considerations in France relating to the payments made in respect of the Notes. The following summary does not address specific withholding tax considerations which may be relevant to holders of the Notes who concurrently hold shares of the Issuer.

Pursuant to the French *loi de finances rectificative pour 2009 No. 3 (n° 2009-1674 dated 30 December 2009)* (the **Law**), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on a bank account opened in a financial institution located in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30% or 75%, subject to the more favourable provisions of any applicable double tax treaty.

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax provided by Article 125 A III of the French *Code général des impôts*, nor the Deductibility Exclusion will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211, BOI-IR-DOMIC-10-20-20-60-20140211 and BOI-ANNX-000364-20120912, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the main purpose and effect of such issue of Notes if such Notes are:

- (A) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (B) admitted to trading on a regulated market or on a French or foreign multilateral securities

trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (C) admitted, at the time of their issue, to the operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Payments made to French tax resident individuals

Pursuant to Article 125 A of the French *Code général des impôts* subject to certain limited exceptions, interest and other similar revenues received by individuals are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made and to social contributions (CSG, CRDS and other related contributions) at an aggregate rate of 15.5%.

EU Savings Directive

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law by Article 242 *ter* of the French *Code général des impôts* and Articles 49 I *ter* to 49 I *sexies* of the Schedule III to French *Code général des impôts*. Article 242 *ter* of the French *Code général des impôts*, imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a **foreign financial institution**, or **FFI** (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the date (the **grandfathering date**) that is six months after the date on which final U.S. Treasury regulations define the term foreign passthru payments, or which are materially modified on or after the grandfathering date and (ii) any Notes characterized as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction also would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have indicated an intention to enter into an agreement based largely on the Model 1 IGA. In addition, Australia has announced that it is exploring

the possibility of entering into an agreement with the United States.

If the Issuer becomes a Participating FFI under FATCA, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SOUTH AFRICAN EXCHANGE CONTROL

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

The information below is intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The Exchange Control Regulations are subject to change at any time without notice. The contents of this section headed "South African Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

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

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the Applicable Terms and Conditions may be subject to the Exchange Control Regulations.

Blocked Rands

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

Emigrants from the Common Monetary Area

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

In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant Participant will be designated as an "*non-resident*" account.

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

Non-residents of the Common Monetary Area

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

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

The Issuer is established and resident in South Africa and as such is not required to obtain exchange control approval for the establishment of the Programme.

For purposes of this section:

Blocked Rands means any amount in South African Rand that emigrants from South Africa are not permitted to transfer out of South Africa in accordance with the Exchange Control Regulations; and

Common Monetary Area means South Africa, Lesotho, Namibia, and Swaziland.

GENERAL INFORMATION

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

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under this Programme Memorandum and the Notes. The issue of Notes by the Issuer under the Programme is authorised by BNP Paribas pursuant to the board resolution dated 14 May 2014.

Listing

This Programme Memorandum was approved by the JSE on 15 October 2014. Notes to be issued under the Programme will be listed on the Interest Rate Market of the JSE or any other Financial Exchange. Unlisted Notes may also be issued under this Programme Memorandum.

Documents Available

So long as the Notes are capable of being issued under the Programme, the Programme Memorandum and copies of the documents incorporated under the section headed "*Documents Incorporated by Reference*" will, when published, be available at the registered office of the Issuer in South Africa as set out at the end of this Programme Memorandum. This Programme Memorandum, any amendments and/or supplements thereto and the Applicable Pricing Supplements relating to any issue of listed Notes will also be available at the Issuer's registered office in South Africa as set out at the end of this Programme Memorandum and on the JSE's website at <http://www.jse.co.za>.

Material Change

Save as disclosed on pages 100 and 101 and pages 142 and 143 of the Third Update to the 2013 Registration Document, there has been no material change in the financial or trading position of BNP Paribas since 31 December 2013 (being the end of the last financial period for which audited financial statements have been published). As at the Programme Date, there has been no involvement by Deloitte & Associés, PricewaterhouseCoopers or Mazars in making the aforementioned statement.

Litigation

Save as disclosed or incorporated by reference in this Programme Memorandum, the Issuer is not or has not been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the financial position of the Issuer.

Auditors

PricewaterhouseCoopers Incorporated has been appointed as the independent auditor of BNP Paribas South African Branch (the Issuer).

The statutory auditors ("*Commissaires aux comptes*") of BNP Paribas are currently the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Damien Leurent.

Deputy:

BEAS, 7-9, Villa Houssay, Neuilly-sur-Seine (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018

to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Etienne Boris.

Deputy:

Anik Chaumartin, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 23 May 2012 for a six-year period expiring at the close of the Annual General Meeting called in 2018 to approve the financial statements for the year ending 31 December 2017. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Hervé Hélias.

Deputy:

Michel Barbet-Massin, 61 Rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (Haut Conseil du Commissariat aux Comptes).

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