

at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate of a like aggregate nominal amount to the Individual Certificate (or the relevant part of the Individual Certificate) transferred. In the case of the transfer of a part only of an Individual Certificate, a new Individual Certificate in respect of the balance of the Individual Certificate not transferred will be so authenticated and delivered or, at the risk of the transferor, sent to the transferor.

- 16.6. The transferor of any Notes represented by an Individual Certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 16.7. Before any transfer is registered, all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity of the transferor and the transferee.
- 16.8. No transfer will be registered while the Register is closed as contemplated in Condition 17.2. The last time for a Series Noteholder to register to qualify for payment of interest and principal is 16h00 (Johannesburg time) on the Last Day to Register.
- 16.9. If a transfer is registered, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.

17. REGISTER

- 17.1. The Register shall be kept at the registered office of the Transfer Agent. The Register shall reflect the number of Notes issued and outstanding. The Register shall contain the name, address, and bank account details of the Series Noteholders of Notes. The Register shall set out the Principal Amount of the Notes issued to the Series Noteholders and shall show the date of such issue. The Register shall show the serial number of Individual Certificates issued in respect of the Notes. The Register shall be open for inspection during the normal business hours of the Transfer Agent to any Series Noteholder or any person authorised in writing by any Series Noteholder. The Transfer Agent shall not be obliged to record any transfer while the Register is closed. The Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject.
- 17.2. The Register will, in respect of a Tranche of Notes, be closed during a period, specified in the Applicable Pricing Supplement, preceding each Interest Payment Date and the Final Maturity Date, as the case may be, from 17h00 (South Africa time) on the Last Day to Register. All periods referred to for the closure of the Register

may, subject to the Applicable Procedures in respect of Notes listed on the Interest Rate Market of the JSE, be shortened by the Issuer from time to time, upon notice thereof to the Series Noteholders in accordance with Condition 18.

- 17.3. The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Series Noteholders of any Notes of which it is notified in accordance with these Terms and Conditions.

18. NOTICES

- 18.1. Notices to Series Noteholders in respect of listed Notes shall be valid if they are electronically published on the Securities Exchange News Service ("**SENS**") established by the JSE for SENS subscribers. Any such notice shall be deemed to have been given on the day of its publication. All notices to Series Noteholders in respect of unlisted Notes shall be sent by registered mail or delivered by hand to their addresses appearing in the Register. Any such notice will be deemed to have been received by the holders of unlisted Notes, as the case may be, on the day of such delivery by hand or on the 7th (seventh) day after posting.
- 18.2. In the event of there being any Individual Certificates in issue, notices to such Series Noteholders may be given pursuant to Condition 18.1 or by telephone or facsimile transmission or published: (i) in an English language daily newspaper of general circulation in South Africa; and (ii) for so long as the Notes are listed on the Interest Rate Market of the JSE or such other financial or stock exchange, a daily newspaper of general circulation in the city in which the JSE or such other financial or stock exchange is situated, and any such notices shall be deemed to have been given on the date of first publication.
- 18.3. A notice to be given by any Series Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or posting by registered mail) that notice, together with a certified copy of the relevant Individual Certificate at the office of the Issuer or the Transfer Agent specified in the Applicable Pricing Supplement. For so long as any of the Notes are represented by uncertificated Notes, notice may be given by any holder of a Beneficial Interest in Notes represented by an uncertificated Note to the Issuer via the relevant Participant in accordance with the Applicable Procedures. Such notices shall be deemed to have been received by the Issuer, if delivered by hand, on the second Business Day after being hand delivered, or, if sent by registered mail, 7 (seven) days after posting.

19. AMENDMENT OF TERMS AND CONDITIONS

- 19.1. The Issuer and the Series Security Trust may effect, without the consent of any Series Noteholder, any amendment to the Terms and Conditions and/or the Series Priority of Payments 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 South Africa (including, without limitation, the Applicable Procedures). Any such amendment will be binding on Series Noteholders and such amendment will be notified to Series Noteholders in accordance with Condition 18 as soon as practicable thereafter.
- 19.2. Subject to Condition 19.1, any amendment to these Terms and Conditions may only be made with the prior authorisation of a Special Resolution of the relevant Class or Classes of Series Noteholders, and accordingly if any such proposed amendment affects the rights of any Class of Series Noteholders, the Series Security Trust shall either:
 - 19.2.1. call a meeting of the relevant Class of Series Noteholders and, if such amendment affects the rights of more than one Class of Series Noteholders, it shall call separate meetings of each such Class of Series Noteholders. Such meeting or meetings shall be regulated by the provisions set out in Condition 23 and no proposed amendments shall be made to these Terms and Conditions until such amendments have been approved by a Special Resolution at such meeting or meetings; or
 - 19.2.2. obtain a written Special Resolution of the Series Noteholders or the relevant Class of Series Noteholders, as the case may be. No proposed amendments shall be made to these Terms and Conditions until such amendments have been approved by a Special Resolution.
- 19.3. The Issuer and the Series Security Trust may amend the Series Priority of Payments by written agreement, subject to the provisions of this Condition 19.
- 19.4. No amendment to the Terms and Conditions and/or the Series Priority of Payments which amends the rights and/or obligations of a Series Secured Creditor (other than a Series Noteholder) may be made without the prior written consent of such Series Secured Creditor.
- 19.5. In any event, no amendment to the Series Transaction Documents (other than the Terms and Conditions) may be made unless the applicable Series Security Trust grants its prior written approval for such amendment and the Issuer has furnished the

Rating Agency (if applicable) with 10 Business Days' prior written notice of the proposed amendments.

20. SEQUESTRATION OF THE SERIES SECURITY TRUST

No Series Noteholder shall be entitled, directly or indirectly, to institute, or join with any person in instituting or voting in favour of, any proceedings for the sequestration of the Series Security Trust or for the appointment of a trustee, administrator or similar officer of the Series Security Trust, in any court in South Africa or elsewhere, until 2 (two) years after the payment of all amounts outstanding and owing by the Issuer in respect of the relevant Series Transaction.

21. NO VOTING RIGHTS ON NOTES HELD BY ISSUER

The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it.

22. GOVERNING LAW

The Notes and all rights and obligations relating to the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

23. MEETINGS OF SERIES NOTEHOLDERS AND ROUND ROBIN RESOLUTIONS

23.1. General

23.1.1. Subject to Condition 23.1.2 and 23.1.3, the provisions of this Condition 23 shall apply *mutatis mutandis* to separate meetings of each Class of Series Noteholders.

23.1.2. To the extent that there are any amounts outstanding under one or more Liquidity Facility/ies, references to Series Noteholders shall include the relevant Liquidity Facility Provider(s) under such Liquidity Facility/ies (the "**Qualifying Liquidity Facility Providers**") for all purposes under this Condition 23, and the provisions of this Condition 23 shall apply *mutatis mutandis* to each Qualifying Liquidity Facility Provider, provided that:

23.1.2.1. references to "*Class/es of Series Noteholders*" in this Condition 23 shall be deemed to include the corresponding Qualifying Liquidity Facility Provider/s, such that references to the Series Noteholders shall be deemed to include the Liquidity Facility Provider under the Liquidity Facility;

23.1.2.2. reference to "*Principal Amount Outstanding*" in this Condition 23 shall be deemed to refer to (i) the Principal Amount Outstanding of the Notes or Class of Notes, and (ii) if applicable, the amount outstanding under the Liquidity Facility provided by the relevant Qualifying Liquidity Facility Provider; and

23.1.2.3. for the purposes of Condition 23.13, on a poll each Qualifying Liquidity Facility Provider, present in person or by proxy, shall have one vote for each ZAR1,000,000 outstanding under the relevant Liquidity Facility.

23.1.3. Accordingly, and for the avoidance of doubt, each Qualifying Liquidity Facility Provider shall have all the rights, powers and obligations of a Series Noteholder in terms of this Condition 23, and shall be entitled to receive notice of, and participate in meetings of Series Noteholders, and shall be included when determining whether a quorum is present at a meeting of Series Noteholders, all in the manner contemplated in this Condition 23, *mutatis mutandis*.

23.2. Participation Rights

Every director, every trustee, the secretary of and the attorney to the Issuer and the Series Security Trust and every other person authorised in writing by the Issuer or the Series Security Trust, may attend and speak at a meeting of Series Noteholders, but shall not be entitled to vote, other than as a Series Noteholder or a proxy or duly authorised representative of a Series Noteholder.

23.3. Ordinary and Special Resolutions

23.3.1. Series Noteholders shall have the power (in a meeting of Series Noteholders or by written resolution as contemplated in Condition 23.16, as the case may be), in addition to all powers specifically conferred elsewhere in these Terms and Conditions:

23.3.1.1. by Ordinary Resolution of the Series Noteholders, or where there is more than one Class of Series Noteholders, the Controlling Class to give instructions to the Series Security Trust or the Issuer in respect of any matter which does not require a Special Resolution (but without imposing obligations on the Issuer or the Series Security Trust not

imposed or contemplated by these Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Series Transaction Documents); or

23.3.1.2. by Special Resolution of a particular Class of Series Noteholders to agree to any variation or modification of any of the rights of that Class of Series Noteholders;

23.3.2. Unless otherwise specified, resolutions of Series Noteholders or Series Noteholders of the relevant Class will require an Ordinary Resolution to be passed. If there is any conflict between the resolutions passed by any Class of Series Noteholders, the resolutions passed by the Controlling Class will prevail.

23.4. Indemnity

The Series Security Trust shall be entitled, before carrying out the directions of Series Noteholders in terms of this Condition, to require that it be indemnified against all expenses and liabilities which may be incurred and that it be provided from time to time, so far as the Series Security Trust may reasonably require, with sufficient monies to enable it to meet the expense of giving effect to such directions.

23.5. Convening of meetings

23.5.1. The Series Security Trust or the Issuer may at any time convene a meeting of Series Noteholders or separate meetings of each Class of Series Noteholders ("**a meeting**" or "**the meeting**").

23.5.2. The Series Security Trust shall convene a meeting upon the requisition in writing of the holders of at least 10% (ten per cent) of the aggregate Principal Amount Outstanding of the Notes or Class of Notes, as the case may be, upon being given notice of the nature of the business for which the meeting is to be held.

23.5.3. Whenever the Issuer wishes to convene a meeting, it shall forthwith give notice in writing to the Series Security Trust of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting and the Series Security Trust shall give notice thereof to the Series Noteholders.

- 23.5.4. Whenever the Series Security Trust wishes or is obliged to convene a meeting it shall forthwith give notice in writing to the relevant Series Noteholders and the Issuer in the manner prescribed in Condition 18, of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- 23.5.5. Notwithstanding anything to the contrary contained herein, the Issuer shall, 5 Business Days prior to the Security Trust calling a meeting of Series Noteholders on a proposed amendment to the Terms and Conditions and/or the Series Priority of Payments as contemplated in Condition 19.2, notify the JSE in writing of such proposed amendment. If such proposed amendment includes any amendment to the Applicable Procedures, the Security Trust shall not call a meeting of Noteholders if the JSE has notified the Issuer in writing within the 5 Business Days' notice period that the proposed amendment contravenes any provision of the JSE Debt Listings Requirements.
- 23.5.6. All meetings of Series Noteholders shall be held in Johannesburg.

23.6. Requisition

- 23.6.1. A requisition notice referred to in 23.5.2 shall state the nature of the business for which the meeting is to be held and shall be deposited at the office of the Series Security Trust.
- 23.6.2. The Series Security Trust shall notify the Issuer of the deposit of a requisition notice forthwith.
- 23.6.3. A requisition notice may consist of several documents in like form, each signed by one or more requisitionist.

23.7. Convening of meetings by requisitionists

If the Series Security Trust does not proceed to convene a meeting to be held within 30 (thirty) days of the deposit of a requisition notice, requisitionists who together hold not less than 10% (ten per cent) of the aggregate Principal Amount Outstanding of the Notes or the Class of Notes, as the case may be, for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 90 (ninety) 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

Series Security Trust. Notice of the meeting shall be required to be given to the Issuer and the Series Security Trust.

23.8. Notice of meeting

23.8.1. Unless the holders of at least 90% (ninety per cent) of the aggregate Principal Amount Outstanding of the Notes or the Class of Notes, as the case may be, 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 to each Series Noteholder and to the Issuer or the Series Security Trust, as the case may be.

23.8.2. The accidental omission to give such notice to any Series Noteholder or the Series Security Trust or the Issuer or the non-receipt of any such notice, shall not invalidate the proceedings at a meeting.

23.9. Quorum

23.9.1. In respect of a Series Transaction, a quorum at a meeting shall:

23.9.1.1. for the purposes of considering an Ordinary Resolution, consist of Series Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be;

23.9.1.2. for the purposes of considering a Special Resolution, consist of Series Noteholders present in person or by proxy and holding in the aggregate not less than a clear majority of the aggregate Principal Amount Outstanding of the Notes or each Class of Notes, as the case may be.

23.9.2. No business shall be transacted at a meeting of the Series Noteholders unless a quorum is present at the time when the meeting proceeds to business.

23.9.3. 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 Series 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 next succeeding Business Day. If at such adjourned meeting a quorum is not present the Series Noteholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including a Special Resolution.

23.10. Chairperson

The Series Security Trust or its representative shall preside as chairperson at a meeting. If the Series Security Trust or its representative is not present within 10 (ten) minutes of the time appointed for the holding of the meeting, the Series Noteholders then present shall choose one of their own number to preside as chairperson.

23.11. Adjournment

- 23.11.1. Subject to the provisions of this Condition, the chairperson may, with the consent of, and shall on the direction of, the meeting, adjourn the meeting from time to time and from place to place.
- 23.11.2. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 23.11.3. At least 14 (fourteen) days' written notice of the place, day and time of an adjourned meeting shall be given by the Series Security Trust to each Series Noteholder and the Issuer. In the case of a meeting adjourned in terms of this Condition 23.9.3, the notice shall state that the Series Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

23.12. How questions are decided

- 23.12.1. 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 chairperson or by any one of the Series Noteholders present in person or by proxy.
- 23.12.2. Unless a poll is demanded, a declaration by the chairperson 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.

23.12.3. A poll demanded on the election of a chairperson 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 chairperson of the meeting directs and the result of such poll shall be deemed to be the resolution of the meeting.

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

23.13. Votes

On a show of hands every Series Noteholder present in person shall have one vote. On a poll every Series Noteholder, present in person or by proxy, shall have one vote for each ZAR1 000 000 of the Principal 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 Principal Amount Outstanding of the Notes of which they are the registered holder and the vote may be exercised only by that holder present in person or by proxy 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.

23.14. Proxies and representatives

23.14.1. On a poll, votes may be given either in person or by proxy. A proxy shall be authorised in writing under any usual common form of proxy under the hand of the Series Noteholder or of his authorised agent and, if the Series Noteholder is a company, other body corporate or association, signed by its authorised officer or agent.

23.14.2. A person appointed to act as proxy need not be a Series Noteholder.

23.14.3. The proxy form shall be deposited at the registered office of the Issuer or at the office where the Register is kept 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 proxy proposes to vote, and in default, the proxy shall be invalid.

- 23.14.4. No proxy form shall be valid after the expiration of 6 (six) months from the date specified in it as the date of its execution.
- 23.14.5. A proxy shall have the right to demand or join in demanding a poll.
- 23.14.6. Notwithstanding Condition 23.14.4, a proxy form shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- 23.14.7. 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 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.
- 23.14.8. Any Series 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 Series Noteholders. Any reference in these Terms and Conditions to a Series Noteholder present in person includes such a duly authorised representative of a Series Noteholder.

23.15. Minutes

- 23.15.1. The Series Security Trust shall cause minutes of all resolutions and proceedings of meetings to be duly entered in books to be provided by the Issuer for that purpose.
- 23.15.2. Any such minutes as aforesaid, if purporting to be signed by the chairperson of the meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding meeting, shall be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Series 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.

23.16. Round Robin Resolutions

23.16.1. Notwithstanding anything to the contrary contained in this Condition 23, as regards any resolution that could be voted on at a Series Noteholders' meeting, such resolution may instead be voted on in writing by Series Noteholders entitled to exercise voting rights in relation to the proposed written resolution ("**Round Robin Resolution**") within 15 days after the proposed written resolution was submitted to such Series Noteholders.

23.16.2. Such Round Robin Resolution shall be regarded as having been adopted if it was supported by Series Noteholders entitled to exercise sufficient voting rights for it to have been adopted in accordance with the voting percentage prescribed above at a properly constituted meeting of Series Noteholders.

23.16.3. The notice of the proposed written resolution to Series Noteholders shall include the written resolution including any restrictions on voting contemplated in this Programme Memorandum, the last date on which the Series Noteholder must return the signed resolution and the address to which it should be sent.

24. **MULTIPLE ROLES**

The Series Noteholders acknowledge and agree that SBSA acts in a number of different capacities in relation to the transactions envisaged in the Series Transaction Documents. Notwithstanding such different roles:

24.1. SBSA and any of its officers, directors and employees may become the owner of, or acquire any interest in, any Notes with the same rights that it or he would have had if not a party to a Series Transaction Document, and may engage or be interested in any financial or other transaction with the Issuer, provided it is a transaction disclosed in any Series Transaction Document, and may act on, or as depository, trustee or agent for, any committee or body of Series Noteholders in connection with any other obligation of the Issuer as freely as if it were not a party to any Series Transaction Document;

24.2. information, knowledge or notification obtained by SBSA in any one such capacity shall not be attributed to it, whether constructively or otherwise, in any other capacity; and

- 24.3. any payments made by the Issuer in accordance with the Series Transaction Documents to SBSA in one capacity shall be construed as a payment to SBSA only in such capacity and not in any other capacity.

25. CONSENT OF THE SERIES SECURITY TRUST

- 25.1. Where in any Series Transaction Document provision is made for the consent to be given by the Series Security Trust, unless expressly stated otherwise, such consent:

- 25.1.1. may be given (conditionally or unconditionally) or withheld in the discretion of the Series Security Trust; provided that, in exercising such discretion, the Series Security Trust shall act in what it reasonably believes to be in the best interests of Series Secured Creditors and, if (in giving or withholding the consent) the interests of any one category of Series Secured Creditors conflict with those of another category of Series Secured Creditors, the Series Security Trust shall act in what it reasonably believes to be in the interests of the Controlling Class of Series Noteholders (or failing any Series Noteholders, in the best interests of the category of Series Secured Creditors ranking highest in the Series Priority of Payments);
- 25.1.2. shall be given or withheld within a reasonable period of time and, if not given or withheld within such reasonable period of time, shall be deemed to have been withheld.

- 25.2. Where in any Series Transaction Document it is provided that the Issuer and/or the Series Security Trust is required to act, form an opinion, give consent, or exercise a right or discretion "reasonably" or to not act "unreasonably" (collectively "acted"), or is constrained by words to similar effect, and any other party disputes that the Issuer or the Series Security Trust, as the case may be, has acted reasonably or asserts that it has acted unreasonably, then, pending a final resolution of such dispute, all parties (including the party which raised the dispute) shall nevertheless in all respects continue to perform their obligations under the relevant Series Transaction Document, and/or give effect to its provisions, including provisions relating to the termination thereof, as if the Issuer or the Series Security Trust, as the case may be, had acted reasonably or had not acted unreasonably, as the case may be.

- 25.3. Without derogating from any express provision in any Series Transaction Document and without limiting any of the rights, powers and/or discretions of the Series Security Trust, the Security Trust will not be required to exercise any right, power or discretion

in terms of the Series Transaction Documents without the specific written instructions of a Special Resolution of the Controlling Class of Series Noteholders or, if there are no Series Noteholders, then without the specific written instructions of the Series Secured Creditors ranking highest in the Series Priority of Payments at that time.

26. DISCRETION OF THE ADMINISTRATOR

In the performance of its duties with respect to the Series Assets, the Administrator shall have full authority and discretion to manage the Series Assets as it deems fit without prior Noteholder approval, provided that no action shall be taken with respect to the Series Assets without prior Series Noteholder approval sanctioned by a Special Resolution of the relevant Series Noteholders, if such action will or may, in the reasonable opinion of the Administrator, affect the Conditions of such Notes or the relevant Series Security.

USE OF PROCEEDS

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The Issuer shall use the net proceeds from the issue of the Notes as operating capital primarily:

- to acquire Participating Assets; and/or
- to invest in Participating Assets; and/or
- to redeem outstanding Notes in that Series Transaction; and/or
- for such other purpose in connection with that Series Transaction as may be specified in the Applicable Pricing Supplement.

PARTICIPATING ASSETS

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1. PARTICIPATING ASSETS

- 1.1. Full details of the Participating Assets acquired or invested in by the Issuer in relation to each Series Transaction (including the number and value thereof) will be set out in the Applicable Pricing Supplement and/or Applicable Transaction Supplement.
- 1.2. Participating Assets may comprise of any financial asset, receivable or contract (together with any related security, if any) provided that:
 - 1.2.1. the Participating Assets comply with the Eligibility Criteria applicable on the relevant date of transfer or investment as set out in the Applicable Pricing Supplement and/or Applicable Transaction Supplement;
 - 1.2.2. Participating Assets shall not comprise of consumer and similar retail-type loans, including but not limited to auto instalment sales, trade receivables, credit card receivables and equipment leases. Such types of financial assets are accordingly excluded and may not be acquired or invested in by the Issuer under any Series Transaction for any reason whatsoever;
 - 1.2.3. the governing law of the Participating Assets shall be South African law or the laws of such other jurisdiction as may be specified in the Applicable Pricing Supplement;
- 1.3. In relation to each Series Transaction:
 - 1.3.1. all right, title and interest in and to the Participating Assets acquired or invested in by the Issuer shall vest in the Issuer upon the date of transfer to (whether in terms of the relevant Participating Asset Acquisition Agreement or otherwise) or investment by, the Issuer, including the right to enforce all available remedies under the relevant Participating Asset

(including related security, if any) against the relevant Obligor in the event of a breach of the Obligor's obligations thereunder, including a breach of any representations or warranties. Accordingly, unless specified otherwise in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, the Issuer will have a direct, unsubordinated claim against the relevant Obligor;

- 1.3.2. unless specified otherwise in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, in respect of each Series Transaction, the concentration level of Obligors in any pool of Participating Asset is 100% and Participating Assets are not required to be seasoned;
- 1.3.3. in relation to Non-Performing Assets, Noteholders are entitled to exercise one or more of the Non-Performing Asset Clean-Up Options as more fully described in the section 12 of the Conditions entitled "*Series Transaction Clean Up Option*".

SERIES PRIORITY OF PAYMENTS

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires. References to the "Applicable Pricing Supplement" will be construed as references to an Applicable Pricing Supplement executed in respect of a Series Transaction. References to "Applicable Transaction Supplement" will only be applicable in circumstances where the Issuer has executed an Applicable Transaction Supplement. Unless the context indicates otherwise, references to "Programme Memorandum" will include, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) and in relation to a particular Tranche of Notes, the Applicable Pricing Supplement.

PRE-ENFORCEMENT SERIES PRIORITY OF PAYMENTS

1. In relation to each Series Transaction, unless specified otherwise in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, subject to the provisions of the Administration Agreement and provided that no Enforcement Notice has been given by the Series Security Trust (in which event the Post-Enforcement Series Priority of Payments set out in paragraph 2 below shall be applied), the Administrator shall assist and advise the Issuer so as to ensure that the funds in the Series Transaction Account on any Business Day on which the Issuer is required to pay, or make provision for (and the term "make provision for" or "provide" shall be understood, for the purpose of the Series Priority of Payments, as meaning to set aside amount(s) for the purpose of making payment of payment obligations of the Issuer accrued but not yet due and payable as at the relevant date in terms of the Series Priority of Payments and if the Issuer has set aside such amounts in terms of the Series Priority of Payments, the Issuer shall be entitled to make payment of such amounts without having to re-calculate the Series Priority of Payments in respect of such amounts), any amounts owing to any of its creditors (after making payment of or providing for amounts owing in respect of the Excluded Items), is applied by the Issuer (i) in the following order so that a Series Secured Creditor who ranks subsequent to any other creditor in the Pre-Enforcement Series Priority of Payments will not be paid until all the creditors ranking prior to such Series Secured Creditor have been paid all amounts then due and payable to them by the Issuer; and (ii) in relation to Common Expenses, the amount payable or to be provided for in respect of the Series Transaction shall be an equal share of such Common Expense allocated by the Administrator to the relevant Series Transaction:

- 1.1. first, to pay or provide for the Issuer's liability or potential liability for Taxes;
- 1.2. second, to pay or provide for, *pari passu* and *pro rata* (inclusive of VAT, if any):
 - 1.2.1. fees and/or reimbursements due to the Administrator;
 - 1.2.2. fees due to the Settlement Agent;
 - 1.2.3. minimum fees due to the Programme Dealer and/or Dealer(s);
 - 1.2.4. fees due to the Debt Sponsor;
 - 1.2.5. fees, expenses and disbursements due to the Series Security Trustee;
 - 1.2.6. fees, expenses and disbursements due to the trustee for the time being of the Issuer Owner Trust;
 - 1.2.7. fees due to the Auditors;
 - 1.2.8. fees and expenses due to the directors and/or other officers of the Issuer;
 - 1.2.9. fees due to the Rating Agency (if applicable);
 - 1.2.10. amounts due in respect of all other statutory obligations of the Issuer;
 - 1.2.11. fees, premiums or commissions due upon the execution of any hedging or derivative transaction due to any Hedge Counterparty relating to the Series Transaction;
 - 1.2.12. commitment fees or premiums relating to any facility (other than a Credit Enhancement Agreement) granted to the Issuer relating to the Series Transaction as specified in the Applicable Pricing Supplement and/or Applicable Transaction Supplement;
- 1.3. third, to pay *pari passu* and *pro rata* all amounts due and payable by the Issuer to any Hedge Counterparty pursuant to Hedging Transactions (other than in respect of termination payments following an event of default in respect of a Hedging Transaction where the Hedge Counterparty is the defaulting party under the relevant Hedging Transaction, in which event, see 1.6 below);
- 1.4. fourth, to pay or provide for *pari passu* and *pro rata*, interest and principal due to any facility provider in respect of facilities ((other than a Credit Enhancement Agreement))

granted to the Issuer relating to the Series Transaction as specified in the Applicable Pricing Supplement and/or Applicable Transaction Supplement;

- 1.5. fifth, to pay or provide for in descending order of rank, interest and principal due and payable in respect of each Class of Notes;
- 1.6. sixth, to pay *pari passu* and *pro rata*, to the extent that this is provided for in the relevant Hedging Transaction, any termination payment due and payable by the Issuer to a Hedge Counterparty pursuant to a Hedging Transaction following an event of default in respect of a Hedging Transaction where the Hedge Counterparty is the defaulting party under the relevant Hedging Transaction;
- 1.7. seventh, to pay or provide for *pari passu* and *pro rata*, interest, principal and/or any fees due and payable under any Credit Enhancement Agreement, if applicable;
- 1.8. eighth, to pay (if applicable) preference share dividends declared under the Preference Share to the Preference Shareholder; and
- 1.9. ninth, to pay ordinary dividends, if any, to the ordinary shareholder of the Issuer.

POST-ENFORCEMENT SERIES PRIORITY OF PAYMENTS

2. After the Series Security Trust has given an Enforcement Notice to the Issuer, declaring the Notes to be due and payable, the Series Security Trust shall realise the relevant Series Assets and use the funds therefrom and otherwise in the Series Transaction Account to make payments (after making payment of amounts owing in respect of the Excluded Items) in the following order of priority pursuant to and in accordance with, and as more fully set out in, the Administration Agreement and on the basis that (i) a Series Secured Creditor which ranks subsequent to any other creditors in the Post-Enforcement Series Priority of Payments will not be paid unless and until all creditors which rank prior to it in the Post-Enforcement Series Priority of Payments have been paid all the amounts then due and payable to them by the Issuer; and (ii) in relation to Common Expenses, the amount payable or to be provided for in respect of the Series Transaction shall be an equal share of such Common Expense allocated by the Administrator to the relevant Series Transaction:
 - 2.1. first, to pay or provide for the Issuer's liability or possible liability for all Taxes, provided that in the event of the Issuer being liquidated, whether provisionally or finally, voluntarily or compulsorily, payment or provision under this item shall be in respect of any fees or expenses due to any liquidator, receiver or Business Rescue practitioner appointed in respect of such liquidation;

- 2.2. second, to pay all amounts due and payable by the Issuer to the Hedge Counterparty pursuant to Hedging Transactions (other than in respect of termination payments following an event of default in respect of a Hedging Transaction where the Hedge Counterparty is the defaulting party under the relevant Hedging Transaction);
- 2.3. third, to pay or provide for, *pari passu* and *pro rata*:
 - 2.3.1. fees and/or reimbursements due to the Administrator;
 - 2.3.2. fees due to the Settlement Agent;
 - 2.3.3. minimum fees due to the Programme Dealer and/or Dealer(s);
 - 2.3.4. fees due to the Debt Sponsor;
 - 2.3.5. fees, expenses and disbursements due to the Series Security Trustee;
 - 2.3.6. fees, expenses and disbursements due to the trustee for the time being of the Issuer Owner Trust;
 - 2.3.7. fees due to the Auditors;
 - 2.3.8. fees and expenses due to the directors and/or other officers of the Issuer;
 - 2.3.9. fees due to the Rating Agency (if applicable);
 - 2.3.10. amounts due in respect of all other statutory obligations of the Issuer;
 - 2.3.11. fees, premiums or commissions due upon the execution of any hedging or derivative transaction due to any Hedge Counterparty relating to the Series Transaction;
 - 2.3.12. commitment fees or premiums relating to any facility (other than a Credit Enhancement Agreement) granted to the Issuer relating to the Series Transaction as specified in the Applicable Pricing Supplement and/or Applicable Transaction Supplement;
- 2.4. fourth, to pay or provide for *pari passu* and *pro rata*:
 - 2.4.1. interest and principal due to any facility provider in respect of facilities (other than a Credit Enhancement Agreement) granted to the Issuer

relating to the Series Transaction as specified in the Applicable Pricing Supplement and/or Applicable Transaction Supplement;

- 2.4.2. interest, principal and all other amounts due and payable in respect of each Class of Notes in a descending order of rank;
 - 2.5. fifth, to pay *pari passu* and *pro rata*, to the extent that this is provided for in the relevant Hedging Transaction, any termination payment due and payable by the Issuer to a Hedge Counterparty pursuant to a Hedging Transaction following an event of default in respect of a Hedging Transaction where the Hedge Counterparty is the defaulting party under the relevant Hedging Transaction;
 - 2.6. sixth, to pay or provide for *pari passu* and *pro rata*, interest, principal and/or any fees due and payable under any Credit Enhancement Agreement, if applicable;
 - 2.7. seventh, to pay (if applicable) preference share dividends declared under the Preference Share to the Preference Shareholder; and
 - 2.8. eighth, to pay ordinary dividends, if any, to the ordinary shareholder.
3. In regard to the Notes, any reference in the Series Priority of Payments to a *pro rata* allocation of funds in respect of principal payments shall be determined with reference to the then Principal Amount Outstanding of the relevant Class of Notes.

SECURITY STRUCTURE

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires. References to the "Applicable Pricing Supplement" will be construed as references to an Applicable Pricing Supplement executed in respect of a Series Transaction. References to "Applicable Transaction Supplement" will only be applicable in circumstances where the Issuer has executed an Applicable Transaction Supplement. Unless the context indicates otherwise, references to "Programme Memorandum" will include, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) and in relation to a particular Tranche of Notes, the Applicable Pricing Supplement.

1. Notes will be obligations of the Issuer only.
2. In relation to each Series Transaction, the Pre-Enforcement Series Priority of Payments sets out the sequence in accordance with which certain creditors of the Issuer will be paid prior to delivery of an Enforcement Notice by the Series Security Trust. The Post-Enforcement Series Priority of Payments sets out the sequence of payment to certain creditors of the Issuer following delivery of an Enforcement Notice by the Series Security Trust. Amounts payable at any time to any Series Secured Creditor which ranks in the applicable Series Priority of Payments after other Series Secured Creditors, will only be paid to the extent that funds are available at such time after payment has been made in full to creditors ranking higher in the applicable Series Priority of Payments.
3. In relation to each Series Transaction, a separate Series Security Trust will bind itself under the Series Guarantee to each Series Secured Creditor. Pursuant to such Series Guarantee, the Series Security Trust will undertake in favour of each Series Secured Creditor to pay to it the full amount then owing to it by the Issuer, if an Issuer Programme Event of Default should occur. The liability of the Series Security Trust pursuant to the Series Guarantee will, however, be limited in the aggregate to the amount recovered by the Series Security Trust from the Issuer arising out of the Series Indemnity referred to below. Payment of amounts due by the Series Security Trust pursuant to the Series Guarantee will be made strictly in accordance with the applicable Pre-Enforcement Series Priority of Payments prior to delivery of an Enforcement Notice by the Series Security Trust and the applicable Post-Enforcement Series Priority of Payments after delivery of an Enforcement Notice by the Series Security Trust, as the case may be, such that Series Secured Creditors on each level of the relevant Series Priority of Payments will be paid all amounts then due and payable to them before

Series Secured Creditors ranking below them in the relevant Series Priority of Payments receive any payment.

4. The Issuer will give a Series Indemnity to the Series Security Trust in respect of the claims that may be made against the latter arising out of the Series Guarantee. The obligations of the Issuer in terms of the Series Indemnity are secured by Series Security Cessions in favour of the Series Security Trust of the Issuer's right, title and interest in and to the Series Assets applicable to the relevant Tranche of Notes (including any realisation proceeds) in respect of which the relevant Series Guarantee and Series Indemnity are given. The Series Security Cession in respect of a Series Transaction may include a pledge of movable assets by the Issuer, as set out in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement.
5. Each Tranche of Notes issued in respect of a Series Transaction will share the same security *pari passu* and *pro rata* (unless a particular Tranche of Notes in respect of that Series Transaction is expressed to be of a different Class or otherwise subordinated to other Notes issued in respect of that Series Transaction). In the event of the delivery of an Enforcement Notice in respect of a Series Transaction, the Notes will rank in accordance with the Post-Enforcement Series Priority of Payments.

THE ISSUER

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the same meanings as used in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Introduction

The Issuer is a special purpose limited liability company incorporated and registered in South Africa on 24 May 2013, under Registration No. 2013/084885/06. The Issuer's entire issued share capital is beneficially owned by the Issuer Owner Trust. The trustee of the Issuer Owner Trust is GMG Trust Company (SA) Proprietary Limited (registration number 2006/013631/07).

The Issuer has been established for the specific purpose of issuing Notes to fund the acquisition of and/or investment in Participating Assets. Accordingly, the Issuer's memorandum of incorporation has been limited to provide that the Issuer will carry on no other business save as specifically provided for in the Series Transaction Documents, without the prior written consent of the Series Security Trustee.

Directors

The Directors of the Issuer are John Richard Parker Doidge, Brendan Harmse and Rishendrie Thanthony.

Registered Office

The registered office of the Issuer is at 3rd Floor, 200 On Main, Corner Bowwood and Main Roads, Claremont, Cape Town, 7708.

The company secretary of the Issuer is GMG Trust Company (SA) Proprietary Limited.

Auditor

The auditor of the Issuer is KPMG Inc..

King Report on Corporate Governance for South Africa ("King III")

Owing to the ring-fenced nature of the Issuer's business and the restriction on its activities as a special purpose vehicle established in accordance with the Commercial Paper Regulations, the Issuer

believes that compliance with King III would be inappropriate in the circumstances. The Issuer therefore does not comply with King III as at the date of this Programme Memorandum. The board will on a regular basis consider, to the extent necessary, appropriate compliance with King III in the future.

Activities

The activities of the Issuer will be restricted by the Series Transaction Documents and will be limited to the issue of the Notes, the acquisition of, investment in and ownership of Participating Assets and other assets referred to in this Programme Memorandum, the exercise of related rights and powers, and other activities referred to in this Programme Memorandum and the Series Transaction Documents or reasonably incidental to such activities.

Substantially all of the above activities will be carried on by the Administrator as agent for and on behalf of the Issuer under the Administration Agreement subject to the rights of the Issuer or the Series Security Trust to revoke the agency upon the occurrence of certain events of default or insolvency or similar events in respect of the Administrator.

Capitalisation of the Issuer

The issued share capital of the company comprises:

- a) 100 ordinary shares issued at a subscription price of R1,00 each; and
- b) 1 Preference Share issued at a subscription price of R1,00.

Financial information

A complete set of the financial statements (prepared in accordance with IFRS) is available for inspection by investors during normal office hours at the Specified Offices of the Issuer or is available on the website maintained by the Administrator <http://corporateandinvestment.standardbank.co.za/pages/securitisation/securitisation.html>. See also the section headed "*Documents Incorporated by Reference*" in this Programme Memorandum.

After due and careful enquiry and consideration, carried out without the involvement of the auditors of the Issuer, the board of directors of the Issuer is satisfied that there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's incorporation.

THE ADMINISTRATOR

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the same meanings as used in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

1. The Administrator

SBSA is regulated by the South African Reserve Bank and is an Authorised Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 and a Registered Credit Provider in terms of the National Credit Act, 34 of 2005. SBSA is a wholly owned subsidiary of Standard Bank Group Limited, which is listed on the JSE under the code "SBK". Full financial statements of SBSA are available on the website <http://corporateandinvestment.standardbank.co.za/pages/securitisation/securitisation.html>.

2. Role of the Administrator

In respect of each Issuer Programme and each Series Transaction, the Issuer will appoint the Administrator, as its agent, to advise the Issuer in relation to the management of each Series Transaction, to manage the Series Assets and to exercise the Issuer's respective rights, powers and duties under the Series Transaction Documents, upon the terms and conditions of the Administration Agreement.

Any rights or obligations of the Issuer under the Series Transaction Documents may be exercised or satisfied (as the case may be) by the Administrator on behalf of the Issuer and the Series Security Trust is not obliged to enquire as to the authority of the Administrator to take such action on behalf of the Issuer.

The Administrator is entitled to terminate its appointment as Administrator on at least 12 (twelve) months prior written notice to the Issuer and each Series Security Trust; provided that such termination shall not become effective until a substitute Administrator is appointed.

3. Duties of the Administrator

The duties of the Administrator include procuring that all management, reporting, administrative, accounting, company secretarial and legal functions which the Issuer may require to have carried out in the ordinary course of its business are carried out by itself or by the auditors, secretaries or attorneys of the Issuer from time to time.

The Administrator shall, in addition, provide custodial and data maintenance services on behalf of the Issuer in respect of all documents and data in relation to the Series Assets, including providing appropriate back-ups of all such documents and data.

In relation to each Series Transaction, the Administrator assists and advises the Issuer in relation to the acquisition and management of Series Assets and, where applicable, realisation of Series Security, administers the Series Priority of Payments and advises the Issuer in relation to the issuing, redeeming and re-issuing of Notes.

In the performance of its duties with respect to the Series Assets, the Administrator shall have full authority and discretion to manage the Series Assets as it deems fit without prior Noteholder approval, provided that no action shall be taken with respect to the Series Assets without prior Series Noteholder approval sanctioned by a Special Resolution of the relevant Series Noteholders, if such action will or may, in the reasonable opinion of the Administrator, affect the Conditions of such Notes or the relevant Series Security.

The Administrator remains subject to the ultimate control and directions of the board of directors of the Issuer.

In consideration for the fee mentioned below, the Administrator will assume certain costs of the Issuer in relation to each Series Transaction (including payment of the Rating Agency, the JSE, director and officer fees, audit fees, dealer fees in terms of the Programme Agreement, transfer agent fees in terms of the Transfer Agent Agreement, the fees in terms of the Bank Agreement and company secretarial expenses, but excluding payments required to be made under the Notes). The Administrator will have no claim for the reimbursement of such costs by the Issuer. The Administrator is not under any obligation to fund payments owed to any holder of Notes, or any counterparty to any Series Transaction Document, or otherwise to recompense investors for losses incurred in respect of any Series Transaction.

4. Remuneration of the Administrator

As compensation for the role performed by the Administrator in managing the business of the Issuer and payment of the operating costs of the Issuer, the Administrator is entitled to a fee payable by the Issuer to the Administrator in accordance with the provisions of the Administration Agreement, which fee is paid to the extent permitted by, and in accordance with, each Series Priority of Payments.

SETTLEMENT, CLEARING AND TRANSFERS OF NOTES

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Notes held in the Central Depository

Clearing systems

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

A Tranche of unlisted Notes may also be held in the Central Depository. With respect to Notes not listed on the Interest Rate Market of the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Notes to take place in accordance with the electronic settlement procedures of the JSE and the Central Depository.

Participants

As at the date of this Programme Memorandum, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the South African Reserve Bank, FirstRand Bank Limited, Nedbank Limited, the Johannesburg branch of Standard Chartered Bank, the Johannesburg branch of Société Générale, the South African branch of Citibank N.A. and The Standard Bank of South Africa Limited. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

Notes issued in uncertificated form

The Issuer may, subject to Applicable Laws, issue Notes that are to be listed on the Interest Rate Market of the JSE, in uncertificated form. Unlisted notes may also be issued in uncertificated form.

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

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures.

All the provisions relating to Beneficial Interests in the Notes held in the Central Depository will apply to Notes issued in uncertificated form.

Beneficial Interests

The Central Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures. Each Tranche of Notes issued in uncertificated form, will be registered in the name of the Central Depository's Nominee, and the Central Depository's Nominee will be named in the Register as the sole Series Noteholder of such Tranche of Notes.

Accordingly, and except where the contrary is provided in the Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes held in uncertificated form, will be paid to and may be exercised only by the Central Depository's Nominee for the holders of Beneficial Interests in such Notes.

The Central Depository maintains central securities accounts only for Participants.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Depository only through their Participants.

In relation to each person shown in the records of the Central Depository 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 Central Depository 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.

Payments of interest and principal in respect of Notes held in uncertificated form, and registered in the name of the Central Depository's Nominee will be made in accordance with Condition 10 to the Central Depository's Nominee, or such other registered holder of the uncertificated Notes as shown in

the Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the uncertificated Notes in respect of each amount so paid. The registered holder of such uncertificated Notes will in turn transfer such funds, via the Participants, to the holders of Beneficial Interests.

Each of the persons shown in the records of the Central Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Depository's Nominee or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Notes.

The Issuer will not 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 such Beneficial Interests.

Transfers and exchanges

Transfers of Beneficial Interests in the Central Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Depository system occur through electronic book entry in the Participants' central securities accounts with the Central Depository. Beneficial Interests may be transferred only in accordance with the Conditions and the rules and operating procedures for the time being of the Central Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 15.

Individual Certificates

The Notes represented by Individual Certificates will be registered in the name of the individual Series Noteholders in the Register of Series Noteholders.

Notes represented by Individual Certificates may be transferred only in accordance with the Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 10 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Individual Certificate in respect of each amount so paid.

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.

Notes listed on any exchange other than (or in addition to) the JSE

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

SOUTH AFRICAN TAXATION

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

The comments below are intended as a general guide to the current position under the laws of South Africa, and are not a comprehensive statement of the relevant taxation laws and principles. The contents of this section "South African Taxation" do not constitute tax advice and persons should consult their professional advisers.

Income Tax

Under current taxation law effective in South Africa, a "resident" (as defined in section 1 of the Income Tax Act, No. 58 of 1962 (the "**Income Tax Act**")) is subject to income tax on his/her world-wide income. Accordingly, all Series Noteholders who are "residents" of South Africa will be liable to pay income tax, on any interest earned pursuant to the Notes, subject to available deductions, allowances and exemptions. Non-residents of South Africa are subject to income tax on all income derived from a South African source or deemed source. Non-residents may, in certain instances, qualify for a domestic exemption or relief in terms of an applicable double taxation treaty (the "**DTA**").

Interest income is regarded as being from a South African source if that amount:

- a) is attributable to an amount incurred by a person that is a resident, unless the interest is attributable to a permanent establishment which is situated outside of South Africa; or
- b) is received or accrues in respect of 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.

Accordingly, the interest paid to the Series Noteholders will be from a South African source and subject to South African income tax unless such income is exempt under section 10(1)(h) of the Income Tax Act (see below).

In terms of section 10(1)(h) of the Income Tax Act interest received by or accruing to a Series Noteholder who, or which, is not a resident of South Africa during any year of assessment 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 that year of assessment; or
- b) at any time during that year of assessment carried on business through a permanent establishment in South Africa.

If a Series Noteholder does not qualify for the domestic exemption contained in section 10(1)(h) of the Income Tax Act, exemption from, or reduction of the South African income tax liability may be available under an applicable DTA.

Investors are advised to consult with 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.

In terms of section 24J of the Income Tax Act, any discount or premium to the nominal amount of a Note is treated as part of the interest income on the Note. Section 24J of the Income Tax Act deems interest income to accrue to a Series Noteholder on a day to day basis until that Series Noteholder disposes of the Note or until maturity unless the Series Noteholder is entitled under Section 24J(9) of the Income Tax Act to make an election to treat its Notes on a mark-to-market basis. This day to day basis accrual is determined by calculating the yield to maturity and applying it to the capital involved for the relevant tax period. Interest as defined in section 24J of the Income Tax Act (including the premium or discount) may qualify for the exemption under section 10(1)(h) of the Income Tax Act.

To the extent the disposal of the Note gives rise to a gain or a loss, the normal principles are to be applied in determining whether such gain or loss should be subject to income tax in terms of the Income Tax Act.

Capital Gains Tax

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax. Any discount or premium on acquisition of the Note 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. Under section 24J(4A) of the Income Tax Act a loss on disposal will, to the extent that it has previously been included in taxable income (as interest), be allowed as a deduction from the taxable income of the holder when it is incurred and accordingly will not give rise to a capital loss.

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 in South Africa.

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

Securities Transfer Tax ("STT")

No STT is payable on the issue or transfer of Notes (bonds) under the Securities Transfer Tax Act, No. 25 of 2007 (the "STT Act") because they do not constitute securities for the purposes of the STT Act.

Value-Added Tax ("VAT")

No VAT is payable on the issue or transfer of Notes. Notes (bonds) constitute "debt securities" as defined in section 2(2)(iii) of the South African Value-Added Tax Act, No. 89 of 1991. The issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security is a financial service, which is exempt from VAT in terms of section 12(a) of that Act.

Commissions, fees or similar charges raised for the facilitation of these services will however 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 South African Value-Added Tax Act, No. 89 of 1991.

Withholding tax

Under current taxation law in South Africa, all payments made under the Notes to resident and non-resident Series 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.

A withholding tax on interest was introduced into the Income Tax Act, 1962 (Act No 58 of 1962) as amended by the Taxation Laws Amendment Act, 2010 (Act No 7 of 2010). The withholding tax provisions were due to enter into force on 1 January 2013. However, the Taxation Laws Amendment Act, 2012 (Act No 22 of 2012) postponed the effectiveness of the introduction of the withholding tax on interest to 1 July 2013. The Minister of Finance subsequently indicated in the 2013 Budget Speech that the date of effectiveness of the withholding tax provisions will be deferred until 1 March 2014. The draft Taxation Laws Amendment Bill, 2013, which was published on 4 July 2013, proposes the further postponement of the effectiveness of the introduction of the withholding tax on interest to 1 January 2015. The draft Taxation Laws Amendment Bill, 2013 has not yet been passed or promulgated into law. However, if the draft Taxation Laws Amendment Bill, 2013 is passed into law and promulgated as currently proposed, then the effectiveness of the withholding tax provisions will be postponed and

shall take effect from 1 January 2015 so that interest that accrues or that is paid or that becomes due and payable on or after 1 January 2015 will be subject to a withholding tax of fifteen per cent (15%).

The withholding tax will be imposed on the amount of any interest that is paid by any person (to the extent that the interest is regarded as being from a source within South Africa) to or for the benefit of any foreign person (i.e. a person that is not a South Africa tax resident). Accordingly, to the extent that any interest is paid to Series Noteholders who are South African tax residents, the withholding tax will not apply.

In terms of the proposed legislation, South African sourced interest that is paid to a foreign person in respect of any listed debt will be exempt from the withholding tax on interest. In terms of the legislation, a "listed debt" is a debt that is listed on a recognised exchange as defined in paragraph 1 of the Eighth Schedule to the Income Tax Act, 1962. This exemption should apply to the interest payments made to Series Noteholders to the extent that the Note is a debt instrument listed on the JSE. Insofar as the Note is not a debt instrument listed on the JSE, a foreign person will be exempt from the withholding tax on interest if that foreign person –

- 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 paid; or
- the debt claim in respect of which the interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa if that foreign person is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011 (Act No 28 of 2011).

All other foreign persons are subject to normal South African income tax on the interest sourced in South Africa unless exempted under Section 10(1)(h) of the Income Tax Act. Please refer to the section on Income Tax above.

Definition of Interest

The references to "interest" above mean "interest" as understood in South African tax law. The statements above do not take any 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 of the Notes or any related documentation.

EXCHANGE CONTROL

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Non-South African Resident Series Noteholders and Emigrants from the Common Monetary Area:

General

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 South African Exchange Control Regulations, 1961 (the “Regulations”).

The following summary is not a comprehensive statement of the Regulations, and reflects only the understanding of the Issuer’s advisers of the Regulations. The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of Notes. Prospective subscribers for or purchasers of Notes that are non-South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the subscription for or purchase of Notes.

Blocked Rand

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 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 Series Noteholders represented by certificates who are emigrants from the Common Monetary Area will be endorsed “emigrant”. In the event that a Beneficial Interest in Notes is held by an emigrant from the Common Monetary Area through the Central Depository and its relevant Participants, the securities account of such emigrant will be designated as an “emigrant” account. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

Any payments of interest or principal due to an emigrant Series Noteholder will be deposited into such emigrant's Blocked Rands 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 Regulations.

Non-residents of the Common Monetary Area

Any Individual Certificates issued to Series 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 Central Depository and its relevant Participants, the securities account of such Series Noteholder will be designated as a "non-resident" account.

It will be incumbent on any such non-resident 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 Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificates or securities account, as the case may be, is designated "non-resident".

For the purposes of these paragraphs, the Common Monetary Area comprises South Africa, the Republic of Namibia, the Kingdoms of Lesotho and Swaziland.

Exchange Control approval

Exchange Control approval is not required for the subscription for or purchase of Notes.

SUBSCRIPTION AND SALE

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

SBSA will, in terms of the Programme Agreement, be appointed as the Programme Dealer in relation to each Issuer Programme on an ongoing basis for the duration of each such Issuer Programme. An Issuer may, pursuant to a Programme Agreement, appoint one or more other Dealers in relation to a Series Transaction or the issue of a Tranche of Notes.

In relation to any Series Transaction, the Issuer may from time to time agree with the Programme Dealer or Dealer(s) pursuant to the Programme Agreement to issue, and the Programme Dealer or Dealer(s) may agree to place, as agent on behalf of the Issuer, one or more Tranches of Notes by the Programme Dealer or Dealer(s) agreeing to become bound by all of the provisions of the Programme Agreement.

Notes listed on the Interest Rate Market of the JSE will be delivered to subscribers on the Issue Date through the settlement system of the JSE and in accordance with Applicable Procedures. The Programme Dealer and/or Dealer(s) may, however, procure sale and purchase transactions in respect of such Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the Programme Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date. If the Programme Agreement is terminated before that time for any reason the transactions in the relevant Tranche of Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination.

Republic of South Africa

Prior to the issue of any Tranche of Notes under an Issuer Programme, the Programme Dealer and each Dealer who has (or will have) agreed to use commercially reasonable endeavours to subscribe and pay for, or procure the subscription and payment for, that Tranche of Notes will be required to represent and agree that it will not solicit any offers for subscription for the Notes in contravention of the Companies Act, the Banks Act, 1990, the South African Exchange Control Regulations, 1961 and any other applicable laws and regulations of South Africa in force from time to time. Notes will not be offered for subscription to any single addressee for an amount of less than ZAR1 000 000.

United States of America

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

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

- (a) the Notes 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 of or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes and will not offer, sell or deliver any Notes (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) calendar days after completion of the distribution, as determined and certified by the Programme Dealer or Dealer(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all the Notes, within the United States or to, or for the account or benefit of, U.S. persons;
- (c) it will send to each dealer to which it sells any Notes 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;
- (d) it, its affiliates and any persons acting on its or any of its affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes 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) calendar days after the commencement of the offering of any Notes under this Programme Memorandum, 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 an Issuer Programme, the Programme Dealer and each Dealer for that Tranche of Notes 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) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) 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 Programme Dealer or Dealer(s) nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer, the Programme Dealer or Dealer(s) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 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.

United Kingdom

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

- (a) in relation to any of the Notes 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 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, from or otherwise involving the United Kingdom.

General

Prior to the issue of any Tranche of Notes under an Issuer Programme, the Programme Dealer or 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;
- (b) it will comply with such other or additional restrictions as the Issuer and the Programme Dealer or Dealer(s) agree and as are set out in the Applicable Pricing Supplement.

Neither the Issuer nor the Programme Dealer and/or the Dealer(s) represents that Notes may at any time lawfully be subscribed for or sold in compliance with any applicable registration or other requirements in any jurisdiction or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such subscription or sale.

GLOSSARY OF TERMS

The following terms and expressions will have the meanings set out below in the Terms and Conditions and the other Series Transaction Documents, unless inconsistent with the context or separately defined in the Terms and Conditions, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement or any other Series Transaction Document. References to the "Applicable Pricing Supplement" will be construed as references to an Applicable Pricing Supplement executed in respect of a Series Transaction. References to "Applicable Transaction Supplement" will only be applicable in circumstances where the Issuer has executed an Applicable Transaction Supplement. Unless the context indicates otherwise, references to "Programme Memorandum" will include, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) and in relation to a particular Tranche of Notes, the Applicable Pricing Supplement.

1. **"Acceding Issuer"** an Issuer that accedes to the Programme as contemplated in the section entitled "Accession to the Programme";

2. **"Account Bank"** SBSA, or such other bank appointed in terms of the Bank Agreement provided that such bank shall be a bank (being an authorised institution under the Banks Act, 1990, or having an equivalent status under the banking legislation of South Africa) which has been assigned the Highest Short-Term Credit Rating, if applicable, (whether solicited or unsolicited) by the Rating Agency or any other institution, provided that the Issuer has furnished the Rating Agency with 10 (ten) Business Days' prior written notice of the appointment of such institution as Account Bank;

3. **"Actual Redemption Date"** in respect of each Series Transaction, the actual date of redemption in full of any Tranche of Notes by way of payment of the aggregate Principal Amount Outstanding of such Notes in accordance with the Terms and Conditions;

4. **"Administration Agreement"** in respect of each Issuer Programme, the agreement between the Issuer, the Series Security Trust and the Administrator constituted upon the completion and signature of a document in the form of the pro forma Administration Agreement and as amended, novated and/or replaced from time to time in accordance with its terms, setting out the terms on which the Administrator acts as agent on behalf of the Issuer in certain respects and provides administration functions;

5. **"Administrator"** SBSA or such other person as may be appointed as the Administrator in terms of the Administration Agreement;
6. **"Adverse Tax Event"** any change in law or proposed change in law which may have or would have the effect, immediately or over time, of increasing the amount of any existing Tax liability of the Issuer or resulting in any reduction in the amounts received by the Issuer;
7. **"Adverse Tax Event Redemption Date"** in relation to a Series Transaction under which Notes are Issued, the date or dates specified as such in the Applicable Pricing Supplement in respect of an Adverse Tax Event;
8. **"Applicable Laws"** in relation to a person, all and any (i) statutes and subordinate legislation; (ii) regulations, ordinances and directives; (iii) by-laws; (iv) codes of practice, circulars, guidance notes, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time;
9. **"Applicable Pricing Supplement"** in respect of each Series Transaction, in relation to a Tranche of Notes, the series pricing supplement completed and signed by the Issuer in respect of such Tranche of Notes setting out such additional and/or other terms and conditions applicable to the Series Transaction (including the relevant Tranche of Notes), based upon the Pro Forma Applicable Pricing Supplement set out in the section of the Programme Memorandum headed "*Pro Forma Applicable Pricing Supplement*";
10. **"Applicable Procedures"** the rules and operating procedures for the time being of the Central Depository, Participants and the JSE or any other financial or stock exchange on which the Notes may be listed, as the case may be;
11. **"Applicable Transaction Supplement"** in relation to a Series Transaction, the series supplement signed by the Issuer binding itself to the terms and conditions of the Programme and setting out such information in relation to the Series Transaction as the Issuer wishes and/or may be obliged to disclose, based upon the Pro Forma Applicable Transaction Supplement in the section of the Programme Memorandum headed "*Pro Forma Applicable Transaction Supplement*" and as read with each Applicable Pricing

		Supplement;
12.	“Arranger”	SBSA;
13.	“Bank Agreement”	in respect of each Issuer Programme, the agreement entered into between the Issuer, the Administrator, the Series Security Trust and the Account Bank, as amended, novated and/or replaced from time to time in accordance with its terms;
14.	“Beneficial Interest”	an interest in a Note, as provided for in section 33 of the Financial Markets Act;
15.	“BESA Guarantee Fund Trust”	means the Guarantee Fund established and operated by the Bond Exchange of South Africa Limited, prior to its merger with the JSE on 22 June 2009 and as at the date of this restated and amended Programme Memorandum, operated by the JSE as a separate guarantee fund, in terms of the Rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
16.	“Business Day”	a day (other than a Saturday, Sunday or statutory public holiday) on which commercial banks settle payments in Rand in Johannesburg;
17.	“Business Day Convention”	the business day convention specified in the Applicable Pricing Supplement;
18.	“Business Rescue”	means business rescue proceedings as defined in the Companies Act, as amended;
19.	“Call”	an option to redeem all of the Notes issued under a Series Transaction which, if provided for in the Applicable Pricing Supplement, may be exercised by the Issuer as contemplated in Condition 9.1;
20.	“Central Depository”	STRATE Limited (Registration No. 1998/022242/06), a central securities depository operating in terms of the Financial Markets Act and any reference to “Central Depository” shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act and any additional or alternate

depository approved by the Issuer;

21. **“Central Depository’s Nominee”** any wholly owned subsidiary (as defined in the Companies Act) of the Central Depository approved by the Registrar (as defined in the Financial Markets Act) for the purposes of, and as contemplated in the Financial Markets Act and any reference to “Central Depository’s Nominee” shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act;
22. **“Class”** in relation to each Issuer Programme or Series Transaction, as applicable, all of the Notes having the same ranking in the Series Priority of Payments;
23. **“Common Expense(s)”** in relation to each Issuer Programme, the expenses incurred or to be incurred by an Issuer which are not specific to a Series Transaction (such as Taxes and costs and expenses due and payable by the Issuer in order to preserve the corporate existence of the Issuer) as determined by the Administrator which shall be allocated equally to each Series Transaction in terms of each Issuer Programme;
24. **“Common Terms Agreement”** in relation to each Issuer Programme, the agreement between the Issuer, SBSA, the Account Bank, the Administrator, the Hedge Counterparty, the Preference Shareholder, the Transfer Agent, the Settlement Agent, the Arranger, the Programme Dealer, the Dealer(s), the Series Security Trust, the trustee for the time being of the Issuer Owner Trust, such other party participating in a Series Transaction as specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement and any other third parties who may become bound to the agreement in accordance with its terms, as amended, novated and/or replaced from time to time in accordance with its terms;
25. **“Companies Act”** the Companies Act, 71 of 2008, as amended or replaced;
26. **“Condition”** each numbered paragraph contained in the Programme Memorandum relating to the terms and conditions of the Notes, under the section *“Terms and Conditions of the*

Notes";

- | | | |
|-----|---------------------------------------|---|
| 27. | "Contract" | any contract under which the Issuer has rights which may be ceded in security to form part of the Series Security; |
| 28. | "Controlling Class" | in relation to each Series Transaction, the Class of Notes of the most senior rank in the applicable Series Priority of Payments, for so long as any of such Notes are outstanding, and after such Notes are no longer outstanding, each succeeding Class of Notes, (in reducing order of rank) for so long as each such succeeding Class is outstanding; |
| 29. | "Credit Enhancement(s)" | if applicable and to the extent contemplated in an Applicable Pricing Supplement and/or an Applicable Transaction Supplement, the facilities entered into by the Issuer in terms of the relevant Credit Enhancement Agreements specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement; |
| 30. | "Credit Enhancement Agreement" | in relation to each Issuer Programme and if applicable in terms of the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, the Credit Enhancement Agreement as specified in such Applicable Pricing Supplement and/or the Applicable Transaction Supplement; |
| 31. | "Credit Enhancement Provider" | in relation to each Issuer Programme and if applicable in terms of the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, such person with the Highest Short Term Credit Rating (to the extent required) as may be appointed as a Credit Enhancement Provider in terms of the Credit Enhancement Agreement; |
| 32. | "Credit Rating" | in respect of each Series Transaction pursuant to which rated Notes are issued, a credit rating assigned by the Rating Agency as specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement; |
| 33. | "Date of Signature" | the date of signature of a Series Transaction Document by the signatory which signs it last; |
| 34. | "Dealer(s)" | if applicable in relation to a Series Transaction, a dealer or dealers other than the Programme Dealer, appointed by the |

		Issuer in terms of the Programme Agreement in relation to a specific issue of Notes or on an ongoing basis, subject to the Issuer's right to terminate the appointment of such Dealer(s);
35.	"Debt Sponsor"	SBSA;
36.	"Deposits"	deposits of cash with a bank registered under the Banks Act, 1990 and having, if applicable, the Credit Rating;
37.	"Directors"	in respect of each Series Transaction, the directors of the Issuer from time to time;
38.	"Eligibility Criteria"	in respect of a Series Transaction, the criteria specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement that a Participating Asset must satisfy;
39.	"Encumbrance"	includes any mortgage bond, notarial bond, pledge, lien, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest or preferential treatment to a person over another person's assets (including set-off, title retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences;
40.	"Enforcement Notice"	in respect of each Series Transaction, a notice served by the Series Security Trust or, in the case of Series Noteholders being entitled to take action directly against the Issuer, a notice deemed to be served by the Series Security Trust as contemplated in Condition 13.6.2, on the Issuer pursuant to the Terms and Conditions following an Issuer Programme Event of Default under the Notes;
41.	"Excluded Items"	certain monies which properly belong to third parties as determined by the Administrator, which rank above all other items in the Priority of Payments;
42.	"Final Broken Amount"	the amount, if any, specified as such in the Applicable Pricing

Supplement;

43. **"Final Maturity Date"** in relation to each Tranche of Notes, the date upon which the Note is to be redeemed, as specified in the Applicable Pricing Supplement;
44. **"Financial Markets Act"** the Financial Markets Act 19 of 2012 (as amended);
45. **"Fitch"** Fitch Southern Africa Proprietary Limited, a private company with limited liability registered and incorporated in accordance with the laws of South Africa under Registration No. 1990/024446/07 and its successors-in-title and assigns;
46. **"Fixed Coupon Calculation Method"** a method of calculating interest on a Fixed Rate Note by dividing the applicable Fixed Interest Rate by 2 (two) (in the case of interest paid on a semi-annual basis) or by 4 (four) (in the case of interest paid on a quarterly basis) and multiplying the product by the Principal Amount Outstanding;
47. **"Fixed Interest Rate"** the fixed rate or rates of interest applicable to Fixed Rate Notes, as specified in the Applicable Pricing Supplement;
48. **"Fixed Rate Calculation Method"** a method of calculating interest on a Fixed Rate Note by multiplying the applicable Fixed Interest Rate by the Principal Amount Outstanding of such Note and by multiplying the product by the actual number of days (including the first day and excluding the last day) elapsed in the relevant Interest Period and then dividing that product by 365 (three hundred and sixty five), irrespective of whether it is a leap year or not (If interest is required to be calculated for a period other than a full Interest Period, such interest shall be calculated on the basis of a 365 (three hundred and sixty five) day year and the actual number of days elapsed in such Interest Period);
49. **"Fixed Rate Notes"** Notes which bear interest at a Fixed Interest Rate specified in the Applicable Pricing Supplement;
50. **"Floating Interest Rate"** the floating interest rate applicable from time to time in respect of the Floating Rate Notes, determined on the basis specified in the Applicable Pricing Supplement;
51. **"Floating Rate Notes"** Notes which bear interest at a Floating Interest Rate

- specified in the Applicable Pricing Supplement;
52. **"GCR"** Global Credit Rating Co. Proprietary Limited, a private company with limited liability registered and incorporated in accordance with the laws of South Africa under Registration No. 1995/05001/07 and its successors in title and assigns;
 53. **"Guarantee Conditions"** in respect of each Series Transaction, any conditions specified or contemplated in the Series Guarantee;
 54. **"Guarantee Event"** a guarantee event contemplated in the Series Guarantee;
 55. **"Hedge Counterparty"** in respect of each Series Transaction, SBSA or any person (provided it has the Highest Short Term Credit Rating, if applicable) with whom the Administrator concludes agreements on behalf of the Issuer to hedge the Issuer's interest rate, basis, currency or other risks;
 56. **"Hedging Transaction"** in respect of each Series Transaction, a hedging transaction that the Issuer may enter into from time to time with a Hedge Counterparty for the purposes of hedging against, *inter alia*, interest rate mismatches, basis risk, currency or other risks;
 57. **Highest Short-Term Credit Rating** in respect of each Series Transaction pursuant to which rated Notes are issued, the highest short-term credit rating assigned to a bank by Fitch, and where no such credit rating has been assigned by Fitch, the highest short-term credit rating assigned to a bank by Moodys or S&P, as specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement;
 58. **"IFRS"** International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);
 59. **"Implied Yield"** the yield accruing in the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
 60. **"Index-linked Note"** Notes specified as such in the Applicable Pricing Supplement in respect of which interest payments and/or principal

- repayments are determined in accordance with a formula linked to a published index, as specified in the Applicable Pricing Supplement;
61. **"Individual Certificate"** a Note in the definitive registered form of a single certificate, registered in the name of the relevant Series Noteholder;
62. **"Initial Broken Amount"** the amount, if any, specified as such in the Applicable Pricing Supplement;
63. **"Interest Amount"** the interest payable on each Tranche of Notes on each Interest Payment Date as determined in accordance with or specified in the Applicable Pricing Supplement;
64. **"Interest Commencement Date"** the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue as specified in the Applicable Pricing Supplement;
65. **"Interest Payment Date"** in relation to each Tranche of Notes, the date specified in the Applicable Pricing Supplement;
66. **"Interest Period"** in relation to any Tranche of Notes, each period specified in the Applicable Pricing Supplement, which period shall commence on (and include) an Interest Payment Date and end on (but exclude) the next Interest Payment Date thereafter, provided that the first Interest Period will be from (and include) the Interest Commencement Date to (but exclude) the next Interest Payment Date thereafter and the last Interest Period will terminate on (but exclude) the Actual Redemption Date;
67. **"Interest Rate"** in relation to a Tranche of Notes, the Fixed Interest Rate and/or the Floating Interest Rate applicable to that Tranche;
68. **Interest Rate Market of the JSE** the separate platform or sub-market of the JSE designated as the *"Interest Rate Market"* and on which notes (and other debt securities) may be listed;
69. **"Issue Date"** in relation to each Tranche of Notes, the date of issue of such Notes specified in the Applicable Pricing Supplement;
70. **"Issue Price"** in relation to each Tranche of Notes, the price at which such

Notes may be issued, which is their nominal amount or a discount to, or premium over, their nominal amount, as specified in the Applicable Pricing Supplement;

- | | | |
|-----|----------------------------------|---|
| 71. | “Issuer” | in relation to each Issuer Programme, the special purpose legal entity formed to enter into Series Transactions, including an Acceding Issuer; |
| 72. | “Issuer Insolvency Event” | <p>the occurrence of any of the following events in relation to the Issuer:</p> <ul style="list-style-type: none"> (a) the Issuer be wound-up, liquidated, deregistered or placed under Business Rescue, in any such event whether provisionally or finally and whether voluntarily or compulsorily, or the Issuer passing a resolution providing for any such event; (b) the Issuer be subject to an offer of compromise in terms of section 155 of the Companies Act (other than an offer of compromise which has been approved by the Series Security Trust or by a Special Resolution of the Series Noteholders or where there is more than one Class of Series Noteholders, of the Controlling Class and where the Issuer is solvent); or (c) the Issuer have any judgment, ruling, assessment or similar award (“judgment”) awarded against it and fails to satisfy such judgment within 30 (thirty) days after becoming aware thereof, or: (d) if such judgment is appealable, fails to appeal against such judgment within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy the judgment within 10 (ten) days; and/or (e) if such judgment is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy the judgment within 10 (ten) days; and/or |

- (f) if such judgment is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy the judgment within 10 (ten) days; and/or
- (g) the Issuer be or become insolvent or commit any act which is or, if it were a natural person, would be an act of insolvency as defined in the Insolvency Act, 1936 (other than any deferral of payments in terms of the Series Priority of Payments); or
- (h) the Issuer is unable (or admits inability) to pay its debts generally as they fall due (except where such is a result of a lack of available funds in terms of the Series Priority of Payments); or
- (i) the Issuer compromise or attempt to compromise with, or defer or attempt to defer payment of debts owing by it to, its creditors generally or any significant class of creditors (except a deferral provided for in the Series Transaction Documents as a result of a lack of funds available for that purpose in terms of any applicable Series Priority of Payments); or
- (j) any procedural step be taken by the Issuer (including application, proposal or convening a meeting) with a view to a compromise or arrangement with any creditors generally or any significant class of creditors; or
- (k) the members or creditors, or where applicable, directors of the Issuer meeting in order to pass a resolution providing for the Issuer to be wound-up, liquidated, deregistered or placed under Business Rescue, or any resolution being passed to this effect;

73. **“Issuer Non-Performing Asset Clean-Up Option”** means the Issuer’s sole discretion to dispose of the relevant Non-Performing Assets in such manner and on such terms as the Issuer may deem fit in terms of Condition 12.4, should the relevant Noteholders elect not to exercise any of the

Non-Performing Asset Clean-Up Options;

74. **"Issuer Programme"** the limited recourse, secured note programme established by each Issuer in terms of this Programme Memorandum which includes all Series Transactions entered into by that Issuer in terms of each Applicable Pricing Supplement and/or each Applicable Transaction Supplement;
75. **"Issuer Owner Trust"** Blue Diamond X Investments Issuer Owner Trust (Master's Reference No. IT 1873/2013);
76. **"Issuer Owner Trustee"** the trustee for the time being of the Issuer Owner Trust;
77. **"Issuer Programme Event of Default"** (i) in relation to the Notes, any of the events specified in Condition 13; and (ii) in relation to any other Series Transaction Document, a failure by the Issuer duly to perform or observe any obligation binding on it under any such Series Transaction Document which breach gives rise to a claim by a Series Secured Creditor against the Issuer;
78. **"JIBAR"**
- (a) the mid-market rate for deposits in rand for the relevant Interest Period as set out in the Applicable Pricing Supplement which appears on the Reuters screen SAFEX page under caption "Yield" (or on the SAFEX nominated successor screen for JIBAR) as of approximately 11h00, Johannesburg time, on the Rate Determination Date, rounded to the third decimal point; or
 - (b) if such rate does not appear on the Reuters screen SAFEX page (or on the SAFEX nominated successor screen for JIBAR) for the relevant Interest Period for any reason whatsoever or such page is unavailable, the rate determined on the basis of the mid-market deposit rates for Rand for the relevant Interest Period quoted by at least 2 (two) of the Reference Banks at approximately 11h00, Johannesburg time, on the Rate Determination Date. (The requesting party will request the principal Johannesburg office of each of the Reference Banks to provide a quotation of such rate. If at least 2 (two) quotations are provided, the rate for that date will be the

arithmetic mean of those quotations); or

(c) if on any Rate Determination Date on which the previous sub-paragraph applies, fewer than 2 (two) quotations are provided by the Reference Banks, the rate for that date will be determined by the Administrator, acting in good faith and in a commercially reasonable manner, using a representative rate which in its opinion is as close as possible to JIBAR for the relevant Interest Period, and the reasonableness of the selection of such rate will be reported on by the Issuer's auditor. If such auditor regards such selection as unreasonable, the Administrator shall repeat the process until the auditor is satisfied as to the reasonableness of the selection of such rate; or

(d) such other rate as the Rating Agency may approve;

- | | | |
|-----|---|--|
| 79. | “the JSE” | the JSE Limited (Registration No. 2005/022939/06), a duly licensed financial exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE; |
| 80. | “JSE Debt Listings Requirements” | the criteria and disclosure requirements for the listing of Notes on the Interest Rate Market of the JSE, as amended from time to time by the JSE; |
| 81. | “Last Day to Register” | in relation to a Tranche of Notes, the day (whether a Business Day or not) preceding each Interest Payment Date and the Final Maturity Date, as the case may be, by a number of days specified in the Applicable Pricing Supplement, until 17h00 (South African time) on that day, such day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Individual Certificate(s); |
| 82. | “Liquidity Facility/ies” | if applicable and to the extent contemplated in an Applicable Pricing Supplement and/or an Applicable Transaction Supplement, the facilities entered into by the Issuer in terms of the relevant Liquidity Facility Agreements specified in the Applicable Pricing Supplement and/or the Applicable |

Transaction Supplement;

83. **"Liquidity Facility Agreements"** if applicable in terms of the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, each Issuer may enter into Liquidity Facility Agreements with a Liquidity Facility Provider(s) which may be drawn upon by each such Issuer to fund cash shortfalls resulting from, *inter alia*, timing mismatches, interest rate mismatches or market disruptions as more fully described in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement and as amended, novated and/or replaced from time to time;
84. **"Liquidity Facility Provider"** if applicable and to the extent contemplated in an Applicable Pricing Supplement and/or an Applicable Transaction Supplement, such person as may be appointed with the Highest Short Term Credit Rating as a Liquidity Facility Provider in terms of the Liquidity Facility Agreement;
85. **"Margin"** the margin, expressed as a percentage, to be added to JIBAR, as specified in the Applicable Pricing Supplement to determine the Interest Rate applicable to a Floating Rate Note;
86. **"Material Adverse Effect"** in relation to an Issuer, an event or circumstance which (when taken alone or together with any previous event or circumstance) has, or could reasonably be expected to have, a materially adverse effect on the assets, business or financial condition or trading prospects of the Issuer as a whole, to such an extent that its ability to perform its obligations in terms of the Series Transaction Documents is, or is reasonably likely to be, impaired;
87. **"Mixed Rate Notes"** Notes specified as such in the Applicable Pricing Supplement which bear interest at (i) a Fixed Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement and (ii) a Floating Interest Rate for such Interest Period(s) as is/are specified for this purpose in the Applicable Pricing Supplement;
88. **"Moody's"** Moody's Investor Service South Africa Proprietary Limited, a private company with limited liability registered and incorporated in accordance with the laws of South Africa

- under Registration No. 2002/014566/07 and its successors-in-title and assigns;
89. **"Non-Call Period"** in relation to any Call, the period, if any, specified in the Applicable Pricing Supplement during which the Call may not be exercised by the Issuer;
90. **"Non-Performing Asset Trigger Event"** unless the Applicable Pricing Supplement and/or the Applicable Transaction Supplement specifies otherwise, in relation to a Participating Asset, a Non-Performing Asset Trigger Event shall occur if (i) such Participating Asset is in arrears for a period exceeding 30 days (or such other period specified in the Applicable Pricing Supplement) after the expiry of any applicable remedy period; or (ii) any other event of default or potential event of default under such Participating Asset has occurred (in other words, other than as contemplated in (i)) which has not been remedied in accordance with any applicable remedy period; and provided that in either event, the Administrator has determined that such event constitutes a Non-Performing Asset Trigger Event;
91. **"Non-Performing Asset Clean-Up Option"** the Non-Performing Asset Sale Option, the Non-Performing Asset Delivery Option or any other similar option available to Noteholders as may be specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement arising upon the occurrence of a Non-Performing Asset Trigger Event;
92. **"Non-Performing Asset Trigger Notice"** the written notice from the Administrator to the relevant Series Security Trust and the relevant Series Noteholders of the occurrence of a Non-Performing Asset Trigger Event;
93. **"Non-Performing Asset Sale Option"** the Non-Performing Sale Option contemplated in Condition 12.2;
94. **"Non-Performing Asset Delivery Option"** the Non-Performing Asset Delivery Option contemplated in Condition 12.3;
95. **"Non-Put Period"** in relation to any Put, the period, if any, specified in the Applicable Pricing Supplement during which the Put may not

		be exercised by the Series Noteholders;
96.	"Note Rating"	in relation to each Tranche of Notes, if applicable, a rating assigned by the Rating Agency;
97.	"Notes"	the secured or unsecured Notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
98.	"Obligor"	in relation to a Participating Asset, a borrower, guarantor or any other similar obligor counterparty to an agreement comprising or relating to, a Participating Asset;
99.	"Optional Redemption Amount"	in relation to a Series Transaction under which Notes are issued, the amount specified as such, or calculated in the manner specified, in the Applicable Pricing Supplement, payable on the exercise of a Put or Call;
100.	"Optional Redemption Date"	in relation to a Series Transaction under which Notes are issued, the date or dates specified as such in the Applicable Pricing Supplement in respect of a Put or Call;
101.	"Ordinary Resolution"	<p>a) a resolution passed at a properly constituted meeting of Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, upon a show of hands, by a majority of the Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, present in person and voting at the meeting, or, if a poll is duly demanded, by a majority of the votes cast at such poll by Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, present in person or by proxy; or</p> <p>b) instead of a resolution passed at a meeting of the Series Noteholders or Class of Series Noteholders, as the case may be, a written resolution passed by a majority of the Series Noteholders or Class of Series Noteholders, as the case may be, as contemplated in Condition 23.16;</p>
102.	"Participant"	a person accepted by the Central Depository as a participant in terms of the Financial Markets Act and which is approved by the JSE, in terms of the rules of the JSE, as a settlement agent to perform electronic settlement of funds and scrip,

and any references 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;

103. **"Participating Asset"** the right, title and interest in and to any financial asset, receivables or contracts (together with any related security, if any) acquired or invested in by the Issuer in terms of any Series Transaction, provided that such Participating Asset complies with any Eligibility Criteria applicable on the date of transfer or investment, but specifically excluding, for the purpose of this definition, consumer and similar retail-type loans, including but not limited to, auto instalment sales, trade receivables, credit card receivables and equipment leases;
104. **"Participating Asset Acquisition Agreement"** if applicable in terms of the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, any written agreement required to be entered into between the Issuer and a Series Transaction Counterparty in terms of which the Participating Asset is sold to the Issuer, as amended, novated and/or replaced from time to time;
105. **"Permitted Investments"** if applicable in terms of the Applicable Pricing Supplement and/or the Applicable Transaction Supplement, investments in which the Issuer is entitled to invest cash from time to time standing to the credit of the Series Transaction Account in various Rand-denominated investments with the Account Bank or as may be specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement;
106. **"Post-Enforcement Series Priority of Payments"** in respect of each Series Transaction, the order in which payments shall be made from the Series Transaction Account after delivery of an Enforcement Notice by the Series Security Trust pursuant to an Issuer Programme Event of Default, as set out in this Programme Memorandum or in the event of any amendments thereto, the Applicable Pricing Supplement(s), as the case may be;
107. **"Pre-Enforcement Series Priority of"** in respect of each Series Transaction, the order in which payments shall be made from the Series Transaction

	Payments	Account prior to delivery of an Enforcement Notice by the Series Security Trust pursuant to an Issuer Programme Event of Default, as set out in this Programme Memorandum or in the event of any amendments thereto, the Applicable Pricing Supplement(s), as the case may be;
108.	"Preference Share"	in relation to each Issuer Programme, the cumulative, redeemable preference share in the share capital of the Issuer;
109.	"Preference Shareholder"	in relation to each Series Transaction, the holder of the Preference Share as specified in terms of the Preference Share Subscription Agreement;
110.	"Preference Share Subscription Agreement"	in respect of each Series Transaction, the agreement entered into between the Preference Shareholder, the Administrator, the Series Security Trust and the Issuer constituted upon the completion and signature of a document in the form of the pro forma Preference Share Subscription Agreement relating to the subscription for the Preference Share, as amended, novated and/or substituted from time to time in accordance with its terms;
111.	"Prime Rate"	the publicly quoted annual prime lending rate of interest from time to time levied by SBSA on unsecured overdrawn current accounts (as certified by any manager of that bank whose authority and/or appointment need not be proved), nominal annual compounded monthly in arrears;
112.	"Principal Amount"	in respect of each Series Transaction, in relation to a Note, the face value of such Note;
113.	"Principal Amount Outstanding"	in respect of any Note, the Principal Amount of such Note less the aggregate of principal payments made in respect of such Note;
114.	"Programme"	the multi-issuer secured note programme established by Blue Diamond X Investments (RF) Limited, as contemplated in this Programme Memorandum;
115.	"Programme Amount"	in respect of the Programme, ZAR10 000 000 000 or as otherwise specified in the Applicable Pricing Supplement

- and/or the Applicable Transaction Supplement and as determined by the Issuer from time to time under the terms of the Programme Agreement;
116. **"Programme Agreement"** in respect of each Issuer Programme, the agreement between the Issuer and the Programme Dealer or Dealer(s) in relation to the establishment of each Issuer Programme and the placement of Notes on behalf of the Issuer in respect of each Series Transaction, as amended, novated and/or replaced from time to time in accordance with its terms;
117. **"Programme Dealer"** in relation to each Issuer Programme, SBSA;
118. **"Programme Memorandum"** the document named as such in respect of the Programme dated [•] (the **"Programme Date"**), provided that if the Issuer issues a new Programme Memorandum or a supplement to the Programme Memorandum, as the case may be, references to the "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented;
119. **"Put"** an option to require the early redemption of Notes which, if provided for in the Applicable Pricing Supplement, may be exercised by a Series Noteholder as contemplated in Condition 9.2;
120. **"Rate Determination Date"** in respect of each Interest Period for a Tranche of Floating Rate Notes, the day falling on the first day of that Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, being the day upon which the Interest Rate in respect of that Tranche of Floating Rate Notes for that Interest Period will be determined by the Administrator in accordance with Condition 8.1;
121. **"Rating Agency"** Moodys, and/or S&P, and/or Fitch and/or GCR and/or such other rating agency as may be appointed by the Issuer from time to time after consultation with the Administrator and the Programme Dealer or Dealer(s);
122. **"Record Date"** the Business Day immediately preceding the first day during

- which the Register is closed in accordance with Condition 17;
123. **“Reference Banks”** the five major banks in the Johannesburg interbank market, as determined by the Administrator;
124. **“Register”** In respect of each Issuer Programme, the register maintained by the Transfer Agent in terms of Condition 17 (*Register*);
125. **“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 Central Depository in accordance with the Terms and Conditions, it means the first date on which: (i) the full amount of such monies have been received by the Central Depository, (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;
126. **“Representative”** a person duly authorised to act on behalf of a Series Noteholder, who may be regarded by the Issuer, the Transfer Agent, the Settlement Agent and the Administrator (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 Series Noteholder;
127. **“S&P”** Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Incorporated (Registration No, 1996/014081/10), its successors-in-title and assigns;
128. **“SBSA”** The Standard Bank of South Africa Limited, a public company with limited liability registered and incorporated in accordance with the laws of South Africa under Registration No. 1962/000738/06;
129. **“SAFEX”** the South African Futures Exchange operated by JSE Limited or any successor thereto;
130. **“Security Interest”** any mortgage, pledge, lien, equity option, Encumbrance, right of set-off, adverse right or interest whatsoever, howsoever created or arising;

131. **“Series”** in relation to a Series Transaction, a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (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, Issue Prices and/or Classes, provided that if no such further Tranche has been issued, the first Tranche of such Notes shall be deemed to be a Series of Notes for the purposes of the relevant Series Transaction;
132. **“Series Assets”** in respect of each Series Transaction, the separate segregated sub-set of the assets of the Issuer in respect of a Series Transaction and identified by the Administrator pursuant to the Administration Agreement, including:
- a) all of the Issuer's rights, title and interest in and to the Participating Assets acquired by the Issuer in respect of the applicable Series Transaction;
 - b) all of the Issuer's rights, title and interest in and to the Series Transaction Monies, the Permitted Investments and the Series Transaction Documents which relate to the applicable Series Transaction;
133. **“Series Guarantee”** in respect of each Series Transaction, the guarantee granted by the Series Security Trust to Series Secured Creditors;
134. **“Series Indemnity”** in relation to each Series Transaction, a written indemnity given by the Issuer to the Series Security Trust indemnifying the Series Security Trust against claims by Series Secured Creditors in terms of a Series Guarantee;
135. **“Series Liability”** in relation to a Series Transaction, the separate segregated subset of liabilities of the Issuer incurred in respect of that Series Transaction as identified by the Administrator pursuant to the Administration Agreement;
136. **“Series Noteholder(s)”** in relation to a Series Transaction the holder(s) of Notes issued under that Series Transaction;
137. **“Series Priority of Payments”** in respect of each Series Transaction, a Pre-Enforcement Series Priority of Payments or a Post-Enforcement Series

Priority of Payments, as the case may be;

- | | | |
|------|-------------------------------------|--|
| 138. | “Series Secured Creditors” | in respect of each Series Transaction, each of the creditors of the Issuer set out in a Series Priority of Payments that is a party to a Series Transaction Document and contractually bound by the applicable Series Priority of Payments; |
| 139. | “Series Security” | in relation to a Series Transaction, all of the Issuer's right, title and interest in and to the Series Assets, which rights are ceded to the Series Security Trust in terms of the Series Security Cession; |
| 140. | “Series Security Agreements” | in respect of each Series Transaction, those Series Security Cessions furnished by the Issuer to the Series Security Trust in relation to that Series Transaction; |
| 141. | “Series Security Cession” | in relation to each Series Transaction, the cession by the Issuer in favour of the Series Security Trust, by way of a cession in <i>securitatem debiti</i> , of all the Issuer's right, title and interest in and to the Series Security (including any proceeds thereof), and which may include a pledge of movable assets by the Issuer in favour of the Series Security Trust; |
| 142. | “Series Security Trust” | in respect of each Series Transaction, the special purpose legal entity specified in the Applicable Pricing Supplement and/or the Applicable Transaction Supplement; |
| 143. | “Series Security Trustee” | the trustee for the time being of the Series Security Trust; |
| 144. | “Series Transaction” | in relation to each Issuer Programme, collectively the distinct series of contracts and arrangements entered into by an Issuer in connection with the issue of one or more Tranches of Notes of one Series Transaction to an investor or investors and the acquisition of and/or investment in one or more Participating Assets where recourse in respect of such Notes is limited to the proceeds or enforcement of security over such Participating Assets as described in an Applicable Pricing Supplement and/or an Applicable Transaction Supplement, as the case may be; |
| 145. | “Series Transaction | the bank account or sub-account held at the Account Bank, |

	Account"	in the name of the Issuer, into which all receipts of the Issuer arising from a Series Transaction will be paid and allocated to the relevant Series Transaction Ledger;
146.	"Series Transaction Counterparty/ies"	the counterparty to a Series Transaction entered into between the Issuer and such Series Transaction Counterparty for the purpose of acquiring and/or investing in Participating Assets;
147.	"Series Transaction Documents"	in relation to each Series Transaction, the memorandum of incorporation of the Issuer, the trust deed of the Issuer Owner Trust, the trust deed of the Series Security Trust, each Series Guarantee, each Series Indemnity, Series Security Agreements, Bank Agreement, Common Terms Agreement, Administration Agreement, Programme Agreement, Transfer Agent Agreement, Preference Share Subscription Agreement, Liquidity Facility Agreement (if applicable), Credit Enhancement Agreement (if applicable), Participating Asset Acquisition Agreement (if applicable), Settlement Agent Agreement, each Hedging Transaction, each Applicable Transaction Supplement and the Notes, including each Applicable Pricing Supplement;
148.	"Series Transaction Ledger"	in relation to the Series Transaction Account, the ledger established to record all monies identified as being attributable to the relevant Series Transaction;
149.	"Series Transaction Monies"	in respect of each Series Transaction, the monies standing to the credit of the Series Transaction Ledger;
150.	"Settlement Agent"	in relation to each Issuer Programme, SBSA or such other person as may be appointed in terms of the Settlement Agent Agreement;
151.	"Settlement Agent Agreement"	in respect of each Issuer Programme, the agreement between the Issuer and SBSA setting out the terms of SBSA's role as settlement agent, as amended, novated and/or replaced from time to time in accordance with its terms;
152.	"South Africa" and	the Republic of South Africa;

"RSA"

153. **"Special Resolution"**
- a) a resolution passed at a properly constituted meeting of Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, upon a show of hands, by a majority consisting of not less than 66.67% (sixty-six point sixty-seven per cent) of the Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, present in person and voting at such meeting, or, if a poll be duly demanded, a majority consisting of not less than 66.67% (sixty-six point sixty-seven per cent) of the votes cast at such poll by Series Noteholders or Series Noteholders of the relevant Class of Notes, as the case may be, present in person or by proxy; or
 - b) instead of a resolution passed at a meeting of Series Noteholders or Class of Series Noteholders, as the case may be, a written resolution passed by a majority consisting of not less than 66.67% (sixty-six point sixty-seven per cent) of the Series Noteholders or Class of Series Noteholders, as the case may be, as contemplated in Condition 23.16;
154. **"Specified Office"** the specified office of the Issuer or the Transfer Agent, as specified in the Applicable Pricing Supplement;
155. **"Subsidiary"** a subsidiary as defined in the Companies Act;
156. **"Taxes"** all present and future taxes, levies, imports, duties, charges, fees, deductions and withholdings imposed or levied by any governmental, fiscal or other competent authority in South Africa or any other jurisdiction from which any payment is made (and including any penalty payable in connection with any failure to pay, or delay in paying, any of the same) and "Tax" and "Taxation" shall be construed accordingly;
157. **"Terms and Conditions"** the terms and conditions of the Notes set out in the Programme Memorandum under the section "*Terms and Conditions of the Notes*" read together, in relation to each Series Transaction, with the Applicable Transaction Supplement and, in relation to each Tranche of Notes, with

- the Applicable Pricing Supplement in accordance with which the Notes are issued, as amended, novated and/or replaced from time to time in accordance with their terms;
158. **“Tranche” and “Tranche of Notes”** those Notes issued under a single Applicable Pricing Supplement and whose terms are accordingly identical (including as to listing);
159. **“Transfer Agent”** in relation to each Issuer Programme, SBSA or such other person as may be appointed in terms of the Transfer Agent Agreement;
160. **“Transfer Agent Agreement”** in respect of each Issuer Programme, the transfer agent agreement between the Issuer and the Transfer Agent constituted upon the completion and signature of a document in the form of the pro forma Transfer Agent Agreement and as amended, novated and/or replaced from time to time in accordance with its terms;
161. **“Transfer Form”** in relation to the transfer of a Note as contemplated in the Terms and Conditions, means a form of transfer in the usual form or in such other form approved by the Transfer Agent;
162. **“VAT”** value added tax imposed in terms of the Value-Added Tax Act, 1991, as amended or any similar tax imposed in place thereof from time to time;
163. **“ZAR”, “R” or “Rand”** the lawful currency of South Africa;
164. **“Zero Coupon Notes”** Notes that are offered and sold at a discount to their nominal amount and which do not bear interest other than in the case of late payment.

GENERAL INFORMATION

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme. Each Issuer will, to the extent required, obtain separate consents, approvals and authorities required for such Issuer to issue Notes under each Issuer Programme and to undertake and perform its respective obligations under the Terms and Conditions.

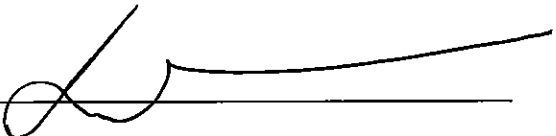
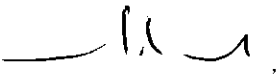
Listing

The Programme Memorandum was registered by the JSE on 11 April 2014. Tranches of Notes may be listed on the Interest Rate Market of the JSE or any successor exchange or such other or further exchanges as may be agreed between the Issuer and the Programme Dealer or Dealer(s). Unlisted Notes may also be issued under the Programme.

Material Change

After due and careful inquiry, but without any involvement by the Auditors, the Issuer confirms that there has been no material change in the financial or trading position of the Issuer since the date of its incorporation to the date of the Programme Memorandum.

Signed at Rosebank on behalf of Blue Diamond X Investments (RF) Limited

Signature:  

Name of Director: R Harunse

Date: 20/5/14

Signed at _____ on behalf of Blue Diamond X Investments (RF) Limited

Signature: _____

Name of Director: _____

Date: _____

CORPORATE INFORMATION**ISSUER****Blue Diamond X Investments (RF) Limited**

3rd Floor, 200 On Main
 Corner Main and Bowwood Roads
 Claremont
 Cape Town
 7708

Email: brendan@gmgtrust.co.za

Tel: +27 (0) 11 666 0760

Contact: Brendan Harmse

ARRANGER, ADMINISTRATOR AND DEBT SPONSOR**The Standard Bank of South Africa Limited**

3rd Floor, East Wing
 30 Baker Street
 Rosebank
 Johannesburg, 2001
 Email: mike.brunke@standardbank.co.za
 Tel: +27 (0) 11 721 8101
 Contact: Mike Brunke

PROGRAMME DEALER**The Standard Bank of South Africa Limited**

3rd Floor, East Wing
 30 Baker Street
 Rosebank
 Johannesburg, 2001
 Email: mike.brunke@standardbank.co.za
 Tel: +27 (0) 11 721 8101
 Contact: Mike Brunke

SERIES SECURITY TRUST**GMG Trust Company (SA) Proprietary Limited**

3rd Floor, 200 On Main
 Corner Main and Bowwood Roads
 Claremont
 Cape Town
 7708
 Email: brendan@gmgtrust.co.za
 Tel: +27 (0) 11 666 0760
 Contact: Brendan Harmse

ISSUER OWNER TRUSTEE**GMG Trust Company (SA) Proprietary Limited**

3rd Floor, 200 On Main
 Corner Main and Bowwood Roads
 Claremont
 Cape Town
 7708
 Email: brendan@gmgtrust.co.za
 Tel: +27 (0) 11 666 0760
 Contact: Brendan Harmse

TRANSFER AGENT**The Standard Bank of South Africa Limited**

3rd Floor, East Wing
 30 Baker Street
 Rosebank
 Johannesburg, 2001
 Email: pepsi.vermeulen@standardbank.co.za
 Tel: +27 (0) 11 636 1569
 Contact: Pepsi Vermeulen

AUDITORS TO THE ISSUER**KPMG Inc.**

85 Empire Road
 Parktown, 2193
 Private Bag 9
 Parkview, 2122
 Email: peter.macdonald@kpmg.co.za
 Tel: +27 (0) 11 647 5996
 Contact: Peter MacDonald

LEGAL ADVISORS TO THE ARRANGER**Edward Nathan Sonnenbergs**

150 West Street

Sandton

Johannesburg, 2196

PO Box 783347

Sandton, 2146

Contact: Mr Stephen von Schirnding

GENERAL INFORMATION

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information contained elsewhere in this Programme Memorandum or, in relation to a particular Issuer or Series Transaction, the Applicable Transaction Supplement (if any) or, in relation to a particular Tranche of Notes or Series Transaction, the Applicable Pricing Supplement. Capitalised words used in this section shall bear the meanings contained in the Glossary of Terms, and as defined elsewhere in this Programme Memorandum, except to the extent that they are separately defined in this section or the context otherwise requires.

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa have been given for the establishment of the Programme. Each Issuer will, to the extent required, obtain separate consents, approvals and authorities required for such Issuer to issue Notes under each Issuer Programme and to undertake and perform its respective obligations under the Terms and Conditions.

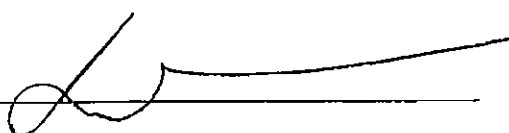
Listing

The Programme Memorandum was registered by the JSE on 11 April 2014. Tranches of Notes may be listed on the Interest Rate Market of the JSE or any successor exchange or such other or further exchanges as may be agreed between the Issuer and the Programme Dealer or Dealer(s). Unlisted Notes may also be issued under the Programme.

Material Change

After due and careful inquiry, but without any involvement by the Auditors, the Issuer confirms that there has been no material change in the financial or trading position of the Issuer since the date of its incorporation to the date of the Programme Memorandum.

Signed at Rosebank on behalf of Blue Diamond X Investments (RF) Limited

Signature:  1.1

Name of Director: R Hurnse

Date: 20/5/14



Signed at Rosebank on behalf of Blue Diamond X Investments (RF) Limited

Signature: 

Name of Director: W.H. Swanepoel

Date: 20/5/2014