



THE MAURITIUS COMMERCIAL BANK LIMITED

(Incorporated by Royal Charter in 1838 and registered as a limited liability company in the Republic of Mauritius under business registration number C07000934)

ZAR2,000,000,000 Medium Term Note Programme

On 25 October 2006, The Mauritius Commercial Bank Limited (the **Issuer**) established a ZAR2,000,000,000 Medium Term Note Programme (the **Programme**) pursuant to a programme memorandum dated 25 October 2006 (the **Previous Programme Memorandum**). This amended and restated programme memorandum (the **Programme Memorandum**) will apply to all Notes (as defined herein) issued under the Programme on or after the Programme Date (as defined herein) and will in respect of such Notes, supersede and replace the Previous Programme Memorandum in its entirety. This Programme Memorandum will not apply to any Notes issued under the Programme before the Programme Date, and the Previous Programme Memorandum will continue to apply to those Notes.

Under this Programme the Issuer may from time to time issue notes (the **Notes**), which expression shall include Senior Notes and Subordinated Notes (each as defined herein) denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE (as defined herein) or such other Financial Exchange(s) (as defined herein) as may be determined by the Issuer and the relevant authority, the debt listings requirements of the JSE Limited (the **JSE**) or such other Financial Exchange(s), that are subject to the terms and conditions (the **Terms and Conditions**) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the **Applicable Pricing Supplement**).

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

As at the Programme Date (as defined herein), the Programme Amount is ZAR2,000,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR2,000,000,000 (or its equivalent in any other currencies) (including Notes issued under the Programme pursuant to the Previous Programme Memorandum) unless such amount is increased by the Issuer pursuant to the section of this Programme Memorandum headed "**General Description of the Programme**".

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

This Programme Memorandum has been approved by the JSE. A Tranche of Notes may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer, subject to all Applicable Laws. Unlisted Notes, which are not regulated by the JSE, may also be issued under the Programme. 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 in accordance with the rules of the BESA Guarantee Fund Trust. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE. A copy of the Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD, before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The placement of a Tranche of unlisted Notes may (at the sole discretion of the Issuer) be reported through the JSE reporting system, in which event the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD for all trades done through the JSE. The settlement and redemption procedures for a Tranche of Notes listed on any Financial Exchange (other than or in addition to the JSE) will be specified in the Applicable Pricing Supplement.

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

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

Arranger, Dealer and JSE Debt Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited

Amended and Restated Programme Memorandum dated 28 October 2014.

GENERAL

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

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

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

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

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

The Arranger, the Dealer(s), the JSE Debt Sponsor or any of their respective Subsidiaries or Holding Companies or a Subsidiary of their Holding Company (**Affiliates**), other professional advisers named herein and the JSE have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s), the JSE Debt Sponsor nor any of their Affiliates or other professional advisers as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The Arranger, the Dealer(s), the JSE Debt Sponsor and other professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

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

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

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

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

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

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

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

In connection with the issue and distribution of any Tranche of Notes under the Programme, the relevant Dealer(s), if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any Person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

The price/yield and amount of a Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

TABLE OF CONTENTS

	<i>Page</i>
DOCUMENTS INCORPORATED BY REFERENCE	5
GENERAL DESCRIPTION OF THE PROGRAMME	7
SUMMARY OF THE PROGRAMME	8
FORM OF THE NOTES	17
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT	19
TERMS AND CONDITIONS OF THE NOTES	27
USE OF PROCEEDS	65
DESCRIPTION OF THE MAURITIUS COMMERCIAL BANK LIMITED	66
INVESTOR CONSIDERATIONS / RISK FACTORS	78
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	84
SUBSCRIPTION AND SALE	86
TAXATION	89
SOUTH AFRICAN EXCHANGE CONTROL	93
GENERAL INFORMATION	95

DOCUMENTS INCORPORATED BY REFERENCE

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

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

- (a) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) as at the Programme Date, the published audited annual financial statements, and notes thereto, of the Issuer for the three financial years ended 30 June 2012, 2013 and 2014 and the published audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when such published audited financial statements become available;
- (c) as at the Programme Date, the published annual report (incorporating the Issuer's integrated audited annual financial statements, together with reports and the notes thereto) of the Issuer attached to or intended to be read with such financial statements of the Issuer for the three financial years ended 30 June 2012, 2013 and 2014 and the published annual report of the Issuer in respect of further financial years, as and when such published annual report becomes available;
- (d) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme; and
- (e) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which will be electronically submitted through the Stock Exchange News Service (**SENS**) or similar service established by the JSE, to SENS subscribers, if required,

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

The Issuer will, for as long as any Note remains Outstanding, provide at its registered office as set out at the end of this Programme Memorandum, without charge, to any Person, upon request of such Person, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided, including the most recently obtained beneficial disclosure report made available by the Participant to the CSD. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. In addition, the constitutive documents of the Issuer will be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

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

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

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

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

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

This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all the Notes previously or simultaneously issued under the Programme (including Notes issued under the Programme pursuant to the Previous Programme Memorandum), does not exceed ZAR2,000,000,000 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate Nominal Amount of the Notes issued under the Programme from time to time, the South African Rand equivalent of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of agreement to issue such Notes (the **Agreement Date**) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the **Conversion Rate**) and in respect of:

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

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement (as defined in the section headed “*Subscription and Sale*”), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 18 (*Notices*) of the Terms and Conditions, and to the Arranger, the Dealer(s), the JSE and the CSD. Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to exercise this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

As at the Programme Date, the Issuer is rated. The Programme is not rated but may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national or international scale basis. Unrated Tranches of Notes may also be issued. The Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, as well as the Rating Agency(ies) which assigned such Rating(s), will be specified in the Applicable Pricing Supplement. A Rating is not a recommendation to subscribe for, buy, sell or hold any Notes. A Rating of the Issuer and/or the Programme and/or a Rating of a Tranche of Notes may be subject to revision, suspension or withdrawal at any time by the Rating Agency.

This Programme Memorandum will only apply to Notes issued under the Programme on or after the Programme Date. A summary of the Programme and the Terms and Conditions appears below.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.

PARTIES

Issuer	The Mauritius Commercial Bank Limited (business registration number C07000934) incorporated by Royal Charter in 1838 and registered as a limited liability company in the Republic of Mauritius.
Arranger	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa (RMB).
Dealer(s)	RMB and/or any additional Dealers appointed by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis.
Transfer Agent	RMB, or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
Paying Agent	RMB, or such other entity appointed by the Issuer as Paying Agent, in which event that other entity will act as Paying Agent, as specified in the Applicable Pricing Supplement.
Calculation Agent	RMB, or such other entity appointed by the Issuer as Calculation Agent, in which event that other entity will act as Calculation Agent, as specified in the Applicable Pricing Supplement.
JSE Debt Sponsor	RMB, or such other entity appointed by the Issuer from time to time.
CSD	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, a private company with limited liability incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the South African Financial Markets Act or any additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).
JSE	the JSE Limited (registration number 2005/022939/06), a public company with limited liability incorporated in accordance with the laws of South Africa and licensed as an exchange under the South African Financial Markets Act or any exchange which operates as a successor exchange to the JSE.

GENERAL

Blocked Rands	Blocked Rands may be used to subscribe for, or purchase, Notes, subject to the South African Exchange Control Regulations.
----------------------	--

Clearing and Settlement	Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions carried out on the JSE. Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the JSE and the CSD (see the section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfers of Notes</i> ").
Cross-Default	The terms of the Notes will contain a cross-default provision relating to Indebtedness for money borrowed having an aggregate outstanding amount which equals or exceeds the greater of (i) ZAR50,000,000 (or its equivalent in any other currency or currencies) or (ii) 0.1% (zero point one percent) of the total assets of the Issuer set out in the Issuer's latest published audited financial statements (or its equivalent in any other currency or currencies) from time to time, or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 16.1.1.4 (<i>Cross Default</i>).
Denomination	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
Description of Programme	The Mauritius Commercial Bank Limited ZAR2,000,000,000 Medium Term Note Programme.
Distribution	Notes may be distributed by way of private placement, auction or bookbuild or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
Form of Notes	Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form, and will be held in the CSD. The holder of a Beneficial Interest may exchange such Beneficial Interest for Notes in certificated form represented by an Individual Certificate (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing Law	The Notes will be governed by and construed in accordance with the laws of South Africa in force from time to time.
Interest	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest may vary between the Issue Date and the Maturity Date.
Interest Period(s)/Interest Payment	The Interest Rate, Interest Payment Date(s) and Interest

Date(s)	Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.				
Issue and Transfer Taxes	<p><u>South Africa:</u></p> <p>As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed “<i>Taxation</i>”). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.</p> <p><u>Mauritius:</u></p> <p>As at the Programme Date, no stamp duty is payable in Mauritius on the issue or the transfer of the Notes under the Mauritius Stamp Duty Act, 1990 (see section of this Programme Memorandum headed “<i>Taxation</i>”).</p>				
Issue Price	Notes may be issued on a fully paid or a partly paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.				
Listing	This Programme has been approved by the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE or on such other or additional Financial Exchange(s) as may be determined by the Issuer and the Dealer(s), subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Financial Exchange(s).				
Maturities of Notes	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.				
Negative Pledge	The Senior Notes will have the benefit of a negative pledge as described in Condition 7 (<i>Negative Pledge</i>) of the Terms and Conditions.				
Notes	Notes may comprise: <table border="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;">Fixed Rate Notes</td> <td>Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).</td> </tr> <tr> <td style="vertical-align: top;">Floating Rate Notes</td> <td>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on</td> </tr> </table>	Fixed Rate Notes	Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).	Floating Rate Notes	Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on
Fixed Rate Notes	Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).				
Floating Rate Notes	Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on				

such other basis as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement.

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

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

The Interest Period for Floating Rate Notes may be 1 (one), 2 (two), 3 (three), 6 (six) or 12 (twelve) months or such other period as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Zero Coupon Notes

Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified).

Index-Linked Notes

Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and whether at maturity or otherwise) will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement.

Mixed Rate Notes

Mixed Rate Notes will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index-Linked Notes or Dual Currency Notes, each as specified in the Applicable Pricing Supplement.

Instalment Notes

The Applicable Pricing Supplement will set out the dates on which, and the amounts in which, Instalment Notes may be redeemed.

Partly Paid

The Issue Price will be payable in two or

Notes	more instalments as set out in the Applicable Pricing Supplement.
Exchangeable Notes	Exchangeable Notes may be redeemed by the Issuer in cash or by the delivery of securities, as specified in the Applicable Pricing Supplement.
Other Notes	Terms applicable to any other type of Notes that are approved by the JSE, or its successor, or such other or further exchange or exchanges as may be selected by the Issuer in relation to an issue of listed Notes, or as agreed between the Issuer and the relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement.

Noteholders

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

Rating

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

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

Redemption

A Tranche of Notes will, subject to the Applicable Pricing Supplement, be redeemed on the Maturity Date, as set out in Condition 10.1 (*Redemption at Maturity*).

If so specified in the Applicable Pricing Supplement, the Issuer may redeem the Notes of any Tranche at any time prior to the Maturity Date following the occurrence of a Change in Law and/or for tax reasons, as set out in Condition 10.2 (*Redemption for Tax Reasons*), or unless otherwise set out in the Applicable Pricing Supplement.

If "*Early Redemption at the Option of the Issuer*" is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*), the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable

notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 18 (*Notices*), redeem the Tranche of Notes on any Optional Redemption Date(s), or unless otherwise set out in the Applicable Pricing Supplement.

If "*Redemption at the Option of Senior Noteholders*" is specified as applicable in the Applicable Pricing Supplement, the Senior Noteholders of any Tranche of Senior Notes may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice (or such other period of notice as may be specified in the Applicable Pricing Supplement), require the Issuer to redeem Senior Notes on any Optional Redemption Date in the manner specified in Condition 10.4 (*Redemption at the Option of the Senior Noteholders*) and the Applicable Pricing Supplement.

If "*Early Redemption in the event of a Change of Control*" is specified as being applicable in the Applicable Pricing Supplement and (i) a Change of Control occurs (as defined below); and (ii) within the Change of Control Period (as defined below), (A) a Rating Downgrade (as defined below) occurs in relation to the Issuer and/or the Programme and/or any Tranche of Notes, as the case may be; or (B) if, the Issuer and/or the Programme and/or any Tranche of Notes are not so rated, a Negative Rating Event (as defined below) in respect of that Change of Control occurs, (in either case, a Change of Control Event) (C) and the Noteholders resolve by way of an Extraordinary Resolution to have their Notes redeemed by the Issuer, then each Noteholder in that Class of Noteholders shall have the option to require the Issuer to redeem each Note in that Tranche of Notes held by that Noteholder at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days after the delivery by that Noteholder of a Change of Control Redemption Notice (as defined below), or unless otherwise set out in the Applicable Pricing Supplement.

If "*Redemption in the event of a failure to maintain JSE Listing or Rating*" is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, after having been notified by the Issuer in accordance with Condition 18 (*Notices*), require the Issuer to redeem Notes on any Optional Redemption Date in the manner specified in Condition 10.6 (*Redemption in the event of a failure to maintain JSE Listing or Rating*) and the Applicable Pricing Supplement.

Selling Restrictions

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the United Kingdom, the European Economic Area, South Africa and Mauritius (see the section of this Programme Memorandum headed "*Subscription and Sale*"). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme

Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.

Size of the Programme

As at the Programme Date, the Programme Amount is ZAR2,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in the section of this Programme Memorandum headed "*General Description of the Programme*". The Programme Amount at the time of the issue of any Tranche of Notes will be set out in the Applicable Pricing Supplement.

Specified Currency

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

Status of Senior Notes

Unless otherwise set out in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves (subject to Condition 7 (*Negative Pledge*) and, save for certain debts required to be preferred by law), equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

Status and Characteristics relating to Subordinated Notes

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will rank *pari passu* among themselves and will rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer.

Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound up or is subject to business rescue proceedings, then and in any such event the claims of the Persons entitled to be paid amounts due in respect of the Subordinated Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness of the Issuer, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the Persons entitled to be paid amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, liquidation, winding-up or business rescue proceedings (other than Subordinated Indebtedness) has been paid or discharged in full.

Stabilisation

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer(s), if any, that is specified in the Applicable Pricing Supplement as the Stabilising Manager (or any Person acting for the Stabilising Manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to

supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

Taxation

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

Terms and Conditions

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

Use of Proceeds

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

Withholding Taxes

South Africa:

As at the Programme Date, all payments in respect of the Notes will be made without withholding or deduction for or on account of Taxes levied in South Africa.

In the event that withholding tax or such other deduction is required by law, then the Issuer will, subject to the exceptions in Condition 11 (*Taxation*), pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been payable in respect of the Notes in the absence of such withholding or deduction.

Mauritius:

Interest paid by the Issuer to a Noteholder which is a company resident in Mauritius will be subject to Income Tax under the Mauritian Income Tax Act. The Mauritian Income Tax Act provides for exemption from income tax for interest paid to a non-resident, not carrying on any business in Mauritius, by a bank holding a banking licence under the Mauritian Banking Act, 2004, insofar as the interest is paid out of the gross income derived from its banking transactions with non-residents and corporations holding a Global Business Licence under the Mauritian Financial Services Act 2007. In the event that the above exemption does not apply, the interest will be subject to tax at the rate of 15% (fifteen percent) when paid to a non-resident.

In the event that the non-resident is resident in South Africa, the current Double Taxation Agreement (DTA) between

South Africa and Mauritius, provides that in relation to a South African resident, interest arising in Mauritius will only be taxable in South Africa. As at the Programme Date, there are proposals to implement a withholding tax of 10% (ten percent) on interest arising in Mauritius.

FORM OF THE NOTES

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

Notes issued in certificated form

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

Subject to the Applicable Laws, title to Notes represented by Individual Certificates will be freely transferable and will pass upon registration of transfer in accordance with Condition 14.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

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

Payments of all amounts due and payable in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 (*Payments*) of the Terms and Conditions to the Person reflected as the registered Noteholder of such Notes in the Register at 17h00 (South African time) on the Last Day to Register, and the payment obligations of the Issuer will be discharged by proper payment to or to the order of such registered holder in respect of each amount so paid.

Notes issued in uncertificated form

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

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

Beneficial Interests in Notes held in the CSD

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

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

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

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

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

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

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*) of the Terms and Conditions.

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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



THE MAURITIUS COMMERCIAL BANK LIMITED

(Incorporated by Royal Charter in 1838 and registered as a limited liability company in the Republic of Mauritius under business registration number C07000934)

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

Under its ZAR2,000,000,000 Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 28 October 2014, prepared by The Mauritius Commercial Bank Limited in connection with The Mauritius Commercial Bank Limited ZAR2,000,000,000 Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

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

PARTIES

1.	Issuer	The Mauritius Commercial Bank Limited
2.	Dealer(s)	[]
3.	Managers	[]
4.	Debt Sponsor	[]
5.	Paying Agent	[]
	Specified Address	[]
6.	Calculation Agent	[]
	Specified Address	[]
7.	Transfer Agent	[]
	Specified Address	[]

PROVISIONS RELATING TO THE NOTES

8.	Status of Notes	[Senior/Subordinated] [Secured/Unsecured]
9.	Series Number	[]
10.	Tranche Number	[]
11.	Aggregate Nominal Amount:	

- (a) Series []
- (b) Tranche []
12. Interest [Interest-bearing/Non-interest-bearing]
13. Interest Payment Basis [[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked/Dual Currency/Partly Paid /Instalment] Notes/other]
14. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another [Insert details including date for conversion]
15. Form of Notes The Notes in this Tranche are [Listed/Unlisted] Notes, issued in uncertificated form and held by the CSD
16. Issue Date []
17. Nominal Amount per Note []
18. Specified Denomination []
19. Specified Currency []
20. Issue Price []
21. Interest Commencement Date []
22. Maturity Date []
23. Applicable Business Day Convention [Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]
24. Final Redemption Amount []
25. Last Day to Register []
26. Books Closed Period(s) The Register will be closed from [...] to [...] and from [...] to [...] (all dates inclusive) in each year until the Maturity Date
27. Default Rate []
- FIXED RATE NOTES**
28. (a) Fixed Rate of Interest [] percent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (b) Fixed Interest Payment Date(s) [] in each year up to and including the Maturity Date/other
- (c) Fixed Coupon Amount(s) [] per [] in Nominal Amount
- (d) Initial Broken Amount []
- (e) Final Broken Amount []
- (f) Interest Rate Determination Date(s) [] in each year
- (g) Day Count Fraction []
- (h) Any other terms relating to the particular method of calculating interest []

FLOATING RATE NOTES

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

ZERO COUPON NOTES

36. (a) Implied Yield []
- (b) Reference Price Percent[NACA] [NACM] [NACQ] [NACS] [other method of compounding]
- (c) Any other formula or basis for determining amount(s) []

payable

PARTLY PAID NOTES

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

INSTALMENT NOTES

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

MIXED RATE NOTES

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

INDEX-LINKED NOTES

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

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

DUAL CURRENCY NOTES

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

EXCHANGEABLE NOTES

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

OTHER NOTES

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

PROVISIONS REGARDING REDEMPTION/MATURITY

46. Redemption at the option of the Issuer: [Yes/No]
 If yes:
 (a) Optional Redemption Date(s) []
 (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) []
 (c) Minimum period of notice (if different from Condition 10.3 (*Redemption at the Option of the Issuer*)) []
 (d) If redeemable in part: []
 Minimum Redemption Amount(s) []
 Higher Redemption Amount(s) []
 (e) Other terms applicable on Redemption
47. Redemption at the option of the Senior Noteholders: [Yes/No]
 if yes:
 (a) Optional Redemption Date(s) []
 (b) Optional Redemption Amount(s) []
 (c) Minimum period of notice (if different from Condition 10.4 (*Redemption at the Option of the Senior Noteholders*)) []
 (d) If redeemable in part: []
 Minimum Redemption Amount(s) []
 Higher Redemption Amount(s) []
 (e) Other terms applicable on Redemption []
 (f) Attach *pro forma* put notice(s)
48. Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 (*Redemption in the event of a Change of Control*) or any other terms applicable to a Change of Control [Yes/No]
49. Redemption in the event of a failure to maintain JSE Listing or Rating at the election of Noteholders [Yes/No]

pursuant to Condition 10.6
(Redemption in the event of a
failure to maintain JSE Listing or
Rating)

50. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). [Yes/No]
- If yes:
- (a) Amount payable; or []
- (b) Method of calculation of amount payable []

GENERAL

51. Financial Exchange []
52. Additional selling restrictions []
53. ISIN No. []
54. Stock Code []
55. Stabilising manager []
56. Provisions relating to stabilisation []
57. Method of distribution [Auction/Bookbuild/Private Placement]
58. Credit Rating assigned to the [] [issue date and renewal date of rating
[Issuer]/[Programme]/[Notes] to be specified]
59. Applicable Rating Agency []
60. Governing law (if the laws of South Africa are not applicable) []
61. Other provisions [Other Events of Default in addition to the
Events of Default referred to in Condition 16
(Events of Default)]
[Other covenants, provisions]

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

62. Paragraph 3(5)(a)
The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the [Issuer].
63. Paragraph 3(5)(b)
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
64. Paragraph 3(5)(c)
The auditor of the Issuer is [insert].
65. Paragraph 3(5)(d)
As at the date of this issue:
- (i) the Issuer has [not issued]/[issued ZAR●,000,000,000] Commercial Paper (as defined in the Commercial Paper Regulations); and
- (ii) the Issuer estimates that it may issue [ZAR●,000,000,000] of Commercial Paper during the current financial year, ending [date].

66. Paragraph 3(5)(e)
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.
67. Paragraph 3(5)(f)
There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.
68. Paragraph 3(5)(g)
The Notes issued will be **[listed/unlisted]**.
69. Paragraph 3(5)(h)
The funds to be raised through the issue of the Notes are to be used by the Issuer for its **[general corporate purposes/funding of its business operations/other]**.
70. Paragraph 3(5)(i)
The obligations of the Issuer in respect of the Notes are unsecured.
71. Paragraph 3(5)(j)
[Insert], the statutory auditors of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Applicant Issuer certifies that to the best of its knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and this Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE. The Applicant Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement, except as otherwise stated therein.

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

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

For and on behalf of
THE MAURITIUS COMMERCIAL BANK LIMITED

Name:
Capacity: Director
Who warrants her/his authority hereto

Name:
Capacity: Director
Who warrants her/his authority hereto

TERMS AND CONDITIONS OF THE NOTES

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

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

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

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

1. INTERPRETATION

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

Affiliate	in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company;
Applicable Laws	in relation to any Person, all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that Person;
Applicable Pricing Supplement	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed “ <i>Pro Forma Applicable Pricing Supplement</i> ”;
Applicable Procedures	the rules and operating procedures for the time being of the CSD, the Participants and the debt listings requirements of the JSE and/or any other Financial Exchange;
Banks Act	the South African Banks Act, 1990;
Beneficial Interest	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 37(1) of the South African Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate outstanding Nominal Amount of all of the Notes in that Tranche, as provided in section 37(3) of the South African Financial Markets Act;

BESA Guarantee Fund Trust	the Guarantee Fund Trust established and operated by the JSE as a separate Guarantee Fund Trust, in terms of the rules of the JSE, as required by sections 8(1)(h) and 15(2) of the South African Financial Markets Act or any successor fund;
Books Closed Period	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive principal and/or interest;
Business Day	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which commercial banks settle ZAR payments in Johannesburg, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday;
Calculation Agent	RMB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
Class of Noteholders	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes;
Commercial Paper Regulations	the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of “ <i>the business of a bank</i> ” in the Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994;
Change in Law	on, or after the Issue Date of the first Tranche of Notes in any Series of Notes, (a) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any Applicable Law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any tax liability, decrease in tax benefit or other adverse effect on its tax position);
CSD	Strate Proprietary Limited (registration number 1998/022242/07), a private company with limited liability incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the South African Financial Markets Act or its nominee, licensed as a central securities depository in terms of the South African Financial Markets Act or any successor depository, or any additional or alternate depository approved by the Issuer;
CSD’s Nominee	a Wholly Owned Subsidiary of the CSD approved by the Registrar of Securities Services in terms of the South African Financial Markets Act, and any reference to “ <i>CSD’s Nominee</i> ” shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the South African Financial Markets Act;
Day	a Gregorian calendar day unless qualified by the word “ <i>Business</i> ”;
Day Count Fraction	in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the Calculation Period), the Day count fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:

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

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

where:

Y₁ is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the first Day immediately following the last Day included in the Calculation

Period falls;

M₁ is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

D₁ is the first Day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

D₂ is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

Y₁ is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

D₁ is the first Day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D₁ will be 30; and

D₂ is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31, in which case D₂ will be 30; and

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

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

where:

Y₁ is the year, expressed as a number, in which the first Day of the Calculation Period falls;

Y₂ is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

M₁ is the calendar month, expressed as a number, in which the

first Day of the Calculation Period falls;

M₂ is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

D₁ is the first Day, expressed as a number, of the Calculation Period unless (i) that Day is the last Day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless (i) that Day is the last Day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

Dealer(s)	RMB and/or any other entity appointed as a Dealer by the Issuer, which appointment may be for a specific issue or on an on-going basis, subject to the Issuer's right to terminate the appointment of any such Dealer(s), as indicated in the Applicable Pricing Supplement;
Default Rate	in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;
Dual Currency Notes	Notes which pay interest in a base currency and the principal in a non-base currency or <i>vice versa</i> , as indicated in the Applicable Pricing Supplement;
Early Redemption Amount	in relation to a Tranche of Notes, the amount, as set out in Condition 10.7 (<i>Early Redemption Amounts</i>), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Conditions 10.2 (<i>Redemption for Tax Reasons</i>), 10.3 (<i>Redemption at the Option of the Issuer</i>), 10.4 (<i>Redemption at the Option of the Senior Noteholders</i>), 10.5 (<i>Redemption in the event of a Change of Control</i>), 10.6 (<i>Redemption in the event of a failure to maintain JSE Listing or Rating</i>) and/or Condition 16 (<i>Events of Default</i>);
Encumbrances	any mortgage, pledge, 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 to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences, any security interest arising by operation of law and for the avoidance of doubt, any guarantee;
Event of Default	in relation to a Series of Notes, any of the events described in Condition 16 (<i>Events of Default</i>);
Exchangeable Notes	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
Exchange Period	in relation to a Tranche of Exchangeable Notes, in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
Exchange Price	in relation to a Tranche of Exchangeable Notes, the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;

Exchange Securities	in relation to a Tranche of Exchangeable Notes, the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of the Exchangeable Notes to the value of the Exchange Price;
Extraordinary Resolution	a resolution adopted by means of a round robin by, or passed at a meeting (duly convened) of, the Noteholders or a Class of Noteholders, as the case may be, by a majority consisting of not less than 66.67% (sixty-six point sixty-seven percent) of the Persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty-six point sixty-seven percent) of the votes given on such poll;
Final Broken Amount	in relation to a Tranche of Fixed Rate Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
Final Redemption Amount	in relation to a Tranche of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date;
Financial Exchange	the JSE and/or such other or additional financial exchange(s) as may be determined by the Issuer and the relevant Dealer(s), subject to Applicable Laws, and upon which the Notes are listed as specified in the Applicable Pricing Supplement;
Fixed Coupon Amount	in relation to a Tranche of Fixed Rate Notes (where applicable), the amount(s) specified as such in the Applicable Pricing Supplement;
Fixed Interest Payment Date	in relation to a Tranche of Fixed Rate Notes, the date(s) specified as such in the Applicable Pricing Supplement;
Fixed Interest Period	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement;
Fixed Rate Notes	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
Fixed Rate of Interest	in relation to a Tranche of Fixed Rate Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;
Floating Rate Notes	Notes which will bear interest at a Floating Rate Interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.2 (<i>Floating Rate Notes and Indexed Interest Notes</i>);
Floating Rate	in relation to a Tranche of Floating Rate Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement;
Higher Redemption Amount	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
Holding Company	in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary;
ICMA	International Capital Market Association;
IFRS	the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

Implied Yield	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the Applicable Pricing Supplement;
Indebtedness	in respect of the Issuer, or any Subsidiary, any indebtedness in respect of monies borrowed (including, but not limited to, indebtedness in the form of bonds, notes and debentures) from any third party lender and (without double counting) guarantees and/or indemnities (other than those given in the ordinary course of business) given, whether present or future, actual or contingent;
Indexed Interest Notes	Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement;
Index-Linked Notes	Indexed Interest Notes and/or an Indexed Redemption Amount Notes, as applicable and as indicated in the Applicable Pricing Supplement;
Indexed Redemption Amount Notes	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
Individual Certificate	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 12 (<i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i>) and any further certificate issued in consequence of a transfer thereof;
Initial Broken Amount	in relation to a Tranche of Fixed Rate Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;
Instalment Amount	in relation to a Tranche of Instalment Notes, the amount expressed (in the Applicable Pricing Supplement) as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
Instalment Notes	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as specified in the Applicable Pricing Supplement;
Instalment Dates	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
Interest Amount	in relation to a Tranche of Notes, the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Interest Notes, as determined by the Calculation Agent in accordance with Condition 8 (<i>Interest</i>);
Interest Commencement Date	in relation to a Tranche of Floating Rate Notes (where applicable) the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
Interest Rate Determination Date	in relation to a Tranche of Fixed Rate Notes, or Floating Rate Notes, as the case may be, the interest rate determination date specified as such in the Applicable Pricing Supplement;
Interest Payment Date	in relation to a Tranche of Notes, the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last Day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;

Interest Period	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;
Interest Rate and Rate of Interest	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
Interest Rate Market of the JSE	the separate platform or sub-market of the JSE designated as the " <i>Interest Rate Market</i> ", or such other platform or submarket designated by the JSE from time to time, and on which Notes (and other debt securities) may be listed;
ISDA	the International Swaps and Derivatives Association Inc.;
ISDA Definitions	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
Issue Date	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
Issue Price	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
Issuer	The Mauritius Commercial Bank Limited (business registration number C07000934), incorporated by Royal Charter in 1838 and registered as a limited liability company in the Republic of Mauritius;
JSE	the JSE Limited (registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and a licensed financial exchange in terms of the South African Financial Markets Act or any exchange which operates as a successor exchange to the JSE;
Last Day to Register	with respect to a particular Tranche of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;
Mandatory Exchange	in relation to a Tranche of Exchangeable Notes, the mandatory exchange specified as such in the Applicable Pricing Supplement;
Margin	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
Material Group Company	(a) the Issuer; and (b) any company of which the Issuer is a member and which: <ul style="list-style-type: none"> (i) represents more than 25% (twenty-five percent) of the assets of the Issuer as published in the Issuer's latest audited financial statements; or (ii) is a Wholly Owned Subsidiary of the Issuer;
Material Indebtedness	any Indebtedness amounting in aggregate to an amount which equals or exceeds the greater of (i) ZAR50,000,000 (or its equivalent in any other currency or currencies) or (ii) 0.1% (zero point one percent) of the total assets of the Issuer set out in the Issuer's latest published audited financial statements (or its equivalent in any other currency or currencies) at the time of the

	occurrence of an Event of Default);
Maturity Date	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
Mauritian Companies Act	the Mauritian Companies Act, 2001;
Mauritian Banking Act	the Mauritian Banking Act, 2004, as amended from time to time;
Mauritian Income Tax Act	the Mauritian Income Tax Act, 1995, as amended from time to time;
Mauritius	the Republic of Mauritius;
Mauritius Financial Services Act	the Mauritius Financial Services Act, 2007
Mauritius Stamp Duty Act	the Mauritius Stamp Duty Act, 1990;
MCB	the Issuer and each Subsidiary of the Issuer from time to time whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
Minimum Redemption Amount	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
Mixed Rate Notes	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index-Linked Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.4 (<i>Mixed Rate Notes</i>);
NACA	nominal annual compounded annually;
NACM	nominal annual compounded monthly;
NACQ	nominal annual compounded quarterly;
NACS	nominal annual compounded semi-annually;
Nominal Amount	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;
Noteholders	the registered holders of the listed and/or unlisted registered Notes as recorded in the Register;
Noteholders' Exchange Right	in relation to a Tranche of Exchangeable Notes, if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
Notes	secured or unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to this Programme Memorandum;
Outstanding	in relation to the Notes, all the Notes issued under the Programme other than: <ul style="list-style-type: none"> (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption monies wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against

presentation of Individual Certificates (if any);

- (c) those which have been purchased and cancelled as provided in Condition 10 (*Redemption and Purchase*);
- (d) those which have become prescribed under Condition 15 (*Prescription*);
- (e) those represented by mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*); or
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 19 (*Amendment of these Conditions*) and 20 (*Meetings of Noteholders*),

all Notes (if any) which are for the time being held by the Issuer (subject to any Applicable Law) or by any Person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held), be deemed not to be Outstanding;

Optional Redemption Amount	in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;
Participant	a Person accepted by the CSD as a participant in terms of section 31 of the South African Financial Markets Act, and who is approved by the JSE, in terms of the debt listings requirements of the JSE, as a Settlement Agent to perform electronic settlement of funds and scrip;
Partly Paid Notes	Notes which are issued with the Issue Price partly paid and which Issue Price is paid up fully by the Noteholder in instalments as indicated in the Applicable Pricing Supplement;
Paying Agent	RMB, unless the Issuer elects to appoint another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
Payment Day	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
Permitted Encumbrance	<ul style="list-style-type: none">(a) any Encumbrance existing as at the date of the Applicable Pricing Supplement; or(b) any Encumbrance with regard to receivables of the Issuer or a Material Group Company or if such Encumbrance is created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness secured by such Encumbrance is limited to the value of such receivables (on or about the date of

creation of such Encumbrance); or

- (c) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary or between any Subsidiaries; or
- (d) any Encumbrance created over any asset acquired, purchased, developed or constructed, provided that the Indebtedness so secured shall not exceed the *bona fide* arms' length market value (on or about the date of the creation of such Encumbrance) of such asset or the cost of that acquisition, development or construction (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value or cost both apply, the higher of the two; or
- (e) any Encumbrance over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or
- (f) any Encumbrance created in the ordinary course of business, which includes, stock-in-trade, inventories, accounts receivable or deposit accounts; or
- (g) any Encumbrance subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset (but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in sub-clauses (a) to (f) above; or
- (h) in addition to any Encumbrance referred to in (a) to (g) above, any Encumbrance securing in aggregate an amount which is equal to or less than ZAR50,000,000;

Person	shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
Previous Programme Memorandum	the programme memorandum dated 25 October 2006 issued by the Issuer in relation to the Programme;
Programme	The Mauritius Commercial Bank Limited ZAR2,000,000,000 Medium Term Note Programme under which the Issuer may from time to time issue Notes;
Programme Amount	the maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time, being ZAR2,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ";
Programme Date	the date of this Programme Memorandum being 28 October 2014;
Programme Memorandum	this programme memorandum dated 28 October 2014 which will apply to all Notes issued under the Programme on or after the Programme Date

Rating	in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating of the Issuer and/or the Programme and/or the Tranche of Notes, as the case may be, granted by the Rating Agency, specified in the Applicable Pricing Supplement;
Rating Agency	Global Credit Rating Co. Proprietary Limited (GCR), Standard & Poor's Ratings Services (S&P), Moody's Investors Service Limited (Moody's) or Fitch Southern Africa Proprietary Limited (Fitch), as the case may be, and their successors or any other rating agency of equivalent international standing specified from time to time by the Issuer in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 18 (<i>Notices</i>);
Redemption Date	in relation to a Tranche of Notes, the date upon which the Notes are redeemed by the Issuer, in accordance with Condition 10 (<i>Redemption and Purchase</i>);
Reference Banks	four leading banks in the South African inter-bank market selected by the Calculation Agent;
Reference Rate	in relation to a Tranche of Floating Rate Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
Reference Price	in relation to a Tranche of Zero Coupon Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
Register	the register of Noteholders maintained by the Transfer Agent in terms of Condition 13 (<i>Register</i>), including any Uncertificated Securities Register, as the case may be;
Regular Period	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the Day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the Day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;</p>
Relevant Date	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;

Relevant Screen Page	in relation to a Tranche of Floating Rate Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
Representative	a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent or the Paying Agent, as the case may be, who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the Transfer Agent and the Paying Agent;
RMB	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06) a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;
Senior Noteholders	the Noteholders of Senior Notes;
Senior Notes	Notes issued with the status and characteristics set out in Condition 5 (<i>Status of Senior Notes</i>), as indicated in the Applicable Pricing Supplement;
Series	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none"> (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to Listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
Settlement Agent	a Participant, approved by the JSE in terms of the Applicable Procedures to perform electronic settlement of both funds and scrip on behalf of market participants;
Specified Currency	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified in the Applicable Pricing Supplement;
Specified Denomination	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement;
Specified Office	the office of the Transfer Agent, the Paying Agent and/or the Calculation Agent as specified in the Applicable Pricing Supplement;
South Africa	the Republic of South Africa;
South African Companies Act	the South African Companies Act, 2008;
South African Exchange Control Regulations	the South African Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;
South African Financial Markets Act	the South African Financial Markets Act, 2012;
South African Income Tax Act	South African Income Tax Act, 1962;
Subordinated	in the event of the dissolution of the Issuer or if the Issuer is

Indebtedness	wound up or placed in liquidation or is subject to business rescue proceedings, any indebtedness of the Issuer, including any guarantee by the Issuer, under which the right of payment of the Person(s) entitled thereto is, or is expressed to be, or is required by any present or future agreement of the Issuer to be, subordinated to the rights of all unsubordinated creditors of the Issuer;
Subordinated Notes	Notes issued with the status and characteristics set out in Condition 6 (<i>Status and Characteristics of Subordinated Notes</i>), as indicated in the Applicable Pricing Supplement;
Subsidiary	a subsidiary company as defined in the Mauritian Companies Act and section 3(1)(a) of the South African Companies Act, respectively;
Sub-unit	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
Terms and Conditions	the terms and conditions incorporated in this section headed " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued;
Tranche	in relation to any particular Series, all Notes which are identical in all respects (including as to Listing);
Transfer Agent	RMB, unless the Issuer elects to appoint another entity as a Transfer Agent in which event that other entity shall act as a Transfer Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement;
Transfer Form	the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
Uncertificated Securities Register	an Uncertificated Securities Register as contemplated in the Mauritian Companies Act and section 1 of the South African Companies Act, respectively;
Wholly Owned Subsidiary	a wholly owned subsidiary as defined in Section 3(1)(b) of the South African Companies Act;
ZAR	the lawful currency of South Africa, being South African Rand, or any successor currency;
ZAR-JIBAR-SAFEX	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
Zero Coupon Notes	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

2. ISSUE

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time (including all Notes issued under the Programme pursuant to the Previous Programme Memorandum) does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms and Conditions of a Tranche of Notes which are the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.

- 2.3. Each Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-Linked Note, a Dual Currency Note, a Mixed Rate Note or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and specified in the relevant Applicable Pricing Supplement.
- 2.4. All payments in relation to the Notes will be made in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 2.5. The Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.

3. FORM AND DENOMINATION

3.1. General

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

3.2. Registered Notes

A Tranche of Notes will be issued in certificated form or in uncertificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*) and Condition 3.2.2 (*Notes issued in uncertificated form*), as specified in the Applicable Pricing Supplement. Each Tranche of Notes which is listed on the Interest Rate Market of the JSE, will be held in the CSD. A Tranche of unlisted Notes may also be held in the CSD, as contemplated in Condition 3.2.3 (*Beneficial Interests in Notes held in the CSD*).

3.2.1. **Notes issued in certificated form**

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

3.2.2. **Notes issued in uncertificated form**

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

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

- (i) A Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. A Tranche of unlisted Notes may also be held in the CSD.
- (ii) The CSD will hold Notes subject to the South African Financial Markets Act and the Applicable Procedures.
- (iii) All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.
- (iv) A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

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

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

4. TITLE

4.1. **Notes issued in certificated form**

4.1.1. Each holder of Notes represented by an Individual Certificate will be named in the Register as the registered holder of such Notes.

4.1.2. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 14.2 (*Transfer of Notes represented by Individual Certificates*).

4.1.3. The Issuer, the Transfer Agent and the Paying Agent shall recognise a Noteholder as the sole and absolute owner of the Notes registered in that Noteholder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust, express, implied or constructive, to which any Note may be subject.

4.2. **Notes issued in uncertificated form**

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

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

4.3.1. While a Tranche of Notes is held in the CSD, the CSD's Nominee will be named in the Register as the sole Noteholder of the Notes in that Tranche.

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

4.3.3. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.

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

4.3.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes, notwithstanding such transfers.

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

5. STATUS OF SENIOR NOTES

The Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

6. STATUS AND CHARACTERISTICS OF SUBORDINATED NOTES

6.1. Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer, save for those which have been accorded preferential rights by law, or as otherwise set out in the Applicable Pricing Supplement.

6.2. Subject to Applicable Laws, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation or wound-up or commences business rescue proceedings, the claims of the Persons entitled to payment of amounts due in respect of the Subordinated Notes, shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness, to the extent that, in any such event, and provided as aforesaid, no amount shall be eligible for setting-off or shall be payable to any or all of the Persons entitled to payment of amounts due in respect of the Subordinated Notes in respect of the obligations of the Issuer thereunder until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency, business rescue or winding-up (other than Subordinated Indebtedness) has been paid or discharged in full.

7. NEGATIVE PLEDGE

7.1. Unless otherwise set out in the Applicable Pricing Supplement, for so long as any Tranche of the Senior Notes remains Outstanding, the Issuer undertakes that they shall not, and shall procure that no other Material Group Company, create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Indebtedness (save for those which have been accorded a preference by law) without at the same time securing all Senior Notes equally and rateably with such Indebtedness or providing such other security or arrangement as may be approved by Extraordinary Resolution of the Senior Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Senior Noteholders.

7.2. The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

8. INTEREST

8.1. Fixed Rate Notes

8.1.1. Each Fixed Rate Note bears interest on its outstanding Nominal Amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.

8.1.2. The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.

8.1.3. Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Fixed Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:

8.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and

- 8.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 8.1.4. If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

8.2. **Floating Rate Notes and Indexed Interest Notes**

Interest Payment Dates

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

Rate of Interest

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

Minimum and/or Maximum Rate of Interest

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

Determination of Rate of Interest and Calculation of Interest Amount

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

Interest Determination, Screen Rate Determination including Fallback Provisions

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

- (a) the Floating Rate Option is as specified in the Applicable Pricing Supplement;

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

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

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

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

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

- (b) if the Relevant Screen Page is not available or if, in the case of (a)(i) above, no such offered quotation appears or, in the case of (a)(ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent; or
- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Rate Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Nominal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Rate Determination Date, by the Reference Banks plus or minus (as appropriate) the

Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 8.2, the Rate of Interest shall be determined as at the last preceding Interest Rate Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

Notification of Rate of Interest and Interest Amount

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE and the CSD and/or every other relevant exchange or authority as soon as possible after their determination but in any event no later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the CSD and/or every other relevant exchange or authority and to the Noteholders in accordance with Condition 18 (*Notices*).

Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8.2, by the Calculation Agent shall (in the absence of wilful deceit, bad faith or manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

8.3. Dual Currency Interest Notes

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

8.4. Mixed Rate Notes

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

8.5. Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate specified in the Applicable Pricing Supplement until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 18 (*Notices*).

8.6. **Business Day Convention**

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

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

9. **PAYMENTS**

9.1. **General**

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

Payments of principal and/or interest in respect of uncertificated Notes shall be made to the CSD, in the name of, and for, the account of the CSD's Nominee or the Participants, as shown in the Register on the Last Day to Register, and the Issuer will be discharged of its payment obligations by proper payment in the name of, and for, the account of the CSD's Nominee or the Participants, in respect of each amount so paid. Each of the Persons shown in the records of the CSD and the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes.

Payment will be subject, in all cases, to any Applicable Law, but without prejudice to the provisions of Condition 11 (*Taxation*).

9.2. **Method of Payment**

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

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "*not transferable*" (or by such number of cheques as may be required in accordance with

applicable banking law and practice to make payment of any such amounts). Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer, nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 9.2.

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

9.3. Payment Day

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

9.4. Interpretation of Principal and Interest

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

- 9.4.1. any additional amounts which may be payable with respect to principal under Condition 11 (*Taxation*);
- 9.4.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
- 9.4.3. the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes;
- 9.4.4. in relation to Instalment Notes, the Instalment Amounts;
- 9.4.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.7.3); and
- 9.4.6. any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11 (*Taxation*).

10. REDEMPTION AND PURCHASE

10.1. Redemption at Maturity

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

10.2. Redemption for Tax Reasons

Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice to the Noteholders prior to such redemption, in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

10.2.1. as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*); and

10.2.2. the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 (ninety) Days prior to the earliest date on which the Issuer would be obliged to pay or may become subject to the payment of such additional amounts were a payment in respect of the Notes then due. Notes may be redeemed by the Issuer in accordance with this Condition 10.2 in whole or in part. A redemption in part may be effected by the Issuer:

10.2.2.1. notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 11 (*Taxation*); and

10.2.2.2. *mutatis mutandis* in the manner described in Condition 10.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount (both as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.

Notes redeemed for tax reasons pursuant to this Condition 10.2 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amounts*), together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

10.3. **Redemption at the Option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) Days nor more than 60 (sixty) Days irrevocable notice to the Noteholders in accordance with Condition 18 (*Notices*) or unless otherwise specified with the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

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

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

In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 18 (*Notices*) not less than 15 (fifteen) Days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph, and notice to that effect shall be given by the Issuer to the

Noteholders in accordance with Condition 18 (*Notices*) at least 10 (ten) Days prior to the Selection Date.

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

10.4. **Redemption at the Option of the Senior Noteholders**

If Senior Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Senior Notes, such Senior Noteholders may exercise such option in respect of such Senior Notes by delivering to the Transfer Agent, in accordance with Condition 18 (*Notices*), a duly executed notice (**Put Notice**), at least 30 (thirty) Days but not more than 60 (sixty) Days, prior to the Optional Redemption Date.

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

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

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

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

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

Any Put Notice given by a holder of any Senior Note pursuant to this paragraph shall be irrevocable except where, after giving the notice but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Senior Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note forthwith due and payable pursuant to Condition 16 (*Events of Default*).

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

10.5. **Redemption in the event of a Change of Control**

The provisions of this Condition 10.5 (*Redemption in the event of a Change of Control*) shall apply if specified as applicable in the Applicable Pricing Supplement.

10.5.1. A **Change of Control Event** shall occur if at any time while any Note remains Outstanding:

- (i) a Change of Control occurs; and
- (ii) within the Change of Control Period and in respect of that Change of Control:
 - (A) a Rating Downgrade occurs in relation to the Issuer and/or the Programme and/or any Notes rated by a Rating Agency, as the case may be; or
 - (B) if, at the time the Change of Control occurs, the Issuer and/or the Programme and/or the Notes, as the case may be, are not so rated, a Negative Rating Event occurs.

10.5.2. Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, the Issuer shall give notice to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 10.5.

10.5.3. If a Change of Control Event occurs at any time while any Note remains Outstanding, then provided the Noteholders have:

- (i) in terms of Condition 20 (*Meeting of Noteholders*) convened a meeting of Noteholders within 30 (thirty) Days of the notification set out in Condition 10.5.2 above; and
- (ii) resolved in terms of Condition 20 (*Meetings of Noteholders*) by way of Extraordinary Resolution to require the redemption of the Notes of that Class of Noteholders in these circumstances,

the Issuer shall redeem all Notes held by that Class of Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days of having received a written notice from that Class of Noteholders to redeem such Note (a **Change of Control Redemption Notice**).

10.5.4. The option to require the Issuer to redeem the Notes in accordance with Condition 10.5.3 shall be exercisable by a Class of Noteholders by the delivery of a Change of Control Redemption Notice to the Issuer at its registered office within 60 (sixty) Days after the occurrence of a Change of Control Event, unless prior to the delivery by that Noteholder of its Change of Control Redemption Notice the Issuer gives notice to redeem the Notes.

10.5.5. For the purposes of this Condition 10.5 (*Redemption in the event of a Change of Control*):

- (a) **Acting in Concert** means a group of Persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
- (b) a **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the senior management or board of directors of the Issuer) that any Person (**Relevant Person**) or Person Acting in Concert or any Person or Persons acting on behalf of any such Person(s), at any time directly or indirectly acquires Control of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control, were all of the shareholders of the Issuer;
- (c) **Change of Control Period** means, in relation to a Change of Control of the Issuer, the period commencing 60 (sixty) Days prior to such Change of Control and ending 60 (sixty) Days after such Change of Control;
- (d) **Control** of the Issuer means (A) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (B) the power to cast, or control the casting of votes in respect of, such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the shareholders of the Issuer;
- (e) **Investment Grade Rating** means a national scale rating of “**Baa3za**” by Moody’s, “**BBB-(zaf)**” by Fitch, “**zaBBB-**” by S&P, “**BBB-(ZA)**” by GCR Proprietary Limited or its equivalent for the time being, or better;
- (f) a **Negative Rating Event** shall, in relation to Notes that are unrated and/or where no Rating is assigned to the Issuer and/or the Programme, as the case may be, by a Rating Agency at the time a Change of Control occurs, be deemed to have occurred if:
 - (A) the Issuer does not on or before the 60th (sixtieth) Business Day after the commencement of the Change of Control Period seek, and use all reasonable

endeavours to obtain from a Rating Agency, a Rating in respect of itself and/or the Programme and/or the Notes, as the case may be, that are not rated; and

(B) if it does so seek and use such endeavours, it has not, at the expiry of the Change of Control Period and as a result of such Change of Control, obtained an Investment Grade Rating in respect of itself and/or the Programme and/or such Notes, as the case may be;

(g) **Rating Downgrade** shall, in relation to the Issuer and/or the Programme and/or any Notes, as the case may be, be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the Rating previously assigned to the Issuer and/or the Programme and/or such Notes, as the case may be, by any Rating Agency is:

(A) withdrawn; or

(B) changed from an Investment Grade Rating to a non-Investment Grade Rating; or

(C) in the case of a non Investment Grade Rating, downgraded by any Rating Agency by one or more Rating Notches,

provided that no Rating Downgrade shall have occurred if the Rating assigned to the Issuer and/or the Programme and/or the Notes, as the case may be, is substituted for an Investment Grade Rating by another Rating Agency; and

(h) **Rating Notch** means the difference between one Rating and the Rating immediately below it, for example, from "BB+" to "BB" by the Rating Agency or similar lower or equivalent Rating.

10.6. **Redemption in the event of a failure to maintain JSE Listing or Rating**

The provisions of this Condition 10.6 (*Redemption in the event of a failure to maintain JSE Listing or Rating*) shall apply if specified in the Applicable Pricing Supplement.

10.6.1. The Issuer shall, for so long as listed Notes remain Outstanding:

10.6.1.1. ensure that those Notes remain listed on the Interest Rate Market of the JSE (**JSE Listing**); and

10.6.1.2. maintain a Rating in respect of the Issuer, the Notes or the Programme, as the case may be.

10.6.2. If a breach of the undertakings in Condition 10.6.1 above occurs, then the Issuer shall within 3 (three) Business Days of such breach and in accordance with Condition 18 (*Notices*), give notice (the **Issuer Redemption Notice**) of such breach and the procedure for exercising the option set out in Condition 10.6.3 below to the Noteholders.

10.6.3. Each Noteholder may within the period ending 15 (fifteen) Business Days of receipt of the Issuer Redemption Notice (the **Election Period**), require the Issuer to redeem its Notes on:

10.6.3.1. the Interest Payment Date immediately following the Election Period; or

10.6.3.2. if the Election Period expires within a Books Closed Period, the next Interest Payment Date falling after the Interest Payment Date at the end of the Election Period,

by delivery to the Issuer of a notice (the **Noteholder Redemption Notice**) in accordance with Condition 18 (*Notices*).

10.6.4. The Issuer shall, in accordance with Condition 10.6.3 above, redeem the Notes relevant to each Noteholder Redemption Notice at the Early Redemption Amount calculated in accordance with Condition 10.7 (*Early Redemption Amounts*), together with accrued interest (if any).

10.7. **Early Redemption Amounts**

For the purpose of Conditions 10.2 (*Redemption for Tax Reasons*), and/or Condition 16 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount calculated as follows:

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

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

10.8. **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 10.2 (*Redemption for Tax Reasons*), 10.5 (*Redemption in the event of a Change of Control*), 10.6 (*Redemption in the event of a failure to maintain JSE Listing or Rating*) and/or Condition 16 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.7 (*Early Redemption Amounts*).

10.9. **Partly Paid Notes**

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 10 (*Redemption and Purchase*) and the Applicable Pricing Supplement. In the case of early redemption in accordance with Conditions 10.2 (*Redemption for Tax Reasons*), 10.5 (*Redemption in the event of a Change of Control*), 10.6 (*Redemption in the event of a failure to maintain JSE Listing or Rating*) and/or Condition 16 (*Events of Default*), the Early Redemption Amount will be determined pursuant to Condition 10.7 (*Early Redemption Amounts*).

10.10. **Exchangeable Notes**

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

10.11. **Purchases**

- 10.11.1 The Issuer or any of its Subsidiaries may at any time purchase Notes (in the open market or in privately negotiated transactions with any Noteholders) at any price in the open market or otherwise. Such Notes may, subject to Applicable Law, be held, resold, or, at the option of the Issuer and/or the relevant Subsidiary, as the case may be, be surrendered to the Transfer Agent for cancellation.
- 10.11.2 Where the Issuer or any Subsidiary purchases Notes and such purchase results in the Issuer or Subsidiary, as the case may be, holding in aggregate more than 35% (thirty five percent) of the Nominal Amount of Notes issued in a particular Tranche, the Issuer undertakes to immediately notify all remaining Noteholders of such purchase in accordance with Condition 18 (*Notices*).

10.12. **Cancellation**

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

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

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 10 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 16 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.7.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) Days after the date on which the full amount of the monies payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 18 (*Notices*).

10.14. **Applicable Procedures**

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

11. **TAXATION**

11.1. A Noteholder whose Notes are redeemed shall pay all taxes payable in connection with the payment of the Interest Amount, or the redemption of such Notes and/or the payment of the Final Redemption Amount and/or the Optional Redemption Amount and/or the Early Redemption Amount as a result of such redemption. The Issuer is not liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Notes.

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

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

11.3.1. held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa and/or Mauritius, other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or

11.3.2. held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to by the relevant tax authority (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or

11.3.3. where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in the South African Income Tax Act and/or the Mauritian Income Tax Act (as applicable)) or taxable capital gain (as defined in the South African Income Tax Act and/or the Mauritian Income Tax Act (as applicable)) of any Noteholder; or

- 11.3.4. where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented more than 30 (thirty) Days after the Relevant Date, except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth Day;
- 11.3.5. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters;
- 11.3.6. if such withholding or deduction arises in terms of the US Foreign Account Tax Compliance Act (**FATCA**), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA; or
- 11.3.7. where the Noteholder is or will be entitled, in terms of any double taxation treaty or in terms of the tax laws of the country of residence of the Noteholder, to a credit in respect of any taxes or duties that are levied or imposed in respect of the Notes.
- 11.4. The issue, transfer and redemption of the Notes in Mauritius will not attract any transfer taxes under the laws of Mauritius. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes in Mauritius will be for the account of holders of the Notes.
- 11.5. Interest paid by the Issuer to a Noteholder which is a company resident in Mauritius will be subject to income tax under the Mauritian Income Tax Act, to the extent that the recipient is not exempt from tax on its income. Gains or losses made by the Noteholder who is an individual, a société or a succession resident in Mauritius are considered as capital gains/losses and are not subject to income tax. Gains or losses derived by a Noteholder which is a company resident in Mauritius, except a company holding a Category 1 Global Business Licence, from the sale of the Notes held for a period of less than 6 (six) months are subject to income tax if these are held as trading assets. A Noteholder who is resident in Mauritius is not subject to any withholding tax. Interest payable to a Noteholder which is a non-resident of Mauritius (other than an individual) will be subject to withholding taxes in Mauritius at a rate of 15 (fifteen) percent or at the rate specified under an applicable double taxation agreement, whichever is the lower. This will be considered as final payment. In so far as the non-resident Noteholder is not carrying out any business in Mauritius and the interest is paid out of the foreign source income of the Issuer, the interest would be exempt from income tax.

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

12. EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

12.1. Exchange of Beneficial Interests

- 12.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 42 of the South African Financial Markets Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the Day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such Day shall be a Business Day and shall fall not less than 30 (thirty) Days after the Day on which such Exchange Notice is given.

- 12.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Day period, to the holder of the Beneficial Interest at the Specified Office of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.
- 12.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- 12.1.3.1. the CSD's Nominee will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office; and
- 12.1.3.2. the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
- 12.1.4. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

12.2. Replacement

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

12.3. Death and sequestration or liquidation of Noteholder

Any Person becoming entitled to Notes as a consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this Condition 12.3, or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 12.3 and Condition 14.2 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or until such time such Notes are duly transferred.

12.4. Costs

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

13. REGISTER

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

14. TRANSFER OF NOTES

- 14.1. ***Transfer of Beneficial Interests in Notes held in the CSD***
 - 14.1.1. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
 - 14.1.2. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
 - 14.1.3. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
 - 14.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the Register and the CSD's Nominee will continue to be reflected in the Register as the Noteholder of such Notes notwithstanding such transfers.
- 14.2. ***Transfer of Notes represented by Individual Certificates***
 - 14.2.1. In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 14.2.1.1. the transfer of such Notes must be embodied in a Transfer Form;
 - 14.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representatives of that registered Noteholder or transferee; and
 - 14.2.1.3. the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the Individual Certificate representing such Notes for cancellation.
 - 14.2.2. Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).
 - 14.2.3. Subject to this Condition 14.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply

with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.

- 14.2.4. Where a Noteholder has transferred a portion only of Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 14.2.5. The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 14.2.6. Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 14.2.7. No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 13 (*Register*).

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

In the event of a partial redemption of Notes under Condition 10.3 (*Redemption at the Option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 10.3 (*Redemption at the Option of the Issuer*), to register the transfer of any Notes during the period beginning on the tenth Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

15. PRESCRIPTION

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

16. EVENTS OF DEFAULT

16.1. Senior Notes

- 16.1.1. If, for any particular Series of Notes, one or more of the following events or unless otherwise set out in the Applicable Pricing Supplement (**Events of Default**) shall have occurred and be continuing:

- 16.1.1.1. **Non-Payment**

the Issuer fails to pay any principal or interest due under the Senior Notes on its due date for payment thereof and any such failure continues for a period of 5 (five) Business Days, after receiving written notice from any of the Senior Noteholders demanding such payment; or

- 16.1.1.2. **Negative Pledge**

the Issuer or any other Material Group Company, as the case may be, fails to remedy a breach of Condition 7 (*Negative Pledge*) within 21 (twenty one) Business Days of receiving written notice from the Senior Noteholders demanding such remedy; or

- 16.1.1.3. **Breach of Material Obligations**

the Issuer fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this clause 16.1) under or in respect of any of the Senior Notes and such failure continues for a period of 30 (thirty) Days after receipt by the Issuer of a notice from the Senior Noteholders (in accordance with Condition 18 (*Notices*)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

16.1.1.4. **Cross Default**

the Issuer or any other Material Group Company, as the case may be, defaults on the payment of the principal or interest, or any obligations in respect of Material Indebtedness of, or assumed or guaranteed by the Issuer or any other Material Group Company, as the case may be, when and as the same shall become due and payable and where notice has been given to the Issuer or any other Material Group Company, as the case may be, of the default and if such default shall have continued for more than the notice period (if any) applicable thereto and the time for payment of such interest or principal or other obligation has not been effectively extended or waived, or if any such obligations in respect of any Material Indebtedness of, or assumed or guaranteed by, the Issuer or any other Material Group Company, as the case may be, shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder; or

16.1.1.5. **Authorisation and Consents**

any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its obligations under the Notes was not taken, is not fulfilled or in place or any such consent, licence, approval or authorisation is revoked, modified, withdrawn or withheld or ceases to be in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes and the Issuer fails to take reasonable steps to remedy such circumstances within 21 (twenty-one) Business Days of receiving written notice from the Noteholders demanding such remedy; or

16.1.1.6. **Insolvency etc.**

an order by any court of competent jurisdiction or authority for the winding-up, dissolution, business rescue proceedings or placement under supervision and commencement of business rescue proceedings of the Issuer or any other Material Group Company, as the case may be, is made whether provisionally (and not dismissed or withdrawn within 30 (thirty) Days thereof) or finally, or the Issuer or any other Material Group Company, as the case may be, is placed under voluntary liquidation or curatorship or a meeting is convened to consider the passing of a resolution, or a resolution is passed, to authorise the implementation of any business rescue proceedings in respect of the Issuer or any other Material Group Company, provided that no liquidation, curatorship, winding-up, dissolution or business rescue proceedings shall constitute an Event of Default if (i) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the MCB Group with any third party; or (ii) the liquidation, winding-up, dissolution or business rescue proceedings is for the purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by an Extraordinary Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or business rescue proceedings; or

16.1.1.7. **Winding-up etc.**

the Issuer or any other Material Group Company, as the case may be, initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, liquidation, winding-up, business rescue or insolvency or other similar laws or compromises or attempts to compromise, with its creditors generally (or any significant class of creditors) or any meeting of creditors is convened by the Issuer or any other Material Group Company, as the case may be, to consider a proposal for an arrangement or compromise with its creditors generally (or any significant class of its creditors), save for any such initiation, consent, attempt or convening of a meeting which relates to the Issuer or any of its other Material Group Company and is for the purposes of an internal reconstruction or reorganisation within the MCB Group; or

16.1.1.8. **Enforcement Proceedings**

if a Person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or any other Material Group Company, as the case may be, or

an execution or attachment or other process is validly levied, enforced upon, sued out or put in force against the whole or a material part of the undertaking or assets of any of them in both instances following a judgement against the Issuer or any other Material Group Company, as the case may be, by a court of competent jurisdiction and such is not discharged within 30 (thirty) Days; or

16.1.1.9. **Other**

any other Event of Default provided for such Series, as specified in the Applicable Pricing Supplement,

then any Senior Noteholder may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by the Senior Noteholder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 10.7 (*Early Redemption Amounts*)), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that, notwithstanding the taking of such action, although an amount will be due it may not be payable if the Issuer withholds or refuses to make such payment in order to comply with any law or regulation of South Africa or Mauritius or to comply with any order of a court of competent jurisdiction.

16.1.2. For the purposes of Condition 16.1.1.4, any Indebtedness which is in a currency other than South African Rand shall be converted into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank of South Africa selected on the date of such Event of Default.

16.2. **Subordinated Notes**

If the Issuer defaults in relation to Subordinated Notes in the payment of any amount payable in respect of such Notes, and such default continues for a period of 7 (seven) Business Days after receiving written notice from any of the holders of Subordinated Notes, or if an Event of Default as contemplated in Condition 16.1.1.6 (*Insolvency etc.*) occurs, any holder of a Subordinated Note may, subject as provided below, at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under such Subordinated Notes, provided that the Issuer shall not be obliged, save in the case of liquidation, winding-up or business rescue proceedings, to pay any sum(s) sooner than the same would otherwise have been payable by it.

In the event of the winding-up or liquidation, whether finally or provisionally, or business rescue proceedings of the Issuer, otherwise than for the purposes of an amalgamation, merger, consolidation or re-organisation not involving liquidation, winding-up or bankruptcy, then any holder of Subordinated Notes issued by the Issuer may by written notice to the Issuer at its registered office, require that its Subordinated Notes are immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Subordinated Notes may only receive payment once all the other creditors of the Issuer have been paid in full.

16.3. **Notification of Event of Default**

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders in accordance with Condition 18 (*Notices*), the Dealer(s) and the JSE in writing.

17. **CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT**

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

18. **NOTICES**

18.1. All notices to the holders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those

Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date on which such notice is sent by registered mail, if such notice is sent by registered mail.

- 18.2. Notwithstanding the provisions of Condition 18.1, for so long as all of the Notes in a Tranche are held in their entirety in the CSD, they may be substituted for the notice contemplated in Condition 18.1, by the delivery of the relevant notice to the CSD's Nominee (as the registered holder of such Notes), the Participants and the Financial Exchange for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the day of delivery of such notice to the CSD's Nominee.
- 18.3. Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the seventh day after the day on which it is sent. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 18.4. For so long as any of the Notes are uncertificated, notice may be given by any holder of an uncertificated Note to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participants may approve for this purpose.

19. AMENDMENT OF THESE CONDITIONS

- 19.1. These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 19, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless the JSE has been notified and the amendments have been reduced to writing and signed by or on behalf of the Issuer and the Noteholders.
- 19.2. The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is established, provided that the JSE or such other Financial Exchange, as the case may be, shall be notified. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be communicated to the relevant Class of Noteholders in accordance with Condition 18 (*Notices*) as soon as is practicable thereafter.
- 19.3. The Issuer may, with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66.67% (sixty-six point sixty-seven percent) in Nominal Amount of the Notes Outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 18 (*Notices*).
- 19.4. Any modification of these Terms and Conditions which may have a direct effect on compliance with the debt listings requirements of the JSE or such other Financial Exchange, as the case may be, will require the approval of the JSE or such other Financial Exchange, as the case may be.

20. MEETINGS OF NOTEHOLDERS

20.1 Convening of meetings

- 20.1.1. The Issuer may at any time convene a meeting of Noteholders (a **meeting** or **the meeting**).
- 20.1.2. The Issuer shall convene a meeting upon the requisition in writing of the holders of at least 25% (twenty five percent) of the aggregate Nominal Amount Outstanding of the Notes (**requisition notice**).
- 20.1.3. Whenever the Issuer wishes or is required to convene a meeting, it shall forthwith give notice in writing to the Noteholders of the place, Day and hour of the meeting and of the nature of the business to be transacted at the meeting.

- 20.1.4. All meetings of Noteholders shall be held in Johannesburg.
- 20.1.5. Any director or duly authorised representative of the Issuer and/or any other Material Group Company, and any other Person authorised in writing by the Issuer and/or any other Material Group Company, may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy (as defined below) or duly authorised representative of a Noteholder.
- 20.2. **Requisition**
- 20.2.1. A requisition notice shall state the nature of the business for which the meeting is to be held and shall be deposited at the registered office of the Issuer.
- 20.2.2. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists
- 20.3. **Convening of meeting by requisitionists**
- If the Issuer does not proceed to cause a meeting to be held within 10 (ten) Days of the deposit with the company secretary of the Issuer of a requisition notice, requisitionists who together hold not less than 25% (twenty five percent) of the aggregate Nominal Amount outstanding of the Notes for the time being, may themselves convene the meeting, but the meeting so convened shall be held within 60 (sixty) Days from the date of such deposit and shall be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Notice of the meeting shall be required to be given to the Issuer.
- 20.4. **Notice of meeting**
- 20.4.1. Unless the holders of at least 90% (ninety percent) of the aggregate Nominal Amount outstanding of the Notes agree in writing to a shorter period, at least 21 (twenty one) Days written notice specifying the place, Day and time of the meeting and the nature of the business for which the meeting is to be held shall be given by the Issuer to Noteholders. Such notice is required to be given in accordance with Condition 18 (*Notices*).
- 20.4.2. The accidental omission to give such notice to any Noteholder or the non-receipt of any such notice shall not invalidate the proceedings at a meeting.
- 20.5. **Quorum**
- 20.5.1. A quorum at a meeting shall for the purposes of considering:
- 20.5.1.1. an ordinary resolution generally, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Nominal Amount outstanding of the Notes; and
- 20.5.1.2. an Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than 50.1% (fifty point one percent) of the aggregate Nominal Amount outstanding of the Notes.
- 20.5.2. No business shall be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.
- 20.5.3. If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting shall, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting shall stand adjourned to the same Day in the third week thereafter, at the same time and place, or if that Day is not a Business Day, the following Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy shall constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.
- 20.6. **Chairman**
- The chairman of the meeting shall be appointed by the Issuer.
- 20.7. **Adjournment**
- 20.7.1. Subject to the provisions of this Condition 20 (*Meetings of Noteholders*) the chairman may, with the consent (which consent shall not be unreasonably withheld and/or delayed)

of, and shall on the direction of the Issuer, adjourn the meeting from time to time and from place to place.

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

20.7.3. At least 14 (fourteen) Days written notice of the place, Day and time of an adjourned meeting shall be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of Condition 20.7.1, the notice shall state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

20.8. **How questions are decided**

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

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

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

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

20.9. **Votes**

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

20.9.2. Notwithstanding anything to the contrary contained herein, any Noteholder that is the Issuer or any of its Subsidiaries shall not be entitled to vote.

20.10. **Proxies and Representatives**

20.10.1. Noteholders may:

20.10.1.1. present in person; or

20.10.1.2. through any appointed Person (a **proxy**), by an instrument in writing (a **form of proxy**), signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer of the corporation,

vote on a poll.

20.10.2. A Person appointed to act as proxy need not be a Noteholder.

20.10.3. The form of proxy shall be deposited at the registered office of the Issuer or at the office where the Register is kept or at such other office as the Issuer may determine not less than 24 (twenty four) hours before the time appointed for holding the meeting or adjourned meeting at which the Person named in such form of proxy proposes to vote, and in default, the proxy shall be invalid.

- 20.10.4. No form of proxy shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 20.10.5. A proxy shall have the right to demand or join in demanding a poll.
- 20.10.6. Notwithstanding Condition 20.10.4 the form of proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- 20.10.7. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Agent more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 20.10.8. Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any Person to act as its representative in connection with any meeting or proposed meeting of Noteholders. Any reference in this Condition 20 (*Meetings of Noteholders*) to a Noteholder present in person includes such a duly authorised representative of a Noteholder.

20.11 Minutes

- 20.11.1 The Issuer shall cause minutes of all resolutions and proceedings of meetings to be duly entered in the minute books of the Issuer.
- 20.11.2 Any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings held or by the chairman of the next succeeding meeting, shall be receivable in evidence without any further proof, and until the contrary is proved, a meeting of Noteholders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

20.12 *Mutatis mutandis* application

The provisions of this Condition 20 (*Meetings of Noteholders*) shall apply *mutatis mutandis* to the calling and conduct of meetings on an individual Tranche, Series or Class of Noteholders, as the case may be.

21 FURTHER ISSUES

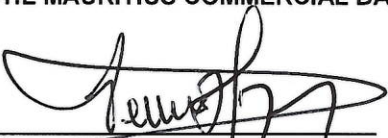
The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest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


22 GOVERNING LAW

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

SIGNED at Port Louis on this 28th day of October 2014

For and on behalf of
THE MAURITIUS COMMERCIAL BANK LIMITED


Name: Jean-François DESVAUX DE MARIGNY
Capacity: Director
Who warrants his/her authority hereto


Name: Antony R. WITHERS
Capacity: Director
Who warrants his/her authority hereto

USE OF PROCEEDS

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

For purposes of the Commercial Paper Regulations it is recorded that the "*Ultimate Borrower*", as defined in the Commercial Paper Regulations, of the net proceeds from each Tranche of Notes will be the Issuer, unless otherwise indicated in the Applicable Pricing Supplement.

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

DESCRIPTION OF THE MAURITIUS COMMERCIAL BANK LIMITED

1. BACKGROUND AND PRINCIPAL BUSINESS ACTIVITIES

Incorporated on 1 September 1838, The Mauritius Commercial Bank Limited (hereinafter referred to interchangeably as **MCB Limited**, the **Issuer** or **the Bank**) is, accordingly to its market share, the leading market player in the banking sector in Mauritius, as well as an increasingly prominent banking institution in sub-Saharan Africa and the region. MCB Limited's rich history, commitment to its clients, innovative culture and high quality employees underpin its solid franchise and long track record of sustained profitability.

MCB Limited is one of the largest employers in Mauritius with a headcount of some 2,500 employees. It wields a customer base of above 920,000 individual and institutional customers and has market shares of some 40% in respect of domestic credit to the economy and local currency deposits and over 50% of cards issued locally.

Local activities

The Bank offers a range of flexible and innovative financial solutions to its valued customers across various channels, including:

- A network of 40 domestic branches/kiosks redesigned as per world-class 'store' concept;
- More than 160 ATMs, representing more than 30% of the current national ATM park;
- Above 6,800 Point of Sale terminals, many of which are multi-currency and wireless;
- A wide range of mobile services, such as SMS banking, airtime refill through mobile phones, mobile banking and mobile payments; and
- A modern Internet Banking platform with over 90,000 registered customers, conferring the Bank a market share of more than 30%.
- The major lines of business, which mainly span MCB Limited's local banking activities, include:
 - Retail: Backed by its wide-ranging channel network and enriched value proposition, the Bank caters for the day-to-day needs and requirements of various customer segments, including high net worth clients, in a highly competitive environment. The Bank also seeks to assist small and medium enterprises across various economic sectors to realise their needs and aspirations, whilst acting as an ideal coach for supporting their initiation and development;
 - Corporate: MCB Limited enjoys a dominant position in the domestic corporate financing market by wielding a market share which is comfortably above 40% (forty percent) of related loans. The Bank provides companies across established and emerging domestic economic sectors with flexible and innovative financial solutions, as well as dedicated advice to meet their business development ambitions, thus helping to transform opportunities into winning strategies and supporting clients in their growth endeavours; and
 - Cards: By means of its comprehensive offering, advanced technology, global partnerships and extensive merchant network, MCB Limited acts as a one-stop-shop for meeting all cards-related needs of its clients.

International banking activities

The Bank is also increasingly leveraging upon its customised solutions, its network of over 1,625 correspondent banks worldwide, its representative offices in Johannesburg and Paris, as well as access to global finance in order to position itself as an international bank, with a focus on widening its market footprint in sub-Saharan Africa and the region. It is noteworthy that as at the Programme Date, MCB Limited received the in-principle approval from the Central Bank of Kenya to open a representative office in Nairobi.

Whilst most of the Bank's international operations are catered for from Mauritius, it is also worth highlighting that the MCB brand is present in Madagascar, Maldives, Mozambique and

Seychelles via the group's overseas banking subsidiaries, as well as through the group's associate, Banque Française Commerciale Océan Indien (**BFCOI**), in Réunion Island, Mayotte and Paris. The Bank also benefits from the core capabilities, market insights and contact network of the other subsidiaries of the group.

A cornerstone of the organisation's regional expansion is the 'Bank of Banks' initiative, which aims at positioning the group as a regional platform for the handling of trade finance, payments, cards operations outsourcing and the undertaking of internal audit and project management-related assignments on behalf of its banking and financial institution counterparts. In the context of this initiative, MCB targets 'middle-tiered' banks, with due emphasis on financial institutions having a wide network in and a primary focus on Africa. Indicatively, since 2008, which marked the launch of the initiative, the group has serviced more than 80 clients spanning more than 20 countries in Africa and the region. These clients benefit from the same industry capabilities and technology which the group provides to its own clients but bundled in a spirit of business reciprocity to cater for the former's specific needs, objectives and technical requirements. The 'Bank of Banks' initiative also notably capitalises on the annual 'Africa Forward Together' seminar, which is a pioneering market-presence enhancing event organised and hosted by MCB in Mauritius since 2009, in support of the its regional diversification strategy.

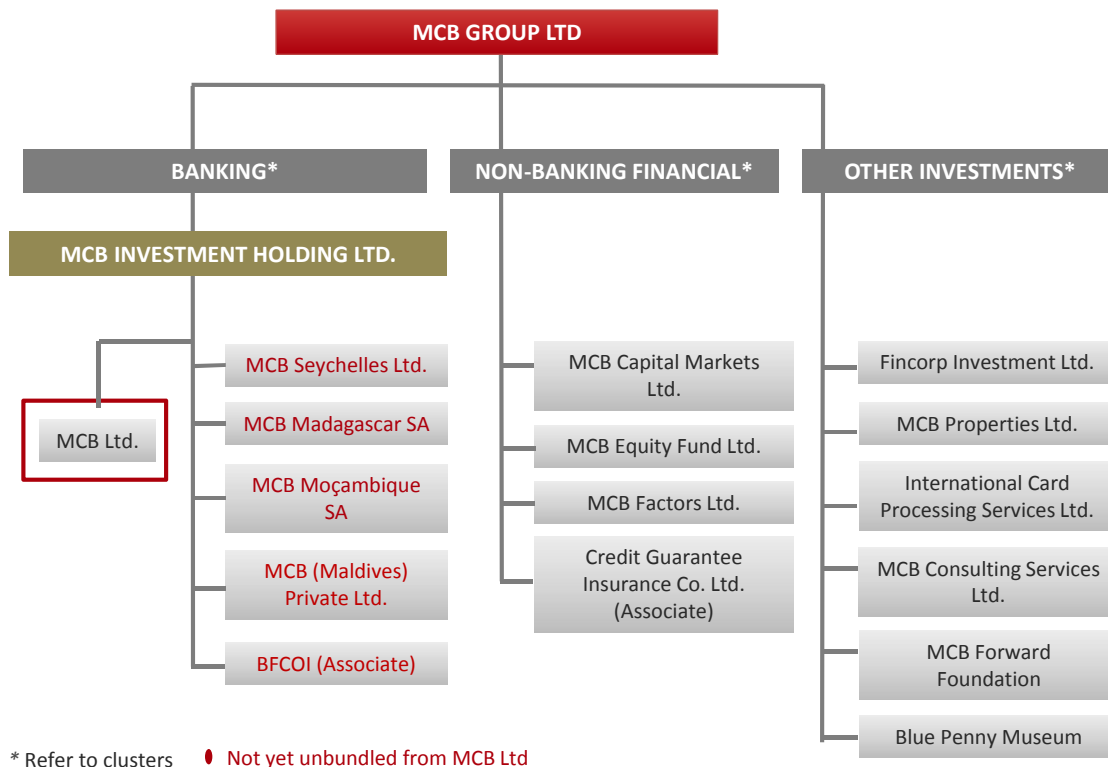
The Bank is also active in the syndicated loan market, as well as in the secondary market for the purchase and sale of risks, backed by the signing of 56 Master Risk Participation Agreements with top-tier banking counterparts worldwide. Notable market in-roads have also been made of late regarding the Bank's participation in big-ticket pan-African commodities and project financing via direct funding. MCB Limited is also the main provider of financing for the importation of oil and gas in the Indian Ocean and the region.

The Bank also caters for the needs of local and regional offshore companies, funds and trusts, by capitalising on the reputational, fiscal and locational distinctiveness of the Mauritian Global Business jurisdiction as the investment gateway bridging Africa and Asia, as well as its network of management companies and status as a Foreign Institutional Investor vis-à-vis the Securities and Exchange Board of India.

More information on the section of the MCB Group website dedicated to the Bank: www.mcbgroup.com/en/.

2. OWNERSHIP AND CONTROL

As part of its on-going strategic development and in order to support its growth ambitions and organisational adaptation to an ever-changing operating environment, in 2013, MCB has initiated a restructuring exercise aimed at separating its banking and non-banking operations. In practice, the restructuring translates into the operationalisation of: (i) a newly incorporated legal entity, MCB Group Limited, which, since April 2014, acts as the ultimate holding company of the group's subsidiaries and associates and is listed on the Official Market of the Stock Exchange of Mauritius; and (ii) 3 distinct business segments, namely 'Banking', 'Non-Banking Financial' and 'Other Investments'. Another legal entity, MCB Investment Holding Limited, has been incorporated as a wholly-owned subsidiary of MCB Group Limited to act as the intermediate holding company of the group's banking cluster, including the Issuer and the group's overseas banking subsidiaries and associates. As such, MCB Investment Holding Limited is the sole shareholder of the Issuer. As at the Programme Date, the non-banking entities had already been unbundled from MCB Limited while the transfer of the banking operations will be undertaken in a phased manner. Once fully executed, the restructuring exercise will lead to the following group structure:



3. FINANCIAL HIGHLIGHTS

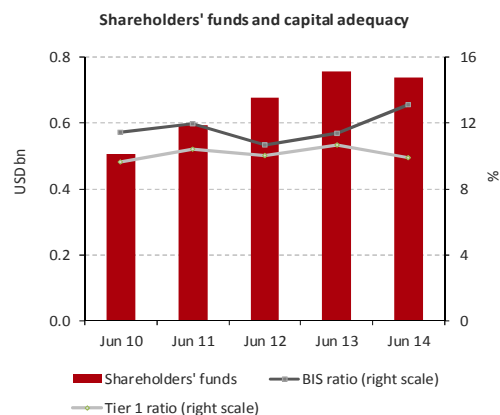
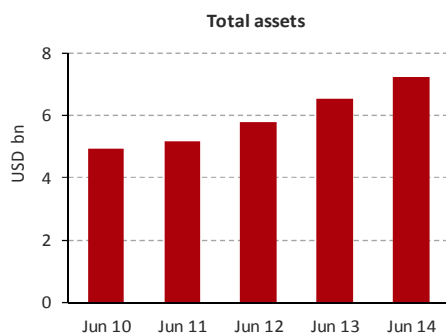
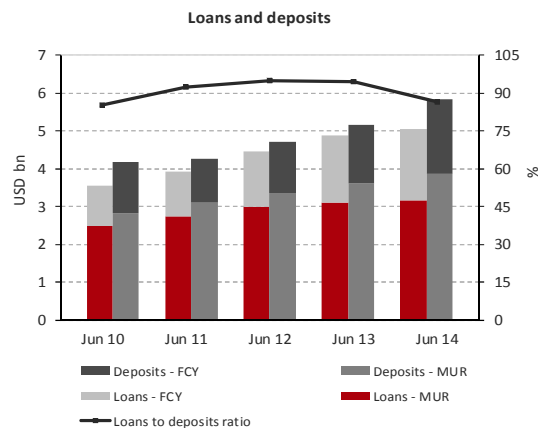
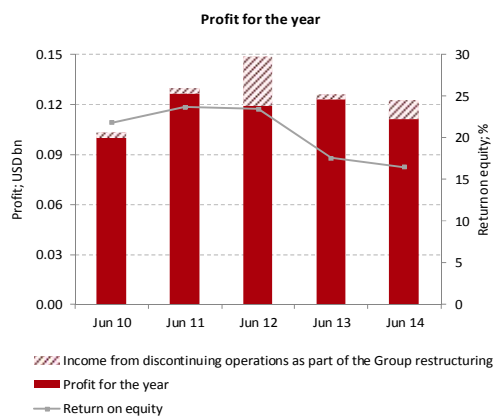
Analysis of results in recent years

The Bank has sustained a healthy financial performance, with financial soundness metrics staying generally sound, despite facing up to the difficult operating environment. Indeed, growth in business activity was restrained by the testing economic climate domestically and abroad. With regard to Mauritius, the demand for credit was affected by the sluggish evolution of private investment. Besides, the Bank's margins were somewhat squeezed by stiffer competitive pressures in specific market segments as well as unfavourable dynamics in the money and foreign exchange markets. Moreover, impairment charges posted a significant increase of late, mainly explained by provisions made to cater for some non-performing exposures within the Global Business unit.

Nevertheless, MCB Limited effectively coped with these challenges and pursued its expansion path. Indeed, the Bank sustained a resilient performance, notably underpinned by continued growth in core earnings amidst new business development initiatives and the ensuing diversification of revenue streams. Net interest income rose as a result of continued growth in the Bank's loan portfolio whilst the increase in net fee and commission income reflected the headway made in diversifying the Bank's product and market range, with strong contribution arising from regional trade financing, as well as payment services. Comfort can particularly be derived from progress achieved in diversifying MCB Limited's footprint beyond domestic shores, principally in sub-Saharan Africa, which has contributed to foreign-sourced earnings accounting for close to 40% of its profits.

Moreover, the execution of MCB Limited's strategic orientations led to continued asset growth. Notwithstanding the subdued private investment climate in Mauritius, loans and advances maintained their upward trend, mainly driven by a robust growth in international lending as well as an appreciable expansion in respect of housing loans and the Bank's participation in flagship corporate projects at the domestic level. Whilst expanding deposits remained the primary source of funding for asset financing, foreign currency borrowings rose in recent years to finance the expansion of international activities. Furthermore, supported by its healthy business model and reflecting its ability to comfortably sustain its market development, the Bank maintained adequate financial soundness metrics in terms of capitalisation as well as

liquidity and funding. Whilst asset quality has lately been adversely impacted by the Global Business exposures mentioned above, measures to further strengthen risk management should contribute to trigger a reversal in the trend moving forward.



Note: The drop in the June 2014 tier 1 ratio is explained by the unbundling of investments in non-banking subsidiaries and associates from MCB Ltd as part of the Group restructuring exercise.

Looking ahead, the operating context of MCB Limited is likely to remain challenging, given notably the subdued outlook for real GDP growth and private investment in Mauritius. However, backed by strengthened in-house capabilities and enhanced customer service quality, MCB Limited is committed to pursuing its business development impetus. The Bank will seek to further expand its outbound operations, with a key focus on deepening its market positioning in sub-Saharan Africa given the latter's appealing prospects.

4. MANAGEMENT STRATEGY

With a view to creating sustainable value for its stakeholders, the Bank's strategic orientations revolve around:

- Consolidating its operations in the domestic banking sector; and
- Pursuing a sensible diversification strategy by expanding its international footprint.

In support of these objectives, the Bank has invested heavily in modern infrastructure and IT systems, effective risk and human resource management, process optimisation and customer service improvements and now has a solid and scalable holistic platform from which to further these objectives.

Consolidation of domestic banking position

Building on its strong brand image and credentials, MCB Limited aims at maintaining its leadership position in various market segments by continuously refining its value proposition and adapting its product offering to meet its valued clients' increasingly complex and varied financial needs. For instance, the business development endeavours of the Retail Banking

segment are underpinned by the Bank's customer-centric approach, its comprehensive and adapted range of delivery channels, its wider and improved product offering and sustained efforts to increase brand visibility. At the corporate level, the Bank remains attuned to tapping into the opportunities across various market segments and to diversifying its portfolio, taking into account the inherent risks linked to the uncertain economic outlook and striving to maintain the quality of its loan book.

Expansion of international footprint

In the context of the relatively favourable economic outlook for sub-Saharan Africa and the region, MCB Limited is dedicated to increasing its regional presence, whilst exploring business development opportunities further afield. The Bank will intensify its active involvement in direct corporate funding, regional trade and commodity financing, structured cross-border transactions and global business banking, notably in relation to projects bridging Africa and Asia. Overall, it seeks to underpin its market development initiatives by harnessing long-standing relationships with correspondent banks and with regional industry players, whilst initiating planned ventures into targeted markets.

5. BOARD OF DIRECTORS

The Board of Directors of MCB Limited is vested with all the powers necessary for managing, directing and supervising the management of the business and affairs of the Bank.

The new constitution of the Issuer, which was approved on 3 April 2014, provides for a minimum of 5 directors and a maximum of 12 directors. As at the Programme Date, the Board of Directors of MCB Limited comprised 8 members who are experienced professionals with expertise in a variety of fields and whose profiles are set out hereafter:

Directors' profiles

Mr Antony R. WITHERS – age 60

Holds an MA in Economics from Christ's College, Cambridge and was also awarded an MBA by IMD, in Lausanne, Switzerland. He is currently Chief Executive of MCB Limited, which he joined in April 2006. He has accumulated wide-ranging experience in the banking sector shouldering an array of high-level responsibilities in a number of institutions. These include Citibank, Bank of Montreal, S.G Warburg & Co. Limited, UBS Securities Limited, Commerzbank A.G, and Lloyds TSB Bank plc where he was Director and Global Head of Financial Institutions & International Trade Finance. He acted as Chairman of the Mauritius Bankers Association between November 2006 and May 2010.

He was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2006. He also sits on various board committees of the Bank, namely the Supervisory and Monitoring Committee, the Risk Monitoring Committee and the Nomination and Remuneration Committee.

Mr. Jean-François DESVAUX DE MARIGNY – age 60

Fellow of the Institute of Chartered Accountants in England and Wales, he joined MCB in 1986 after several years of experience as an auditor in Europe. He was involved in the launching of the Stock Exchange of Mauritius in 1989. He has participated in the development of MCB's regional network and is a director of a number of the group's subsidiaries and associates.

He is currently the Deputy Chief Executive of MCB Limited and a member of the Supervisory and Monitoring Committee and of the Risk Monitoring Committee of MCB Limited.

Mr. Jean-Philippe COULIER - age 65

Holds a 'DESS' in Law from Paris II and a Diploma in Political Science from Sciences Po, Paris. During his career, he has accumulated extensive experience in the banking sector, having worked for the Société Générale group for some 40 years. Over this period, he has assumed a range of high-level responsibilities within the group, acting as Director, Chief Operating Officer and Chief Executive Officer in its various offices based worldwide. Before his retirement from Société Générale in early 2013, he was the Vice Chairman and Managing Director of the National Société Générale Bank in Cairo, Egypt.

He was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2012. He is currently the Chairperson of the Board of Directors of MCB Limited. He also acts as Chairperson of the Nomination and Remuneration Committee and of the Supervisory and Monitoring Committee, whilst being a member of the Risk Monitoring Committee of MCB Limited.

Mrs Priscilla BALGOBIN-BHOYRUL – age 39

Holds an LLB (Honours) from the London School of Economics and Political Science and a Higher Diploma in Law from City University, UK. She was called to the Bar of England and Wales in 1998 and is a member of the Middle Temple. She is also a member of the International Bar Association, American Bar Association and Mauritian Bar Association. Priscilla is part of Balgobin Chambers and specialises mostly in civil, commercial, banking and industrial law matters. She is a past director of the Mauritius Union Assurance Company Limited, where she also sat on the Audit Committee. Priscilla occupies various positions within local and international organisations and is presently the National President of the World Jurist Association and a member of the Public Bodies Appeal Tribunal.

She was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2012. She is currently a member of the Audit Committee and of the Conduct Review Committee of MCB Limited.

Mr Jonathan CRICHTON – age 58

Holds a Combined Honours degree in History and Politics from the University of Exeter and a Diploma from the 'Institut Européen des Hautes Etudes Internationales' Nice University. He is a Fellow of the Financial Services Institute of Australia and an Associate of the Institute of Financial Services, UK. He retired from HSBC after 32 years of service. As an International Manager, he held a wide range of high-level responsibilities within the group and gained extensive experience in banking. He has led various divisions in the Europe and Asia-Pacific regions of HSBC, whilst sitting on the board of several of the latter's group subsidiary companies either as Chairperson or Member.

He was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2013. He is currently the Chairperson of the Risk Monitoring Committee of MCB Limited.

Mr Gilles GUFFLET – age 69

Fellow of the Institute of Chartered Accountants in England and Wales, he has accumulated wide-ranging experience in the financial services and auditing fields. From 1967 to 2001, he worked at Coopers & Lybrand, France, where he acted as a partner since 1974. In fact, he has shouldered an array of high-level responsibilities during his stint there. Whilst being a Board member and a member of the Executive Committee, he headed the Audit as well as the Finance and Administration departments and has also served on several committees of Coopers & Lybrand International. Following the merger that created PricewaterhouseCoopers in 1997, he became a member of the new firm's 50 strong Global Leadership team and acted as Financial Controller for Europe, the Middle-East and Africa.

He was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2011. He is currently the Chairperson of the Audit Committee and a member of the Conduct Review Committee of MCB Limited.

Mr Iqbal RAJAHBALEE – age 60

Holds an LLB and LLM from the London School of Economics and Political Science. He is a Senior Counsel, with over 25 years of practice at the Mauritius Bar, during which he, amongst others, advised on a variety of cross-border transactions in the financial services industry. He is a founder of the Mauritius offshore industry and served as the first Executive Director of the former Mauritius Offshore Business Activities Authority.

He was appointed as the first Chief Executive of the Financial Services Commission, the non-bank regulatory body in Mauritius. Iqbal served for more than 10 years at the Attorney General's Office, which he left as Assistant Solicitor General. He is often called upon by the Government to advise on financial law matters and was responsible for drafting numerous pieces of legislation, notably the Trusts Act, the Securities Act, the Financial Services

Development Act and the Insurance Act. Iqbal has led several government delegations in relation to issues such as international taxation and trading agreements.

He was first appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2012. He is currently a member of the Risk Monitoring Committee and of the Nomination and Remuneration Committee of MCB Limited.

Mr Simon-Pierre REY – age 61

Holds a BA (Honours) in Economics from the University of Essex and is a Member of the Institute of Chartered Accountants in England and Wales. He has worked for some 25 years with Ireland Blyth Limited in the finance field until his retirement in December 2012. Over this period, he has occupied important ranks within the group, notably as Group Finance Director/Controller, Company Secretary and Chief Operating Officer, amongst others. Furthermore, he was a board member of various companies within the Ireland Blyth group, whilst serving on several board committees of these entities, namely the Audit and the Corporate Governance Committees.

He was a non-executive director of MCB Limited from 1994 to 1996 and in 2000. He was re-appointed to the Board of Directors of MCB Limited at the shareholders' meeting of December 2013. He is currently Chairperson of the Conduct Review Committee, whilst being a member of the Audit Committee and of the Nomination and Remuneration Committee of MCB Limited.

Prospective investors are further referred to the section of the MCB Group website dedicated to the Bank's directorate: www.mcbgroup.com/en/.

Board committees

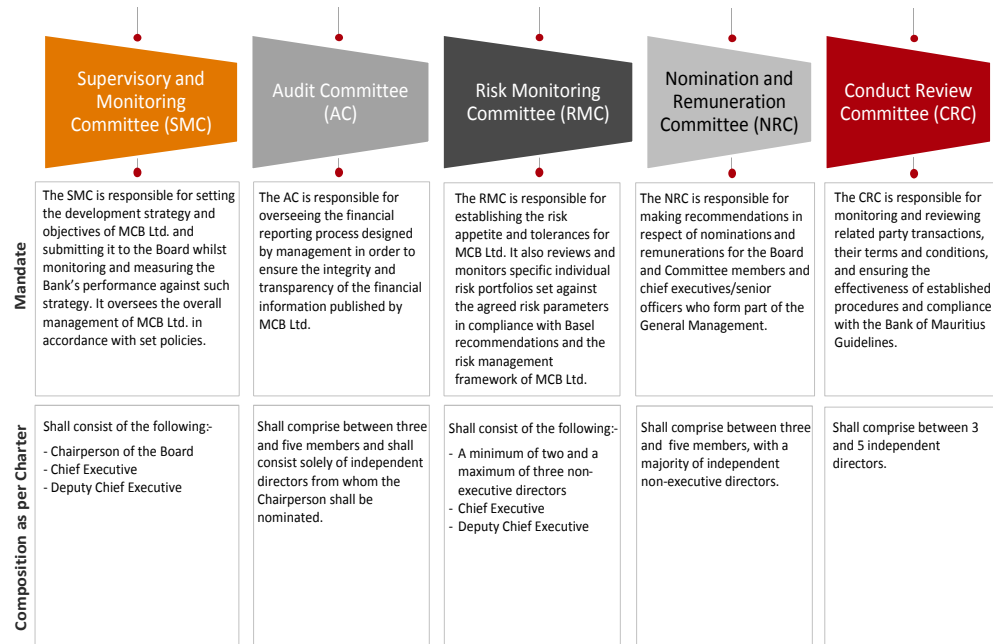
The Board has created 5 Board Committees to assist it in carrying out its duties and responsibilities:

- Supervisory and Monitoring Committee;
- Audit Committee;
- Conduct Review Committee;
- Nomination and Remuneration Committee; and
- Risk Monitoring Committee.

Each committee has its own charter which has been approved by the Board of Directors, with such charters being reviewed regularly. Through the deliberations and reporting of its various committees, the Board of Directors ensures that the daily actions of the Management of MCB Limited are in line with the Board's objectives, as well as regulatory requirements.

Board of Directors

In accordance with the constitution of MCB Ltd, the Board has all the powers necessary for managing, directing and supervising the management of the business and affairs of the Company. The Board is ultimately responsible for the affairs of the Company. The Company's constitution provides that the minimum number of directors shall be five and the maximum number twelve.



The company secretary is MCB Registry & Securities Limited. The business address of the company secretary is Sir William Newton Street, Port Louis, Mauritius.

6. CORPORATE GOVERNANCE

MCB Limited is dedicated to fostering good corporate governance by observing high standards of transparency, accountability and integrity, with the aim of maximising long-term value creation for its shareholders, as well as enhancing business value for all stakeholders. This is ensured through bank-wide awareness of its operating ethics and the stewardship and close supervision of the management of the Bank by the Board of Directors. Fundamentally, whilst setting the stage for the organisation to duly meet up with evolving regulatory requirements, the adherence by MCB Limited to good governance principles provides a core foundation to effectively respond to challenges posed by the economic and market environments.

Towards these ends, the Bank adheres to the Bank of Mauritius (**BoM**) Guideline on Corporate Governance, the Code of Banking Practice of the Mauritius Bankers Association and the Code of Corporate Governance for Mauritius. In February 2002, MCB Limited also issued a Code of Conduct based on the model code of the Joint Economic Council of Mauritius, as appropriately adapted to meet its own specific needs and updated on a regular basis.

In addition to being in strict compliance with the laws of Mauritius, the Bank subscribes to the values of good corporate governance contained in the third King Report on Governance for South Africa and the King Code of Corporate Governance Principles (jointly, **King III**) and complies with King III, save for the exceptions set out below:

- principle 2.18, practice note 2.18.6: At least one third of the non-executive directors should rotate every year.
- principle 2.18, practice note 2.18.9: The board should include a statement in the integrated report regarding the assessment of the independence of the independent non-executive directors.

- principle 2.19, practice note 2.19.3: The appointment of non-executive directors should be formalised through a letter of appointment.
- principle 2.22, practice note 2.22.5: The nomination for the re-appointment of a director should only occur after the evaluation of the performance and attendance of the director.
- principle 2.24, practice note 2.24.3: The implementation and adoption of policies, processes or procedures of the holding company should be considered and approved by the subsidiary company.
- principle 2.25, practice note 2.25.4: Non-executive fees should comprise a base fee as well as an attendance fee per meeting.
- principle 2.26, practice note 2.26.2: The remuneration report, included in the integrated report, should include all benefits paid to prescribed officers
- principle 2.27, practice note 2.27.1: Shareholders should pass a non-binding advisory vote on the company's yearly remuneration policy.
- principle 2.27, practice note 2.27.2: The board should determine the remuneration of executive directors in accordance with the remuneration policy put to shareholder's vote.
- principle 3.4, practice note 3.4.3: The audit committee should review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.
- principle 5.1, practice note 5.1.1: The board should assume the responsibility for the governance of IT and place it on the board agenda.
- principle 5.1, practice note 5.1.2: The board should ensure that an IT charter and policies are established and implemented.
- principle 5.1, practice note 5.1.3: The board should ensure promotion of an ethical IT governance culture and awareness and of a common IT language.
- principle 5.1, practice note 5.1.4: The board should ensure that an IT internal control framework is adopted and implemented.
- principle 5.1, practice note 5.1.5: The board should receive independent assurance on the effectiveness of the IT internal controls.
- principle 7.5, practice note 7.5.3: The Chief Audit Executive (CAE) should have a standing invitation to attend executive committee meetings.
- principle 9.1, practice note 9.1.2: The board should delegate to the audit committee to evaluate sustainability disclosures.

As MCB Limited is incorporated in Mauritius, it does not adhere to aforementioned principles of King III, as compliance with these principles does not accord with the current requirements for compliance in Mauritius. The board continuously reviews the implications of corporate governance best practices and accordingly takes all the required actions to comply with any new requirements for Corporate Governance as necessary and as may be required by the central Bank of Mauritius.

As at the Programme Date, and in the context of this Programme, MCB Limited's compliance with the requirements and recommendations of King III was assessed by the Bank's auditors (BDO).

A detailed report on the MCB Limited's corporate governance performance, including a statement of compliance with the Code of Corporate Governance for Mauritius, is set out in the annual report, which can be accessed via the Bank's website at www.mcb.mu/.

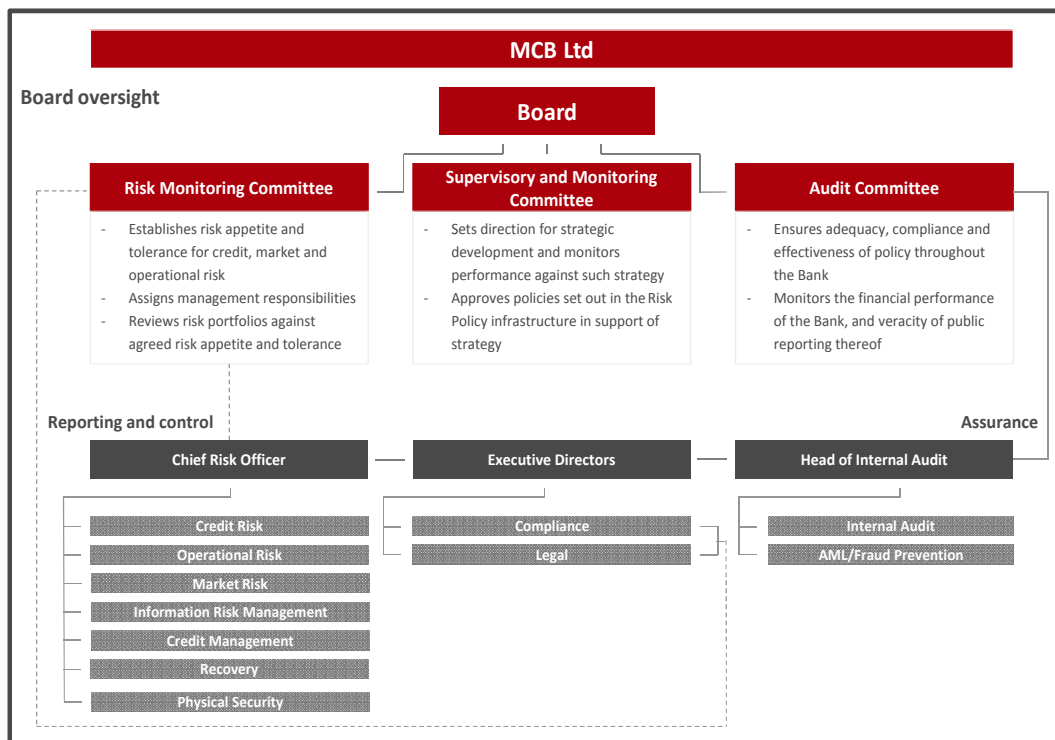
MCB Limited recognises its responsibility as a financial institution to conduct its affairs with prudence and integrity and to safeguard the interests of all its stakeholders. As such, the Bank has over time created, and continues to refine, the structures necessary to formalise oversight and to ensure that the values remain embedded in all its businesses and processes.

7. RISK MANAGEMENT

The objectives of risk management at MCB Limited are to identify, assess and manage the credit, operational, market and information risks to which the Bank is exposed, thereby improving the risk return profile of its activities, whilst upholding an environment conducive to attracting and promoting business opportunities.

Governance and structure

In line with the corporate governance structure adopted by MCB Limited, the Board of Directors has the ultimate responsibility for ensuring that risks are adequately identified, measured, monitored and managed. The Board discharges its duty through processes, procedures, policies and frameworks and through dedicated committees, as illustrated in the chart below.



MCB Limited's risk framework clearly defines the roles, responsibilities and reporting lines for various business units, whilst safeguarding the Bank's assets and resources, as well as ensuring compliance with regulatory requirements. The delegation of authority, control processes and operational procedures are documented and disseminated to relevant senior staff members.

The primary Board committee overseeing risk matters is the Risk Monitoring Committee (**RMC**), which reviews and assesses a wide range of areas, including capital adequacy, liquidity, market and interest rate risk management, as well as adherence to Basel requirements. Several members of the RMC are non-executives, thereby strengthening MCB Limited's independent risk oversight and control functions. The Management of MCB Limited is accountable to the Board of Directors for ensuring the effectiveness of risk management and adherence to the risk appetite established by the Board.

The Risk function, under the aegis of the Chief Risk Officer, bears the responsibility, on a day-to-day basis, of providing independent risk control and managing credit, market, operational and information risks, as well as taking care of the recovery and physical security aspects. Risk managers are dedicated to establishing risk measurement and methodology, as well as monitoring and regularly reporting the Bank's risk exposures, profiles, concentration and trends to the RMC and Senior Management for discussion and appropriate action.

A fitting risk control framework is also fostered through independent teams overseeing the internal audit function, compliance with all applicable laws, regulations, codes of conduct and standards of good practice, and the legal function across the Bank. It can be noted that the Internal Audit function reports directly to the Audit Committee, whilst the Compliance function reports directly to the Risk Monitoring Committee and has an administrative reporting line to the Chief Executive of the Bank.

The existing risk structure enables MCB Limited to reinforce the linkage between capital requirements and the level of risks undertaken in line with regulatory requirements. MCB Limited continues to monitor developments arising from Basel III and refine its risk management capabilities to position itself for the consequences of such reforms.

Risk management strategy

The Board of Directors of MCB Limited seeks to ensure that the business strategies of the Bank are clearly linked to its risk appetite, thus ensuring that the capital resources of the Bank are optimally employed. Risk appetite refers to the amount of risk MCB Limited is able and willing to take or tolerate in pursuit of its business objectives. The objective of setting risk appetite is not necessarily to limit risk-taking, but to ensure that MCB Limited's risk profile is aligned to its business strategy.

MCB Limited's risk management strategy is targeted at ensuring on-going effective risk identification and achieving effective capital management. To this end, MCB Limited *inter alia* defines (i) its appetite for credit risk in terms of, for example, allocated target ranges for domestic and international credit exposures and exposures by economic sector, and (ii) its appetite for market risk in terms of the splits between domestic and international markets, foreign currency and interest rate exposures, percentage exposure allocation for position-taking and percentage target splits in respect of maturities of exposure.

Effective risk management is a key component in generating sustainable returns. This is achieved mainly by maximising the risk-adjusted rate of return, whilst maintaining risk exposures within acceptable parameters.

Focus on credit risk

Credit risk is perceived to be the most significant and pervasive risk for a bank and warrants particular attention. The credit risk management framework relies on the Bank's well-established dual control structure, sound credit processes and clear delegation of decision-making authority, amongst other considerations, for the approval of loans. Credit risk exposures are in fact managed through a robust credit assessment, structuring and monitoring process. The Bank's disciplined approach to provisioning and loan loss assessment is based on the Guideline on Credit Impairment Measurement and Income Recognition issued by the BoM. All credit facilities are granted based on the credit standing, source of repayment and debt servicing ability of the borrower. Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically, with the frequency of valuation depending on the type, liquidity and volatility of the collateral value. On the whole, the main credit risk mitigation techniques applied by MCB Limited include security/collateral, netting, guarantees and political risk covers, all of which contribute to a reduction in MCB Limited's credit risk exposures.

MCB Limited focuses on the diversification of its lending portfolio by setting sectorial limits based on forecasts spanning a five-year horizon in order to ensure that the performance of the Bank is not negatively impacted by a large sectorial exposure default. It is the policy of MCB Limited to limit credit risk exposures and concentrations within the constraints of the Bank's capital base, whilst complying with the Guideline on Credit Concentration set by the BoM. The Bank regularly monitors the credit risk concentration arising from credit exposures to any single customer, any group of closely-related customers, as well as the aggregate large credit exposures to all customers and groups of closely-related customers to ensure that its risk-bearing capacity is not jeopardised. Additionally, regular stress tests are performed on the portfolio to ensure that the Bank holds sufficient capital to withstand any loss arising from significant exposure to a sector, single customer and group of closely-related customers.

8. REGULATORY FRAMEWORK

The BoM is established as the Central Bank of Mauritius and has the responsibility of *inter alia* safeguarding the stability and strength of the Mauritian financial system. The BoM regulates and supervises banking institutions under the provisions of the Banking Act 2004, which establishes the legal framework for the conduct of banking business in Mauritius.

In addition, the BoM also issues Guidelines and Guidance Notes in order to ensure adherence to high standards of conduct and management throughout the banking and credit system, as well as to safeguard the rights and interests of depositors and creditors of financial institutions.

Among recent regulatory developments, in line with internationally advocated regulatory practices, the BoM issued the Guideline on Scope of Application of Basel III and Eligible Capital on 27 June 2014, which came into effect on 1 July 2014. This Guideline sets out the rules text and timeline for implementation of Basel III in Mauritius. In particular, it formulates the characteristics which an instrument must have in order to qualify as regulatory capital and the various adjustments which have to be made in determining a bank's regulatory capital. It also lays down the transitional arrangements for implementing certain elements of the Basel III capital framework, as well as the limits and minima of the different components of capital. Specifically, under this Guideline, any subordinated debt issued by MCB Limited prior to 1 July 2014 is subject to transitional arrangements, whereby the recognition of such subordinated debt as Tier 2 capital is capped at 90% as from 1 July 2014, with the cap reducing by 10% per annum until the redemption of the said subordinated debt.

Moreover, the BoM recently issued the Guideline for dealing with Domestic-Systemically Important Banks, which became effective on 30 June 2014. The objectives of this Guideline are to put in place a reference system for assessing the systemic importance of banks and ensure that systemically important banks have the capacity to absorb losses through higher capital.

Focus is also being laid by the BoM on cross-country surveillance, as testified by the recent establishment of Supervisory College meetings. This is in line with the Basel Committee on Banking Supervision's requirement in its Core Principle on Home-Host Relationships for home banking supervisors to establish bank-specific supervisory colleges for banking groups with cross-border operations in order to enhance effective oversight. Accordingly, the BoM organised Supervisory Colleges in November 2013 for 2 systemically important banking groups, including MCB Limited. Each College constituted a multilateral working group of the 2 banking groups' home and host supervisors from the African continent and the Indian Ocean region. As at the Programme Date, it appears that supervisory colleges will be conducted on a regular basis.

Furthermore, the Central Bank lately also issued macro-prudential policy measures to improve the resilience of the banking system.

INVESTOR CONSIDERATIONS/RISK FACTORS

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

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

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

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

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

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

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

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

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

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

There may not be an active trading market for the Notes

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

The Notes may be redeemed prior to maturity

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

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

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

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

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

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

Recourse to the BESA Guarantee Fund Trust

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

Credit Rating

Tranches of Notes issued under the Programme, the Issuer and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may

be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Risks related to the structure of the particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

Index-Linked and Dual Currency Notes

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

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

Partly-paid Notes

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

Notes issued at a substantial discount or premium

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

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that

do not include those features.

Fixed/Floating Rate Notes

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

Notes where denominations involve integral multiples: Individual Certificates

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

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

Modification and waivers and substitution

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

Change of law

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

Legal investment considerations may restrict certain investments

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

RISKS RELATING TO GENERAL ECONOMIC CONDITIONS

The health of the local banking industry is directly related to conditions in the global, regional and local economic, political and social environment. Whilst economic growth in the global economy has, in recent years, been affected by the unfolding of the global financial crisis, growth in sub-Saharan Africa has been and is expected by the International Monetary Fund to remain resilient at 5.4% in 2014. Similarly, whilst being confronted with the still delicate external context and relatively slow-moving domestic private investment, the foundations of the Mauritian economy remain generally healthy with growth forecasted by Statistics Mauritius, the national statistics body, at 3.5% for 2014. Nevertheless, any deterioration in market conditions could adversely affect MCB Limited's financial performance.

RISKS RELATING TO THE BANKING SECTOR

Impact of regulatory changes

The Issuer is subject to financial services laws, regulations, administrative actions and policies in all jurisdictions where it operates. Changes in regulations may materially affect the Issuer's business, its products and services and net worth.

RISKS RELATING TO THE ISSUER

In the course of its business activities, MCB Limited is subject to a variety of risks, the most significant of which are credit risks, operational risks, market risks and country risks. Whilst the Issuer believes that it has implemented the appropriate policies, systems and processes to control and mitigate these risks, based on information currently available to it, other risks which MCB Limited may not currently be able to anticipate may arise and these could adversely affect its financial condition, results of operations, prospects and reputation.

Prospective investors are further referred to sub-section 7 headed "Risk Management" under the "Description of The Mauritius Commercial Bank Limited" for an overview of MCB Limited's risk management framework.

Credit risk

Credit risks arising from adverse changes in the quality and recoverability of loans, advances and amounts due from counterparties are inherent in the majority of MCB Limited's businesses. Credit risks could arise from a deterioration in the credit quality of the Bank's specific counterparties, from a general deterioration in local or global economic conditions or from systemic risks in the financial systems, all of which could affect the recoverability and value of MCB Limited's assets.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk. Operational risk exists in the normal course of business activity given that it is inherent in all banking products, activities, processes and systems. Although MCB Limited has implemented risk controls and loss mitigation strategies and substantial resources are devoted to developing efficient procedures, it is not possible to eliminate all operational risks.

Market risk

Market risk relates to the risk of gain or loss arising from activities undertaken in, or impacted by, financial markets generally. This includes both market price risk, as well as ancillary risk, such as liquidity, funding (liability) risk and foreign exchange risk. Specifically, interest rate risk refers to the risk arising from changes in interest rates or the prices of interest-rate related securities and derivatives. Liquidity risk refers to the risk that MCB Limited does not have sufficient realisable financial assets to meet its financial obligations as they fall due. Foreign exchange risk entails the risk arising from the movement in exchange rates between one currency and another. Although the Issuer has rigorous risk management procedures in place, it is not possible to eliminate all market risks.

Country risk

Country risk arises when the Issuer is unable to receive payments from customers as a result of political or economic events in a particular country. These events include political and social unrest, nationalisation and expropriation of assets, government repudiation of external indebtedness, foreign exchange controls and currency depreciation or devaluation, amongst others. Whilst MCB Limited believes that it has adopted a sound management of country risk via the identification, measurement and proactive monitoring of country risk exposures against country risk limits, a deterioration in the political, social or macroeconomic environment in the home countries of the Issuer's customers may adversely affect the business, financial condition and results of its operations.

Concentration risk

The Issuer's business is focused on the Mauritian market and therefore faces a geographic concentration risk. Any adverse changes affecting the Mauritian economy may have an adverse impact on the Issuer's loan portfolio and, as a result, on its financial condition and results of its operations.

Expansion into other markets may increase the Issuer's risk profile

Expansion into overseas markets, particularly in the emerging economies of sub-Saharan Africa, is a key pillar of MCB Limited's strategy and could increase its risk profile and exposure to lower asset quality. The Bank is/will be regulated under various banking and financial services laws in the countries where it operates/plans to enter, and faces the risk of intervention by regulators and enforcement authorities. Failure by MCB Limited to comply with relevant laws and regulations could have a material adverse effect on the Bank's business, financial condition or results of operations.

Environmental, social and governance risks

Environmental, social and governance risks focus on the environmental, social and governance issues, which may impact the Issuer's ability to successfully and sustainably implement business strategy. Any failure to control these risks adequately or unexpected developments in the future economic environment could have an adverse effect on the financial condition and reputation of MCB Limited.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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

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

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

Clearing systems

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

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

Participants

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

Settlement and clearing

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

While a Tranche of Notes is held in the CSD, the CSD's Nominee, a Wholly Owned Subsidiary of the CSD approved by the Registrar of Securities Services in terms of the South African Financial Markets Act, and any reference to "CSD's Nominee" shall, whenever the context permits, be deemed to include any successor nominee operating in terms of the South African Financial Markets Act, will be named in the Register as the sole Noteholder of the Notes in that Tranche. All amounts to be paid and all rights to be exercised in respect of Notes held in the CSD will be paid to and may be exercised only by the CSD's Nominee for the holders of Beneficial Interests in such Notes.

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

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

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

Transfers and exchanges

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

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 14.2 (*Transfer of Notes represented by Individual Certificates*).

Records of payments, trust and voting

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

BESA Guarantee Fund Trust

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

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

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

SUBSCRIPTION AND SALE

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

The Dealer(s) has in terms of the programme agreement dated 28 October 2014, as may be amended, supplemented or restated from time to time (the **Programme Agreement**), agreed with the Issuer a basis upon which it may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

Selling restrictions

South Africa

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

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

Offers not deemed to be offers to the public

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

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

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

Mauritius

The Notes may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Programme Memorandum, nor any other, offering material or information contained herein relating to the offer of Notes, may be released or issued to the public in Mauritius or used in connection with any such offer. This Programme Memorandum does not constitute an offer to sell Notes to the public in Mauritius. For the purpose of this paragraph, the term “public” shall mean the general public in Mauritius and for the avoidance of doubt shall not include sophisticated investors as defined under the Mauritius Securities Act, 2005, related corporations of the Issuer and investors to whom the Notes are offered as a private placement.

United States

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

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

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S.

Persons except in certain transactions exempt from the registration requirements of the Securities Act;

- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) Days after completion of the distribution, as determined and certified by the Dealer(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. Persons;
- (c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. Persons; and
- (d) it, its Affiliates and any Persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any Persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

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

European Economic Area

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

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

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

United Kingdom

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

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

General

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

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

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

TAXATION

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

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

SOUTH AFRICA

Securities Transfer Tax

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

Value-Added Tax

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

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes that constitute “*debt securities*” as defined in section 2(1)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

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

Income Tax

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

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to applicable double taxation treaties). Interest income is derived from a South African source if it is incurred by a South African tax resident (unless it is attributable to a foreign permanent establishment of that resident) or if it is derived from the utilisation or application in South Africa by any Person of funds or credit obtained in terms of any form of “*interest-bearing arrangement*”. The Notes will constitute an “*interest-bearing arrangement*”. The Issuer is tax resident in South Africa as at the Programme Date, accordingly, the interest earned by a Noteholder will be from a South African source and subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

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

- (a) is a natural Person who was physically present in South Africa for a period exceeding 183

days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that Person; or

- (b) at any time during (that year) the twelve-month period preceding the date on which the interest is received or accrued by or to that Person carried on business through a permanent establishment in South Africa.

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

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

Capital Gains Tax

Residents are subject to capital gains tax on their worldwide capital gains. A non-resident is subject to capital gains tax only in respect of capital gains which are realised from the disposal of (i) immovable property situated in South Africa and shares in certain companies, the principal assets of which are immovable property located in South Africa, and (ii) assets attributable to a permanent establishment of that non-resident in South Africa. A “*permanent establishment*” is defined (in section 1 of the South African Income Tax Act) as a permanent establishment as from time to time defined in article 5 of the Model Tax Convention on Income and Capital of the Organisation for Economic Co-operation and Development, with some additions.

Capital gains tax becomes payable if a taxpayer disposes of an asset which it holds on capital account. The word “*dispose*” is defined to include any action by virtue of which an asset is created, transferred, varied or extinguished. If an asset is held for speculative purposes, the gain would be subject to normal tax. Capital gains tax is imposed at lower effective rates.

Capital gains and losses on the disposal of Notes by residents of South Africa are subject to capital gains tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. Under section 24J(4A) of the South African 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 South African Income Tax Act will not be levied in relation to Notes disposed of by a Person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that Person through which a trade is carried on in South Africa during the relevant year of assessment.

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

Withholding Tax

A final withholding tax on interest which will be levied at the rate of 15% will be introduced in South Africa from 1 January 2015, applying to interest payments made from a South African source to foreign persons (i.e. non-residents), which are paid or become due and payable on or after that date. The legislation introducing withholding tax contains certain exemptions (including an exemption for listed debt). South Africa is a party to Double Taxation Treaties that may provide full or partial relief from withholding tax, provided that certain requirements are met.

Definition of Interest

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

References to “*person*” above shall mean “*person*” within the meaning given in section 1 of the South African Income Tax Act.

MAURITIUS

Securities Transfer Tax

The issue, transfer and redemption of the Notes will not attract any transfer taxes under the laws of Mauritius. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

Value Added Tax

No value-added tax (**VAT**) is payable on the issue or transfer of the Notes. The issue, sale or transfer of the Notes may constitute “*financial services*” under the Value-Added Tax Act of Mauritius (as amended from time to time) (the **Mauritian VAT Act**). In terms of the First Schedule of the Mauritian VAT Act, the issue, transfer or receipt of, or dealing with any stocks, bonds, shares, debentures and other securities, including the underwriting and the settlement and clearing of such securities is exempt from VAT in terms of the Mauritian VAT Act.

However commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes that constitute a “*taxable supply*” as defined in section 2 of the Mauritian VAT Act will be subject to VAT at the standard rate (currently 15% (fifteen 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 Mauritius when the services are rendered, are subject to VAT at the zero rate in terms of section 11 of the Mauritian VAT Act.

Income Tax

As at the Programme Date:

as regards residents in Mauritius:-

- interest paid by the Issuer to a Noteholder which is a company resident in Mauritius is subject to income tax at the current rate of 15% (fifteen percent) per annum, to the extent that the recipient is not exempt from tax on its income;
- gains/losses made by the Noteholder who is an individual, a société or a succession resident in Mauritius are considered as capital gains/losses and are not subject to income tax;
- gains/losses derived by a Noteholder which is a company resident in Mauritius, except a company holding a Category 1 Global Business Licence, from the sale of the Notes held for a period of less than 6 (six) months are subject to income tax at the current rate of 15% (fifteen percent) per annum if these are held as trading assets; and
- a Noteholder who is resident in Mauritius is not subject to any withholding tax.

as regards non-residents in Mauritius:-

- interest payable to a Noteholder which is a non-resident of Mauritius (other than an individual) will be subject to withholding taxes in Mauritius at a rate of 15% (fifteen percent) or at the rate

specified under an applicable double taxation agreement, whichever is the lower. This will be considered as final payment. In so far as the non-resident Noteholder is not carrying out any business in Mauritius and the interest is paid out of the foreign source income of the Issuer, the interest would be exempt from income tax; and

- gains/losses derived by a Noteholder which is a non-resident in Mauritius are not subject to Income Tax in Mauritius.

The above provisions pertaining to taxation under the laws of Mauritius may be subject to amendments as a result of any change in the relevant laws, rules or regulations in force in Mauritius.

Capital Gains Tax

There is no capital gains tax applicable in Mauritius.

Withholding Tax

Interest paid by the Issuer to a Noteholder which is a company resident in Mauritius will be subject to Income Tax under the Mauritian Income Tax Act. The Mauritian Income Tax Act provides for exemption from income tax for interest paid to a non-resident, not carrying on any business in Mauritius, by a bank holding a banking licence under the Mauritian Banking Act, 2004, insofar as the interest is paid out of the gross income derived from its banking transactions with non-residents and corporations holding a Global Business Licence under the Mauritian Financial Services Act 2007. In the event that the above exemption does not apply, the interest will be subject to tax at the rate of 15% (fifteen percent) when paid to a non-resident.

In the event that the non-resident is resident in South Africa, the current Double Taxation Agreement (DTA) between South Africa and Mauritius, provides that in relation to a South African resident, interest arising in Mauritius will only be taxable in South Africa. As at the Programme Date, there are proposals for a withholding tax of 10% (ten percent) on interest arising in Mauritius.

Definitions

The references to "*interest*" and "*dividend*" above mean "*interest*" and "*dividend*" respectively as understood under the tax laws of Mauritius. The statements above do not take account of any different definitions of "*interest*", "*dividends*" or "*principal*" which may prevail under any other law or which may be created by the applicable Terms and Conditions or any related documentation.

References to "*person*" above shall mean "*person*" within the meaning given in the Mauritian Income Tax Act.

SOUTH AFRICAN EXCHANGE CONTROL

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

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

*For purposes of this section, **Common Monetary Area** means South Africa, Lesotho, Namibia, and Swaziland.*

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

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

Blocked Rands

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

Emigrants from the Common Monetary Area

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

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

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

Non-residents of the Common Monetary Area

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

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

Inward Listing

The issue and listing of the Notes may be an approved inward listing. Accordingly, South African institutional investors may invest in Notes based on foreign reference assets or issued by foreign entities, listed on the Interest Rate Market of the JSE, using the permissible foreign portfolio investment allowances.

South African corporates, banks, trusts, partnerships and private individuals may invest in Notes without restriction.

Notes may, however, not be issued under the Programme save with the prior approval of the Financial Surveillance Department. Approval of the Financial Surveillance Department is not required for the update of the Programme.

GENERAL INFORMATION

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

Authorisation

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa and/or Mauritius as at the Programme Date, have been given for the update of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Programme Memorandum and the Notes.

Listing

The Programme Memorandum has been approved by the JSE on 28 October 2014. Subject to the approval of the Financial Surveillance Department of the South African Reserve Bank, Notes to be issued under the Programme will be listed on the Interest Rate Market of the JSE or any other Financial Exchange. Unlisted Notes may also be issued under the Programme Memorandum.

Documents Available

So long as the Notes are capable of being issued under the Programme, copies of the documents incorporated under the section headed “*Documents Incorporated by Reference*” will, when published, be available at the registered office of the Issuer as set out at the end of this Programme Memorandum. This Programme Memorandum, any supplement and/or amendment hereto, the Applicable Pricing Supplements relating to any issue of listed Notes and the published audited annual financial statements of the Issuer will also be available on the Issuer’s website at <http://www.mcb.mu>. In addition, this Programme Memorandum, together with any supplement and/or amendment thereto, and the Applicable Pricing Supplements relating to any issue of listed Notes will be filed with the JSE which will publish such documents on its website at website at <http://www.jse.co.za>.

Material Change

As at the Programme Date, and after due and careful inquiry, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer’s latest audited financial statements. As at the Programme Date, there has been no involvement by BDO & Co. Ltd in making the aforementioned statement.

Litigation

Save as disclosed herein, neither the Issuer, nor any of its respective consolidated Subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the financial position of the Issuer or its consolidated Subsidiaries.

Auditors

BDO & Co. Ltd have acted as the auditors of the financial statements of the Issuer for the financial years ended 30 June 2012, 2013 and 2014 and, in respect of those years, have issued unmodified audit reports.

ISSUER

THE MAURITIUS COMMERCIAL BANK LIMITED

(business registration number C07000934)

Sir William Newton Street

Port Louis

Mauritius

Contact: Mr A Withers

ARRANGER AND DEALER

**Rand Merchant Bank,
a division of FirstRand Bank Limited**

(registration number 1929/001225/06)

1 Merchant Place

Cnr Fredman Drive and Rivonia Road

Sandton, 2196

South Africa

P O Box 786273

Sandton, 2146

South Africa

Contact: Mr D Wood

JSE DEBT SPONSOR

**Rand Merchant Bank,
a division of FirstRand Bank Limited**

(registration number 1929/001225/06)

1 Merchant Place

Cnr Fredman Drive and Rivonia Road

Sandton, 2196

South Africa

P O Box 786273

Sandton, 2146

South Africa

Contact: Mr D Wood

**PAYING AGENT, CALCULATION AGENT AND
TRANSFER AGENT**

**Rand Merchant Bank,
a division of FirstRand Bank Limited**

(registration number 1929/001225/06)

1 Merchant Place

Cnr Fredman Drive and Rivonia Road

Sandton, 2196

South Africa

P O Box 786273

Sandton, 2146

South Africa

Contact: Mr D Wood

LEGAL ADVISERS TO THE ISSUER, ARRANGER AND DEALER IN SOUTH AFRICA

Bowman Gilfillan Incorporated
(registration number: 1998/021409/21)
165 West Street
Sandown
Sandton, 2196
South Africa
P O Box 785812
Sandton, 2146
South Africa
Contact: Mr C van Heerden

LEGAL ADVISORS TO THE ISSUER IN MAURITIUS

ENSafrica (Mauritius)
(business registration number C13119274)
5th Floor Chancery House Lislet
Geoffroy Street
Port Louis
Mauritius
Contact: Mr T Koenig

AUDITORS TO THE ISSUER

BDO & Co. Ltd
10 Frère Félix de Valois Street
Port Louis
Mauritius
P O Box 799
Mauritius
Contact: Mrs R Ramdin

Two handwritten signatures are present at the bottom of the page. The first signature on the left is written in cursive and appears to be 'FRW.'. The second signature on the right is also in cursive and is more stylized, possibly representing 'JH' or similar initials.