



**DISCOVERY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1999/007789/06)

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**ZAR10,000,000,000  
Domestic Medium Term Note Programme**

**Senior Notes may be unconditionally and irrevocably guaranteed, jointly and severally by**

**DISCOVERY HEALTH PROPRIETARY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1997/013480/07)

and

**DISCOVERY VITALITY PROPRIETARY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1999/007736/07)

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On 14 November 2017, Discovery Limited (the “**Issuer**”) established a ZAR10,000,000,000 Domestic Medium Term Note Programme (the “**Programme**”) pursuant to the programme memorandum dated 14 November 2017 (the “**Previous Programme Memorandum**”).

This amended and restated programme memorandum (the “**Programme Memorandum**”) will apply to all Notes issued under the Programme on or after the Programme Date and will, in respect of those Notes, supersede and replace the Previous Programme Memorandum in its entirety. This Programme Memorandum does not affect any Notes issued before the Programme Date and the Previous Programme Memorandum will continue to apply to those Notes, as applicable.

Unless otherwise indicated, (i) capitalised terms used but not defined in this Programme Memorandum have the meanings given to them in the section of this Programme Memorandum headed “*Definitions*” and (ii) Condition 1.2 applies *mutatis mutandis* to this Programme Memorandum. Capitalised terms used but not defined in relation to a Tranche of Notes have the meanings given to them in the section headed “*Definitions*” unless otherwise indicated in the Applicable Pricing Supplement.

Under this Programme the Issuer may from time to time issue Notes subject to the Terms and Conditions described in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions which are applicable to any Notes will be set forth in the Applicable Pricing Supplement issued in relation to those Notes.

Details of the Notes, including the aggregate Nominal Amount of Notes, interest (if any) payable in respect of the Notes and the issue price of the Notes will be specified in the Applicable Pricing Supplement.

The Guarantors have provided a joint and several, irrevocable and unconditional Guarantee of the Issuer’s payment obligations under Senior Notes with an aggregate Outstanding Nominal Amount equal to the Programme Amount. Where the Guarantee is designated in the Applicable Pricing Supplement as being applicable to a Tranche of Senior Notes issued under the Programme, the holders of those Senior Notes will enjoy the benefit of the Guarantee as described in Senior Note Condition 3.

As at the Programme Date, the Programme Amount is ZAR10,000,000,000. This Programme Memorandum will apply to Notes issued under the Programme in an aggregate Outstanding Nominal Amount which does not exceed ZAR10,000,000,000, unless such amount is increased by the Issuer pursuant to the section headed “*General Description of the Programme*”.

Notes to be issued under the Programme may comprise (i) senior notes, (ii) Notes which are subordinated to the senior notes and/or (iii) subordinated notes with terms capable of qualifying the proceeds of those Notes as capital for purposes of the Relevant Rules (as defined in Regulatory Capital Note Condition 1.2.20).

A Tranche of Notes may comprise, without limitation, Fixed Rate Notes, Floating Rate Notes, Mixed Rate Notes, Zero Coupon Notes, Indexed Notes, Dual Currency Notes, Instalment Notes, Partly Paid Notes, Exchangeable Notes, Extendible Notes and/or such combination of the foregoing Notes and/or such other type of Notes that are, in the case of Notes listed or to be listed on the Interest Rate Market of the JSE or other Financial Exchange(s), approved by the JSE, or its successor, or such other or additional Financial Exchange(s), 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.

This Programme Memorandum has been registered with 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 Applicable Laws. Unlisted Notes may also be issued under the Programme but will not be regulated by the JSE.

A copy of the Applicable Pricing Supplement relating to a Tranche of the Notes which is to be listed on the JSE will specify the relevant platform or sub-market of the JSE on which such Tranche of Notes is to be listed and be delivered to the JSE and the CSD, before the Issue Date of such Tranche. Notes in a Tranche of Notes listed on the Interest Rate Market of the JSE 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. The Issuer may determine that particular Notes will not be listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and in that case no Applicable Pricing Supplement will be delivered to the JSE. The Issuer may (in its sole discretion) decide to report the placement of unlisted Notes through the CSD in order for the settlement of trades in such unlisted Notes to take place in accordance with the electronic settlement procedures of the CSD. 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.

Claims against the JSE Debt Guarantee Fund Trust (or any successor fund) may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and can in no way relate to a default by the Issuer of its obligations under the Notes listed on the Interest Rate Market of the JSE. Any claims against the JSE Debt Guarantee Fund Trust may only be made in accordance with the rules of the JSE Debt 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 JSE Debt Guarantee Fund Trust.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an on-going 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.

**The attention of investors contemplating investing in the Notes is drawn to the section headed “Risk Factors” for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in the Notes.**

As at the Programme Date:

- (i) The Issuer has been assigned a Rating on a national scale by Moody's.
- (ii) Neither of the Guarantors has been assigned a Rating by a Rating Agency.
- (iii) The Programme has not been assigned a Rating by a Rating Agency.

After the Programme Date, the Issuer and/or the Guarantors may be rated by a Rating Agency on a national scale or international scale basis. A Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer, the Guarantors, the Programme and/or a Tranche of Notes, as the case may be, as well as the Rating Agency which assigned such Rating. For so long as any Note remains Outstanding and listed on the Interest Rate Market of the JSE, any change in any assigned Rating (if applicable) will be published by the Issuer on SENS, or any other similar service established by the JSE.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions, in which event a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes. Alternatively, terms not contemplated by the Terms and Conditions that are applicable to a particular Tranche of Notes may, if appropriate, be set out in the Applicable Pricing Supplement in terms of which such Tranche of Notes is issued.

Application will be made to the Regulator in terms of the Insurance Act for Regulatory Capital Notes to be issued under the Programme.

*Arranger, Dealer and Debt Sponsor*

*Legal advisors to the Issuer, Arranger and Dealer*

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

**ENSafrica**



## GENERAL

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Each of the Issuer and (if applicable) the Guarantors certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading and that all reasonable inquiries to ascertain such facts have been made as well as that this Programme Memorandum contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer shall have regard to the objects of the Financial Markets Act, which include, but are not limited to ensuring fairness, efficiency and transparency. Each of the Issuer and (if applicable) the Guarantors accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, the annual financial statements, the Applicable Pricing Supplements, the Guarantee, and/or the annual report and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Each of the Issuer and (if applicable) the Guarantors, having made all reasonable inquiries, confirm 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 false or misleading in any material respect.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section headed "*Documents Incorporated by Reference*") and, in relation to any Tranche 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 are deemed to form part of this Programme Memorandum.

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

The Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or any of their respective affiliates and other professional advisors named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, whether express or implied, is made and no responsibility is

accepted by the Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or other professional advisors as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer and/or any of the Guarantors in connection with the Programme. The Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor or their respective affiliates and other professional advisors do not accept any liability in relation to the information contained in this Programme Memorandum, the Applicable Pricing Supplement(s) or any other information provided by the Issuer and/or any of the Guarantors in connection with the Programme.

No person has been authorised by the Issuer or any of the Guarantors 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 or any of the Guarantors in connection with the Programme or any other documents which are deemed to be incorporated herein by reference and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Guarantors, the Arranger, the Dealers, the JSE, the CSD, the Debt Sponsor and any of their agents or employees or other professional advisors.

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 or any of the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

**The attention of investors is drawn to Senior Note Condition 3 pursuant to which the payment obligations of the Issuer to investors in Senior Notes may be guaranteed by the Guarantors.**

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/or the Guarantors (if applicable) and its subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. None of this Programme Memorandum, any Applicable Pricing Supplement or any other information supplied in connection with the Programme constitutes an offer to sell or the solicitation of an offer to buy or invitation by or on behalf of the Issuer, any of the Guarantors, the Arranger, or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Programme Memorandum or 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 as at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the JSE, the Debt Sponsor or any of their respective affiliates and other professional advisors expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantors during the life of the Programme. Investors should review, among other things, the most recent financial statements, if any, of the Issuer and/or the Guarantors (if applicable) when deciding whether or not 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 Guarantors, the Arranger and the Dealers 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 Guarantors, the Dealers, the Debt Sponsor or other professional advisors 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 Guarantors, the Arranger, the Dealers, the Debt Sponsor or other professional advisors 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 or 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, and the Dealers have represented that all offers and sales by them 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 of America or to U.S. persons except in certain transactions exempt from and not subject to the registration requirements of the Securities Act.**

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, 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 Applicable Laws and, in the case of Notes listed on the Interest Rate Market of the JSE or other Financial Exchange, agreed with the JSE or such other or additional Financial Exchange, 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. Prior to the commencement of any stabilising on Notes to be listed on the JSE, the Issuer will approach the JSE for a ruling in this regard. 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 Applicable Laws, regulations and rules.

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## DOCUMENTS INCORPORATED BY REFERENCE

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For so long as any Note remains Outstanding, the following documents shall be deemed to be incorporated in, and to form part of, this Programme Memorandum:

- (i) the constitutional documents of the Issuer;
- (ii) all amendments and supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (iii) the Guarantee;
- (iv) the published annual report of the Issuer (available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/reports> under the tab headed "*Integrated annual reports*") (the "**Discovery Integrated Annual Report**");
- (v) the audited consolidated annual financial statements of the Issuer, together with the reports and the notes attached to or intended to be read with such financial statements for its three financial years prior to the date of this Programme Memorandum as well as for each financial year thereafter ending on the last day of each financial year (currently 30 June) (available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/reports> under the tab headed "*Annual Financial statements*");
- (vi) the unaudited abridged consolidated interim financial statements of the Issuer, together with the reports and the notes attached to or intended to be read with such financial statements for its three financial half-years prior to the date of this Programme Memorandum as well as for each financial half-year thereafter ending on the last day of each financial half-year (currently 31 December) (available by accessing the "*Results booklet*" under the heading "*Interim results*" on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/financial-results>);
- (vii) the audited consolidated annual financial statements of each of the Guarantors, together with the reports and the notes attached to or intended to be read with such financial statements of each of the Guarantors for their three financial years prior to the date of this Programme Memorandum as well as for each financial year thereafter ending on the last day of each financial year (currently 30 June in respect of each of the Guarantors) (available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*");
- (viii) the audit report of the Auditor stating that the Issuer has been independently audited by an auditor accredited by the JSE;
- (ix) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;

- (x) a disclosure document titled “*Issuer Disclosure Document*” (available on the following page of the Issuer’s website: <https://www.discovery.co.za/corporate/announcements> under the tab headed “*Domestic Medium Term Note (DMTN) Programme*”) (the “**Issuer Disclosure Document**”) which sets out, among other information:
- (a) information in relation to certain factors the Issuer believes represent key risks inherent in investing in the Notes;
  - (b) information in relation to the business, legal status, management and corporate governance of the Issuer and the Guarantors;
  - (c) information in relation to compliance by the Issuer with the King IV Report on Corporate Governance;
  - (d) information in relation to the directors of the Issuer, the directors of the Guarantors and the Debt Officer;
  - (e) information in relation to relevant tax laws of South Africa; and
  - (f) information in relation to South African exchange control;
- (xi) the Issuer’s most recently published governance report (available on the following page of the Issuer’s website: <https://www.discovery.co.za/corporate/reports> under the tab headed “*Governance Reports*”) (the “**Governance Report**”) which sets out, among other information, information in relation to the directors of the Issuer including, for each director, (a) a brief CV, (b) a list of companies of which they are a director and (c) details of their expertise and the capacity in which they act;
- (xii) the Issuer’s policy (titled “*Conflict of Interest Policy*” as at the Programme Date) relating to the conflicts of interest (available on the following page of the Issuer’s website: <https://www.discovery.co.za/corporate/legal>);
- (xiii) the Issuer’s register of conflicts of interest and personal financial interests (available on the following page of the Issuer’s website: <https://www.discovery.co.za/corporate/reports> under the tab headed “*Governance Reports*”);
- (xiv) the Issuer’s policy (titled “*Nomination of Directors Policy*” as at the Programme Date) relating to the nomination of directors (available on the following page of the Issuer’s website: <https://www.discovery.co.za/corporate/legal>); and
- (xv) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is electronically submitted, after the Programme Date, through SENS or such other similar service, established by the JSE,



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 purposes 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 so long as the Programme Memorandum remains registered with the JSE, provide at the Specified Office of the Issuer, without charge, upon request of any person, a copy of this Programme Memorandum and any of the documents which are incorporated into this Programme Memorandum by reference, unless a document has been modified or superseded in which case the modified or superseding document will be provided and (b) the most recently obtained monthly register made available by the Participant to the CSD. Requests for the documents should be directed to the Issuer at its Specified Office.

For so long as the Programme Memorandum remains registered with the JSE, this Programme Memorandum and any supplementary documents thereto (including the Applicable Pricing Supplements) will be available on the JSE's website, [www.jse.co.za](http://www.jse.co.za). Those documents, the Issuer's annual report, including the audited consolidated annual financial statements of the Issuer, the Guarantee and the other documents which are incorporated into this Programme Memorandum by reference are also available (unless an alternative page is specified above) on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*".

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (i) a material change in the condition (financial or otherwise) of the Issuer or any of the Guarantors occurs; or
- (ii) a material 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
- (iii) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (iv) 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 (i), (ii), and (iv) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's and/or the Guarantors' updated information which has been incorporated by reference into this Programme Memorandum, and in respect of such audited consolidated annual financial statements which are (a) in the case of the Issuer, published on the following page of the Issuer's website:

<https://www.discovery.co.za/corporate/reports> under the tab headed “*Annual Financial statements*” and, in the case of the Guarantors, published on the following page of the Issuer’s website <https://www.discovery.co.za/corporate/announcements> under the tab headed “*Domestic Medium Term Note (DMTN) Programme*”, (b) published as required by the Companies Act, and (c) for so long as the Programme Memorandum remains registered with the JSE, submitted to the JSE within four months after the financial year end of the Issuer and each of the Guarantors.

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, announce by electronically publishing an announcement on SENS, or any other similar service, established by the JSE, when the Issuer’s audited consolidated annual financial statements and the Guarantors’ audited consolidated annual financial statements are available.

## GENERAL DESCRIPTION OF THE PROGRAMME

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The Issuer may from time to time issue one or more Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the authorised 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 but will not be 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. 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, does not exceed the authorised amount of ZAR10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate Nominal Amount of the Notes issued under the Programme from time to time, the South African Rand equivalent of the Notes denominated in another Specified Currency (as specified in the Applicable Pricing Supplement) shall be determined as of the date of agreement to issue such Notes (the “**Agreement Date**”) on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date (the “**Conversion Rate**”) and in respect of:

- (i) 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
- (ii) Partly Paid Notes and Indexed 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, Applicable Laws and the Programme Agreement, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering notice thereof to the Noteholders in accordance with Condition 13, the Arranger and the Dealer(s) and the relevant Financial Exchange(s) (if required). Upon such notice being given and the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

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

## RISK FACTORS

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The factors the Issuer believes represent key risks inherent in investing in the Notes are set out in the Issuer Disclosure Document available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*". Those disclosures are incorporated into this Programme Memorandum by reference.

## FORM OF THE NOTES

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Each Tranche of Notes will be issued in the form of registered Notes in accordance with the Terms and Conditions and represented by (i) Individual Certificates, or (ii) no certificate, if issued in uncertificated form in terms of section 33 of the Financial Markets Act.

### **Notes issued in uncertificated form**

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

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

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the CSD will apply to Notes issued in uncertificated form.

In terms of section 50 of the Companies Act, read with the Financial Markets Act and the rules of the CSD, the Issuer will (i) record in the Register, the total number, and where applicable, the nominal value of the Notes issued by it in uncertificated form, and (ii) the CSD and Participants will administer and maintain the company's uncertificated securities register, which will form part of the Register.

### **Beneficial Interests**

The CSD will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participants on behalf of the relevant Noteholders in accordance with the Applicable Procedures. All rights to be exercised in respect of the Notes issued in uncertificated form will be exercised by the relevant Noteholders in accordance with the Applicable Procedures.

The CSD maintains central securities accounts, which accounts may be in the name of such Participants or such Participants' clients. As at the Programme Date, the Participants are Citibank N.A., South African branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, Absa Bank Limited and the South African Reserve Bank.

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

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.

Transfers of Beneficial Interests in the CSD to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the CSD system occur through electronic book entry in the Participants' central security accounts with the CSD. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the Applicable Procedures.

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

### **Individual Certificates**

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register. Notes represented by Individual Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 6 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Individual Certificate in respect of each amount so paid.

## DEFINITIONS

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Unless otherwise indicated, capitalised terms used but not separately defined in this Programme Memorandum have the following meanings.

<b>“Additional Business Centre”</b>	any commercial centre set out in the Applicable Pricing Supplement in relation to the settlement of payments in the Specified Currency;
<b>“Applicable Laws”</b>	in relation to a person, all and any (i) statutes and subordinate legislation; (ii) regulations, rules, ordinances and directives; (iii) by-laws; (iv) codes of practice, circulars, guidance notes, judgments and decisions of any competent authority, and (v) other similar provisions, from time to time;
<b>“Applicable Pricing Supplement”</b>	in relation to Senior Notes or Subordinated Notes that are not Regulatory Capital Notes, the Applicable Pricing Supplement (Senior Notes and Subordinated Notes), and in relation to the Regulatory Capital Notes, the Applicable Pricing Supplement (Regulatory Capital Notes);
<b>“Applicable Pricing Supplement (Regulatory Capital Notes)”</b>	in relation to a Tranche of Regulatory Capital 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 headed “ <i>Pro Forma Applicable Pricing Supplement (Regulatory Capital Notes)</i> ”;
<b>“Applicable Pricing Supplement (Senior Notes and Subordinated Notes)”</b>	in relation to a Tranche of Senior Notes or Subordinated Notes that are not Regulatory Capital 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 headed “ <i>Pro Forma Applicable Pricing Supplement (Senior Notes and Subordinated Notes)</i> ”;
<b>“Applicable Procedures”</b>	the rules and operating procedures for the time being of the CSD, the Participants and the JSE, or such other or additional Financial Exchanges on which the Notes may be listed, as the case may be;
<b>“Arranger”</b>	RMB, or such other arranger as may be appointed by the Issuer, as specified in the Applicable Pricing Supplement;



<b>“Auditor”</b>	the Issuer’s auditors from time to time;
<b>“Banks Act”</b>	the Banks Act, 1990;
<b>“Beneficial Interest”</b>	in relation to a Note, an interest as co-owner of an undivided share in a Note held in uncertificated form, in accordance with the Financial Markets Act;
<b>“Books Closed Period”</b>	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 interest or redemption monies;
<b>“Business Day”</b>	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement save that if the Specified Currency is not ZAR, <b>“Business Day”</b> shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the Specified Currency and in each (if any) Additional Business Centre, save further that if the Applicable Pricing Supplement so provides, <b>“Business Day”</b> shall include a Saturday;
<b>“Business Day Convention”</b>	the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
<b>“Change in Law”</b>	on, or after the Issue Date of the first Tranche of Notes in any Series of Notes, (i) due to the adoption of or any change in any Applicable Law or regulation (including, without limitation, any tax law), or (ii) 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);
<b>“Commercial Paper Regulations”</b>	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;

**“Companies Act”**

the Companies Act, 2008;

**“Court Day”**

during the term of a court, any day other than a Saturday, Sunday or public holiday;

**“CSD”**

Strate Proprietary Limited (registration no: 1998/022242/07), being a central securities depository operating in terms of the Financial Markets Act, or any successor thereto, or any additional or alternate depository approved by the Issuer;

**“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:

- (i) if “Actual/365”, “Act/365”, or “Act/Act” 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 (a) the actual Number of days in that portion of the Interest Period falling in a leap year divided by 366 and (b) the actual Number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/Actual (ICMA)” is so specified, means:
  - (a) 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
  - (b) where the calculation Period is longer than one Regular Period, the sum of:
    - 1. the actual Number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (A) the actual Number of days in such Regular Period and

(B) the Number of Regular Periods in any year;  
and

2. the actual Number of days in such Calculation Period falling in the next Regular Period divided by the product of (A) the actual Number of days in such Regular Period and (B) the Number of Regular Periods normally ending in any year;
- (iii) if “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);
- (iv) if “Actual/365 (Fixed)” is so specified, means the actual Number of days in the Calculation Period divided by 365;
- (v) if “Actual/360” is so specified, means the actual Number of days in the Calculation Period divided by 360;
- (vi) 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:

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 calendar 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 calendar 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;

- (vii) 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:

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 calendar 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 calendar 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;

- (viii) 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:

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 calendar day, expressed as a number, of the Calculation Period unless (a) that day is the last day of February or (b) such Number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (a) that day is the last day of February but not the Maturity Date or (b) such Number would be 31, in which case D2 will be 30;

**“Dealer”**

RMB, unless the Issuer elects to appoint any other entity(ies) as Dealer, 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, as indicated in the Applicable Pricing Supplement;

<b>"Debt Officer"</b>	the debt officer of the Issuer;
<b>"Debt Sponsor"</b>	RMB, or such other debt sponsor as may be appointed by the Issuer subject to the JSE Debt Listings Requirements, as specified in the Applicable Pricing Supplement.
<b>"Default Rate"</b>	in relation to a Tranche of Notes, the default rate specified as such in the Applicable Pricing Supplement;
<b>"Discovery Group" or "Group"</b>	the Issuer and any other company or entity whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;
<b>"Discovery Health"</b>	Discovery Health Proprietary Limited, incorporated in South Africa on 14 August 1997 with limited liability under registration no.: 1997/013480/07 with its registered address at 1 Discovery Place, Sandton, 2196;
<b>"Discovery Vitality"</b>	Discovery Vitality Proprietary Limited, incorporated in South Africa on 16 April 1999 with limited liability under registration no.: 1999/007736/07 with its registered address at 1 Discovery Place, Sandton, 2196;
<b>"Dual Currency Notes"</b>	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, subject to the Exchange Control Regulations;
<b>"Early Redemption Amount"</b>	in relation Senior Notes, the amount calculated as set out in Senior Note Condition 5.11, in relation Subordinated Notes that are not Regulatory Capital Notes, the amount calculated as set out in Subordinated Note Condition 4.5 and in relation Regulatory Capital Notes, the amount calculated as set out in Regulatory Capital Note Condition 5.6;
<b>"EBITDA"</b>	in respect of any Measurement Period, the consolidated profit for the period of the Discovery Group (as determined in accordance with the

generally accepted accounting principles in South Africa, including IFRS):

- (i) before the inclusion of the following items:
  - (a) interest or other finance costs charged per the income statement;
  - (b) Tax charged (excluding deferred Tax) per the income statement;
  - (c) depreciation and amortisation assets (including intangible assets) per the income statement;
  - (d) any amount attributable to the impairment and subsequent revaluation of goodwill;
  - (e) any extraordinary items (including any unrealised gains and losses on any financial instrument which is reported through the income statement and not included in profit from operations);
  - (f) any unrealised gains and losses on equity accounted investments which is reported through the income statement;
  - (g) any increase or decrease in any foreign currency translation reserves accounted for in the income statement;
  - (h) any proceeds and reinsurance recoveries and associated costs, reinsurance premiums and claims recoveries from Recourse Financial Reinsurances; and
  - (i) economic assumption adjustments net of discretionary margin and interest rate derivatives (excluding IFRS reporting adjustments); and
- (ii) after the inclusion of the following items:
  - (a) any proceeds from any financial reinsurance provided on a non-recourse basis, provided that there is an

offsetting adjustment under the transfer from assets and liabilities;

- (b) dividends received from associates; and
- (c) or other finance income received as per the income statement;

**“Encumbrances”**

any mortgage, pledge, hypothecation, lien, assignment, cession *in securitatem debiti*, 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 and any security interest arising by operation of law;

**“Event of Default”**

in relation to Senior Notes, any of the events described in Senior Note Condition 6, in relation to Subordinated Notes that are not Regulatory Capital Notes, any of the events described in Subordinated Note Condition 5 and in relation to Regulatory Capital Notes, any of the events described in Regulatory Capital Note Condition 6;

**“Exchangeable Notes”**

Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;

**“Exchange Control Regulations”**

the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933;

**“Exchange Period”**

in 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”**

the amount determined in 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;



<b>“Exchange Securities”</b>	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
<b>“Extendible Note”</b>	any Note with a maturity of not more than 18 months, which entitles the Issuer to extend the Redemption Date to a pre-determined future date, as indicated in the Applicable Pricing Supplement;
<b>“Extraordinary Resolution”</b>	a resolution passed at a properly constituted meeting of Noteholders, Noteholders of the relevant Series of Notes or Noteholders of the relevant Tranche of Notes, as the case may be, by a majority consisting of not less than 66,67% of the value of the votes cast at a poll by Noteholders, Noteholders of the relevant Series of Notes or Noteholders of the relevant Tranche of Notes, as the case may be, present in person or by proxy;
<b>“Final Broken Amount”</b>	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement;
<b>“Final Redemption Amount”</b>	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Tranche of Notes upon the Maturity Date;
<b>“Financial Exchange”</b>	the JSE and/or such other (or additional) financial exchange(s) as may be determined by the Issuer and the relevant Dealer, subject to Applicable Laws;
<b>“Financial Markets Act”</b>	the Financial Markets Act, 2012;
<b>“Financial Sector Regulation Act”</b>	the Financial Sector Regulation Act, 2017;
<b>“Fixed Coupon Amount”</b>	in relation to a Tranche of Fixed Rate Notes, the amount specified as such in the Applicable Pricing Supplement;
<b>“Fixed Interest Payment Date”</b>	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Fixed Rate Notes”</b>	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
<b>“Fixed Rate of Interest”</b>	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement;

“Floating Rate Notes”	Notes which will bear interest at a floating Interest Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 5.2;
“GCR”	Global Credit Rating Co. Proprietary Limited (registration no: 1995/005001/07) (or (if applicable) any South African subsidiary or associated company of Global Credit Ratings Co. Proprietary Limited) and its successors-in-title;
“General Terms and Conditions”	the terms and conditions applicable to Senior Notes, Subordinated Notes and Regulatory Capital Notes as set out in the section headed “ <i>Terms and Conditions Applicable to Senior Notes, Subordinated Notes and Regulatory Capital Notes</i> ”. A Condition in the section headed “ <i>Terms and Conditions Applicable to Senior Notes, Subordinated Notes and Regulatory Capital Notes</i> ” is a “ <b>Condition</b> ”;
“Group Company”	any one or more members of the Discovery Group;
“Guarantee”	the guarantee provided by the Guarantors dated on or about the Programme Date substantially on the terms set out in the section headed “ <i>Terms and Conditions of the Guarantee</i> ”;
“Guarantors”	subject to the Guarantee, Discovery Health and Discovery Vitality, and each of them a “ <b>Guarantor</b> ”;
“Higher Redemption Amount”	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement;
“IFRS”	the International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (“ <b>IASB</b> ”) and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);
“Implied Yield”	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
“Income Tax Act”	Income Tax Act, 1962;
“Indebtedness”	in respect of the Issuer, any indebtedness in respect of monies borrowed from any third party lender, including indebtedness in the form of bonds, notes and debentures, and (without double counting) guarantees, suretyships and indemnities (other than those given in the

ordinary course of business) given, whether present or future, actual or contingent;

<b>“Indexed Interest Notes”</b>	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;
<b>“Indexed Note”</b>	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
<b>“Indexed Redemption Amount Notes”</b>	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or formula as may be indicated in the Applicable Pricing Supplement;
<b>“Individual Certificate”</b>	a single certificate representing Notes in a Tranche of Notes, registered in the name of the relevant Noteholder;
<b>“Initial Broken Amount”</b>	in relation to a Tranche of Notes, the initial broken amount specified as such in the Applicable Pricing Supplement;
<b>“Instalment Amount”</b>	the amount expressed 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;
<b>“Instalment Dates”</b>	in relation to a Tranche of Instalment Notes, the dates specified as such in the Applicable Pricing Supplement;
<b>“Instalment Notes”</b>	Notes issued on the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
<b>“Insurance Act”</b>	the Insurance Act, 2017;
<b>“Interest Amount”</b>	the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 5;
<b>“Interest Commencement Date”</b>	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
<b>“Interest Payment Date”</b>	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;

<b>“Interest Period”</b>	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;
<b>“Interest Rate” and “Rate of Interest”</b>	the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement;
<b>“Interest Rate Determination Date”</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Interest Rate Market of the JSE”</b>	the separate platform or sub-market of the JSE designated as the “Interest Rate Market” and on which notes and other debt securities may be listed;
<b>“ISDA”</b>	the International Swaps and Derivatives Association Inc.;
<b>“ISDA Definitions”</b>	the 2006 ISDA Definitions as published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
<b>“Issue Date”</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Issue Price”</b>	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;
<b>“Issuer” or “Discovery”</b>	Discovery Limited, incorporated South Africa on 19 April 1999 with limited liability under registration no.: 1999/007789/06 with its registered address at 1 Discovery Place, Sandton, 2196;
<b>“Issuer Agent”</b>	RMB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as issuer agent in which event that other entity shall act as Issuer Agent in respect of that Tranche or Series of Notes, as specified in the Applicable Pricing Supplement;
<b>“Issuer Agency Agreement”</b>	the issuer agency agreement dated on or about 14 November 2017 entered into between the Issuer and the Issuer Agent;

<b>“Issuer Winding-Up”</b>	the granting of an order by any competent court or authority for the liquidation, winding-up or dissolution of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, but excluding (i) where such liquidation, curatorship, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement within the Discovery Group or (ii) where such liquidation, winding-up or dissolution is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement the terms of which were approved by Extraordinary Resolution of Senior Noteholders before the date of the liquidation, winding-up or dissolution;
<b>“JSE”</b>	JSE Limited (registration no.: 2005/022939/06), company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;
<b>“JSE Debt Guarantee Fund Trust”</b>	the guarantee fund operated by the JSE as a separate guarantee fund to guarantee settlement of trades on the JSE’s platforms, in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act, or any successor fund;
<b>“JSE Debt Listings Requirements”</b>	the criteria and disclosure requirements for the listing of debt securities on the JSE, as amended from time to time by the JSE;
<b>“JSE Listings Requirements”</b>	the equity listing requirements of the JSE pursuant to the provisions of the Financial Markets Act, as amended from time to time;
<b>“Last Day to Register”</b>	with respect to a particular Tranche of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Books Closed Period on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter, the Register is closed for further transfers or entries until the Payment Day;
<b>“Mandatory Exchange”</b>	in relation to a Tranche of Exchangeable Notes, if the obligation of the issuer to redeem the Exchangeable Notes on the Redemption Date by

delivery of Exchange Securities to the relevant Noteholders of the Exchangeable Notes;

<b>“Margin”</b>	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;
<b>“Material Adverse Effect”</b>	any fact or circumstances which is likely to have a material adverse effect on the ability of the Issuer to perform its payment obligations under the Notes in an amount equivalent to the greater of (i) ZAR50,000,000 and (ii) 1% of the Discovery Group’s EBITDA;
<b>“Material Indebtedness”</b>	any Indebtedness amounting in aggregate to an amount equal to or in excess of the greater of (i) ZAR50,000,000 and (ii) 1% of the Discovery Group’s EBITDA (or its equivalent in other currencies at the time of the occurrence of an Event of Default);
<b>“Material Subsidiary”</b>	<ul style="list-style-type: none"> <li>(i) any Guarantor; and</li> <li>(ii) any Subsidiary (i) of which the Issuer owns more than 50% of the ordinary shares and (ii) which has EBITDA (calculated on an unconsolidated basis) representing 10% or more of the EBITDA of the Discovery Group (calculated on a consolidated basis), according to the methodology used in the latest audited financial statements of the Issuer, consistently applied, but excluding any Subsidiary which is registered as a “bank” or a “controlling company” under the Banks Act;</li> </ul>
<b>“Maturity Date”</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
<b>“Measurement Date”</b>	30 June and 31 December of each financial year;
<b>“Measurement Period”</b>	each 12 months ending on a Measurement Date;
<b>“Minimum Redemption Amount”</b>	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement;
<b>“Mixed Rate Notes”</b>	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 Indexed Notes each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 5.3;

<b>“Moody’s”</b>	Moody’s Investors Service Inc. (or, if applicable, any South African subsidiary or associated company of Moody’s Investors Service Inc., including Moody’s Investors Service South Africa Proprietary Limited) and its successors-in-title;
<b>“NACA”</b>	nominal annual compounded annually;
<b>“NACM”</b>	nominal annual compounded monthly;
<b>“NACQ”</b>	nominal annual compounded quarterly;
<b>“NACS”</b>	nominal annual compounded semi-annually;
<b>“Nominal Amount”</b>	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;
<b>“Noteholder(s)”</b>	in respect of a Note, the holder of that Note as recorded in the Register;
<b>“Noteholders’ Exchange Right”</b>	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 <i>in lieu</i> of cash from the Issuer upon redemption of such Notes;
<b>“Notes”</b>	the notes issued or to be issued by the Issuer under the Programme, subject to the Terms and Conditions;
<b>“Optional Redemption Amount”</b>	in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement;
<b>“Optional Redemption Date(s)”</b>	in relation to a Tranche of Notes, the optional redemption date(s) specified as such in the Applicable Pricing Supplement;
<b>“Ordinary Resolution”</b>	a resolution passed at a properly constituted meeting of Noteholders, Noteholders of the relevant Series of Notes or Noteholders of the Relevant Tranche of Notes, as the case may be, by a majority of the votes cast on a poll by Noteholders, Noteholders of the relevant Series of Notes or Noteholders of the relevant Tranche of Notes, as the case may be, present in person or by proxy;
<b>“Outstanding”</b>	in relation to the Notes, all the Notes issued other than: <ul style="list-style-type: none"> <li>(i) those which have been redeemed in full;</li> </ul>

- (ii) 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;
- (iii) those which have been purchased and cancelled as provided in Senior Note Condition 5, Subordinated Note Condition 4 or Regulatory Capital Note Condition 5, as applicable;
- (iv) those which have become prescribed under Condition 8;
- (v) if applicable, Notes represented by those mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 9;
- (vi) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) if applicable, 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 9,

provided that for each of the following purposes:

- (a) the right to attend and vote at any meeting of the Noteholders; and
- (b) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 14 and 15,

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;

**“Participant”**

a person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act;



- “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);
- “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”**
- (i) any Encumbrance existing as at the date of the Applicable Pricing Supplement or arising in respect of the Indebtedness existing as at the date of the Applicable Pricing Supplement, provided that such Encumbrance is irrevocably released and cancelled by no later than the date on which such Indebtedness is repaid in full;
  - (ii) any Encumbrance securing in aggregate not more than 15% of the Total Assets of the Issuer with regard to receivables or which is created pursuant to any securitisation or like arrangement in accordance with normal market practice, provided that the proceeds of such securitisation or like arrangement are utilised in the ordinary course of the Issuer’s business; or
  - (iii) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Guarantor; or
  - (iv) any Encumbrance with respect to inter-company Indebtedness incurred between the Issuer and any Subsidiary (other than a Guarantor), provided that such Indebtedness shall be subordinated to the Indebtedness arising from or in connection with any Notes issued under the Programme; or
  - (v) any Encumbrance created over any asset acquired, developed or constructed, provided that, at the time of its creation, the Indebtedness so secured shall not exceed the *bona fide* market value 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

- (vi) any Encumbrance incurred, assumed or guaranteed by the Issuer as part of any financing of all or part of the costs of the acquisition, construction or development of any project where the person or persons providing such financing expressly agrees to limit their recourse to the project financed and the revenues derived from such project as the sole source of repayment for monies advanced in relation to such financing; or
- (vii) 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
- (viii) any Encumbrance created by operation of law or statute in the ordinary course of business; or
- (ix) 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 items (i) to (viii) above and (ix) below);
- (x) in addition to any Encumbrance referred to in items (i) to (ix) above, any Encumbrance securing in aggregate not more than 5% of the Total Assets of the Issuer at the time the Encumbrance is established;

**“Programme”**

the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Notes Programme under which the Issuer may from time to time issue Notes;

**“Programme Agreement”**

the programme agreement dated on or about 14 November 2017 entered into between, among others, the Issuer and the Dealers;

**“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 the authorised amount of ZAR10,000,000,000 or such increased amount as is determined by the Issuer from time to time,

subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed “*General Description of the Programme*”;

<b>“Programme Date”</b>	the date of this Programme Memorandum;
<b>“Programme Memorandum”</b>	this programme memorandum;
<b>“Put Notice”</b>	a written notice delivered by any holder of Senior Notes regarding the exercise of a right to redeem Senior Notes at the option of such Noteholder setting out all relevant information including (i) the Optional Redemption Date (ii) the Condition in respect of which the Put Notice is exercised (iii) the name of the Noteholder and relevant contact details and (iv) the number of Senior Notes which the Noteholder intends to put to the Issuer pursuant to the Put Notice;
<b>“Rating”</b>	in relation to a Tranche of Notes (as and where applicable), the rating of the Tranche of Notes, the Issuer, the Guarantors or the Programme granted by the Rating Agency, specified in the Applicable Pricing Supplement and in relation to the Issuer, the rating of the Issuer granted by the Rating Agency, as specified in the Applicable Pricing Supplement, and where a Tranche of Notes and/or the Issuer (as the case may be) is rated by more than one Rating Agency, the lowest rating applied to such Tranche of Notes and/or the Issuer (as the case may be) will be deemed to be the applicable rating of such Tranche of Notes and/or the Issuer (as the case may be);
<b>“Rating Agency”</b>	Moody’s and/or S&P and/or GCR and/or such other internationally-recognised rating agency(ies) as may be appointed by the Issuer for the purpose of rating a Tranche of Notes, the Issuer or the Programme and as specified in the Applicable Pricing Supplement;
<b>“Recourse Financial Reinsurances”</b>	financial re-insurances concluded by any Group Company in respect of which the obligations of that Group Company extend beyond the passing of insurance profits and losses to the relevant insurer or an identified block of business;
<b>“Redemption Date”</b>	the date upon which the Notes are redeemed by the Issuer, pursuant to the Terms and Conditions;
<b>“Reference Banks”</b>	five leading banks in the South African inter-bank market selected by the Issuer Agent;

<b>“Reference Price”</b>	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;
<b>“Reference Rate”</b>	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;
<b>“Register”</b>	the register of securities maintained by the Transfer Agent, including the Issuer’s uncertificated securities register administered and maintained by a Participant or the CSD in accordance with the Companies Act, the Financial Markets Act and the rules of the CSD;
<b>“Regular Period”</b>	<p>(i) 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>(ii) in the case of 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 <b>“Regular Date”</b> means the day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(iii) 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 <b>“Regular Date”</b> 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>
<b>“Regulator”</b>	the Financial Sector Conduct Authority and/or the Prudential Authority established in terms of the Financial Sector Regulation Act;
<b>“Regulatory Capital Notes”</b>	Notes having the terms and conditions described under the Regulatory Capital Note Conditions;
<b>“Regulatory Capital Note Conditions”</b>	the terms and conditions of the Regulatory Capital Notes as set out in the section headed <i>“Terms and Conditions of Regulatory Capital Notes”</i> read together with the General Terms and Conditions, in

accordance with which the Regulatory Capital Notes will be issued. A Condition in the section headed “*Terms and Conditions of Regulatory Capital Notes*” is a “**Regulatory Capital Note Condition**”;

<b>“Regulatory Capital Noteholders”</b>	the holders of Regulatory Capital Notes;
<b>“Relevant Date”</b>	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 holders of Beneficial Interests, it means the first date on which (i) such monies are available for payment to the holders of Beneficial Interests and (ii) notice to that effect has been given to such holders in accordance with the Applicable Procedures;
<b>“Relevant Screen Page”</b>	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;
<b>“Representative”</b>	a person duly authorised to act on behalf of a Noteholder, the Transfer Agent or the Issuer Agent 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, Transfer Agent or Issuer Agent;
<b>“RMB”</b>	Rand Merchant Bank, a division of FirstRand Bank Limited (registration no.: 1929/001225/06), a registered bank and public company duly registered and incorporated in accordance with the banking and company laws of South Africa;
<b>“S&amp;P”</b>	S&P Global Inc. (or, if applicable, any South African subsidiary or associated company of S&P Global Inc., including S&P Global Ratings Europe Ltd.)) and its successors-in-title;
<b>“Senior Creditors”</b>	creditors of the Issuer (including the Senior Noteholders) whose claims (i) do not rank <i>pari passu</i> with and/or (ii) do not rank junior to, the

claims of the holders of the Subordinated Notes and the Regulatory Capital Notes;

<b>“Senior Noteholders”</b>	the holders of Senior Notes;
<b>“Senior Notes”</b>	Notes having the terms and conditions described under the Senior Note Conditions;
<b>“Senior Note Conditions”</b>	the terms and conditions of the Senior Notes as set out in the section headed “ <i>Terms and Conditions of Senior Notes</i> ” read together with the General Terms and Conditions, in accordance with which the Senior Notes will be issued. A Condition in the section headed “ <i>Terms and Conditions of Senior Notes</i> ” is a “ <b>Senior Note Condition</b> ”;
<b>“Senior Noteholders”</b>	the holders of Senior Notes;
<b>“SENS”</b>	the Stock Exchange News Service established by the JSE;
<b>“Series”</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are expressed to be consolidated and form a single series, and “holders of Notes of the relevant Series” and related expressions shall be construed accordingly;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Specified Currency”</b>	in relation to each Note in a Tranche of Notes, subject to Applicable Laws and in the case of Notes listed on the Interest Rate Market of the JSE subject to the rules of the JSE, the currency specified in the Applicable Pricing Supplement;
<b>“Specified Denomination”</b>	in relation to each Note in a Tranche of Notes, the amount specified as such 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;
<b>“Specified Office”</b>	in relation to each of the Issuer, the Guarantors, the Arranger, the Transfer Agent, the Issuer Agent, the Debt Sponsor and the stabilising manager (if any), the address of the office in respect of such entity as specified in the Applicable Pricing Supplement, or such other address as is notified by such entity (or where applicable, a successor to such entity) to the Noteholders in accordance with Condition 13;

“Subordinated Noteholders”	the holders of Subordinated Notes;
“Subordinated Notes”	Notes having the terms and conditions described under the Subordinated Note Conditions;
“Subordinated Note Conditions”	the terms and conditions of the Subordinated Notes as set out in the section headed “ <i>Terms and Conditions of Subordinated Notes</i> ” read together with the General Terms and Conditions, in accordance with which the Subordinated Notes that are not Regulatory Capital Notes will be issued. A Condition in the section headed “ <i>Terms and Conditions of Subordinated Notes</i> ” is a “ <b>Subordinated Note Condition</b> ”;
“Subsidiary”	a subsidiary company as defined in section 3(1)(a) of the Companies Act;
“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;
“Tax”	any tax, levy, impost, duty or other charge or withholding of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or delay in paying any of the same), and “ <b>Taxes</b> ” and “ <b>Taxation</b> ” shall be construed accordingly;
“Tax Event (Deductibility)”	an event where, as a result of a Tax Law Change, in respect of the Issuer’s obligation to make any payment of interest on the next following Interest Payment Date or any subsequent Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in South Africa, or such entitlement is materially reduced, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);
“Tax Event (Gross up)”	an event where, as a result of a Tax Law Change, the Issuer has paid or will or would on the next Interest Payment Date be required to pay additional amounts as provided or referred to in Condition 7, and in each case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it (such reasonable measures to exclude any requirement to instigate litigation in respect

of any decision or determination of the South African Revenue Service that any such interest does not constitute a tax deductible expense);

**“Tax Law Change”**

in relation to any Note in a Series of Notes, a change or proposed change in, or amendment or proposed amendment to, the tax laws or regulations of South Africa, or any political subdivision or any authority thereof or therein having power to Tax, or any change in the application or official interpretation of such tax laws or regulations (including a holding by a court of competent jurisdiction), whether or not having retrospective effect, which actual or proposed change or amendment is announced on or after the Issue Date of the first Tranche of such Series of Notes;

**“Terms and Conditions”**

the Senior Note Conditions, the Subordinated Note Conditions, the Regulatory Capital Note Conditions and the General Terms and Conditions, in accordance with which Senior Notes, Subordinated Notes and Regulatory Capital Notes, as the case may be, will be issued;

**“Total Assets of the Issuer”**

the aggregate of all of the assets of the Issuer as set out in the most recently published audited financial statements of the Issuer from time to time;

**“Tranche”**

all Notes which are identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and “holders of Notes of a relevant Tranche” and related expressions shall be construed accordingly;

**“Transfer Agency Agreement”**

the transfer agency agreement dated on or about 14 November 2017 entered into between the Issuer and the Transfer Agent;

**“Transfer Agent”**

RMB, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as transfer agent in which event that other entity shall act as Transfer Agent in respect of that Tranche or Series of Notes, as specified 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;

**“ZAR” or “South African Rand”**

the lawful currency of South Africa, being South African Rand, or any successor currency;



**“ZAR-JIBAR-SAFEX”**

- (i) 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 on the relevant date; or
- (ii) in the event that the ZAR-JIBAR-SAFEX ceases to apply such other rate as may be determined by the Issuer Agent and notified to the Noteholders pursuant to Condition 13; 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.

## TERMS AND CONDITIONS APPLICABLE TO SENIOR NOTES, SUBORDINATED NOTES AND REGULATORY CAPITAL NOTES

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*The following are the general terms and conditions applicable to Senior Notes, Subordinated Notes that are not Regulatory Capital Notes and Regulatory Capital Notes to be issued by the Issuer on or after the Programme Date. These general terms and conditions must be read together, in the case of Senior Notes, with the terms and conditions set out in the section headed "Terms and Conditions of Senior Notes"; in the case of Subordinated Notes that are not Regulatory Capital Notes, with the terms and conditions set out in the section headed "Terms and Conditions of Subordinated Notes" and, in the case of Regulatory Capital Notes, with the terms and conditions set out in the section headed "Terms and Conditions of Regulatory Capital Notes".*

*Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (Senior Notes and Subordinated Notes) or pro forma Applicable Pricing Supplement (Regulatory Capital Notes), as applicable, setting out the details of those Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following terms and conditions, replace and/or modify the following terms and conditions for purposes of that Tranche of Notes.*

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1. Definitions

- 1.1.1. Unless otherwise indicated, capitalised terms used but not defined in this section have the meanings given to them in the section of this Programme Memorandum headed "*Definitions*". That section is incorporated by reference into the Terms and Conditions.
- 1.1.2. Capitalised terms used but not defined in relation to a Tranche of Notes have the meanings given to them in the section headed "*Definitions*" unless otherwise indicated in the Applicable Pricing Supplement.
- 1.1.3. If there is any conflict or inconsistency between definitions set out in the Applicable Pricing Supplement and the definitions set out in this Programme Memorandum, then the provisions in the Applicable Pricing Supplement will prevail.

#### 1.2. Interpretation

For purposes of the Terms and Conditions:

- 1.2.1. one gender includes a reference to the others;
- 1.2.2. the singular includes the plural and *vice versa*;

- 1.2.3. natural persons include juristic persons and *vice versa*;
- 1.2.4. any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, novated, restated or replaced from time to time, and “**amended**” or “**amendment**” will be construed accordingly;
- 1.2.5. unless otherwise indicated, any agreement or instrument is a reference to that agreement or instrument and all schedules and appendices to it;
- 1.2.6. a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation;
- 1.2.7. days is a reference to calendar days, unless expressly stated otherwise;
- 1.2.8. a party or any other person includes that person's permitted successor, transferee, assignee, cessionary and/or delegate;
- 1.2.9. a time of day is a reference to Johannesburg time;
- 1.2.10. if any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect must be given to it as if it were a substantive provision in the body of the agreement, notwithstanding that it is contained in the interpretation clause;
- 1.2.11. headings are inserted for the sake of convenience only and do not in any way affect the interpretation of the Terms and Conditions;
- 1.2.12. the use of the word “**including**” followed by specific examples will not be construed as limiting the meaning of the general wording preceding it, and the *ejusdem generis* rule must not be applied in the interpretation of that general wording or those specific examples; and
- 1.2.13. a reference to “**section**” with a particular heading is to the section of this Programme Memorandum with that heading.

## 2. **ISSUE**

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme; provided that the aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the applicable Terms

and Conditions of that Tranche of Notes. The applicable Terms and Conditions of a Tranche of Notes 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. The applicable 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.
- 2.4. A Tranche of Notes listed on the Interest Rate Market of the JSE will be freely transferrable and fully paid-up.

### 3. **FORM AND DENOMINATION**

- 3.1. Each Note will be issued in registered form in the Specified Currency and in the Specified Denomination.
- 3.2. Listed and/or unlisted Notes may be issued under the Programme.
- 3.3. Each Note shall be a Senior Note, a Subordinated Note or a Regulatory Capital Note, as specified in the Applicable Pricing Supplement.
- 3.4. Any Note issued may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Note, a Dual Currency Note, a Mixed Rate Note, an Instalment Note, an Exchangeable Note, an Extendible Note, a Partly Paid 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 Applicable Pricing Supplement and that if listed, is approved by the JSE or such other or additional Financial Exchange(s) on which that Note is to be listed.
- 3.5. The Notes in a Tranche of Notes will be issued in the form of registered Notes, represented by (i) Individual Certificates registered in the name, and for the account of, the relevant Noteholder or (ii) no Certificate and held in uncertificated form in the CSD in terms of section 33 of the Financial Markets Act. The CSD will hold the Notes subject to the Financial Markets Act and the Applicable Procedures.

### 4. **TITLE**

- 4.1. Title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 10. The Issuer and the Transfer 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 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. Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the CSD by way of book entry in the securities accounts of the Participants.
- 4.3. Any reference in this Programme Memorandum to the relevant Participant shall, in respect of Beneficial Interests, be a reference to the Participant appointed to act as such by a holder of such Beneficial Interest.

## 5. **INTEREST**

If the Applicable Pricing Supplement so specifies, the Notes of any Tranche will bear interest from the Interest Commencement Date at the Interest Rate(s) specified in, or determined in accordance with, the Applicable Pricing Supplement and such interest will be payable in respect of each Interest Period on the Interest Payment Date(s) specified in the Applicable Pricing Supplement. The interest payable on the Notes of any Tranche for a period other than a full Interest Period shall be determined in accordance with the Applicable Pricing Supplement.

### 5.1. Interest on Fixed Rate Notes

Interest on Fixed Rate Notes will be paid on the Interest Payment Dates specified in the Applicable Pricing Supplement.

#### 5.1.1. Accrual of Interest on Fixed Rate Notes

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 arrear on the Fixed Interest Payment Dates in each year up to and including the Redemption Date.

#### 5.1.2. Fixed Coupon Amount

The amount of interest payable in respect of each Fixed Rate Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

### 5.1.3. Calculation of Interest Amount

The amount of interest payable in respect of each Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to each Specified Denomination, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest Sub-unit of the Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention:

5.1.3.1. 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

5.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount specified in the Applicable Pricing Supplement unless, upon due presentation, payment of the Applicable Redemption Amount is improperly withheld or refused, in which case it will bear interest in accordance with Condition 5.6.

## 5.2. Interest on Floating Rate Notes and Indexed Interest Notes

### 5.2.1. Accrual of Interest on Floating Rate Notes and Indexed Interest Notes

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 arrear 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 the 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) unless, upon due presentation, payment of the Applicable Redemption Amount is improperly withheld or refused, in which case it will bear interest in accordance with Condition 5.6.

### 5.2.2. Floating Interest Rate

The floating Interest Rate which is applicable to a Tranche of Floating Rate Notes for an Interest Period will be determined on the basis of Screen Rate Determination or on the basis of ISDA Determination or on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

5.2.3. ISDA Determination including fallback provisions

If ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Issuer Agent under an interest rate swap transaction if that Issuer Agent were acting as calculation agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- 5.2.3.1. the Floating Rate Option is as specified in the Applicable Pricing Supplement;
- 5.2.3.2. the Designated Maturity is the period specified in the Applicable Pricing Supplement; and
- 5.2.3.3. 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.

“**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those expressions in the ISDA Definitions and “**JIBAR**” means the average mid-market yield rate per annum for a period of the Designated Maturity which appears on the Reuters Screen SAFEY page at or about 11h00 (South Africa time) on the relevant date (or any successor rate).

5.2.4. Screen Rate Determination including fallback provisions

If Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Issuer Agent on the following basis:

- 5.2.4.1. if the Reference Rate is a composite quotation or customarily supplied by one entity, the Issuer Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Rate Determination Date); or
- 5.2.4.2. in any other case, the Issuer Agent will determine the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being

rounded upwards) of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Rate Determination Date;

5.2.4.3. if, in the case of Condition 5.2.4.1, such rate does not appear on that page or, in the case of Condition 5.2.4.2, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer Agent will:

5.2.4.3.1. request the principal Johannesburg office of each of the Reference Banks to provide the Issuer Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 12h00 (South Africa time) on the Interest Rate Determination Date in question; and

5.2.4.3.2. determine the arithmetic mean (rounded as provided above) of such quotations; and

5.2.4.3.3. if fewer than three such offered quotations are provided as requested, the Issuer Agent will determine the arithmetic mean of the rates (rounded as provided above) (being the nearest Reference Rate, as determined by the Issuer Agent) quoted by major banks in the Johannesburg inter-bank market, selected by the Issuer Agent, at approximately 12h00 (South Africa time) on the first day of the relevant Interest Period for loans in the Specified Currency to leading banks in the Johannesburg inter-bank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time;

(and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Issuer Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.



5.2.5. Indexed Interest

If the Indexed Interest Note provisions are specified in the Applicable Pricing Supplement as being applicable, the Interest Rate(s) applicable to the Notes for each Interest Period will be determined in accordance with the manner specified in the Applicable Pricing Supplement.

5.2.6. Minimum and/or Maximum Rate of Interest

If the Applicable Pricing Supplement specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate and/or if it specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate.

5.2.7. Calculation of Other Amounts

If the Applicable Pricing Supplement specifies that any other amount is to be calculated by the Issuer Agent, the Issuer Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Issuer Agent in the manner specified in the Applicable Pricing Supplement.

5.2.8. Publication

5.2.8.1. The Issuer Agent will cause each Interest Rate and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s), to be notified to the Issuer, the Transfer Agent (if the Transfer Agent is not the Issuer Agent), the Issuer Agent, (if required by the applicable stock exchange rules) any Financial Exchange on which the relevant Floating Rate Notes or Indexed Notes, as the case may be, are for the time being listed and, in the case of uncertificated Floating Rate Notes or Indexed Notes, the CSD, as soon as practicable after their determination but (in the case of each Interest Rate, Interest Amount and Interest Payment Date) in any event not later than three Business Days after such determination. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 13.

5.2.8.2. The Issuer (via its Debt Sponsor) will, in relation to each Tranche of Notes listed on the Interest Rate Market of the JSE, at least three Business Days before each Interest Payment Date cause the

aggregate Interest Amount payable for the relevant Interest Period in respect of that Tranche of Notes to be notified through SENS to the Noteholders and the JSE.

5.2.8.3. The Issuer Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such amendment will be promptly notified to the Issuer and to the Noteholders in accordance with Condition 13 and, if the relevant Tranche of Notes is listed on a Financial Exchange, any Financial Exchange on which the relevant Notes are for the time being listed and the CSD.

5.2.9. Notifications etc. to be final

All notifications, communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 5.2 by the Issuer Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Transfer Agent, the Issuer Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Issuer Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3. Interest on Mixed Rate Notes

The Interest Rate payable from time to time on Mixed Rate Notes shall be the Interest Rate payable on any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes for respective periods, 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 and to the extent that such Mixed Rate Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Indexed Notes, as the case may be.

5.4. Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up Nominal Amount of such Notes and otherwise as specified in the Applicable Pricing Supplement.

5.5. Interest on Instalment Notes

In the case of Instalment Notes, interest will accrue on the amount Outstanding on the relevant Note from time to time and otherwise as specified in the Applicable Pricing Supplement.

5.6. 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 its Redemption Date 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 earlier of the date on which all amounts due in respect of such Note have been paid and the Relevant Date.

5.7. 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 which is not a Business Day, then, if the Business Day Convention specified is:

- 5.7.1. the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 5.2, 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
- 5.7.2. 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
- 5.7.3. 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
- 5.7.4. the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

## 6. PAYMENTS

### 6.1. Method of Payment

- 6.1.1. Payments of interest and principal in respect of Notes held in uncertificated form in the CSD will be made to the holders of Beneficial Interests, in accordance with the Applicable Procedures. Each of the persons reflected in the records of the CSD or the relevant Participants, as the case may be, as the holders of Beneficial Interests shall look solely to the CSD or the relevant Participant, as the case may be, for such persons share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the registered holder of the Note held in uncertificated form. The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests. Payments of interest and principal in respect of Notes held in the CSD in uncertificated form shall be recorded by the CSD, in accordance with the Applicable Procedures, distinguishing between interest and principal, and such record of payments by the registered holder of the Notes shall be *prima facie* proof of such payments. Payments of interest and principal in respect of Notes represented by Individual Certificates shall be made to the person reflected as the registered holder of the Individual Certificate in the Register on the Last Day to Register.
- 6.1.2. The Issuer shall pay the interest and principal payable in respect of each Note, in immediately available and freely transferable funds, in Rands by electronic funds transfer, to the bank account of the Noteholder as set forth in the Register at 17h00 on the Last Day to Register preceding the relevant Interest Payment Date or Redemption Date, as the case may be, or, in the case of joint Noteholders, the account of that one of them who is first named in the Register in respect of that Note. If two or more persons are entered into the Register as joint Noteholders, then without affecting the previous provisions of this condition, payment to any one of them of any monies payable on or in respect of the Note shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Note or interest therein.
- 6.1.3. Only Noteholders, or, in the case of joint Noteholders, the one of them who is first named in the Register in respect of that Note, reflected in the Register at 17h00 on the relevant Last Day to Register will be entitled to payments of interest and/or principal in respect of Notes.

6.1.4. Payments will be subject in all cases to any taxation or other laws, directives and regulations applicable thereto in the place of payment, but subject to the provisions of Condition 7.

6.1.5. The Issuer Agent will calculate the aggregate amount of principal due and payable by the Issuer for each Note on each date that payment of principal is due and payable as specified in the Applicable Pricing Supplement. The Issuer Agent will, at least three Business Days before each such date, cause such aggregate amount of principal to be notified to the Noteholders (in the manner set out in Condition 13), the Issuer, the CSD, if applicable, and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE.

6.2. Surrender of Individual Certificates

6.2.1. On or before the Last Day to Register prior to any Redemption Date (including a Redemption Date relating to mandatory redemption in part), the holder of an Individual Certificate, in respect of a Note to be redeemed (in part or in whole, as the case may be) shall deliver to the Transfer Agent the Individual Certificates to be redeemed. This will enable the Transfer Agent to endorse the partial redemption thereon or, in the case of final redemption, to cancel the relevant Individual Certificates.

6.2.2. In the case of Notes held in uncertificated form in the CSD, redemptions in part will be handled in accordance with the Applicable Procedures.

6.2.3. Should the holder of an Individual Certificate refuse or fail to surrender the Individual Certificate for endorsement or cancellation on or before a Redemption Date, the amount payable to him in respect of such redemption, including any accrued unpaid interest, shall be retained by the Issuer for such Noteholder, at the latter's risk, until the Noteholder surrenders the necessary Individual Certificate, and interest shall cease to accrue

6.2.4. Documents required to be presented and/or surrendered to the Transfer Agent in accordance with the Terms and Conditions shall be so presented and/or surrendered at the Specified Office of the Transfer Agent.

6.3. Payment Day

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

#### 6.4. Interpretation of principal and interest

- 6.4.1. Any reference in the Terms and Conditions to principal in respect of the Notes shall include, as applicable:
- 6.4.1.1. any additional amounts which may be payable with respect to principal under Condition 7;
  - 6.4.1.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;
  - 6.4.1.3. the Optional Redemption Amount(s) (if any) of the Notes;
  - 6.4.1.4. in relation to Instalment Notes, the Instalment Amounts;
  - 6.4.1.5. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined under Senior Note Condition 5.11, Subordinated Note Condition 4.5 or Regulatory Capital Note Condition 5.6, as applicable); and
  - 6.4.1.6. any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.
- 6.4.2. Any reference in the Terms and Conditions to interest in respect of the Notes shall include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

### 7. **TAXATION**

- 7.1. 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 Note.
- 7.2. 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 or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by Applicable Law.

- 7.3. In such event, the Issuer will, subject to the Issuer's right to redeem such Notes in terms of Senior Note Condition 5.2, Subordinated Note Condition 4.2 or Regulatory Capital Note Condition 5.2, 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:
- 7.3.1. held by or on behalf of a Noteholder, who is liable for such Taxes or duties in respect of such Note by reason of the Noteholder's having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 7.3.2. held by or on behalf of a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature imposed by the South African revenue authorities in force from time to time, including, without limitation, by making a declaration of non-residence or other similar claim for exemption to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 7.3.3. held by or on behalf of a Noteholder who could lawfully reduce (but has not so reduced) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature imposed by the South African revenue authorities in force from time to time, including, without limitation, by making a declaration of non-residence or other similar claim for the reduction to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder), provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced; or
- 7.3.4. held by or on behalf of a Noteholder to the extent that such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of the application of any tax treaty or non-South African tax laws applicable to such Noteholder, whether by way of a Tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed and in these circumstances the additional amount shall only be payable to the extent that such amount could not be so reduced; or

- 7.3.5. 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 income or taxable income (as defined in section 1 of the Income Tax Act) or capital gain (as contemplated in paragraph 3 of Schedule 8 to the Income Tax Act) or taxable capital gain (as defined in paragraph 10 of Schedule 8 to the Income Tax Act) of any Noteholder; or
  - 7.3.6. more than 30 days after the Relevant Date except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
  - 7.3.7. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of disputers or alleged tax defaulters; or
  - 7.3.8. if such withholding or deduction arises in terms of the US Foreign Account Tax Compliance Act (“**FATCA**”) or the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor legislation or provisions), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA and/or the aforementioned rules;
  - 7.3.9. where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - 7.3.10. where any combination of the scenarios or occurrences contemplated in Condition 7.3.1 to 7.3.9 occurs.
- 7.4. If the Issuer becomes subject generally at any time to any taxing jurisdiction, authority or agency other than or in addition to South Africa, references in this Condition 7 and in the definitions of “Tax Event (Deductibility)”, “Tax Event (Gross up)”, “Tax Law Change” and “Taxes” shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency.
- 7.5. Any reference in the 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 the Terms and Conditions or under any undertakings given in addition to, or in substitution for, the Terms and Conditions.



## 8. PRESCRIPTION

The Notes will prescribe unless presented for payment of principal and interest within a period of three years after the Relevant Date, save that any Individual Certificate constituting a “*bill of exchange or other negotiable instrument*” in accordance with section 11 of the Prescription Act, 1969 will prescribe unless presented for payment of principal and interest within a period of six years from the Relevant Date.

## 9. DELIVERY, EXCHANGE AND REPLACEMENT OF INDIVIDUAL CERTIFICATES

### 9.1. Exchange of Beneficial Interests

9.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 35 of the Financial Markets Act, by written notice to the holder’s nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the “**Exchange Notice**”). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such day shall be a Business Day and shall fall not less than 30 days after the day on which such Exchange Notice is given (“**Exchange Date**”).

9.1.2. 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 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-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 delivery to one of those joint holders shall be delivery to all of them.

9.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:

9.1.3.1. the CSD will, prior to the Exchange Date, surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Office;

9.1.3.2. the Transfer Agent will obtain the release of such uncertificated Notes from the CSD; in accordance with the Applicable Procedures.

9.1.4. 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.

9.2. 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.

9.3. Death and sequestration or liquidation of Noteholder

Any person becoming entitled to registered Notes in 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 9.3 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 9.3 and Condition 10, 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 shall duly transfer the Notes.

9.4. Costs

The costs and expenses of the printing, issue and delivery of each Individual Certificate and all Taxes and any and all governmental charges or insurance 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.

## 10. TRANSFER OF NOTES

- 10.1. Beneficial Interests in the Notes may be transferred in terms of the Applicable Procedures through the CSD.
- 10.2. The CSD maintains accounts for its Participants. Participants are in turn required to maintain securities accounts for their clients.
- 10.3. Transfers of Beneficial Interests to and from clients of Participants occur, in terms of existing law and practice, by way of electronic book entry in the securities accounts maintained by the Participants for their clients. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants. Beneficial Interests may be transferred only in accordance with the Terms and Conditions, and the Applicable Procedures.
- 10.4. 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:
  - 10.4.1. the transfer of such Notes must be embodied in the Transfer Form;
  - 10.4.2. the Transfer Form must be signed by the registered Noteholder and the transferee, or any authorised representative of that registered Noteholder and/or transferee; and
  - 10.4.3. the Transfer Form must be delivered to the Transfer Agent at its Specified Office together with the relevant Individual Certificate, if any, for cancellation.
- 10.5. Transfers of Notes represented by an Individual Certificate will only be in a denomination of the Specified Denomination. Notes represented by an Individual Certificate may be transferred in whole or in part (in multiples of the Specified Denomination).
- 10.6. Subject to the preceding provisions of this Condition 10, the Transfer Agent will, within 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 fiscal or other laws or regulations), record the transfer of Notes represented by an Individual Certificate 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 such Notes reflecting the same Outstanding Principal Amount as the Notes transferred. Where a Noteholder has transferred part only of his holding 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, a new Individual Certificate, if any, in respect of the balance of the Notes held by such Noteholder.

- 10.7. The transferor of any Notes will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 10.8. Before any transfer of any Notes is registered, 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 Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 10.9. No transfer of any Notes will be registered while the Register is closed as contemplated in Condition 11.
- 10.10. If a transfer of any Notes is registered, the Transfer Form and cancelled Individual Certificate, if any, will be retained by the Transfer Agent.

## 11. REGISTER

- 11.1. The Register shall be kept at the Specified Office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register. The Register shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the Nominal Amount of the Notes issued to any Noteholders and shall show the date of such issue and the date upon which the Noteholder became registered as such. The Register shall show the serial numbers of Individual Certificates issued. The Register shall be open for inspection during the normal business hours of the Transfer Agent to any Noteholder or any person authorised in writing by any Noteholder. The Issuer and the Transfer Agent shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject.
- 11.2. The Register shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Notes, as the case may be.
- 11.3. The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with the Terms and Conditions.

## 12. TRANSFER AGENT, ISSUER AGENT AND PARTICIPANT

- 12.1. Any third party appointed by the Issuer as Transfer Agent, Issuer Agent, Participant, and/or otherwise shall act solely as the agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 12.2. If the Issuer elects to appoint another entity (not being the Issuer) as Transfer Agent and/or Issuer Agent, that other entity, on execution of an appropriate agency agreement or an

appropriate accession letter to the Issuer Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Noteholders in the manner set out in Condition 13 of any such appointment and, if any Notes are listed on the Interest Rate Market of the JSE, the Issuer shall notify the JSE of any such appointment.

- 12.3. The Issuer is entitled to vary or terminate the appointment of the Transfer Agent, the Issuer Agent and/or appoint additional or other agents and/or approve any change in the Specified Office through which any such agent acts, provided that there will at all times be a Transfer Agent, an Issuer Agent and a Participant with an office in such place as may be required by the Applicable Procedures.
- 12.4. Unless otherwise specified in the Applicable Pricing Supplement, the Issuer Agent will act as calculation agent, paying agent and settlement agent (as those terms are used in the JSE Debt Listings Requirements) in respect of any Notes that are listed on the Interest Rate Market of the JSE.
- 12.5. To the extent that the Issuer acts as the Transfer Agent and/or Issuer Agent, all references in the Terms and Conditions to:
  - 12.5.1. any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
  - 12.5.2. requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Transfer Agent or Issuer Agent (as the case may be) shall be disregarded to the extent that the Issuer performs such role.

### 13. **NOTICES**

- 13.1. Subject to Condition 13.2, all notices (including all demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by electronic mail to their e-mail addresses appearing in the Register or delivered by hand to their addresses appearing in the Register. Each such notice will be deemed to have been given, if sent by electronic mail, on the day of its sending (except that any such sending after 16h30 shall be deemed to have been received on the following day) or if delivered in person or by courier, at the time of delivery, as the case may be.
- 13.2. For so long as the Notes are held in their entirety by the CSD, notice as contemplated in Condition 13.1 shall be given by way of delivery by the Issuer of the relevant notice to the CSD for communication to the holders of Beneficial Interests.
- 13.3. Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given

*mutatis mutandis* as set out in Condition 13.1 and Condition 13.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.

- 13.4. All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by or on behalf of any Noteholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and will be valid if delivered by hand, together with a certified copy of the relevant Individual Certificate, if any, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the directors. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, if delivered in person or by courier, at the time of delivery.
- 13.5. Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's relevant Participant in accordance with the Applicable Procedures.
- 13.6. If any Notes are listed on the Interest Market of the JSE, copies of any notices to Noteholders delivered to Noteholders as set out above, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS.

#### 14. MEETINGS OF NOTEHOLDERS

##### 14.1. Directions of Noteholders

- 14.1.1. The provisions with regard to meetings of Noteholders are set out in this Condition 14. The provisions of this Condition 14 will apply, *mutatis mutandis*, to each separate meeting of Noteholders of each Series of Notes and Noteholders of each Tranche of Notes.
- 14.1.2. Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder.

##### 14.2. Convening of meetings

- 14.2.1. The Issuer may at any time convene a meeting of all Noteholders or separate meetings of Noteholders of any Series of Notes or Tranche of Notes (a "**meeting**" or the "**meeting**").
- 14.2.2. The Issuer will convene (i) a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than 10% of the aggregate Outstanding Nominal Amount of all of the Notes, (ii) a separate meeting of Noteholders of any Series of

Notes upon the requisition in writing of the Noteholders in that Series of Notes holding not less than 10% of the aggregate Outstanding Nominal Amount of the Notes of that Series of Notes or (iii) a separate meeting of Noteholders of any Tranche of Notes upon the requisition in writing of the Noteholders in that Tranche of Notes holding not less than 10% of the aggregate Outstanding Nominal Amount of the Notes of that Tranche of Notes, as the case may be (a "**requisition notice**").

- 14.2.3. Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders in the manner prescribed in Condition 13 of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting.
- 14.2.4. All meetings of Noteholders will be held in Johannesburg or such other city as the Issuer may specify in the notice.
- 14.2.5. The Issuer may conduct a meeting of Noteholders entirely by electronic communication (as defined in the Companies Act) or provide for participation in a meeting by electronic communication. Accordingly, one or more Noteholders, or proxies for Noteholders, may participate by electronic communication in all or part of any Noteholder meeting that is being held in person, so long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting. Any notice of any meeting of Noteholders at which it will be possible for Noteholders to participate by way of electronic communication shall inform Noteholders of the ability to so participate and shall provide any necessary information to enable Noteholders or their proxies to access the available medium or means of electronic communication, provided that such access shall be at the expense of the Noteholder or proxy concerned.

14.3. Requisition

- 14.3.1. A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer.
- 14.3.2. A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

14.4. Convening of meetings demanded by requisitionists

- 14.4.1. Upon receipt of a requisition notice, the Issuer will:
- 14.4.1.1. if the requisition notice relates to Notes listed on the Interest Rate Market of the JSE, immediately inform the JSE in writing of the demand for a meeting and the nature of the business for which the meeting is to be held;
  - 14.4.1.2. immediately release an announcement through SENS that a requisition notice has been received and specifying the place, day and time of the meeting to be held;
  - 14.4.1.3. within five Business Days of receipt of the requisition notice, deliver written notice to each Noteholder (in accordance with Condition 13), specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting; and
  - 14.4.1.4. within two Business Days of the meeting, release an announcement through SENS as to the outcome of the meeting.
- 14.4.2. The date of the meeting shall not exceed seven Business Days from the date of delivery of the written notice convening the meeting.
- 14.4.3. The written notice of meeting shall allow for a pre-meeting of the Noteholders (without the presence of the Issuer) at the same place and on the same day as the meeting of Noteholders, at least two hours before the scheduled meeting of Noteholders.
- 14.4.4. In accordance with Condition 14.10, voting shall only take place on a poll and not on a show of hands.
- 14.4.5. The Noteholders will, by Ordinary Resolution, elect a chair to preside over the meeting.
- 14.4.6. The requisitionists who demanded the meeting may, prior to the meeting, withdraw the requisition notice by notice in writing to the Issuer, copied to the JSE if the requisite notice relates to Notes listed on the Interest Rate Market of the JSE. The Issuer may cancel the meeting if as a result of one or more of the demands being withdrawn, the voting rights of the remaining requisitionists fail to meet the required percentage referred to in Condition 14.2.2 to call a meeting.



- 14.4.7. In the event of the liquidation, business rescue or curatorship of the Issuer, the inability of the Issuer to pay its debts as they fall due or the Issuer becoming "financially distressed" as contemplated in the Companies Act, the reference to five Business Days in Condition 14.4.1.3 is reduced to two Business Days and the reference to seven Business Days in Condition 14.4.2 is reduced to five Business Days.
- 14.4.8. If the Issuer does not deliver written notice to convene a meeting within the timelines referred to above, then without prejudice to any other remedy, the requisitionists who together hold not less than 10% of the aggregate Outstanding Nominal Amount of the Notes for the time being, may themselves convene the meeting, 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.
- 14.4.9. The provisions of this Condition in respect of meetings demanded by requisitionists will prevail in the event of any conflict with any other provision in the Terms and Conditions.

14.5. Notice of meeting

Unless every Noteholder, Noteholder of a Series of Notes or Noteholder of a Tranche of Notes, as the case may be, who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes for a shorter minimum notice period, at least 15 Business Days written notice, specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting, will be given to each Noteholder and to the Issuer.

14.6. Quorum

- 14.6.1. A quorum at a meeting shall:
- 14.6.1.1. for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than 30% of the aggregate Outstanding Nominal Amount of the Notes, Series of Notes or Tranche of Notes, as the case may be;
- 14.6.1.2. for the purposes of considering an Extraordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than a majority of the aggregate Outstanding Nominal Amount of the Notes, Series of Notes or Tranche of Notes, as the case may be.

14.6.2. No business will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.

14.6.3. If, within one hour from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved. In every other case the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. If at such adjourned meeting a quorum is not present the Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any resolution, including an Extraordinary Resolution.

14.7. Chairperson

The chairperson of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairperson of the meeting is not present within ten minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own to preside as chairperson.

14.8. Adjournment

14.8.1. Subject to the provisions of this Condition 14, the chairperson may, with the consent of, and will on the direction of, the meeting adjourn the meeting from time to time and from place to place.

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

14.8.3. At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder and the Issuer. In the case of a meeting adjourned in terms of Condition 14.6.3, the notice will state that the Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum.

14.9. How questions are decided

14.9.1. At a meeting, a resolution put to the vote will be decided on a poll.

14.9.2. In the case of an equality of votes, the chairperson will not be entitled to a casting vote in addition to the vote, if any, to which they are entitled.

#### 14.10. Votes

Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to one vote in respect of each ZAR1.00 in Notes held by such Noteholder. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting. The Noteholder in respect of Notes held in the CSD in uncertificated form 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 from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

#### 14.11. Proxies and representatives

- 14.11.1. Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a “**proxy form**”) signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a “**proxy**” or “**proxies**”) to act on his or its behalf in connection with any meeting or proposed meeting.
- 14.11.2. A person appointed to act as proxy need not be a Noteholder.
- 14.11.3. The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, and a copy sent to the Debt Sponsor (if any), at any time before the proxy exercises the rights of the Noteholder at the meeting or adjourned meeting at which the person named in such proxy proposes to vote.
- 14.11.4. No proxy form will be valid after the expiration of six months from the date named in it as the date of its execution.
- 14.11.5. Notwithstanding Condition 14.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 14.11.6. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder’s instructions pursuant to which the proxy form was executed or of the authority under which the proxy form 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, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and

that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

- 14.11.7. Any Noteholder which is a juristic person may authorise any person to act as its representative in connection with any meeting or proposed meeting of Noteholders by resolution of the directors or other governing body of the juristic person. Any reference in the Terms and Conditions to a Noteholder present in person includes the duly authorised representative of a Noteholder which is a juristic person.

#### 14.12. Powers

- 14.12.1. A meeting of Noteholders will have the power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions:

14.12.1.1. by Ordinary Resolution of the Noteholders to give instructions to the Issuer in respect of any matter not covered by the Terms and Conditions (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Terms and Conditions or imposing obligations on the Issuer not imposed or contemplated by the Terms and Conditions or otherwise conflicting with or inconsistent with the provisions of the Terms and Conditions); and

14.12.1.2. by Extraordinary Resolution:

14.12.1.2.1. to sanction any compromise or arrangement proposed to be made between the Issuer and the Noteholders or any of them; or

14.12.1.2.2. assent to any modification of the provisions contained in the Terms and Conditions which shall be proposed by the Issuer.

- 14.12.2. Unless other specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.

#### 14.13. Binding effect of resolutions

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all Noteholders whether or not present at such meeting and whether or not voting (or whether or not they signed any written resolution, as the case may be), and each Noteholder shall be bound to give effect thereto.

14.14. Minutes

Minutes shall be made of all resolutions and proceedings of meetings by the Debt Officer and duly entered in books to be provided by the Issuer for that purpose. The Debt Officer shall provide for audio recording of the proceedings if requested by the Noteholders attending the meetings. The chairperson shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

14.15. Written Resolutions

A resolution in writing submitted to the Noteholders, Noteholders of a Series of Notes or Noteholders of a Tranche of Notes, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by Noteholders holding more than 50% in the case of a matter to be adopted by Ordinary Resolution or at least 66.67% in the case of a matter to be adopted by Extraordinary Resolution, of the Outstanding Nominal Amount of the Notes, Series of Notes or Tranche of Notes, as the case may be, within 20 Business Days after the written resolution was submitted to such Noteholders, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the day on which that resolution is signed by the last of the Noteholders, Noteholders of a Series of Notes or Noteholders of a Tranche, as the case may be, to sign it. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders, Noteholders of a Series of Notes or Noteholders of a Tranche of Notes, as the case may be. Each Noteholder shall, promptly after signature of the resolution by it, submit a copy of the resolution as signed by it to the Issuer. Within ten Business Days after adoption of the resolution, the Issuer shall notify all the Noteholders, Series of Noteholders or Tranche of Noteholders, as the case may be, of the results of the resolution put to the vote in writing as contemplated in this Condition (and in relation to any Series of Notes or Tranche of Notes listed on the Interest Rate Market of the JSE, announced on SENS within 48 hours of the adoption of such resolution).

15. **CONFIDENTIALITY**

For so long as the Programme Memorandum remains registered with the JSE, the Issuer shall at all times comply with the confidentiality provisions set out under the JSE Debt Listings Requirements.

## 16. MODIFICATION

- 16.1. The Issuer may effect, without the consent of the relevant Noteholders, any modification of the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law. Any such amendment will be binding on Noteholders and such amendment will be notified to the JSE, in relation to any Series of Notes or Tranche of Notes listed on the Interest Rate Market of the JSE, and to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.
- 16.2. Subject to Condition 16.1, any amendment to the Terms and Conditions of (i) all of the Notes, (ii) a particular Series of Notes or (iii) a particular Tranche of Notes, as the case may be, may be made only with the prior authorisation of an Extraordinary Resolution of the Noteholders of all the Notes, an Extraordinary Resolution of the Noteholders of that Series of Notes or an Extraordinary Resolution of the Noteholders of that Tranche of Notes, as the case may be.
- 16.3. Accordingly, subject to Condition 16.1, if there is any proposed amendment to the Terms and Conditions of (i) all of the Notes, (ii) a particular Series of Notes or (iii) a particular Tranche of Notes, as the case may be, the Issuer will call a meeting of or distribute a notice of written resolution to the Noteholders of all the Notes or call a meeting of or distribute a notice of written resolution to the Noteholders of that Series of Notes or that Tranche of Notes, as the case may be. Any meeting or meetings will be regulated by the provisions set out in Condition 14. No proposed amendment will be made to the Terms and Conditions until such amendment has been approved by Extraordinary Resolution at such meeting or meetings (or in terms of a written resolution in accordance with Condition 14.15). In relation to any Series of Notes or Tranche of Notes listed on the Interest Rate Market of the JSE, the Issuer shall first obtain conditional formal approval from the JSE on the notice to Noteholders incorporating such proposed amendments in compliance with the JSE Debt Listings Requirements prior to delivery of such notice to Noteholders.
- 16.4. For the avoidance of doubt:
- 16.4.1. the provision of any rights of security to or for the benefit of any Noteholders in accordance with Senior Note Condition 4 or Subordinated Note Condition 3 or the exercise by the Issuer of its rights under Condition 12 shall not constitute a modification of the Terms and Conditions; and
- 16.4.2. it is recorded that the Applicable Pricing Supplement in relation to any Tranche of Notes may specify any other terms and conditions which shall, to the extent so specified or the extent inconsistent with the Terms and Conditions, amend, replace or modify the Terms and Conditions for purposes of such Tranche of Notes. The issuing of any Applicable Pricing Supplement shall not constitute an amendment of the Terms and Conditions requiring the approval of the JSE.

17. **FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further Notes (the “**Additional Notes**”) having terms and conditions which are identical to any of the other Notes already issued under the Programme (the “**Existing Notes**”) or the same in all respects save for their respective Interest Commencement Dates, Issue Prices, Issue Dates and aggregate Nominal Amounts, so that the Additional Notes shall be (i) consolidated to form a single Series with the Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

18. **GOVERNING LAW**

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Terms and Conditions and the Notes are governed by, and shall be construed in accordance with, the laws of South Africa.

## TERMS AND CONDITIONS OF SENIOR NOTES

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*The following are the Terms and Conditions of Senior Notes to be issued by the Issuer on or after the Programme Date. Notes will be issued in individual Tranches which, together with other Tranches, may form of a Series of Notes. Before the Issuer issues any Tranche of Senior Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (Senior Notes and Subordinated Notes), setting out the details of those Senior Notes. The Applicable Pricing Supplement in relation to any Tranche of Senior Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions of the Senior Notes, replace and/or modify the following Terms and Conditions of the Senior Notes for purposes of that Tranche of Notes.*

### 1. DEFINITIONS

Unless otherwise indicated:

- 1.1. capitalised terms used but not defined in this section have the meanings given to them in Condition 1 (including by reference); and
- 1.2. the following capitalised terms have the following meanings:
  - 1.2.1. an “**Issuer Credit Rating Event**” shall occur if at any time while any Senior Note remains Outstanding, the Issuer which has a Rating ceases to be rated by at least one of Moody’s, S&P or GCR, provided that such event shall not occur if a new Rating for the Issuer is obtained from at least one of Moody’s, S&P or GCR within a period of three months from the date that the Issuer ceased to be rated; and
  - 1.2.2. a “**Senior Notes Credit Rating Event**” shall occur if at any time while any Senior Note remains Outstanding, a Senior Note with a Rating ceases to be rated by at least one of Moody’s, S&P or GCR, provided that such event shall not occur if a new Rating for such Senior Notes is obtained from at least one of Moody’s, S&P or GCR within a period of three months from the date that such Senior Note ceased to be rated.

### 2. STATUS OF SENIOR NOTES

Unless otherwise specified in the Applicable Pricing Supplement, the Senior Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Senior Note Condition 4) unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and, subject to Senior Note Condition 4 and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time owing.



### 3. GUARANTEE

#### 3.1. General

3.1.1. Senior Notes may be (i) guaranteed by the Guarantors or (ii) not guaranteed by the Guarantors.

3.1.2. The Issuer will specify in the Applicable Pricing Supplement whether or not a Tranche of Senior Notes is guaranteed by the Guarantors.

#### 3.2. Guaranteed Senior Notes

3.2.1. If an Applicable Pricing Supplement specifies that a Tranche of Senior Notes is guaranteed by the Guarantors, the Issuer's payment obligations under that Tranche of Senior Notes will be irrevocably and unconditionally, jointly and severally, guaranteed by the Guarantors on the terms and conditions as contained in the Guarantee as described in the section headed "*Terms and Conditions of the Guarantee*", as read with the Applicable Pricing Supplement.

3.2.2. The obligations of each Guarantor under the Guarantee constitute unconditional and unsecured obligations of each of the Guarantors and will rank (subject to any obligations preferred by law) *pari passu* with all other present and future unsecured and unsubordinated obligations of that Guarantor.

3.2.3. Each holder of a Senior Note designated as guaranteed by the Guarantors in the Applicable Pricing Supplement agrees that upon the acquisition by it of that Senior Note it is deemed to have notice of and accepts the benefit of all the provisions of the Guarantee. The terms of the Guarantee provide that upon the acquisition of a Senior Note designated as guaranteed by the Guarantors in the Applicable Pricing Supplement by the holder of that Senior Note, the Guarantors are deemed to have received notice of acceptance of the benefit of the Guarantee by that Senior Noteholder. Copies of the Guarantee are available for inspection at the Specified Office of the Issuer.

#### 3.3. Unguaranteed Senior Notes

3.3.1. If the Applicable Pricing Supplement specifies that a Tranche of Senior Notes is not guaranteed by the Guarantors, the provisions relating to the Guarantors and the Guarantee in this Programme Memorandum and the Guarantee, shall not be applicable to the holders of that Tranche of Senior Notes or to the Guarantors, and the remainder of the provisions of this Programme Memorandum shall be construed accordingly, in particular, but without limitation, Senior Note Condition 6 and Subordinated Note Condition 5.

3.3.2. The holders of Tranche of Senior Notes that is not guaranteed by the Guarantors shall have no claim against any Guarantor of any nature whatsoever.

3.4. Subordinated Notes and Regulatory Capital Notes

Subordinated Notes and Regulatory Capital Notes are not guaranteed by the Guarantors and Subordinated Noteholders and Regulatory Capital Noteholders shall have no claim against any Guarantor of any nature whatsoever.

4. **NEGATIVE PLEDGE**

4.1. For as long as any Senior Notes remain Outstanding, the Issuer undertakes not to create or permit the creation of any Encumbrance (other than Permitted Encumbrances) over any of its present or future assets or revenues to secure any present or future Indebtedness without at the same time securing all Senior Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Extraordinary Resolution of the holders of those Senior Notes, unless the provision of any such security is waived by an Extraordinary Resolution of the holders of those Senior Notes.

4.2. For so long as no Tranche of Senior Notes remains Outstanding, the provisions of this Senior Note Condition 4 shall apply *mutatis mutandis* to the Subordinated Notes.

4.3. The Issuer shall be entitled but not obliged, to form, or procure the formation of, one or more special purpose vehicle companies, a trust or trusts 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.

5. **REDEMPTION AND PURCHASE**

5.1. Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Senior 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.

5.2. Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law

5.2.1. If so specified in the Applicable Pricing Supplement, the Issuer may redeem any Notes of any Tranche of Senior Notes:

5.2.1.1. at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the Applicable Pricing

Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

- 5.2.1.2. on any Interest Payment Date (if the Floating Rate Note provisions or the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Senior Noteholders and to the Transfer Agent and the Issuer Agent in accordance with Condition 13 (which notice shall be irrevocable), at their Early Redemption Amount together with interest (if any) to the date fixed for redemption, following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law, provided, however, that no such notice of redemption shall be given earlier than:

- 5.2.1.3. where the Senior Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Senior Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be; or

- 5.2.1.4. where the Senior Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Senior Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be.

- 5.2.2. Prior to the publication of any notice of redemption pursuant to this Senior Note Condition 5.2, the Issuer shall deliver to the Transfer Agent and the Issuer Agent (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal or tax advisers (as appropriate) of recognised standing to the effect that a Tax Event (Gross up), Tax Event (Deductibility) and/or Change in Law, as the case may be, has occurred.

5.2.3. Upon the expiry of any such notice as is referred to in this Senior Note Condition 5.2, the Issuer shall be bound to redeem the Notes in accordance with this Senior Note Condition 5.2.

5.3. Early redemption at the option of the Issuer

5.3.1. If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given:

5.3.1.1. not less than 30 and not more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Senior Noteholders in accordance with Condition 13; and

5.3.1.2. not less than seven days before giving the notice referred to in Senior Note Condition 5.3.1.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all or, if so specified in the Applicable Pricing Supplement, some of the Senior Notes 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 up to (but excluding) the Optional Redemption Date(s).

5.3.2. Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement, if applicable. In the case of a partial redemption of Senior Notes, the Senior Notes to be redeemed ("**Redeemable Notes**") will be selected:

5.3.2.1. in the case of Redeemable Notes represented by Individual Certificates, individually by lot; and

5.3.2.2. in the case of Redeemable Notes issued in uncertificated form, in accordance with the Applicable Procedures,

and in each such case not more than 30 days prior to the date fixed for redemption (such date of selection, the "**Selection Date**").

5.3.3. In the case of Redeemable Notes represented by Individual Certificates, a list of the serial numbers of such Individual Certificates will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

- 5.3.4. No exchange of the relevant Senior Notes held in uncertificated form will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Senior Note Condition 5.3 and notice to that effect shall be given by the Issuer to the Senior Noteholders in the notice to Senior Noteholders contemplated in Senior Note Condition 5.3.1.1.
- 5.3.5. Holders of Redeemable Notes shall surrender the Individual Certificates in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Senior Notes represented by such Individual Certificates is redeemed, the Transfer Agent shall deliver new Individual Certificates to such Senior Noteholders in respect of the balance of the Senior Notes.
- 5.4. Early redemption at the option of Senior Noteholders
- 5.4.1. If the holders of Senior Notes are specified in the Applicable Pricing Supplement as having an option to redeem any Senior Notes, the Issuer shall, at the option of the holders of such Tranche of Senior Notes, redeem the Senior Notes on the Optional Redemption Date(s) specified in the relevant Put Notice or in the Applicable Pricing Supplement, as the case may be, at the relevant Optional Redemption Amount together with interest (if any) accrued to such date.
- 5.4.2. In order to exercise the option contained in this Senior Note Condition 5.4, the holders of such Senior Notes must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date(s), surrender the Individual Certificates (if any) relating to such Senior Notes with the Issuer Agent in accordance with Condition 13, together with a duly completed Put Notice (which Put Notice shall, in respect of Notes represented by an Individual Certificate, specify a bank account in South Africa for the purposes of payment of the Optional Redemption Amount to the holder of such Individual Certificate). The redemption amount specified in such Put Notice in respect of any such Senior Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the Applicable Pricing Supplement, if applicable.
- 5.4.3. The redemption of Senior Notes issued in uncertificated form shall take place in accordance with the Applicable Procedures.
- 5.4.4. The delivery of Put Notices shall be required to take place during normal office hours of the Transfer Agent. *Pro forma* Put Notices shall be available from the Specified Office of the Issuer.

- 5.4.5. Any Put Notice given by a holder of any Senior Note pursuant to this Senior Note Condition 5.4 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 and the Transfer Agent delivered at least one Business Day prior to the Optional Redemption Date, to withdraw the notice given pursuant to this Senior Note Condition 5.4 and instead to declare such Senior Note forthwith due and payable pursuant to Senior Note Condition 6.
- 5.4.6. The Issuer shall have no obligation to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder and shall not be liable whatsoever for any claims or losses arising in connection with a defective or invalid Put Notice.
- 5.5. Early redemption in the event of a loss of the assigned Rating of the Issuer
- 5.5.1. An Issuer Credit Rating Event shall give each Senior Noteholder the option to request the redemption by the Issuer of the Senior Notes held by it.
- 5.5.2. Promptly upon the Issuer becoming aware that an Issuer Credit Rating Event has occurred, the Issuer shall give notice to the Senior Noteholders in accordance with Condition 13 specifying the nature of the Issuer Credit Rating Event and the circumstances giving rise to it and the procedure for exercising the option contained in Senior Note Condition 5.5.1.
- 5.5.3. Upon receipt by the Senior Noteholders of the notice referred to in Senior Note Condition 5.5.2, each Senior Noteholder shall have 14 days thereafter to exercise its option contained in Senior Note Condition 5.5.1 to redeem the Senior Notes held by it, after which the said option shall expire.
- 5.5.4. Each Senior Noteholder shall exercise its option contained in Senior Note Condition 5.5.1 by delivering a written notice, in terms of Condition 13, to the Issuer to that effect. A failure by a Senior Noteholder to deliver a notice to redeem in the 14-day period described in Senior Note Condition 5.5.3 shall be deemed to be an election by such Senior Noteholder not to exercise the option contained in Senior Note Condition 5.5.1.
- 5.5.5. Upon receipt by the Issuer of the notice in Senior Note Condition 5.5.3, the Issuer shall redeem the relevant Senior Note at the Early Redemption Amount together with accrued interest (if any). Such redemption shall occur on the next Interest Payment Date following such Issuer Credit Rating Event unless the said Interest Payment Date falls within 60 days after the close of the 14-day period referred to

in Senior Note Condition 5.5.3, in which case the Issuer shall redeem the said Senior Notes on the second Interest Payment Date following the said Issuer Credit Rating Event, provided that in each case the relevant Senior Notes shall not be redeemed later than their Maturity Date.

5.6. Early redemption in the event of a loss of the assigned Rating of the Senior Notes

- 5.6.1. A Senior Notes Credit Rating Event shall give each Senior Noteholder the option to request the redemption by the Issuer of the Senior Notes held by it.
- 5.6.2. Promptly upon the Issuer becoming aware that a Senior Notes Credit Rating Event has occurred, the Issuer shall give notice to the Senior Noteholders in accordance with Condition 13 specifying the nature of the Senior Notes Credit Rating Event and the circumstances giving rise to it and the procedure for exercising the option contained in Senior Note Condition 5.6.1.
- 5.6.3. Upon receipt by the Senior Noteholders of the notice referred to in Senior Note Condition 5.6.2, each Senior Noteholder shall have 14 days thereafter to exercise its option contained in Senior Note Condition 5.6.1 to redeem the Senior Notes held by it, after which the said option shall expire.
- 5.6.4. Each Senior Noteholder shall exercise its option contained in Senior Note Condition 5.6.1 by delivering a written notice, in terms of Condition 13, to the Issuer to that effect. A failure by a Senior Noteholder to deliver a notice to redeem in the 14-day period described in Senior Note Condition 5.6.3 shall be deemed to be an election by such Senior Noteholder not to exercise the option contained in Senior Note Condition 5.6.1.
- 5.6.5. Upon receipt by the Issuer of the notice in Senior Note Condition 5.6.3, the Issuer shall redeem the relevant Senior Note at the Early Redemption Amount together with accrued interest (if any). Such redemption shall occur on the next Interest Payment Date following such Senior Notes Credit Rating Event unless the said Interest Payment Date falls within 60 days after the close of the 14-day period referred to in Senior Note Condition 5.6.3, in which case the Issuer shall redeem the said Senior Notes on the second Interest Payment Date following the said Senior Notes Credit Rating Event, provided that in each case the relevant Senior Notes shall not be redeemed later than their Maturity Date.

5.7. Early redemption in the event that Senior Notes are no longer listed on a Financial Exchange

- 5.7.1. If a relevant Tranche of Senior Notes listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange(s) is no longer listed on a Financial Exchange for a period of more than ten days, each Senior Noteholder

shall have the option to request the redemption by the Issuer of the Senior Notes held by it.

- 5.7.2. Promptly upon the Issuer becoming aware that the relevant Tranche of Notes listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange(s) is no longer listed on a Financial Exchange for a period of more than ten days, the Issuer shall give notice to the Senior Noteholders in accordance with Condition 13 specifying the nature of such event and the circumstances giving rise to it and the procedure for exercising the option contained in Senior Note Condition 5.7.1.
- 5.7.3. Upon receipt by the Senior Noteholders of the notice referred to in Senior Note Condition 5.7.2, each Senior Noteholder shall have 14 days thereafter to exercise its option contained in Senior Note Condition 5.7.1 to redeem the Senior Notes held by it, after which the said option shall expire.
- 5.7.4. Each Senior Noteholder shall exercise its option contained in Senior Note Condition 5.7.1 by delivering a written notice, in terms of Condition 13, to the Issuer to that effect. A failure by a Senior Noteholder to deliver a notice to redeem in the 14-day period described in Senior Note Condition 5.7.3 shall be deemed to be an election by such Senior Noteholder not to exercise the option contained in Senior Note Condition 5.7.1.
- 5.7.5. Upon receipt by the Issuer of the notice in Senior Note Condition 5.7.3, the Issuer shall redeem the relevant Senior Note(s) at the Early Redemption Amount together with accrued interest (if any). Such redemption shall occur on the next Interest Payment Date following such event unless the said Interest Payment Date falls within 60 days after the close of the 14-day period referred to in Senior Note Condition 5.7.3, in which case the Issuer shall redeem the said Senior Notes on the second Interest Payment Date following the said event, provided that in each case the relevant Senior Note(s) shall not be redeemed later than their Maturity Date.

5.8. Early redemption in the event that the Issuer is no longer listed on a Financial Exchange

- 5.8.1. If the issued share capital of the Issuer is no longer listed on a Financial Exchange for a period of more than 30 days, each Senior Noteholder shall have the option to request the redemption by the Issuer of the Senior Notes held by it.
- 5.8.2. Promptly upon the Issuer becoming aware that its issued share capital is no longer listed on a Financial Exchange, the Issuer shall give notice to the Senior Noteholders in accordance with Condition 13 specifying the nature of such



event and the circumstances giving rise to it and the procedure for exercising the option contained in Senior Note Condition 5.8.1.

5.8.3. Upon receipt by the Senior Noteholders of the notice referred to in Senior Note Condition 5.8.2, each Senior Noteholder shall have 14 days thereafter to exercise its option contained in Senior Note Condition 5.8.1 to redeem the Senior Notes held by it, after which the said option shall expire.

5.8.4. Each Senior Noteholder shall exercise its option contained in Senior Note Condition 5.8.1 by delivering a written notice, in terms of Condition 13, to the Issuer to that effect. A failure by a Senior Noteholder to deliver a notice to redeem in the 14-day period described in Senior Note Condition 5.8.3 shall be deemed to be an election by such Senior Noteholder not to exercise the option contained in Senior Note Condition 5.8.1.

5.8.5. Upon receipt by the Issuer of the notice in Senior Note Condition 5.8.3, the Issuer shall redeem the relevant Senior Note(s) at the Early Redemption Amount together with accrued interest (if any). Such redemption shall occur on the next Interest Payment Date following such event unless the said Interest Payment Date falls within 60 days after the close of the 14-day period referred to in Senior Note Condition 5.8.3, in which case the Issuer shall redeem the said Senior Notes on the second Interest Payment Date following the said event, provided that in each case the relevant Senior Note(s) shall not be redeemed later than their Maturity Date.

5.9. Early redemption at the option of the Senior Noteholders in the event of a termination, cancellation or invalidity of the Guarantee

5.9.1. If the Guarantee is terminated, cancelled or otherwise becomes invalid in respect of a Tranche of Senior Notes to which it is applicable without the prior approval by Extraordinary Resolution of the holders of those Senior Notes, any holder of those Senior Notes may for a period of 30 days following the termination, cancellation or invalidity of the Guarantee (after which the option shall expire), by written notice to the Issuer at the Specified Office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by that Senior Noteholder to be forthwith due and payable, whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement.

5.9.2. No action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any payment pursuant to Senior Note Condition 5.9.1 in order to

comply with any law or regulation of South Africa or to comply with any order of a court of competent jurisdiction.

5.10. Clean-up call option

If on any Interest Payment Date the aggregate Outstanding Nominal Amount of Senior Notes Outstanding of a Series is equal to or less than 10% of the maximum aggregate Nominal Amount of Senior Notes of that Series that have been issued at any time, the Issuer may, having given:

5.10.1. not less than 30 and not more than 60 days' notice to the Senior Noteholders in accordance with Condition 13; and

5.10.2. not less than seven days before giving the notice referred to in Senior Note Condition 5.10.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all of the Senior Notes then Outstanding in that Series, together with interest accrued up to (but excluding) the relevant Interest Payment Date.

5.11. Early Redemption Amounts

5.11.1. The Early Redemption Amount shall be calculated as follows:

5.11.1.1. in the case of Senior Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or

5.11.1.2. in the case of Senior Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Nominal Amount; or

5.11.1.3. in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:

5.11.1.3.1. the Reference Price; and

5.11.1.3.2. the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Senior Note becomes due

and payable, or such other amount as is specified in the Applicable Pricing Supplement.

5.11.2. 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, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

5.12. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Senior Note Condition 5.11.

5.13. Partly Paid Notes

If the Senior Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Senior Note Condition 5 and the Applicable Pricing Supplement.

5.14. Exchangeable Notes

If the Senior Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement. Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable Pricing Supplement as applying, or upon the exercise by the Senior Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Senior Noteholder so 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 specified in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Senior Notes.

5.15. Purchases

The Issuer or any of its subsidiaries or any subsidiaries of its holding company may at any time purchase Senior Notes at any price in the open market or otherwise subject, in the case of Senior Notes listed on the Interest Rate Market of the JSE, to the JSE Debt Listings Requirements. The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it. In the event of the Issuer purchasing Senior Notes, such Notes may (subject to restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

5.16. Cancellation

All Senior Notes which are redeemed or, subject to Senior Note Condition 5.15, purchased by the Issuer or any of its subsidiaries or any subsidiaries of its holding company and, at its election but subject to Applicable Law, cancelled, shall forthwith be cancelled and may not be reissued or resold. Where only a portion of Senior Notes represented by an Individual Certificate is cancelled, the Transfer Agent shall deliver an Individual Certificate to such Senior Noteholder in respect of the balance of the Senior Notes.

5.17. 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 Senior Note Condition 5 or upon its becoming due and repayable as provided in Senior Note Condition 6, 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 Senior Note Condition 5.11.1.3, 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) where relevant, 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 Noteholders in accordance with Condition 13.

6. **EVENTS OF DEFAULT**

6.1. If, for any particular Series of Senior Notes, one or more of the following events ("**Events of Default**") shall have occurred and be continuing:

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

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

6.1.3. the Issuer fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this Senior Note Condition 6.1) under or in respect of any of the Senior Notes giving rise to a Material Adverse Effect and such Material Adverse Effect continues for a period of 30 calendar days after receipt by the Issuer of a notice from the Senior

Noteholders (in accordance with Condition 13) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

- 6.1.4. the Issuer fails to remedy a breach of Senior Note Condition 4 within 30 calendar days of receiving written notice from the Senior Noteholders demanding that such breach be remedied; or
- 6.1.5. the Issuer or any Material Subsidiary, as the case may be, defaults in 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 Material Subsidiary, 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 Material Subsidiary, 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 if any such obligations constituting a Material Indebtedness of, or assumed or guaranteed by, the Issuer or any Material Subsidiary, 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
- 6.1.6. 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 material obligations under the Senior Notes is not in place or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer being unable to perform any of its respective payment or other obligations in terms of the Senior Notes and the Issuer fails to remedy such circumstances within seven Business Days of receiving written notice from the Senior Noteholders demanding such remedy; or
- 6.1.7. an Issuer Winding-Up occurs; or
- 6.1.8. the Issuer or any Material Subsidiary initiates or consents to judicial proceedings relating to itself under any applicable compromise with creditors, business rescue, liquidation, winding-up 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 Material Subsidiary, as the case may be, to consider a proposal for business rescue or 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

Material Subsidiaries and is for the purposes of an internal reconstruction or reorganisation within the Discovery Group; or

- 6.1.9. if a person validly attaches in execution the whole or a material part of the undertaking or assets of the Issuer or any Material Subsidiary, 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 Material Subsidiary, as the case may be, by a court of competent jurisdiction and such is not discharged within 21 Court Days; or
- 6.1.10. the Issuer or any Material Subsidiary, as the case may be, ceases to carry on the whole or a substantial part of its business, or otherwise as approved by an Extraordinary Resolution of the Senior Noteholders and the Issuer or any Material Subsidiary, as the case may be, stops payment of, or is unable to, or admits to being unable to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts (or any class of its debts) pursuant to or for the purposes of any Applicable Law; or
- 6.1.11. 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 Specified Office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Senior Notes held by that 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 Senior Note Condition 5.11, together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a holder of Senior Notes if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of South Africa or to comply with any order of a court of competent jurisdiction.

- 6.2. For the purposes of Senior Note Condition 6.1, non-payment of capital and/or interest (as applicable), pursuant to the provisions of Regulatory Capital Note Condition 4 shall not constitute an Event of Default or any other breach by the Issuer of its obligations under the Senior Notes or for any other purpose.
- 6.3. For the purposes of Senior Note Condition 6.1.5, 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.

6.4. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Senior Noteholders in accordance with Condition 13, and shall further:

6.4.1. notify (i) to the extent that there are any uncertificated Notes Outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details; and

6.4.2. if and for so long as any Notes are listed on the Interest Rate Market of the JSE, publish the details of such event on SENS and notify the JSE thereof within one Business Day of the happening of the Event of Default.

## 7. **MODIFICATION**

Subject to Condition 16.1, no amendments may be made to the Terms and Conditions of any Senior Note designated as guaranteed by the Guarantors in the Applicable Pricing Supplement without the written approval of the Guarantors.

## TERMS AND CONDITIONS OF SUBORDINATED NOTES

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*The following are the Terms and Conditions of the Subordinated Notes that are not Regulatory Capital Notes to be issued by the Issuer on or after the Programme Date. Notes will be issued in individual Tranches which, together with other Tranches, may form of a Series of Notes. Before the Issuer issues any Tranche of Subordinated Notes that are not Regulatory Capital Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (Senior Notes and Subordinated Notes), setting out the details of those Subordinated Notes. The Applicable Pricing Supplement in relation to any Tranche of Subordinated Notes that are not Regulatory Capital Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions of the Subordinated Notes that are not Regulatory Capital Notes, replace and/or modify the following Terms and Conditions of the Subordinated Notes that are not Regulatory Capital Notes for purposes of that Tranche of Notes.*

### 1. DEFINITIONS

Unless otherwise indicated:

- 1.1. capitalised terms used but not defined in this section have the meanings given to them in Condition 1 (including by reference); and
- 1.2. "**Subordinated Indebtedness**" means any indebtedness of the Issuer, including any guarantee given 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 in the event of the dissolution, winding-up or placing into liquidation of the Issuer.

### 2. STATUS OF SUBORDINATED NOTES THAT ARE NOT REGULATORY CAPITAL NOTES

- 2.1. Unless otherwise specified in the Applicable Pricing Supplement, Subordinated Notes that are not Regulatory Capital Notes constitute direct, unconditional, subordinated (on the basis set out in Subordinated Note Condition 2.2) and (subject to the provisions of Subordinated Note Condition 3) unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and, subject to Subordinated Note Condition 3 and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and subordinated obligations of the Issuer from time to time owing.
- 2.2. Subject to Applicable Law, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, wound-up or placed under business rescue (in each case other than pursuant to a solvent reconstruction of the Issuer), the claims of the holders entitled to payment of amounts due in respect of the Subordinated Notes that are not Regulatory Capital Notes shall be subordinated to all other claims in respect of any other indebtedness of the Issuer except for other Subordinated Indebtedness.



- 2.3. Subordinated Notes that are not Regulatory Capital Notes are not guaranteed by the Guarantors and Subordinated Noteholders shall have no claim against any Guarantor of any nature whatsoever. The provisions relating to the Guarantors and the Guarantee in this Programme Memorandum and the Guarantee shall not be applicable to Subordinated Noteholders and the remainder of the provisions of this Programme Memorandum shall be construed accordingly, in particular, but without limitation, Subordinated Note Condition 5.

### 3. **NEGATIVE PLEDGE**

- 3.1. For so long as no Tranche of Senior Notes remains Outstanding, the Issuer undertakes not to create or permit the creation of any Encumbrance (other than Permitted Encumbrances) over any of its present or future assets or revenues to secure any present or future Indebtedness without at the same time securing all Subordinated Notes that are not Regulatory Capital Notes equally and rateably with such Indebtedness or providing such other security as may be approved by Extraordinary Resolution of the holders of those Subordinated Notes, unless the provision of any such security is waived by an Extraordinary Resolution of the holders of those Subordinated Notes.
- 3.2. The Issuer shall be entitled but not obliged, to form, or procure the formation of, one or more special purpose vehicle companies, a trust or trusts 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.
- 3.3. This Subordinated Note Condition 3 shall be *pro non scripto* at all times that any Tranche of Senior Notes remains Outstanding.

### 4. **REDEMPTION AND PURCHASE**

#### 4.1. Redemption at Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Subordinated Note that is not a Regulatory Capital 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.

#### 4.2. Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law

- 4.2.1. If so specified in the Applicable Pricing Supplement, the Issuer may redeem any Notes of any Tranche of Subordinated Notes:

- 4.2.1.1. at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or
- 4.2.1.2. on any Interest Payment Date (if the Floating Rate Note provisions or the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Subordinated Noteholders and to the Transfer Agent and the Issuer Agent in accordance with Condition 13 (which notice shall be irrevocable), at their Early Redemption Amount together with interest (if any) to the date fixed for redemption, following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law, provided, however, that no such notice of redemption shall be given earlier than:

- 4.2.1.3. where the Subordinated Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Subordinated Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be; or
  - 4.2.1.4. where the Subordinated Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Subordinated Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be.
- 4.2.2. Prior to the publication of any notice of redemption pursuant to this Subordinated Note Condition 4.2, the Issuer shall deliver to the Transfer Agent and the Issuer Agent (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal or tax advisers (as appropriate) of recognised standing to the effect that a Tax Event (Gross up),

Tax Event (Deductibility) and/or Change in Law, as the case may be, has occurred.

- 4.2.3. Upon the expiry of any such notice as is referred to in this Subordinated Note Condition 4.2, the Issuer shall be bound to redeem the Notes in accordance with this Subordinated Note Condition 4.2.

4.3. Early redemption at the option of the Issuer

- 4.3.1. If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given:

4.3.1.1. not less than 30 and not more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Subordinated Noteholders in accordance with Condition 13; and

4.3.1.2. not less than seven days before giving the notice referred to in Subordinated Note Condition 4.3.1.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all or, if so specified in the Applicable Pricing Supplement, some of the Subordinated Notes 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 up to (but excluding) the Optional Redemption Date(s).

- 4.3.2. Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement, if applicable. In the case of a partial redemption of Subordinated Notes, the Subordinated Notes to be redeemed ("**Redeemable Notes**") will be selected:

4.3.2.1. in the case of Redeemable Notes represented by Individual Certificates, individually by lot; and

4.3.2.2. in the case of Redeemable Notes issued in uncertificated form, in accordance with the Applicable Procedures,

and in each such case not more than 30 days prior to the date fixed for redemption (such date of selection, the "**Selection Date**").

- 4.3.3. In the case of Redeemable Notes represented by Individual Certificates, a list of the serial numbers of such Individual Certificates will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.
- 4.3.4. No exchange of the relevant Subordinated Notes held in uncertificated form will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Subordinated Note Condition 4.3 and notice to that effect shall be given by the Issuer to the Subordinated Noteholders in the notice to Subordinated Noteholders contemplated in Subordinated Note Condition 4.3.1.1.
- 4.3.5. Holders of Redeemable Notes shall surrender the Individual Certificates in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Subordinated Notes represented by such Individual Certificates is redeemed, the Transfer Agent shall deliver new Individual Certificates to such Subordinated Noteholders in respect of the balance of the Subordinated Notes.

4.4. Clean-up call option

If on any Interest Payment Date the aggregate Outstanding Nominal Amount of Subordinated Notes Outstanding of a Series is equal to or less than 10% of the maximum aggregate Nominal Amount of Subordinated Notes of that Series that have been issued at any time, the Issuer may, having given:

- 4.4.1. not less than 30 and not more than 60 days' notice to the Subordinated Noteholders in accordance with Condition 13; and
- 4.4.2. not less than seven days before giving the notice referred to in Subordinated Note Condition 4.4.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all of the Subordinated Notes then Outstanding in that Series, together with interest accrued up to (but excluding) the relevant Interest Payment Date.

4.5. Early Redemption Amounts

- 4.5.1. The Early Redemption Amount shall be calculated as follows:
- 4.5.1.1. in the case of Subordinated Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or

4.5.1.2. in the case of Subordinated Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Nominal Amount; or

4.5.1.3. in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of:

4.5.1.3.1. the Reference Price; and

4.5.1.3.2. the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Subordinated Note becomes due and payable, or such other amount as is specified in the Applicable Pricing Supplement.

4.5.2. 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, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 4.6. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Subordinated Note Condition 4.5.

#### 4.7. Partly Paid Notes

If the Subordinated Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Subordinated Note Condition 4 and the Applicable Pricing Supplement.

#### 4.8. Exchangeable Notes

If the Subordinated Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement. Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable Pricing Supplement as applying, or upon the exercise by the Subordinated

Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Subordinated Noteholder so 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 specified in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Subordinated Notes.

4.9. Purchases

The Issuer or any of its subsidiaries or any subsidiaries of its holding company may at any time purchase Subordinated Notes at any price in the open market or otherwise subject, in the case of Subordinated Notes listed on the Interest Rate Market of the JSE, to the JSE Debt Listings Requirements. The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it. In the event of the Issuer purchasing Subordinated Notes, such Notes may (subject to restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

4.10. Cancellation

All Subordinated Notes which are redeemed or, subject to Subordinated Note Condition 4.9, purchased by the Issuer or any of its subsidiaries or any subsidiaries of its holding company and, at its election but subject to Applicable Law, cancelled, shall forthwith be cancelled and may not be reissued or resold. Where only a portion of Subordinated Notes represented by an Individual Certificate is cancelled, the Transfer Agent shall deliver an Individual Certificate to such Subordinated Noteholder in respect of the balance of the Subordinated Notes.

4.11. Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note, pursuant to Subordinated Note Condition 4 or upon its becoming due and repayable as provided in Subordinated Note Condition 5, 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 Subordinated Note Condition 4.5.1.3, 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) where relevant, 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 Noteholders in accordance with Condition 13.

5. **EVENTS OF DEFAULT**

5.1. If the Issuer defaults in relation to Subordinated Notes that are not Regulatory Capital Notes in the payment of any amount payable in respect of such Notes, and such default continues

for a period of seven Business Days after receiving written notice from any of the holders of Subordinated Notes, or if an Issuer Winding-Up 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 or winding up proceedings (see Subordinated Note Condition 5.2), to pay any sum or sums sooner than the same would otherwise have been payable by it.

- 5.2. In the event of the winding-up or liquidation, whether finally or provisionally, 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 that are not Regulatory Capital 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 Senior Creditors of the Issuer have been paid in full.
- 5.3. For so long as no Tranche of Senior Notes remains Outstanding, the provisions of Senior Note Condition 6.1 (read with Senior Note Conditions 6.2 and 6.3) shall apply *mutatis mutandis* to the Subordinated Notes that are not Regulatory Capital Notes.
- 5.4. For the purposes of Subordinated Note Conditions 5.1 to 5.3, non-payment of capital and/or interest (as applicable), pursuant to the provisions of Regulatory Capital Note Condition 4 shall not constitute an Event of Default or any other breach by the Issuer of its obligations under the Senior Notes or for any other purpose.
- 5.5. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Subordinated Noteholders in accordance with Condition 13, and shall further:
  - 5.5.1. notify (i) to the extent that there are any uncertificated Notes Outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details; and
  - 5.5.2. if and for so long as any Notes are listed on the Interest Rate Market of the JSE, publish the details of such event on SENS and notify the JSE thereof within one Business Day of the happening of the Event of Default.

## TERMS AND CONDITIONS OF REGULATORY CAPITAL NOTES

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*The following are the Terms and Conditions of Regulatory Capital Notes to be issued by the Issuer on or after the Programme Date. Notes will be issued in individual Tranches which, together with other Tranches, may form of a Series of Notes. Before the Issuer issues any Tranche of Regulatory Capital Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the pro forma Applicable Pricing Supplement (Regulatory Capital Notes), setting out the details of those Regulatory Capital Notes. The Applicable Pricing Supplement in relation to any Tranche of Regulatory Capital Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions of the Regulatory Capital Notes, replace and/or modify the following Terms and Conditions of the Regulatory Capital Notes for purposes of that Tranche of Notes.*

### 1. DEFINITIONS

Unless otherwise indicated:

- 1.1. capitalised terms used but not defined in this section have the meanings given to them in Condition 1 (including by reference); and
- 1.2. the following capitalised terms have the following meanings:
  - 1.2.1. “**Arrears Interest**” means any interest on Regulatory Capital Notes not paid on a Regulatory Deficiency Interest Deferral Date as a result of a Regulatory Deficiency Interest Deferral Event, to the extent and so long as that interest remains unpaid;
  - 1.2.2. “**Assets**” means the unconsolidated gross assets of the Issuer as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingencies and subsequent events, all in such manner as the directors of the Issuer may determine;
  - 1.2.3. “**Capital Disqualification Event**” means an event that shall be deemed to have occurred, subject to Regulatory Capital Note Condition 5.4, if under any Regulatory Capital Requirement the Regulatory Capital Notes are no longer or will no longer qualify as capital for purposes of the capital adequacy requirement applicable to the Issuer under the Regulatory Capital Requirement;
  - 1.2.4. “**Capital Disqualification Event Redemption Date**” means in relation to the redemption of a Tranche of Regulatory Capital Notes pursuant to Regulatory Capital Note Condition 5.4, the date stipulated as the date for early redemption of that Tranche of Regulatory Capital Notes in the notice of redemption given by the Issuer in terms of Regulatory Capital Note Condition 5.4;



- 1.2.5. “**Deferral Notice**” means in relation to a Tranche of Regulatory Capital Notes (subject to Regulatory Capital Note Condition 4), the notice of the deferral of the due date for payment of any principal (or portion thereof) and/or any interest (or portion thereof) payable in respect of that Tranche of Regulatory Capital Notes, given by the Issuer to the Regulatory Capital Noteholders of that Tranche in accordance with Condition 13;
- 1.2.6. “**Deferred Payment Amount**” means in relation to a Tranche of Regulatory Capital Notes, the amount of principal (or portion thereof) and/or interest (or portion thereof), payment of which is to be deferred pursuant to Regulatory Capital Note Condition 4;
- 1.2.7. “**Deferred Payment Date**” means the deferred date of payment of any amount pursuant to Regulatory Capital Note Condition 4;
- 1.2.8. “**Junior Creditors**” means creditors of the Issuer whose claims rank or are expressed to rank junior to the claims of the Regulatory Capital Noteholders;
- 1.2.9. “**Junior Obligations**” means obligations that will be subordinated to claims of all Senior Creditors but shall rank in priority to:
- 1.2.9.1. the claims of holders of:
- 1.2.9.1.1. any subordinated obligations of the Issuer which rank or are expressed to rank junior to the Regulatory Capital Notes; or
- 1.2.9.1.2. all obligations of the Issuer which constitute, and all claims relating to a guarantee of, or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of, any obligations of any other person which constitute, or would but for any applicable limitation on the amount of such capital constitute Tier 1 Capital (including, without limitation, by virtue of the operation of any applicable grandfathering provisions under the Relevant Rules) and all obligations which rank or are expressed to rank *pari passu* with those obligations; and
- 1.2.9.2. the claims of shareholders of the Issuer (under any applicable legislation relating to the winding-up of insurers) in their capacity as shareholders of the Issuer;

- 1.2.10. **“Liabilities”** means the unconsolidated gross liabilities of the Issuer as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events, all in the manner as the directors of the Issuer may determine;
- 1.2.11. **“Parity Creditors”** means creditors of the Issuer whose claims rank or are expressed to rank *pari passu* with the claims of the Regulatory Capital Noteholders;
- 1.2.12. **“Parity Obligations”** means obligations that will be subordinated to claims of all Senior Creditors but shall rank at least *pari passu* with the claims of holders:
- 1.2.12.1. of all other subordinated obligations of the Issuer which constitute, and all claims relating to a guarantee of, or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of, any obligations of any other person which constitute, or would but for any applicable limitation on the amount or such capital constitute, Tier 2 Capital including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules or Tier 2 Capital; and
- 1.2.12.2. all obligations which rank, or are expressed to rank, *pari passu* with those obligations;
- 1.2.13. **“Qualifying Tier 2 Securities”** means securities that have terms not materially less favourable to an investor than the terms of the Regulatory Capital Notes (as reasonably determined by the Issuer in consultation with an independent auditor of international standing), provided that they shall:
- 1.2.13.1. contain terms which comply with then-current requirements of the Regulator in relation to Tier 2 Capital;
- 1.2.13.2. bear at least the same rate of interest from time to time applying to the Regulatory Capital Notes and preserve the same Interest Payment Dates;
- 1.2.13.3. preserve the obligations of the Issuer as to redemption of the Regulatory Capital Notes, including as to the timing of, and amounts payable upon redemption of the Notes;
- 1.2.13.4. preserve any existing rights under the Regulatory Capital Note Conditions to any accrued interest, any Arrears Interest and any other

- amounts payable under the Regulatory Capital Notes which, in each case, have accrued to Noteholders but have not been paid;
- 1.2.13.5. do not include any provisions which require the write off or write down of any principal amount payable on those securities or conversion of those securities into equity; and
- 1.2.13.6. be listed on the Interest Rate Market of the JSE;
- 1.2.14. **“Regulatory Capital Requirement”** means any regulatory capital requirements as prescribed in the Relevant Rules;
- 1.2.15. **“Regulatory Clearance Condition”** means in respect of any proposed act on the part of the Issuer, the Regulator having consented to or having been given due notice of and not having objected within any applicable timeframe to that act (in any case only if and to the extent that consent or non-objection is required by the Regulator) or any applicable rules of the Regulator at the relevant time;
- 1.2.16. **“Regulatory Deficiency Interest Deferral Date”** means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date;
- 1.2.17. **“Regulatory Deficiency Interest Deferral Event”** means:
- 1.2.17.1. any event (including an event resulting in the Issuer’s regulatory capital (howsoever described under the Relevant Rules) being insufficient to comply with the Regulatory Capital Requirement applicable to the Issuer, or if the Issuer’s regulatory capital, as a result of any interest payment under the Regulatory Capital Notes that would otherwise be due on that date, would be insufficient to comply with the Regulatory Capital Requirement applicable to the Issuer) which under the Relevant Rules would require the Issuer to defer payment in respect of interest under the Regulatory Capital Notes; or
- 1.2.17.2. a failure to comply with the Solvency Condition; or
- 1.2.17.3. the Regulator having notified the Issuer in writing that it has determined in accordance with the Relevant Rules at such time that the Issuer must defer a payment in respect of interest under the Regulatory Capital Notes and not having revoked that notification;

- 1.2.18. **“Regulatory Deficiency Redemption Deferral Event”** means:
- 1.2.18.1. any event (including an event resulting in the Issuer’s regulatory capital (howsoever described under the Relevant Rules) being insufficient to comply with the Regulatory Capital Requirement applicable to the Issuer, or if the Issuer’s regulatory capital, as a result of any repayment or redemption under the Regulatory Capital Notes that would otherwise be due on that date, would be insufficient to comply with the Regulatory Capital Requirement applicable to the Issuer) which under the Relevant Rules would require the Issuer to defer or suspend repayment or redemption under the Regulatory Capital Notes; or
  - 1.2.18.2. a failure to comply with the Solvency Condition; or
  - 1.2.18.3. the Regulator having notified the Issuer in writing that it has determined in accordance with the Relevant Rules at such time that the Issuer must defer making a payment under the Regulatory Capital Notes in respect of a scheduled redemption or redemption of Regulatory Capital Notes and not having revoked that notification;
- 1.2.19. **“Regulatory Instrument”** means a regulatory instrument as defined in the Financial Sector Regulation Act, which includes the Prudential Standards issued by the Regulator pursuant to the Insurance Act;
- 1.2.20. **“Relevant Rules”** means any legislation, Regulatory Instruments, rules or regulations (whether having the force of law or otherwise) implementing any Regulatory Capital Requirement in South Africa and/or relating to the characteristics, features or criteria of own funds or capital resources and the requirement to retain capital resources in excess of a prescribed capital resources requirement under South African law, including the Insurance Act, and any legislation, rules or regulations relating to such matters which are supplementary or extraneous to the obligations imposed under those provisions;
- 1.2.21. **“Solvency Condition”** means, in relation to a payment under or arising from the Regulatory Capital Notes, the Issuer being solvent at the time for that payment and immediately thereafter. The Issuer will be **“solvent”** for purposes of this Regulatory Capital Note Condition if:
- 1.2.21.1. it is able to pay its debts owed to Senior Creditors and Parity Creditors as they fall due; or

1.2.21.2. its Assets exceed its Liabilities (other than Liabilities to persons in their capacity as Junior Creditors);

1.2.22. “**Tier 1 Capital**” has the meaning given to it for purposes of the Relevant Rules; and

1.2.23. “**Tier 2 Capital**” has the meaning given to it for purposes of the Relevant Rules.

## 2. STATUS OF REGULATORY CAPITAL NOTES

- 2.1. Regulatory Capital Notes constitute direct, unconditional, subordinated (on the basis set out in Regulatory Capital Note Condition 2.2) and unsecured obligations of the Issuer which will at all times rank *pari passu* without preference or priority among themselves and save for certain debts required to be preferred by law, rank equally with all other present and future unsecured and subordinated obligations of the Issuer from time to time owing.
- 2.2. Subject to Applicable Laws, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, wound-up or placed under business rescue (in each case other than pursuant to a solvent reconstruction of the Issuer), the claims of the Regulatory Capital Noteholders entitled to payment of amounts due in respect of the Regulatory Capital Notes shall be subordinated to all claims of Senior Creditors in respect of any other indebtedness of the Issuer but shall rank (i) at least *pari passu* with all Parity Obligations and (ii) in priority to all Junior Obligations, to the extent that, in any such event no amount shall be eligible for setting-off or shall be payable to any or all of the Regulatory Capital Noteholders entitled to payment of amounts due in respect of the Regulatory Capital Notes in respect of the obligations of the Issuer under those Notes until all other indebtedness of the Issuer which is admissible in any such dissolution, insolvency, business rescue or winding-up (other than indebtedness in respect of Parity Obligations) has been paid or discharged in full. Accordingly, in the event of the dissolution of the Issuer or if the Issuer is placed into liquidation, wound-up or placed under business rescue (in each case other than pursuant to a solvent reconstruction of the Issuer), the Regulatory Capital Noteholders will be entitled to be paid all amounts due and payable under and pursuant to the Regulatory Capital Notes only if all claims of Senior Creditors which are then due and payable have been settled by the Issuer in full.
- 2.3. The Regulatory Capital Notes will not be subordinated to any categories of share capital of the Issuer.
- 2.4. Regulatory Capital Notes are not guaranteed by the Guarantors and Regulatory Capital Noteholders shall have no claim against any Guarantor of any nature whatsoever. The provisions relating to the Guarantors and the Guarantee in this Programme Memorandum and the Guarantee shall not be applicable to Regulatory Capital Noteholders and the remainder of the provisions of this Programme Memorandum shall be construed accordingly.

### 3. SET-OFF

Subject to Applicable Law, no Regulatory Capital Noteholder, may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Regulatory Capital Notes and each Regulatory Capital Noteholder shall, by virtue of being the holder of any Regulatory Capital Note be deemed to have waived all such rights of set-off, compensation or retention.

### 4. DEFERRAL OF PAYMENT

#### 4.1. Deferral of Principal

4.1.1. If a Regulatory Deficiency Redemption Deferral Event has occurred in relation to a Tranche of Regulatory Capital Notes, requiring the Issuer to defer the due date for payment of any principal (or portion thereof) payable in respect of such Regulatory Capital Notes, the Issuer shall, by giving a Deferral Notice to the holders of Regulatory Capital Notes in that Tranche within ten Business Days of the Regulatory Deficiency Redemption Deferral Event, defer the due date for payment of such principal (or portion thereof) for such period, and if applicable, subject to such conditions, as may be prescribed by the Regulator.

4.1.2. The Deferral Notice shall specify the Deferred Payment Amount and (if a defined period is prescribed by the Regulator) the Deferred Payment Date. On the giving of a Deferral Notice specifying a Deferred Payment Date, the due date for payment of the Deferred Payment Amount shall be deferred to the Deferred Payment Date. On the giving of a Deferral Notice which does not specify a Deferred Payment Date, the due date for payment of the Deferred Payment Amount shall be deferred to such date in the future on which the Regulator confirms to the Issuer in writing that amounts, the payment of which had previously been deferred pursuant to this Regulatory Capital Note Condition 4.1, may be paid to the Regulatory Capital Noteholders. The Issuer shall not be obliged to make payment of the Deferred Payment Amount on the date upon which such Deferred Payment Amount, in the absence of this Regulatory Capital Note Condition 4.1, would otherwise have become due and payable, and a deferral of payment in terms of this Regulatory Note Condition 4.1 shall not constitute an Event of Default.

4.1.3. Interest will continue to accrue on the Deferred Payment Amount, at the Interest Rate applicable to the relevant Tranche of Regulatory Capital Notes, from and including the date upon which such Deferred Payment Amount, in the absence of this Regulatory Capital Note Condition 4.1, would otherwise have become due and payable, to but excluding the Deferred Payment Date.

#### 4.2. Deferral of Interest

- 4.2.1. If on any Interest Payment Date a Regulatory Deficiency Interest Deferral Event has occurred or would occur, the payment of interest in respect of the Regulatory Capital Notes otherwise falling due on such date shall be deferred.
- 4.2.2. The Issuer shall notify the Regulatory Capital Noteholders of the existence of a Regulatory Deficiency Interest Deferral Event by delivering a Deferral Notice not less than five Business Days prior to the relevant Regulatory Deficiency Interest Deferral Date. Non-payment of interest pursuant to this Regulatory Capital Note Condition 4.2 shall not constitute an Event of Default or any other breach by the Issuer of its obligations under the Regulatory Capital Notes or for any other purpose. Interest will continue to accrue on any amount of interest deferred in accordance with this Regulatory Capital Note Condition 4.2 at the Interest Rate applicable to that Tranche of Regulatory Capital Notes until the date the amount of interest so deferred is paid.
- 4.2.3. Arrears Interest will only become payable by the Issuer subject to (i) a Regulatory Deficiency Interest Deferral Event no longer applying and (ii) satisfaction of the Regulatory Clearance Condition.
- 4.2.4. All Deferred Payment Amounts which remain unpaid upon the dissolution, winding-up or liquidation of or the implementation of business rescue proceedings in relation to the Issuer shall forthwith become due and payable upon the occurrence of any of the foregoing events. If more than one Deferred Payment Amount remains unpaid, payment in part thereof shall be made to the relevant Regulatory Capital Noteholders *pro rata* according to the proportion which each Deferred Payment Amount bears to the aggregate of all of the Deferred Payment Amounts in respect of all Regulatory Capital Notes Outstanding.

### 5. **REDEMPTION AND PURCHASE**

#### 5.1. Redemption at Maturity

Unless:

- 5.1.1. previously redeemed or purchased and cancelled as specified below; or
- 5.1.2. a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing,

each Regulatory Capital 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.

5.2. Redemption following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law

5.2.1. Subject to the written consent of the Regulator (if required), if so specified in the Applicable Pricing Supplement, the Issuer may redeem any Notes of any Tranche of Regulatory Capital Notes:

5.2.1.1. at any time (if neither the Floating Rate Note provisions nor the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable or, if they are, such provisions are not applicable at the time of redemption); or

5.2.1.2. on any Interest Payment Date (if the Floating Rate Note provisions or the Indexed Note provisions are specified in the Applicable Pricing Supplement as being applicable and are applicable at the time of redemption),

on giving not less than 30 nor more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Regulatory Capital Noteholders and to the Transfer Agent and the Issuer Agent in accordance with Condition 13 (which notice shall be irrevocable), at their Early Redemption Amount together with interest (if any) to the date fixed for redemption, following the occurrence of a Tax Event (Gross up) or Tax Event (Deductibility) or Change in Law, provided, however, that no such notice of redemption shall be given earlier than:

5.2.1.3. where the Regulatory Capital Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Regulatory Capital Notes then due) or would not be entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be; or

5.2.1.4. where the Regulatory Capital Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts (were a payment in respect of the Regulatory Capital Notes then due) or would not be



entitled (or such entitlement is materially reduced) to claim a deduction in respect of computing its taxation liabilities, as the case may be.

5.2.2. Prior to the publication of any notice of redemption pursuant to this Regulatory Capital Note Condition 5.2, the Issuer shall deliver to the Transfer Agent and the Issuer Agent (i) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal or tax advisers (as appropriate) of recognised standing to the effect that a Tax Event (Gross up), Tax Event (Deductibility) and/or Change in Law, as the case may be, has occurred.

5.2.3. Upon the expiry of any such notice as is referred to in this Regulatory Capital Note Condition 5.2, the Issuer shall be bound to redeem the Notes in accordance with this Regulatory Capital Note Condition 5.2.

5.3. Early redemption at the option of the Issuer

5.3.1. Subject to the written consent of the Relevant Regulator (if required), if the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given:

5.3.1.1. not less than 30 and not more than 60 days' (or such other notice period specified in the Applicable Pricing Supplement) notice to the Regulatory Capital Noteholders in accordance with Condition 13; and

5.3.1.2. not less than seven days before giving the notice referred to in Regulatory Capital Note Condition 5.3.1.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all or, if so specified in the Applicable Pricing Supplement, some of the Regulatory Capital Notes 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 up to (but excluding) the Optional Redemption Date(s).

5.3.2. Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement, if applicable. In the case of a partial redemption of Regulatory Capital Notes, the

Regulatory Capital Notes to be redeemed (“**Redeemable Notes**”) will be selected:

5.3.2.1. in the case of Redeemable Notes represented by Individual Certificates, individually by lot; and

5.3.2.2. in the case of Redeemable Notes issued in uncertificated form, in accordance with the Applicable Procedures,

and in each such case not more than 30 days prior to the date fixed for redemption (such date of selection, the “**Selection Date**”).

5.3.3. In the case of Redeemable Notes represented by Individual Certificates, a list of the serial numbers of such Individual Certificates will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption.

5.3.4. No exchange of the relevant Regulatory Capital Notes held in uncertificated form will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this Regulatory Capital Note Condition 5.3 and notice to that effect shall be given by the Issuer to the Regulatory Capital Noteholders in the notice to Regulatory Capital Noteholders contemplated in Regulatory Capital Note Condition 5.3.1.1.

5.3.5. Holders of Redeemable Notes shall surrender the Individual Certificates in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Regulatory Capital Notes represented by such Individual Certificates is redeemed, the Transfer Agent shall deliver new Individual Certificates to such Regulatory Capital Noteholders in respect of the balance of the Regulatory Capital Notes.

5.4. Early redemption/substitution/variation following the occurrence of a Capital Disqualification Event

5.4.1. The Issuer may at its option (but subject to the prior written consent of the Regulator) on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 13, which notice shall be irrevocable:

5.4.1.1. redeem all (but not some only) of the Regulatory Capital Notes on the Capital Disqualification Event Redemption Date; or

5.4.1.2. substitute all the Regulatory Capital Notes for, or vary the terms of the Regulatory Capital Notes so that they become or remain,

Qualifying Tier 2 Securities, subject to the approval of the Regulatory Capital Noteholders by Extraordinary Resolution,

if a Capital Disqualification Event has occurred and is continuing and in each case if prior to the giving of such notice, the Auditors have in accordance with Regulatory Capital Note Conditions 5.4.4 and 5.4.5 determined that a Capital Disqualification Event has occurred and is continuing.

- 5.4.2. Regulatory Capital Notes redeemed as a result of a Capital Disqualification Event pursuant to Regulatory Capital Note Condition 5.4.1.1 will be redeemed at their Early Redemption Amount referred to in Regulatory Capital Note Condition 5.6, together (if appropriate) with interest accrued to (but excluding) the Capital Disqualification Event Redemption Date.
- 5.4.3. From the date of publication of any notice pursuant to Regulatory Capital Note Condition 5.4.1, the Issuer shall make available at its Specified Office, for inspection by any holder of Regulatory Capital Notes to be redeemed, substituted or varied, a certificate signed by or on behalf of the Auditors stating that a Capital Disqualification Event has occurred and is continuing as at the date of the certificate.
- 5.4.4. If in the opinion of the Issuer, a Capital Disqualification Event has occurred and is continuing and the Issuer wishes to redeem, substitute or vary a Tranche of Regulatory Capital Notes pursuant to this Regulatory Capital Note Condition 5.4, the Issuer will forthwith notify its Auditors thereof. Forthwith after receipt of such notice by the Auditors, the Issuer will procure that its Auditors determine, in accordance with this Regulatory Capital Note Condition 5.4, whether or not, in the reasonable opinion of the Auditors, a Capital Disqualification Event has occurred and is continuing (the "**Determination**"). The Issuer will, promptly after demand therefor is made by its Auditors, provide the Auditors with all such information and documents as may reasonably be required by the Auditors to make the Determination.
- 5.4.5. For purposes of making the Determination, the Auditors may without independent investigation:
  - 5.4.5.1. assume that any representation made or information provided by any person (other than the Auditors) in connection with any Relevant Rule, the Issuer, the Discovery Group, the Regulatory Capital Notes and this Programme Memorandum is true and accurate as at the date of such representation or information, unless the Auditors have actual knowledge to the contrary or do not believe, in

good faith, that such representation or information is true and accurate;

5.4.5.2. assume that any document presented to the Auditors which the Auditors believe in good faith to be genuine is what it purports to be, is valid and was duly authorised and executed, unless the Auditors have actual knowledge to the contrary or do not believe, in good faith, that such document is genuine, valid and duly authorised and executed; and

5.4.5.3. rely as to any matters of fact which can reasonably be expected to be within the knowledge of any person referred to in Regulatory Capital Note Condition 5.4.5.1 or of the author (or ostensible author) of any document referred to in Regulatory Capital Note Condition 5.4.5.2,

and the Auditors will incur no liability of whatsoever nature to any person in making any assumption pursuant to Regulatory Capital Note Condition 5.4.5.1 and/or Regulatory Capital Note Condition 5.4.5.2 and/or in relying on any matters of fact pursuant to Regulatory Capital Note Condition 5.4.5.3.

5.4.6. The Auditors will, as soon as practicable after having made the Determination, notify the Issuer of the Determination. The Determination (with the exception, in the making of the Determination, of manifest error, allegations of dishonesty, gross negligence, wilful breach of trust or breach of contract by the Auditors) shall be conclusive and shall bind the Auditors, the Issuer and the Regulatory Capital Noteholders.

5.5. Clean-up call option

Subject to the written consent of the Regulator (if required), if on any Interest Payment Date the aggregate Outstanding Nominal Amount of Regulatory Capital Notes Outstanding of a Series is equal to or less than 10% of the maximum aggregate Nominal Amount of Regulatory Capital Notes of that Series that have been issued at any time, the Issuer may, having given:

5.5.1. not less than 30 and not more than 60 days' notice to the Regulatory Capital Noteholders in accordance with Condition 13; and

5.5.2. not less than seven days before giving the notice referred to in Regulatory Capital Note Condition 5.5.1, notice to the Transfer Agent and the Issuer Agent,

(both of which notices shall be irrevocable) redeem all of the Regulatory Capital Notes then Outstanding in that Series, together with interest accrued up to (but excluding) the relevant Interest Payment Date.

#### 5.6. Early Redemption Amounts

5.6.1. The Early Redemption Amount shall be calculated as follows:

5.6.1.1. in the case of Regulatory Capital Notes with a Final Redemption Amount equal to the Nominal Amount, at the Final Redemption Amount thereof; or

5.6.1.2. in the case of Regulatory Capital Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price, to be determined in the manner specified in the Applicable Pricing Supplement, at that Final Redemption Amount or, if no such amount or manner is so specified in the Applicable Pricing Supplement, at their Nominal Amount; or

5.6.1.3. in the case of Zero Coupon Notes, at an amount (the “**Amortised Face Amount**”) equal to the sum of:

5.6.1.3.1. the Reference Price; and

5.6.1.3.2. the product of the Implied Yield (compounded semi-annually) being applied to the Reference Price from (and including) the Issue Date up to (but excluding) the date fixed for redemption or, as the case may be, the date upon which such Regulatory Capital Note becomes due and payable, or such other amount as is specified in the Applicable Pricing Supplement.

5.6.2. 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, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

#### 5.7. Instalment Notes

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Regulatory Capital Note Condition 5.6.

5.8. Partly Paid Notes

If the Regulatory Capital Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Regulatory Capital Note Condition 5 and the Applicable Pricing Supplement.

5.9. Exchangeable Notes

If the Regulatory Capital Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner specified in the Applicable Pricing Supplement. Exchangeable Notes, in respect of which Mandatory Exchange is specified in the Applicable Pricing Supplement as applying, or upon the exercise by the Regulatory Capital Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Regulatory Capital Noteholder so 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 specified in the Applicable Pricing Supplement shall constitute the *in specie* redemption in full of such Regulatory Capital Notes.

5.10. Purchases

The Issuer or any of its subsidiaries or any subsidiaries of its holding company may at any time purchase Regulatory Capital Notes at any price in the open market or otherwise subject, in the case of Regulatory Capital Notes listed on the Interest Rate Market of the JSE, to the JSE Debt Listings Requirements. The Issuer shall not have any voting rights on any Notes repurchased or otherwise held by it. In the event of the Issuer purchasing Regulatory Capital Notes, such Notes may (subject to restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

5.11. Cancellation

All Regulatory Capital Notes which are redeemed or, subject to Regulatory Capital Note Condition 5.10, purchased by the Issuer or any of its subsidiaries or any subsidiaries of its holding company and, at its election but subject to Applicable Law, cancelled, shall forthwith be cancelled and may not be reissued or resold. Where only a portion of Regulatory Capital Notes represented by an Individual Certificate is cancelled, the Transfer Agent shall deliver an Individual Certificate to such Regulatory Capital Noteholder in respect of the balance of the Regulatory Capital Notes.

5.12. 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 Regulatory Capital Note Condition 5 or upon its becoming due and repayable as provided in Regulatory Capital Note Condition 6, 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 Regulatory Capital Note Condition 5.6.1.3, 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) where relevant, 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 Noteholders in accordance with Condition 13.

## 6. EVENTS OF DEFAULT

- 6.1. If the Issuer defaults in relation to Regulatory Capital Notes in the payment of any amount payable in respect of such Notes (subject to Regulatory Capital Note Condition 4), and such default continues for a period of seven Business Days after receiving written notice from any of the holders of Regulatory Capital Notes, or if an Issuer Winding-Up occurs, any holder of a Regulatory Capital 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 Regulatory Capital Notes, provided that the Issuer shall not be obliged, save in the case of liquidation or winding up proceedings (see Regulatory Capital Note Condition 6.2), to pay any sum or sums sooner than the same would otherwise have been payable by it.
- 6.2. In the event of the winding-up or liquidation, whether finally or provisionally, 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 Regulatory Capital Notes issued by the Issuer may by written notice to the Issuer at its registered office and the Regulator, require that its Regulatory Capital Notes are (subject to the prior written consent of the Regulator) immediately due and repayable at their Early Redemption Amount together with the accrued interest to the date of payment, save that the Noteholders of Regulatory Capital Notes may only receive payment once all the Senior Creditors of the Issuer have been paid in full.
- 6.3. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Regulatory Capital Noteholders in accordance with Condition 13, and shall further:
  - 6.3.1. notify (i) to the extent that there are any uncertificated Notes Outstanding, the CSD and (ii) if and for so long as any Notes are listed on a Financial Exchange, such Financial Exchange, of such details; and

- 6.3.2. if and for so long as any Notes are listed on the Interest Rate Market of the JSE, publish the details of such event on SENS and notify the JSE thereof within one Business Day of the happening of the Event of Default.

## 7. **MODIFICATION**

If required, the Issuer shall obtain the prior approval of the Regulator before effecting any amendments to the Terms and Conditions of any Regulatory Capital Notes.



**PRO FORMA APPLICABLE PRICING SUPPLEMENT (SENIOR NOTES AND SUBORDINATED NOTES)**

*Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Senior Notes or Subordinated Notes that are not Regulatory Capital Notes issued under the Programme:*

**DISCOVERY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1999/007789/06)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

**[unconditionally and irrevocably guaranteed, jointly and severally by**

**DISCOVERY HEALTH PROPRIETARY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1997/013480/07)

and

**DISCOVERY VITALITY PROPRIETARY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1999/007736/07)]

**[Bond code]**

This document constitutes the Applicable Pricing Supplement relating to the issue of the [Senior Notes]/[Subordinated Notes] described herein. Unless otherwise indicated, capitalised terms used but not defined in this Applicable Pricing Supplement have the meanings given to them in the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Note Programme Memorandum dated 24 May 2022 (the "**Programme Memorandum**"). This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. 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                         | Discovery Limited |
| 2. | Specified Office of the Issuer | [•]               |

3.	[Guarantor]	Discovery Health Proprietary Limited
4.	[Specified Office of the Guarantor]	[•]
5.	[Guarantor]	Discovery Vitality Proprietary Limited
6.	[Specified Office of the Guarantor]	[•]
7.	Arranger	[•]
8.	If non-syndicated, Dealer(s)	[•]
9.	If syndicated, managers	[•]
10.	Debt Sponsor	[•]
11.	Specified Office of the Debt Sponsor	[•]
12.	Issuer Agent	[•]
13.	Specified Office of the Issuer Agent	[•]
14.	Transfer Agent	[•]
15.	Specified Office of the Transfer Agent	[•]
16.	Stabilising manager (if any)	[•]
17.	Specified Office of the stabilising manager	[•]

#### PROVISIONS RELATING TO THE NOTES

18.	Status of Notes	[Senior Note (see Senior Note Condition 2)]/[Subordinated Note (see Subordinated Note Condition 2)]  [Secured/Unsecured]
19.	Listed/unlisted	[•]
20.	Series number	[•]
21.	Tranche number	[•]
22.	Guaranteed	The Guarantee [is]/[is not] applicable to this Tranche of Notes

23.	Aggregate Nominal Amount of Tranche	[•]
24.	Interest	[Interest-bearing/Non-interest-bearing]
25.	Interest payment basis	[Fixed Rate/Floating Rate/Zero Coupon/Indexed/Partly Paid/Instalment/other] Notes
26.	Automatic/optional conversion from one interest/redemption/payment basis to another	<i>[insert details including date for conversion]</i>
27.	Issue Date	[•]
28.	Business Centre	Johannesburg
29.	Additional Business Centre	[•]
30.	Nominal Amount	[•] per Note
31.	Specified Denomination	[•] per Note
32.	Issue Price	[•] per Note
33.	Interest Commencement Date	[•]
34.	Maturity Date	[•]
35.	Specified Currency	[•]
36.	Applicable Business Day Convention	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other convention – insert details]
37.	Final Redemption Amount	[•]
38.	Books Closed Period(s)	The Register will be closed from [•] to [•] and from [•] to [•] (all dates inclusive) in each year until the Redemption Date
39.	Last Day to Register	By 17h00 on [•], [•], [•] and, [•], or if such day is not a Business Day, the last Business Day immediately preceding the commencement of the Books Closed Period

40. Default Rate [●]

#### FIXED RATE NOTES

41. (i) Fixed Rate of Interest [●] percent per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]

(ii) Fixed Interest Payment Date(s) [please insert the specific interest payment dates of each calendar year] to the Redemption Date, with the first Fixed Interest Payment Date being [●], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention

(iii) Interest Period(s) Each period commencing on (and including) a Fixed Interest Payment Date and ending on (but excluding) the following Fixed Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Fixed Interest Payment Date/state specific Fixed Interest Payment Date] (each Fixed Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)

(iv) Fixed Coupon Amount(s) [●] per [●] in Nominal Amount

(v) Initial Broken Amount [●]

(vi) Final Broken Amount [●]

(vii) Interest Rate Determination Date(s) [●] in each year

(viii) Day Count Fraction [Actual/365] [Actual (ISDA)] [ Actual/Actual (ICMA)]

[Actual/365 (Fixed)]

[Actual/360] [30/360] [30E/360] [Eurobond Basis]

- (ix) Any other terms relating to the particular method of calculating interest [•]

#### FLOATING RATE NOTES

42. (i) Interest Rate(s) Reference Rate plus Margin
- (ii) Interest Payment Date(s) [please insert the specific Interest Payment Dates of each calendar year] to the Redemption Date with the first Interest Payment Date being [•], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention
- (iii) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)
- (iv) Definition of Business Day (if different from that set out in Condition 1) [•]
- (v) Minimum Rate of Interest [•] percent per annum
- (vi) Maximum Rate of Interest [•] percent per annum
- (vii) Day Count Fraction [Actual/365] [Actual (ISDA)] [Actual/Actual (ICMA)]  
[Actual/365 (Fixed)]

		[Actual/360] [30/360] [30E/360] [Eurobond Basis]
	(viii) Other terms relating to the method of calculating interest, if different from Condition 5.2 (e.g.: rounding up provision)	[•]
43.	Manner in which the Rate of Interest is to be determined	[ISDA Determination/Screen Rate Determination/other – insert details]
44.	Margin	[[•] basis points to be added to/subtracted from the relevant ISDA Rate/Reference Rate]
45.	If ISDA Determination:	
	(i) Floating Rate	[•]
	(ii) Floating Rate Option	[•]
	(iii) Designated Maturity	[•]
	(iv) Reset Date(s)	[•]
	(v) ISDA Definitions to apply	[•]
46.	If Screen Rate Determination:	
	(i) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	[•]
	(ii) Interest Rate Determination Date(s)	[•]
	(iii) Relevant Screen Page and reference code	[•]
47.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/fall-back provisions	[•]

#### ZERO COUPON NOTES

48.	(i) Implied Yield	[•]
-----	-------------------	-----

- |       |  |  |
|-------|--|--|
| (ii)  | Reference Price  | Percent [NACA] [NACM] [NACQ] [NACS]<br>[other method of compounding] |
| (iii) | Any other formula or basis for determining amount(s) payable | [•]  |

#### **PARTLY PAID NOTES**

- |     |   |                       |
|-----|---|-----------------------|
| 49. | (i) Amount of each payment comprising the Issue Price   | [•]                   |
|     | (ii) Dates upon which each payment is to be made by Noteholder  | [•]                   |
|     | (iii) Consequences (if any) of failure to make any such payment by Noteholder   | [•]                   |
|     | (iv) Interest Rate to accrue on the first and subsequent instalments after the due date for payment of such instalments | [•] percent per annum |

#### **INSTALMENT NOTES**

- |     |   |     |
|-----|---|-----|
| 50. | Instalment Dates  | [•] |
| 51. | Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes) | [•] |

#### **MIXED RATE NOTES**

- |     |   |     |
|-----|---|-----|
| 52. | Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for: |     |
|     | (i) Fixed Rate Notes  | [•] |
|     | (ii) Floating Rate Notes  | [•] |
|     | (iii) Indexed Notes   | [•] |
|     | (iv) [Other Notes   | [•] |

#### **INDEXED NOTES**

- |     |                           |  |
|-----|---------------------------|--|
| 53. | (i) Type of Indexed Notes | [Indexed Interest Notes/Indexed Redemption Amount Notes] |
|-----|---------------------------|--|

- |        |  |  |
|--------|--|--|
| (ii)   | Code   | [●]  |
| (iii)  | Currency of Index  | [●]  |
| (iv)   | Index Sponsor  | [●]  |
| (v)    | Index/Formula by reference to which Interest Rate/Interest Amount is to be determined                  | [●]  |
| (vi)   | Manner in which the Interest Rate/Interest Amount is to be determined                                  | [●]  |
| (vii)  | Interest Period(s)   | Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention) |
| (viii) | Interest Payment Date(s)   | [please insert the specific interest payment dates of each calendar year] to the Redemption Date with the first Interest Payment Date being [●], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention  |
| (ix)   | [Base CPI for Index Notes]   | [●]  |
| (x)    | if different from the Issuer Agent, agent responsible for calculating amount of principal and interest | [[Name] shall be the Issuer Agent ( <i>no need to specify if the Issuer Agent is to perform this function</i> )] [Please note: If the performance of an instrument to be listed on the Interest Rate Market of the JSE relates to the performance of an index and/or the calculation thereof, the index calculator for Debt Securities must be   |



registered as such with the JSE – paragraph 3.24 of the JSE Debt Listings Requirements.]

- |        |  |  |
|--------|--|--|
| (xi)   | Provisions where calculation by reference to Index and/or Formula is impossible or impracticable               | [•]  |
| (xii)  | Definition of Business Day (if different from that set out in Condition 1)                                     | [•]  |
| (xiii) | Minimum Rate of Interest   | [•] percent per annum  |
| (xiv)  | Maximum Rate of Interest   | [•] percent per annum  |
| (xv)   | Index ground rules document will be available on the website   | [•]  |
| (xvi)  | Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)   | [•]  |
| (xvii) | Other terms relating to Indexed Notes  | [Please Note: additional JSE requirements may be applicable if Indexed Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE Listings Requirements.] |
| 54.    | Any changes to the index methodology will be published on SENS and communicated to the JSE                     |  |
| 55.    | All other changes as detailed in the ground rules document will be published on the index calculator's website | [•]  |
| 56.    | The level of the index is published  | [Daily/Monthly]  |
| 57.    | The level of the index will be published on the website  | [•]  |
| 58.    | Indices underlying the index being referenced  | [•]  |

59. The level of each of the indices underlying the index being referenced is published [Daily/Monthly]
60. The level of each of the indices underlying the index being referenced will be published on the website [•]

#### DUAL CURRENCY NOTES

61. (i) Type of Dual Currency Notes [Dual Currency Interest/Dual Currency Redemption Amount] Notes
- (ii) Rate of Exchange/method of calculating Rate of Exchange [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable [•]
- (v) Other [•]

#### EXCHANGEABLE NOTES

62. (i) Mandatory Exchange applicable? [Yes/No]
- (ii) Noteholders' Exchange Right applicable? [Yes/No]
- (iii) Exchange Securities [•]
- (iv) Manner of determining Exchange Price [•]
- (v) Exchange Period [•]
- (vi) Other [•]

#### EXTENDIBLE NOTES

63. (i) Last day to which Redemption Date may be extended [•]
- (ii) Step-up Margin [•]

- (iii) Requisite Notice [•]
- (iv) Other [•]

#### **EQUITY-LINKED NOTES**

- 64. Instrument name [•]
- 65. ISIN [•]
- 66. Other [•]

#### **OTHER NOTES**

- 67. If the Notes are not Fixed Rate Notes, Floating Rate Notes or Zero Coupon 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**

- 68. Redemption at the option of the Issuer: [Yes/No]

If yes:

- (i) Optional Redemption Date(s) [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [•]
- (iii) Minimum period of notice (if different from Senior Note Condition 5.3 or Subordinated Note Condition 4.3, as applicable) [•]

- (iv) Redeemable in part: [Yes/No]

If yes:

- Minimum Redemption Amount(s) [•]
- Higher Redemption Amount(s) [•]

- (v) Other terms applicable on redemption

69. Redemption at the option of the Senior Noteholders: [Yes/No]
- If yes:
- (i) Optional Redemption Date(s) [•]
  - (ii) Optional Redemption Amount(s) [•]
  - (iii) Minimum period of notice (if different from Senior Note Condition 5.4) [•]
  - (iv) If redeemable in part:
    - Minimum Redemption Amount(s) [•]
    - Higher Redemption Amount(s) [•]
  - (v) Other terms applicable on redemption [•]
  - (vi) Attach *pro forma* Put Notice(s)
70. Redemption at the option of the Senior Noteholders upon the occurrence of an events in terms of Senior Note Conditions 5.5, 5.6, 5.7, 5.8 or 5.9:
- (i) Early Redemption in the event of a loss of the assigned Rating of the Issuer [•]
  - (ii) Early Redemption in the event of a loss of the assigned Rating of the Senior Notes [•]
  - (iii) Early Redemption in the event that the Notes are no longer listed on a Financial Exchange [•]
  - (iv) Early Redemption in the event that the Issuer is no longer listed on a Financial Exchange [•]
  - (v) Early Redemption at the option of the Senior Noteholders in the event of a [•]

termination, cancellation or invalidity of  
the Guarantee

71. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). [Yes/No]

72. If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons or on Event of Default [only complete if “no” elected in item 71]:

(i) Amount payable; or [•]

(ii) Method of calculation of amount payable [•]

#### GENERAL

73. Notes in issue The aggregate Outstanding Nominal Amount of all Notes in issue under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued) is ZAR[•], which does not exceed the Programme Amount.

74. Financial Exchange [JSE Limited]/[Specify other or additional Financial Exchange, if applicable]

75. Relevant sub-market of the Financial Exchange [Interest Rate Market of the JSE]/[Specify relevant sub-market of the Financial Exchange]

76. Additional selling restrictions [•]

77. ISIN [•]

78. Bond code [•]

79. Provisions relating to stabilisation [•]

80. Method of distribution [Dutch auction/bookbuild/private placement other]

81.	Governing law (if the laws of South Africa are not applicable)	[•]
82.	Use of proceeds	[•]
83.	Pricing methodology	[Standard JSE pricing methodology/other – insert details]
84.	Other provisions	[•]
85.	Rating of Issuer and issue date of Rating	[•]
86.	Rating of Guarantor	[•]
87.	Rating of Guarantor	[•]
88.	Rating Agency	[•]
89.	Material change statement	<p>The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the end of the last financial period for which either audited consolidated annual financial statements or unaudited abridged consolidated interim financial results have been published. This statement has not been confirmed or verified by the Auditors.</p>

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

90. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

91. 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.

92. Paragraph 3(5)l

The auditor of the Issuer is PriceWaterhouseCoopers Inc.

93. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has [not issued any commercial paper]/[already issued ZAR[●],000,000 commercial paper (excluding commercial paper relating to this issuance)]; and
- (ii) the Issuer estimates that it may still issue ZAR[●],000,000 of commercial paper (excluding commercial paper relating to this issuance) during the current financial year.

94. Paragraph 3(5)of the

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 (including by reference) and the Applicable Pricing Supplement.

95. Paragraph 3(5)(f)

There has been no material adverse change in the financial or trading position of the Issuer since the date of its last audited financial statements up to the date of this Applicable Pricing Supplement.

96. Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted].

97. 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].

98. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are [secured]/[unsecured].

99. Paragraph 3(5)(j)

PriceWaterhouseCoopers Inc., 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 Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum read together with this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable inquiries to ascertain such facts have been made as well

as that the Programme Memorandum read together with this Applicable Pricing Supplement contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the annual financial statements, this Applicable Pricing Supplement and the annual report of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein or herein.

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

Application [is hereby]/[will not be] made to list the Notes [on [●]].

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20[●]

for and on behalf of

**DISCOVERY LIMITED**

\_\_\_\_\_  
Name:

Capacity: Director

Who warrants his/her authority hereto

\_\_\_\_\_  
Name:

Capacity: Director

Who warrants his/her authority hereto



**PRO FORMA APPLICABLE PRICING SUPPLEMENT (REGULATORY CAPITAL NOTES)**

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

**DISCOVERY LIMITED**

(incorporated in South Africa with limited liability under registration no.: 1999/007789/06)

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Regulatory Capital Notes]  
under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

**[Bond code]**

This document constitutes the Applicable Pricing Supplement relating to the issue of the Regulatory Capital Notes described herein. Unless otherwise indicated, capitalised terms used but not defined in this Applicable Pricing Supplement have the meanings given to them in the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Note Programme Memorandum dated 24 May 2022 (the “**Programme Memorandum**”). This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum. 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	Discovery Limited
2.	Specified Office of the Issuer	[•]
3.	Arranger	[•]
4.	If non-syndicated, Dealer(s)	[•]
5.	If syndicated, managers	[•]
6.	Debt Sponsor	[•]
7.	Specified Office of the Debt Sponsor	[•]
8.	Issuer Agent	[•]

- |     |   |     |
|-----|---|-----|
| 9.  | Specified Office of the Issuer Agent        | [•] |
| 10. | Transfer Agent                              | [•] |
| 11. | Specified Office of the Transfer Agent      | [•] |
| 12. | Stabilising manager (if any)                | [•] |
| 13. | Specified Office of the stabilising manager | [•] |

#### PROVISIONS RELATING TO THE NOTES

- |     |   |   |
|-----|---|---|
| 14. | Status of Notes   | Regulatory Capital Notes (see Regulatory Capital Note Condition 2)<br><br>[Tier 2 Basic Own Funds]<br><br>Unsecured |
| 15. | Listed/unlisted   | [•]   |
| 16. | Series number   | [•]   |
| 17. | Tranche number  | [•]   |
| 18. | Aggregate Nominal Amount of Tranche   | [•]   |
| 19. | Interest  | [Interest-bearing/Non-interest-bearing]   |
| 20. | Interest payment basis  | [Fixed Rate/Floating Rate/Zero Coupon/Indexed/Partly Paid/Instalment/other] Notes                                   |
| 21. | Automatic/optional conversion from one interest/redemption/payment basis to another | <i>[insert details including date for conversion]</i>   |
| 22. | Issue Date  | [•]   |
| 23. | Business Centre   | Johannesburg  |
| 24. | Additional Business Centre  | [•]   |
| 25. | Nominal Amount  | [•] per Note  |
| 26. | Specified Denomination  | [•] per Note  |

27. Issue Price [●] per Note
28. Interest Commencement Date [●]
29. Maturity Date [●] subject to Regulatory Capital Note Condition 2
30. Specified Currency [●]
31. Applicable Business Day Convention [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other convention – insert details]
32. Final Redemption Amount [●]
33. Books Closed Period(s) The Register will be closed from [●] to [●] and from [●] to [●] (all dates inclusive) in each year until the Redemption Date
34. Last Day to Register By 17h00 on [●], [●], [●] and, [●], or if such day is not a Business Day, the last Business Day immediately preceding the commencement of the Books Closed Period
35. Default Rate [●]
36. Additional provisions applicable to the Regulatory Capital Notes [●]/[N/A]

#### **FIXED RATE NOTES**

37. (i) Fixed Rate of Interest [●] percent per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Fixed Interest Payment Date(s) [please insert the specific interest payment dates of each calendar year] to the Redemption Date with the first Fixed Interest Payment Date being [●], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention, subject to Regulatory Capital Note Condition 4

- |        |   |   |
|--------|---|---|
| (iii)  | Interest Period(s)  | Each period commencing on (and including) a Fixed Interest Payment Date and ending on (but excluding) the following Fixed Interest Payment Date; provided that the first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Fixed Interest Payment Date/state specific Fixed Interest Payment Date] (each Fixed Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention) |
| (iv)   | Fixed Coupon Amount(s)  | [●] per [●] in Nominal Amount   |
| (v)    | Initial Broken Amount   | [●]   |
| (vi)   | Final Broken Amount   | [●]   |
| (vii)  | Interest Rate Determination Date(s)                                       | [●] in each year  |
| (viii) | Day Count Fraction  | [Actual/365] [Actual (ISDA)] [ Actual/Actual (ICMA)]<br><br>[Actual/365 (Fixed)]<br><br>[Actual/360] [30/360] [30E/360] [Eurobond Basis]  |
| (ix)   | Any other terms relating to the particular method of calculating interest | [●]   |

#### FLOATING RATE NOTES

- |     |       |                          |   |
|-----|-------|--------------------------|---|
| 38. | (i)   | Interest Rate(s)         | Reference Rate plus Margin  |
|     | (ii)  | Interest Payment Date(s) | [please insert the specific Interest Payment Dates of each calendar year] to the Redemption Date with the first Interest Payment Date being [●], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention, subject to Regulatory Capital Note Condition 4 |
|     | (iii) | Interest Period(s)       | Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the   |

first Interest Period will commence on (and include) the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)

- |        |   |   |
|--------|---|---|
| (iv)   | Definition of Business Day (if different from that set out in Condition 1)  | [•]   |
| (v)    | Minimum Rate of Interest  | [•] percent per annum   |
| (vi)   | Maximum Rate of Interest  | [•] percent per annum   |
| (vii)  | Day Count Fraction  | [Actual/365] [Actual (ISDA)] [Actual/Actual (ICMA)]<br><br>[Actual/365 (Fixed)]<br><br>[Actual/360] [30/360] [30E/360] [Eurobond Basis] |
| (viii) | Other terms relating to the method of calculating interest, if different from Condition 5.2 (e.g.: rounding up provision) | [•]   |
| 39.    | Manner in which the Rate of Interest is to be determined  | [ISDA Determination/Screen Rate Determination/other – insert details]   |
| 40.    | Margin  | [•] basis points to be added to/subtracted from the relevant ISDA Rate/Reference Rate]  |
| 41.    | If ISDA Determination:  |   |
| (i)    | Floating Rate   | [•]   |
| (ii)   | Floating Rate Option  | [•]   |
| (iii)  | Designated Maturity   | [•]   |
| (iv)   | Reset Date(s)   | [•]   |
| (v)    | ISDA Definitions to apply   | [•]   |

42. If Screen Rate Determination:
- (i) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) [•]
  - (ii) Interest Rate Determination Date(s) [•]
  - (iii) Relevant Screen Page and reference code [•]
43. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/fall-back provisions [•]

#### ZERO COUPON NOTES

44. (i) Implied Yield [•]
- (ii) Reference Price Percent [NACA] [NACM] [NACQ] [NACS] [other method of compounding]
- (iii) Any other formula or basis for determining amount(s) payable [•]

#### PARTLY PAID NOTES

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

**INSTALMENT NOTES**

46. Instalment Dates [•], subject to Regulatory Capital Note Condition 4
47. Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes) [•]

**MIXED RATE NOTES**

48. Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for:
- (i) Fixed Rate Notes [•]
  - (ii) Floating Rate Notes [•]
  - (iii) Indexed Notes [•]
  - (iv) [Other Notes [•]

**INDEXED NOTES**

49. (i) Type of Indexed Notes [Indexed Interest Notes/Indexed Redemption Amount Notes]
- (ii) Code [•]
  - (iii) Currency of Index [•]
  - (iv) Index Sponsor [•]
  - (v) Index/Formula by reference to which Interest Rate/Interest Amount is to be determined [•]
  - (vi) Manner in which the Interest Rate/Interest Amount is to be determined [•]
  - (vii) Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include)

- the Interest Commencement Date and end on (but exclude) [the following Interest Payment Date/state specific Interest Payment Date] (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention)
- (viii) Interest Payment Date(s) [please insert the specific interest payment dates of each calendar year] to the Redemption Date with the first Interest Payment Date being [●], or if any such day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention, subject to Regulatory Capital Note Condition 4
- (ix) [Base CPI for Index Notes] [●]
- (x) if different from the Issuer Agent, agent responsible for calculating amount of principal and interest [[Name] shall be the Issuer Agent (*no need to specify if the Issuer Agent is to perform this function*)] [Please note: If the performance of an instrument to be listed on the Interest Rate Market of the JSE relates to the performance of an index and/or the calculation thereof, the index calculator for Debt Securities must be registered as such with the JSE – paragraph 3.24 of the JSE Debt Listings Requirements.]
- (xi) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable [●]
- (xii) Definition of Business Day (if different from that set out in Condition 1) [●]
- (xiii) Minimum Rate of Interest [●] percent per annum
- (xiv) Maximum Rate of Interest [●] percent per annum
- (xv) Index ground rules document will be available on the website [●]
- (xvi) Other terms relating to the method of calculating interest (e.g.: Day [●]



Count Fraction, rounding up provision)

- |        |  |  |
|--------|--|--|
| (xvii) | Other terms relating to Indexed Notes  | [Please Note: additional JSE requirements may be applicable if Indexed Notes are issued. See the JSE guidelines for Acceptable Index Providers and section 19 of the JSE Listings Requirements.] |
| 50.    | Any changes to the index methodology will be published on SENS and communicated to the JSE                     |  |
| 51.    | All other changes as detailed in the ground rules document will be published on the index calculator's website | [•]  |
| 52.    | The level of the index is published  | [Daily/Monthly]  |
| 53.    | The level of the index will be published on the website  | [•]  |
| 54.    | Indices underlying the index being referenced  | [•]  |
| 55.    | The level of each of the indices underlying the index being referenced is published                            | [Daily/Monthly]  |
| 56.    | The level of each of the indices underlying the index being referenced will be published on the website        | [•]  |

#### **DUAL CURRENCY NOTES**

- |     |   |  |
|-----|---|--|
| 57. | (i) Type of Dual Currency Notes   | [Dual Currency Interest/Dual Currency Redemption Amount] Notes |
|     | (ii) Rate of Exchange/method of calculating Rate of Exchange  | [•]  |
|     | (iii) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable | [•]  |

- (iv) Person at whose option Specified Currency(ies) is/are payable [•]
- (v) Other [•]

#### EXCHANGEABLE NOTES

- 58. (i) Mandatory Exchange applicable? [Yes/No]
- (ii) Noteholders' Exchange Right applicable? [Yes/No]
- (iii) Exchange Securities [•]
- (iv) Manner of determining Exchange Price [•]
- (v) Exchange Period [•]
- (vi) Other [•]

#### EXTENDIBLE NOTES

- 59. (i) Last day to which Redemption Date may be extended [•]
- (ii) Step-up Margin [•]
- (iii) Requisite Notice [•]
- (iv) Other [•]

#### EQUITY-LINKED NOTES

- 60. Instrument name [•]
- 61. ISIN [•]
- 62. Other [•]

#### OTHER NOTES

- 63. If the Notes are not Fixed Rate Notes, Floating Rate Notes or Zero Coupon 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

64. Prior consent of the Regulator required for any redemption prior to the Maturity Date [Yes/No]
- If yes: conditions applicable to consent of the Regulator [Insert details/conditions]
65. Redemption at the option of the Issuer: [Yes/No]
- If yes:
- (i) Optional Redemption Date(s) [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [•]
- (iii) Minimum period of notice (if different from Regulatory Capital Note Condition 5.3) [•]
- (iv) Redeemable in part: [Yes/No]
- If yes:
- Minimum Redemption Amount(s) [•]
- Higher Redemption Amount(s) [•]
- (v) Other terms applicable on redemption
66. Redemption/substitution/variation at the option of the Issuer on the occurrence of a Capital Disqualification Event [Yes/No]
67. Early Redemption Amount(s) payable on redemption for taxation reasons, at the option of the Issuer on the occurrence of a [Yes/No]

Capital Disqualification Event or on Event of Default (if required).

68. If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons, at the option of the Issuer on the occurrence of a Capital Disqualification Event or on Event of Default [only complete if “no” elected in item 67]:

- (i) Amount payable; or [●]
- (ii) Method of calculation of amount payable [●]

#### DEFERRAL OF PAYMENT

69. Deferral of payment Yes.

Deferral of principal pursuant to Regulatory Capital Note Condition 4.1 and deferral of interest pursuant to Regulatory Capital Note Condition 4.2.

#### GENERAL

70. Prior written approval of the Regulator required/obtained for the issue of the Notes [Yes.]

[The Regulator approved the issue of the Notes in terms of the Insurance Act on [●].]

71. Notes in issue

The aggregate Outstanding Nominal Amount of all Notes in issue under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued) is ZAR[●], which does not exceed the Programme Amount.

72. Financial Exchange

[JSE Limited]/[Specify other or additional Financial Exchange, if applicable]

73. Relevant sub-market of the Financial Exchange

[Interest Rate Market of the JSE]/[Specify relevant sub-market of the Financial Exchange]

74. Additional selling restrictions

[●]

75.	ISIN	[•]
76.	Bond code	[•]
77.	Provisions relating to stabilisation	[•]
78.	Method of distribution	[Dutch auction/bookbuild/private placement other]
79.	Governing law (if the laws of South Africa are not applicable)	[•]
80.	Use of proceeds	[•]
81.	Pricing methodology	[Standard JSE pricing methodology/other – insert details]
82.	Other provisions	[•]
83.	Rating of Issuer and issue date of Rating	[•]
84.	Rating Agency	[•]
85.	Material change statement	The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the end of the last financial period for which either audited consolidated annual financial statements or unaudited abridged consolidated interim financial results have been published. This statement has not been confirmed or verified by the Auditors.

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

86. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

87. 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.

88. Paragraph 3(5)(c)

The auditor of the Issuer is PriceWaterhouseCoopers Inc.

89. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has [not issued any commercial paper]/[already issued ZAR[●],000,000 commercial paper (excluding commercial paper relating to this issuance)]; and
- (ii) the Issuer estimates that it may still issue ZAR[●],000,000 of commercial paper (excluding commercial paper relating to this issuance) during the current financial year.

90. 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 (including by reference) and the Applicable Pricing Supplement.

91. Paragraph 3(5)(f)

There has been no material adverse change in the financial or trading position of the Issuer since the date of its last audited financial statements up to the date of this Applicable Pricing Supplement.

92. Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted].

93. 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].

94. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are [secured]/[unsecured].

95. Paragraph 3(5)(j)

PriceWaterhouseCoopers Inc., 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 Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum read together with this Applicable Pricing Supplement which would make any statement false or misleading and that all reasonable inquiries to ascertain such facts have been made as well as that the Programme Memorandum read together with this Applicable Pricing Supplement contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, the annual financial statements, this Applicable Pricing Supplement and the annual report of the Issuer and any amendments or supplements to the aforementioned documents, except as otherwise stated therein or herein.

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

Application [is hereby]/[will not be] made to list the Notes [on [●]].

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20[●]

for and on behalf of

**DISCOVERY LIMITED**

\_\_\_\_\_  
Name:

Capacity: Director

Who warrants his/her authority hereto

\_\_\_\_\_  
Name:

Capacity: Director

Who warrants his/her authority hereto

## TERMS AND CONDITIONS OF THE GUARANTEE

---

1. Unless otherwise indicated:
  - 1.1. capitalised terms used but not defined in this guarantee (this “**Guarantee**”) have the meanings given to them in the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Note Programme Memorandum dated 24 May 2022; and
  - 1.2. the following capitalised terms have the following meanings:
    - 1.2.1. “**Governmental Agency**” means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any central bank or any stock exchange or any self-regulatory organisation established under statute);
    - 1.2.2. “**Guaranteed Note**” means a Senior Note designated by the Issuer in the Applicable Pricing Supplement as guaranteed by the Guarantors issued on or after the Programme Date; and
    - 1.2.3. “**Guaranteed Noteholder**” means a holder of a Guaranteed Note.
2. Discovery Health Proprietary Limited (registration no. 1997/013480/07) and Discovery Vitality Proprietary Limited (registration no. 1999/007736/07) (the “**Guarantors**”), jointly and severally, hereby irrevocably and unconditionally guarantee (as primary obligors and not merely as sureties) to each Guaranteed Noteholder, the due and punctual payment by the Issuer of all amounts payable by the Issuer to that Guaranteed Noteholder in respect of its Guaranteed Notes in the manner hereinafter provided, namely:
  - 2.1. if and whenever the Issuer does not pay any amount when due under or in connection with Guaranteed Notes (taking account of any applicable grace or cure periods) and that failure to pay is continuing, the Guarantors shall forthwith, upon written demand by a Guaranteed Noteholder of those Guaranteed Notes, pay to the Transfer Agent and/or the Participants, as the case may be, for the benefit and on behalf of the Guaranteed Noteholders of those Guaranteed Notes, in the relevant currency the amount in respect of which such default has been made; provided that the Guarantors shall not be liable to pay any amounts pursuant to this Guarantee to the extent that the Issuer’s failure to pay has resulted from and continues to result from the occurrence of the intervention of, or any action by or against, any Governmental Agency of South Africa which prevents such payment;
  - 2.2. any payment so made shall *pro tanto* cure such default by the Issuer and discharge the Issuer of its corresponding obligations to the Guaranteed Noteholders under the Guaranteed Notes, provided that every payment of such moneys as aforesaid made by the Guarantors shall be



satisfaction *pro tanto* of this Guarantee and discharge the Guarantors of their respective corresponding obligations to the Guaranteed Noteholders under this Guarantee;

- 2.3. payment under this Guarantee shall be made by any or each of the Guarantors no later than three Business Days after receipt of a written demand;
- 2.4. all payments by a Guarantor in respect of Guaranteed Notes shall be made (i) without set-off or counterclaim and (ii) free and clear of withholding or deduction for or on account of any Taxes imposed or levied by or on behalf of the country of incorporation of such Guarantor or any political sub-division or authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event of such withholding or deduction being required by law, such Guarantor shall pay such additional amounts as would be necessary in order that the net amounts received by the Guaranteed Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable under this Guarantee in the absence of such withholding or deduction, except that no such additional amounts shall be payable:
  - 2.4.1. to or on behalf of a Guaranteed Noteholder who is liable for such Taxes by reason of their having some connection with the country of incorporation of the relevant Guarantor other than the mere holding of the Guaranteed Note or the receipt of principal or interest in respect thereof; or
  - 2.4.2. 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 days after the Relevant Date, except to the extent that the Guaranteed Noteholder would have been entitled to such additional amounts on presenting or surrendering the Individual Certificate on such thirtieth day; or
  - 2.4.3. to or on behalf of a Guaranteed Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature in force from time to time including, without limitation, by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Guaranteed Noteholder); or
  - 2.4.4. to or on behalf of a Guaranteed Noteholder who could lawfully reduce (but has not so reduced) such withholding or deduction by complying with any statutory requirements or requirements of an administrative nature in force from time to time including, without limitation, by making a declaration of non-residence or

other similar claim or filing for the reduction to which it is entitled to the relevant tax authority or the Issuer Agent (the effect of which is not to require the disclosure of the identity of the relevant Guaranteed Noteholder), provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced; or

- 2.4.5. to or on behalf of a Guaranteed Noteholder to the extent that such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of any tax treaty or non-South African tax laws applicable to such Guaranteed Noteholder, whether by way of a Tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed and in these circumstances the additional amount shall only be payable to the extent that such amount could not be so reduced; or
- 2.4.6. in respect of any Taxes which are payable otherwise than by withholding from payment of principal or interest, if any, with respect to such Guaranteed Note; or
- 2.4.7. 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 income or taxable income (as defined in section 1 of the Income Tax Act) or capital gain (as contemplated in paragraph 3 of Schedule 8 to the Income Tax Act) or taxable capital gain (as defined in paragraph 10 of Schedule 8 to the Income Tax Act) of the Guaranteed Noteholder; or
- 2.4.8. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of disputers or alleged tax defaulters; or
- 2.4.9. if such withholding or deduction arises in terms of FATCA or the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor legislation or provisions), any regulations or agreements thereunder, official interpretations thereof, any intergovernmental approach thereto, or implementing legislation adopted by another jurisdiction in connection with FATCA and/or the aforementioned rules; or
- 2.4.10. where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- 2.4.11. where any combination the scenarios or occurrences contemplated in clauses 2.4.1 to 2.4.10 occurs;

- 2.5. without prejudice to the provisions of clause 2.4, each of the Guarantors shall be liable as if it were the principal debtor and not merely as surety and neither of the Guarantors shall be exonerated or discharged from any liability under this Guarantee by time being given to the Issuer or the Guarantors by the Guaranteed Noteholders (or their representatives), by any other indulgence or concession to the Issuer granted by the Guaranteed Noteholders (or their representatives) or by anything which the Guaranteed Noteholders (or their representatives) may omit or neglect to do or by any other dealing or thing which, but for this provision, might operate to exonerate or discharge any of the Guarantors from this Guarantee or by the illegality, invalidity or unenforceability of or any defect in the provisions of any Guaranteed Note or this Guarantee or any of the Issuer's obligations thereunder or hereunder;
- 2.6. this Guarantee is to be a continuing guarantee and accordingly shall remain in operation until all moneys owing by the Issuer in respect of the Guaranteed Notes issued by it have been paid or satisfied, and is in addition to and not in substitution for any other rights which the Guaranteed Noteholders may have under or by virtue of the provisions of the Guaranteed Notes, and may be enforced without first having recourse to any such rights and without taking any steps, actions or proceedings against the Issuer. In particular, this Guarantee may be enforced on each and every occasion on which default is made by the Issuer in payment notwithstanding that any call under this Guarantee may have been made previously or that any proceedings may have been commenced against the Guarantors in respect of sums already due under this Guarantee;
- 2.7. the Guaranteed Noteholders may from time to time make any arrangement or compromise with the Guarantors or any of them in relation to this Guarantee which the Guaranteed Noteholders may think fit;
- 2.8. the Guarantors shall not, without the consent of the Guaranteed Noteholders, at any time after default has been made by the Issuer in the payment of any moneys payable by the Issuer in respect of the Guaranteed Notes or under or pursuant to this Guarantee and so long as any moneys payable by the Guarantors in respect of such defaulted moneys remain unpaid, exercise in respect of any amounts paid under this Guarantee any right of subrogation or any other right or remedy which may accrue to the Guarantors in respect of or as a result of such payment; and
- 2.9. if any payment received by any Guaranteed Noteholders pursuant to the provisions of the Guaranteed Notes or this Guarantee shall, on the subsequent placement under business rescue or bankruptcy or insolvency of the Issuer or the Guarantors, be avoided under any laws relating to business rescue or bankruptcy or insolvency, such payment shall not be considered as having discharged or diminished the liability of the Guarantors, and this Guarantee shall continue to apply as if such payment had at all times remained owing by the Issuer and the Guarantors shall indemnify the Guaranteed Noteholders in respect thereof.

3. The Guarantors acknowledge and agree that each Guaranteed Noteholder shall be entitled to require the Issuer Agent to produce the original of this Guarantee on request and further shall be entitled to require the Issuer Agent, which shall be obliged, to provide a copy of this Guarantee to that Guaranteed Noteholder on request. In holding this Guarantee, the Issuer Agent does not act in any fiduciary or similar capacity for the Guaranteed Noteholders and it shall not accept any liability, duty or responsibility to the Guaranteed Noteholders in this regard.
4. The Guarantors hereby renounce, jointly and severally, all benefits arising from the legal exceptions "*non numeratae pecunia*" (no money was paid over), "*non causa debiti*" (lack of actionable debt) "*errore calculi*" (mistake in calculation of amount due) and "*beneficia excussionis et divisionis*" (the benefits of excussion and division), with the meaning, force and effect of which the Guarantors hereby declare themselves to be fully acquainted.
5. The Guarantors hereby indemnify each Guaranteed Noteholder against reasonable costs, and any direct loss or direct liability (excluding all indirect and/or consequential loss or liability) suffered by it as a direct result of this Guarantee being or becoming invalid, illegal or unenforceable.
6. Any admission made by the Issuer in respect of the Guaranteed Notes shall be binding on each of the Guarantors.
7. Notwithstanding any part payment by the Guarantors or on the Guarantor's behalf, the Guarantors shall have no right to any cession of action in respect of such part payment and shall not be entitled to take any action against the Issuer or against any other surety for the Issuer in respect thereof unless and until the indebtedness of the Issuer to the Guaranteed Noteholders under the Guaranteed Notes shall have been discharged in full.
8. Each notice, demand or other communication under this Guarantee shall be in writing delivered personally or by recognised courier or email and be deemed to have been given:

8.1. in the case of an email, on this first Business Day following the date of transmission; and

8.2. in the case of a letter, when delivered,

and must be sent to the Guarantors at:

[Address]

Attention: [insert]

Email: [insert]

or to such other address in South Africa or email address as is notified from time to time by a Guarantor to the Guaranteed Noteholders in accordance with Condition 13.

9. Each Guarantor chooses the above address as its *domicilium citandi et executandi* for all purposes under this Guarantee, whether in respect of court process, notices or other documents or communications of whatsoever nature.
10. The Guarantors hereby confirm that upon the acquisition of a Guaranteed Note by the Guaranteed Noteholder of that Note, the Guarantors are deemed to have received notice of acceptance from the Guaranteed Noteholder(s) and/or the Representative(s) of the benefits conferred by, and the provisions of, this Guarantee.
11. A Guarantor may, subject to the prior authorisation of an Extraordinary Resolution of the Guaranteed Noteholders of all of the Guaranteed Notes, the Guaranteed Noteholders of a particular Series of Guaranteed Notes or the Guaranteed Noteholders of a particular Tranche of Guaranteed Notes, as the case may be, be removed from this Guarantee and/or this Guarantee may be cancelled in respect of such Guarantor, in which event it shall be of no further force and effect against such Guarantor.
12. This Guarantee is, and all rights and obligations relating to this Guarantee are, governed by, and shall be construed in accordance with, the laws of South Africa.
13. Each Guarantor agrees for the benefit of the Guaranteed Noteholders that the High Court of South Africa, Gauteng Local Division, Johannesburg shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with this Guarantee and for such purposes, irrevocably submits to the non-exclusive jurisdiction of such court.
14. This Guarantee constitutes the whole agreement relating to the subject matter hereof. Subject to Condition 16.1 (which shall apply *mutatis mutandis* to this Guarantee), no amendment or consensual cancellation of this Guarantee or any provision or term hereof shall be binding unless such amendment or cancellation is approved by the Guaranteed Noteholders of all of the Guaranteed Notes, the Guaranteed Noteholders of a particular Series of Guaranteed Notes or the Guaranteed Noteholders of a particular Tranche of Guaranteed Notes, as the case may be, in accordance with the provisions of Conditions 16.2 and 16.3 (which shall apply *mutatis mutandis* to this Guarantee) and thereafter recorded in a written document signed by each of the Guarantors. Any waiver or relaxation or suspension given or made shall be strictly construed as relating to the matter in respect whereof it was made or given.

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20[●]

for and on behalf of

**DISCOVERY HEALTH PROPRIETARY LIMITED**

(as **Guarantor**)

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

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

SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20[●]

for and on behalf of

**DISCOVERY VITALITY PROPRIETARY LIMITED**

(as **Guarantor**)

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

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

## USE OF PROCEEDS

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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.

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, as permitted by the Commercial Paper Regulations.

## DESCRIPTION OF THE ISSUER AND GUARANTORS

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Information in relation to, among other things, the business, legal status, management and corporate governance of the Issuer and the Guarantors is set out in the Issuer Disclosure Document available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*". That information is incorporated into this Programme Memorandum by reference.



## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

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### Notes held in the CSD

#### *Clearing systems*

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and issued in uncertificated form will be cleared through the CSD which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Conditions. Each such Tranche of Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the 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.

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

#### *Participants*

As at the Programme Date, the Participants are Citibank N.A., South African branch, FirstRand Bank Limited (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg branch, Absa Bank Limited and the South African Reserve Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

#### *Settlement and clearing*

#### **Notes issued in uncertificated form**

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

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the CSD will apply to Notes issued in uncertificated form.

#### **Beneficial Interests**

The CSD will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participants on behalf of the relevant Noteholders in accordance with the Applicable Procedures. All rights to be exercised in respect of the Notes issued in uncertificated form will be exercised by the relevant Noteholders in accordance with the Applicable Procedures.

The CSD maintains central securities accounts in the name of such Participants or such Participants' clients.

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

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. However, the registered holder of such Notes named in the Register will be treated by the Issuer, the Issuer Agent, the Transfer Agent, the CSD as the holder of the Outstanding Nominal Amount of such Notes for all purposes.

Payments of interest and principal in respect of Notes held in uncertificated form will be made in accordance with Condition 6 to the holders of Beneficial Interests in accordance with Applicable Procedures, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the uncertificated Note in respect of each amount so paid.

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

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

#### *Transfers and exchanges*

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

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

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 9.1.

#### Individual Certificates

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

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

Payments of interest and principal in respect of Notes represented by the Individual Certificates will be made in accordance with Condition 6 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Individual Certificate in respect of each amount so paid.

#### JSE Debt 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 Debt Guarantee Fund Trust. Claims against the JSE Debt 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 JSE Debt Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

#### Notes listed on any Financial Exchange other than (or in addition to) the JSE

Each Tranche of Notes which is listed on any Financial Exchange other than (or in addition to) 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, clearing and redemption procedures for a trades of 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

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The Dealers have in terms of the Programme Agreement agreed with the Issuer a basis upon which they may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

### Selling restrictions

#### South Africa

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 offer or solicit any offers for subscription for or sale of the Notes in that Tranche, and will itself not sell the Notes in that Tranche, in South Africa, in contravention of the Companies Act, the Banks Act, the Exchange Control Regulations and/or any other Applicable Laws and regulations of South Africa in force from time to time. In particular, without limitation, this Programme Memorandum does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the Companies Act) and 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 that term is defined in the Companies Act) of any of the Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee for an amount of less than the Specified Denomination.

#### United States of America

The Notes have not been and will not be registered under the United States Securities Act, 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except in certain transactions exempt from and not subject to 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:

- (i) 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 of or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (ii) it has not offered, sold or delivered any Notes in that Tranche and will not offer, or sell or deliver, any Notes within the United States except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act; and
- (iii) 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 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.

#### 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, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation").

#### 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:

- (i) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (a) 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 (b) 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;
- (ii) 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 in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) 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:

- (i) 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 this 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
- (ii) it will comply with such other or additional restrictions as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

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

## SOUTH AFRICAN TAXATION

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A general guide as to the relevant tax laws of South Africa is set out in the Issuer Disclosure Document available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*". That information is incorporated into this Programme Memorandum by reference.

## SOUTH AFRICAN EXCHANGE CONTROL

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A general guide as to the position under the Exchange Control Regulations is set out in the Issuer Disclosure Document available on the following page of the Issuer's website: <https://www.discovery.co.za/corporate/announcements> under the tab headed "*Domestic Medium Term Note (DMTN) Programme*". That information is incorporated into this Programme Memorandum by reference.



## GENERAL INFORMATION

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### Authorisation

The Issuer complies with the provisions of the Companies Act, and at all times complies in all material aspects with and is acting in conformity with its constitutional documents. Subject to “*Listing*” below, all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the amendment and restatement of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under this Programme Memorandum and the Notes.

### Listing

This Programme Memorandum has been registered with the JSE. Notes to be issued under the Programme may be listed on the Interest Rate Market of the JSE or any other Financial Exchange.

Application will be made to the Regulator in terms of the Insurance Act for Regulatory Capital Notes to be issued under the Programme.

### Material change

As at the Programme Date, and after due and careful inquiry, the Issuer confirms that there has been no material change in its financial or trading position or that of any of its consolidated Subsidiaries since the end of the last financial period for which its audited annual financial statements (and/or interim financial statements) have been published. As at the Programme Date, there has been no involvement by the Auditors in making this statement.

### Litigation


Save as disclosed in this Programme Memorandum, none of the Issuer, any of its consolidated Subsidiaries or the Guarantors 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, in the recent past, being at least the previous 12 months, had a material effect on the financial position of the Issuer or its consolidated Subsidiaries.

### Auditors

PriceWaterhouseCoopers Inc. has acted as the auditors of the financial statements of the Issuer for the financial years ended June 2021, 2020 and 2019 and, in respect of those years, has issued unqualified audit reports.

SIGNED at STANOTON on this 20<sup>TH</sup> day of MAY 2022

for and on behalf of  
**DISCOVERY LIMITED**

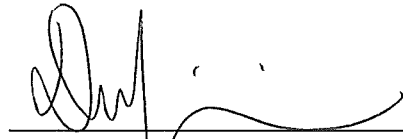


\_\_\_\_\_

Name: A. GORE

Capacity: Director

Who warrants his/her authority hereto



\_\_\_\_\_

Name: D M VISOEN

Capacity: Director

Who warrants his/her authority hereto

**ISSUER**

**Discovery Limited**

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SOUTH AFRICA

Contact: Mr Deon Viljoen / Mr Fareed Chothia

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Contact: Head of Debt Capital Markets

Tel: (011) 282 8559

**DEBT SPONSOR**

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**Mr Deon Viljoen**

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**LEGAL ADVISORS TO THE ISSUER, ARRANGER AND DEALER**

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