

Programme Memorandum dated 9 January 2017

WORKFORCE HOLDINGS LIMITED

(incorporated with limited liability under registration number 2006/018145/06 in the Republic of South Africa)



ZAR1,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

Under this ZAR1,000,000,000 Domestic Medium Term Note Programme ("**Programme**"), Workforce Holdings Limited ("**Issuer**") may from time to time issue notes of any kind ("**Notes**") pursuant to this Programme Memorandum, dated 9 January 2017, as amended and/or supplemented from time to time ("**Programme Memorandum**").

Application has been made to JSE Limited ("**JSE**") for the approval of the Programme Memorandum, dated 9 January 2017. The Programme Memorandum, dated 9 January 2017, was approved by the JSE on 5 January 2017.

Unless otherwise defined in this Programme Memorandum or, in relation to a Tranche of Notes, the Applicable Pricing Supplement, capitalised terms used in this Programme Memorandum shall bear the meanings ascribed to them in the section of this Programme Memorandum headed "**Terms and Conditions**" ("**Terms and Conditions**"). References in this Programme Memorandum to any Condition are to that Condition of the Terms and Conditions.

As at 9 January 2017 ("**Programme Date**"), the Programme Amount is ZAR1,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount, as set out in the section of this Programme Memorandum headed "*General Description of the Programme*".

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. 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.

A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Notes, Mixed Rate Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the relevant Dealer/s and specified in the Applicable Pricing Supplement.

The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Redemption Date/s (Call) (where applicable), the Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*").

A Tranche of Notes may be listed on the Interest Rate Market of the JSE and/or on such other Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange.

As at the Programme Date, neither the Issuer nor the Programme is rated. The Issuer and/or the Programme may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.

Prospective investors in the Notes should pay particular attention to the section of this Programme Memorandum headed "Risk Factors".

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

Arranger, Dealer and Debt Sponsor:

Merchantec Capital

Merchantec
capital

Legal Advisers to the Issuer and the Arranger:

Cliffe Dekker Hofmeyr Inc.

CDH
CLIFFE DEKKER HOFMEYR

GENERAL NOTICE

The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, each Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments to such annual financial statements and each supplement to this Programme Memorandum published by the Issuer from time to time (except as otherwise stated therein).

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in this Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

The Issuer, having made all reasonable enquiries, confirms that this Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information that is material in the context of the issue and the offering of Notes, that the information contained in (or incorporated by reference into) this Programme Memorandum as at the Programme Date is not misleading and that the opinions and intentions expressed in this Programme Memorandum are honestly held.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of Debt Securities maintained by the JSE and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum, and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, or any information incorporated by reference into this Programme Memorandum. The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or any information incorporated by reference into this Programme Memorandum.

The Issuer makes no representation or warranties as to the settlement procedures of the CSD or the JSE or any other Exchange.

This Programme Memorandum must be read in conjunction with all documents which are incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"). This Programme Memorandum must be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum.

No person is authorised to give any information or to make any representation other than those contained in or consistent with this Programme Memorandum. If any such information is given or representation is made, it must not be relied upon as having been authorised by the Issuer, the JSE, the Debt Sponsor, the Arranger, the Dealer/s or any of their respective Affiliates and advisers.

Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer since the Programme Date or that the information contained in or incorporated by reference into this Programme Memorandum is correct at any time subsequent to the date of the document containing such information.

Neither the JSE nor the Debt Sponsor nor the Arranger nor the Dealer/s nor their respective Affiliates and advisers have separately verified the information contained in or incorporated by reference into this Programme Memorandum. No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the JSE, the Debt Sponsor, the Arranger, the Dealer/s or their respective Affiliates and advisers as to the accuracy or completeness of the information contained in or incorporated by reference into this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Debt Sponsor, the Arranger, the Dealer/s or any of their respective Affiliates and advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither the JSE nor the Debt Sponsor nor the Arranger nor the Dealer/s nor their respective Affiliates and advisers accept any liability in relation to the information contained in (or incorporated by reference into) this Programme Memorandum or any other information provided by the Issuer in connection with the Programme or the Notes.

Neither this Programme Memorandum nor any other information supplied in connection with the Programme and/or the Notes is intended to provide the basis of any credit or other evaluation, or should be considered as a recommendation or a statement of opinion, or a report of either of those things, by the JSE, the Issuer, the Debt Sponsor, the Arranger or the Dealer/s that any recipient of this Programme Memorandum or any other information supplied in connection with the Programme and/or the Notes, should purchase any Notes.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, the extent of its exposure to risk (see the section of this Programme Memorandum headed "*Risk Factors*") and any other factors which may be relevant to it in connection with such investment.

Neither the JSE nor the Issuer nor the Debt Sponsor nor the Arranger nor the Dealer/s undertake to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of the JSE, the Issuer, the Debt Sponsor, the Arranger or the Dealer/s.

Neither this Programme Memorandum nor any Applicable Pricing Supplement nor any other information supplied in connection with the Programme and/or the Notes constitutes an offer or an invitation by or on behalf of the Issuer, the Debt Sponsor, the Arranger or the Dealer/s to any person to subscribe for or to purchase or otherwise deal in any Notes.

The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the issue, offering or sale of Notes in certain jurisdictions may be restricted by law. In particular, there are restrictions on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and the offer or sale or subscription of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa. For a description of certain restrictions on offers, sales and subscriptions of Notes and on the distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and other offering material relating to the Programme and/or the Notes, see the section of this Programme Memorandum headed "*Subscription and Sale*" under "*Selling Restrictions*".

Neither the Issuer nor the Debt Sponsor nor the Arranger nor the Dealer/s represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, subscribed for or sold, 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, offering, subscription or sale.

In particular, save for obtaining the approval of this Programme Memorandum by the JSE, no action has been taken by the Issuer, the Debt Sponsor, the Arranger or the Dealer/s which would permit a public offering of any Notes or a distribution of this Programme Memorandum and/or any Applicable Pricing Supplement in any jurisdiction where action for that purpose is required.

The Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any Applicable Pricing Supplement nor any advertisement or other offering material relating to the Programme and/or the Notes may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with all Applicable Laws and regulations.

Neither this Programme Memorandum nor any Applicable Pricing Supplement are for distribution in, and do not constitute an offer of Notes for sale or subscription in, the United States of America or in any other jurisdiction in which such a distribution or such offer for sale or subscription would be unlawful or would require qualification or registration. It is the responsibility of any person wishing to subscribe for or purchase Notes to satisfy himself as to the full observance of the laws of the relevant jurisdiction.

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

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Debt Sponsor, the Arranger and the Dealer/s to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and/or any Applicable Pricing Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers,

sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Debt Sponsor, the Arranger or the Dealer/s shall have responsibility therefor.

Any Notes purchased or subscribed for by any person who wishes to offer such Notes for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

In connection with the issue and placing of any Tranche of Notes, the Issuer or the Dealer (if any) who is designated in the Applicable Pricing Supplement as the approved stabilisation manager ("**Stabilisation Manager**") may, to the extent permitted by and in accordance with Applicable Laws and subject to the approval of the JSE, over-allot or effect transactions with a view to supporting the market price of Notes in the same Series as that Tranche of Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising must be carried out in accordance with all Applicable Laws.

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

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into, and form part of, this Programme Memorandum:

- a) the respective annual reports of the Issuer and its consolidated Subsidiaries ("**Annual Reports**") for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013;
- b) the respective annual financial statements of the Issuer for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013, which include the independent auditor's reports in respect of such financial statements;
- c) the unaudited interim financial statements of the Issuer for the six months ended 30 June 2016;
- d) the respective Annual Reports for all financial years after the Programme Date;
- e) the respective annual financial statements of the Issuer for all financial years after the Programme Date, which will include the independent auditor's reports in respect of such financial statements;
- f) each Applicable Pricing Supplement relating to a Tranche of Notes which is listed on the Interest Rate Market of the JSE (or any other separate platform, board or sub-market of the JSE) (each, an "**Applicable Pricing Supplement Relating to Listed Notes**");
- g) each supplement to this Programme Memorandum circulated by the Issuer from time to time; and
- h) all information pertaining to the Issuer which is relevant to the Programme and/or this Programme Memorandum which is (i) electronically submitted through the JSE Stock Exchange News Service ("**SENS**") to SENS subscribers and/or (ii) available on any electronic news service established or used or required by the JSE,

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

This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement Relating to Listed Notes are (or will be) available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement Relating to Listed Notes are (or will be) available on the following website: www.workforce.co.za.

This Programme Memorandum, each supplement to this Programme Memorandum prepared by the Issuer from time to time and each Applicable Pricing Supplement Relating to Listed Notes are (or will be) available on the JSE's website at www.jse.co.za.

The respective Annual Reports, annual financial statements and interim financial statements listed in paragraphs (a), (b) and (c) above, are available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, these Annual Reports, annual financial statements and interim financial statements are available on the following website: www.workforce.co.za.

The respective Annual Reports and annual financial statements listed in paragraphs (d) and (e) above will (as and when such Annual Reports and annual financial statements are approved and become available) be available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, these Annual Reports and annual financial statements will (as and when such Annual Reports and annual financial statements are approved and become available) be available on the following website: www.workforce.co.za.

The Issuer will, for so long as any Notes in a Tranche remain outstanding and listed on the Interest Rate Market of the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, within six months of the financial year end of the Issuer, if any of the information contained in this Programme Memorandum becomes outdated in a material respect; provided that no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's annual financial statements if such annual financial statements are incorporated by reference into this Programme Memorandum (see above) and such annual financial statements are published, as required by the Companies Act, and submitted to the JSE within six months after the financial year end of the Issuer.

A new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, must be approved by the JSE. Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or the supplement to this Programme Memorandum, as the case may be.

GENERAL DESCRIPTION OF THE PROGRAMME

A general description of the Programme is set out below. The general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Issue

The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranches of Notes (denominated in the Specified Currency) under the Programme, pursuant to this Programme Memorandum, provided that the aggregate Outstanding Principal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

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. 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.

A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Notes, Mixed Rate Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the relevant Dealer/s and specified in the Applicable Pricing Supplement.

The Issuer will, prior to the issue of a Tranche of Notes, complete an Applicable Pricing Supplement based on the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*".

The Applicable Pricing Supplement relating to a Tranche of Notes will set out, among other things, the Principal Amount, the Issue Date, the Issue Price, the Optional Redemption Date/s (Call) (where applicable), the Maturity Date and, in the case of interest-bearing Notes, the Interest Rate and the Interest Payment Dates (see the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*").

Listed and unlisted Tranches of Notes

A Tranche of Notes may be listed on the Interest Rate Market of the JSE and/or on such other Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE. The Applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange.

A copy of the signed Applicable Pricing Supplement relating to a Tranche of Notes which is to be listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD, before the Issue Date, and the Notes in that Tranche may be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement, in accordance with the Applicable Procedures.

Where the listing of a Tranche of Notes on the Interest Rate Market of the JSE has been approved by the JSE, the granting of such listing will be announced by the Issuer on SENS by no later than the close of business on the day preceding the Issue Date.

The settlement of trades in Notes which are listed on the Interest Rate Market of the JSE and/or held in the CSD will take place in accordance with the electronic settlement procedures of the JSE and the CSD.

The settlement and redemption procedures for a Tranche of Notes which is listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE will be specified in the Applicable Pricing Supplement.

Programme Amount

As at the Programme Date, the Programme Amount is ZAR1,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount.

For the purpose of calculating the aggregate Outstanding Principal Amount of Notes issued under the Programme from time to time:

- a) the ZAR equivalent of a Tranche of Notes denominated in any Specified Currency other than ZAR shall be determined, at or about the time at which a Placement Agreement is entered into between the Issuer and the relevant Dealer/s for the issue and placing of such Notes (or where no such Placement

Agreement is entered into, at or about the time of placing of such Notes), on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of such other Specified Currency in the Johannesburg inter-bank foreign exchange market, as quoted by any leading bank selected by the Issuer;

- b) the ZAR equivalent of a Tranche of Indexed Notes shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the aggregate Principal Amount of that Tranche of Indexed Notes (regardless of the Issue Price of that Tranche);
- c) the ZAR equivalent of a Tranche of Zero Coupon Notes (or any other Tranche of Notes issued at a discount or a premium) shall be calculated *mutatis mutandis* in accordance with paragraph (a) above, with reference to the Issue Price of that Tranche.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures and all Applicable Laws, the Issuer may, without the consent of any Noteholder, increase the Programme Amount by delivering a notice thereof to (i) the Arranger, (ii) the Debt Sponsor and (iii) the Dealer/s. Upon the conditions set out in the Programme Agreement to the exercise of the Issuer's right to increase the Programme Amount 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. The Issuer shall, forthwith after the Programme Amount is so increased, notify the Noteholders (in accordance with Condition 15.1) of the increased Programme Amount.

Rating

As at the Programme Date, neither the Issuer nor the Programme is rated. The Issuer and/or the Programme may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. The Issuer will procure that any change to the Rating of the Issuer (if any) and/or the Programme (if any) that occurs after the Programme Date is announced on SENS. A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.

A Rating of the Issuer and/or the Programme and/or a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes.

Risk factors

Investing in the Notes involves certain risks (see the section of this Programme Memorandum headed "*Risk Factors*").

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Programme Memorandum and, in relation to a Tranche of Notes, the Applicable Pricing Supplement.

Approval and listing	<p>This Programme Memorandum, dated 9 January 2017, was approved by the JSE on 5 January 2017.</p> <p>A Tranche of Notes may be listed on the Interest Rate Market of the JSE and/or on such other Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to all Applicable Laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.</p> <p>The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange.</p>
Arranger	Merchantec Capital.
Blocked Rand	Blocked Rand may be used for the purchase of or subscription for Notes, subject to the Exchange Control Regulations (see the section of this Programme Memorandum headed "Exchange Control").
Calculation Agent	Merchantec Capital, unless the Issuer elects to appoint another entity as Calculation Agent, as contemplated in Condition 14.
Clearing and settlement	<p>The CSD is the operator of an electronic clearing system and has been appointed by the JSE to match, clear and facilitate the settlement of all transactions carried out on the Interest Rate Market of the JSE.</p> <p>Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form and will be held in the CSD. Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the CSD electronic settlement system (see the section of this Programme Memorandum headed "Settlement, Clearing and Transfers of Notes").</p> <p>Each Tranche of Notes which is listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE will be issued, cleared and settled in accordance with the rules and settlement procedures for the time being of that Exchange (see the section of this Programme Memorandum headed "Settlement, Clearing and Transfers of Notes").</p>
Commercial Paper Regulations	<p>The Commercial Paper Regulations comprise an exemption to "<i>the business of a bank</i>" as defined in the Banks Act. The question of whether the Issuer, in the issue and placing of a Tranche of Notes, conducts "<i>the business of a bank</i>" as defined in the Banks Act is a question of fact.</p> <p>If the Issuer, in relation to the issue and placing of a Tranche of Notes, is obliged (or is not obliged but nevertheless elects) to comply with the Commercial Paper Regulations, the Issuer will procure that annexure "A" to the Applicable Pricing Supplement relating to that Tranche of Notes is completed and attached to that Applicable Pricing Supplement (see the section of this Programme Memorandum headed "Form of the Applicable Pricing Supplement").</p>
Cross default	Notes will have the benefit of a cross default as described in Condition 10.1.3.
CSD	Strate Proprietary Limited, a central securities depository licensed in terms of the Financial Markets Act, or any additional or alternative depository approved by the Issuer.

CSD Participants	<p>The persons accepted by the CSD as participants in terms of the Financial Markets Act.</p> <p>As at the Programme Date, the CSD Participants are Standard Chartered Bank Johannesburg Branch, Société Générale, Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.</p> <p>Euroclear Bank S.A/N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, <i>société anonyme</i> ("Clearstream") may hold Notes through their nominated CSD Participant.</p>
CSD Procedures	In relation to a Tranche of Notes which is held in the CSD, the rules and operating procedures for the time being of the CSD and CSD Participants.
Dealers	Merchantec Capital and each other Dealer (if any) appointed by the Issuer in terms of, and subject to, the Programme Agreement (see the section of this Programme Memorandum headed " <i>Subscription and Sale</i> ").
Debt Sponsor	Merchantec Capital.
Description of the Programme	Workforce Holdings Limited ZAR1,000,000,000 Domestic Medium Term Note Programme.
Distribution	A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by law as determined by the Issuer and the relevant Dealer/s, and as specified in the Applicable Pricing Supplement.
Exchange control	<p>This Programme Memorandum does not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.</p> <p>In general, the issue of a Tranche of Notes will not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.</p> <p>However, under certain circumstances (and if so indicated in the Applicable Pricing Supplement), the issue of a particular Tranche of Notes will require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations (see the section of this Programme Memorandum headed "<i>Exchange Control</i>").</p>
Form of Notes	Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act, and will be held in the CSD. Notes issued in registered uncertificated form will not be represented by any certificate or written instrument (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").
Governing Law	This Programme Memorandum, the Notes and the Applicable Terms and Conditions will be governed by, and construed in accordance with, the laws of South Africa.
Interest	Notes may be interest-bearing or non-interest bearing, as specified in the Applicable Pricing Supplement.
Interest Commencement Date	A Tranche of interest-bearing Notes will bear interest from (and including) the Interest Commencement Date. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Commencement Date will be the Issue Date.
Interest payments	Interest on a Tranche of interest-bearing Notes will be payable in arrear, in respect of the Interest Period/s specified in the Applicable Pricing

	Supplement, on the Interest Payment Date/s specified in the Applicable Pricing Supplement.
Interest Rate	A Tranche of interest-bearing Notes will bear interest on the aggregate Outstanding Principal Amount, at the Fixed Interest Rate and/or the Floating Interest Rate, for the period from and including the Interest Commencement Date to but excluding the Redemption Date. Zero Coupon Notes will not bear interest.
Issue Price	A Tranche of Notes will be issued on a fully-paid basis at its aggregate Principal Amount or at a discount or premium to its aggregate Principal Amount, as specified in the Applicable Pricing Supplement.
Issuer	Workforce Holdings Limited.
Issue and transfer taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable under the Securities Transfer Tax Act in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " <i>Taxation</i> "). Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer of Notes will be for the account of Noteholders.
JSE	JSE Limited, licensed as an exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act.
Maturity Date	The Maturity Date of a Tranche of Notes will be specified in the Applicable Pricing Supplement.
Noteholders	The holders of Notes recorded as the registered Noteholders of such Notes in the Register (see " <i>Register</i> " below).
Paying Agent	Merchantec Capital, unless the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 14.
Programme Amount	As at the Programme Date, the Programme Amount is ZAR1,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Principal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount as described in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
Rating	<p>As at the Programme Date, neither the Issuer nor the Programme is rated. The Issuer and/or the Programme may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. The Issuer will procure that any change to the Rating of the Issuer (if any) and/or the Programme (if any) that occurs after the Programme Date is announced on SENS.</p> <p>A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.</p> <p>A Rating of the Issuer and/or the Programme and/or a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes.</p>
Redemption:	
<i>Redemption at maturity</i>	<p>Unless previously redeemed, or purchased and cancelled, pursuant to Condition 9, the Issuer will redeem a Tranche of Notes, on the Maturity Date, at the Final Redemption Amount, as set out in Condition 9.1.</p> <p>A Tranche of Instalment Notes may also be redeemed in two or more</p>

	instalments on such dates and in such manner as is specified in the Applicable Pricing Supplement.
<i>Early redemption at the option of the Issuer</i>	If the Call Option is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, the Issuer may, at its option, redeem that Tranche of Notes (in whole or in part), on the Optional Redemption Date (Call), at the Optional Redemption Amount (Call), subject to and in accordance with Condition 9.2.
<i>Early redemption at the option of Noteholders</i>	If the Put Option is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, any Noteholder of Note/s in that Tranche may, at its option, require the Issuer to redeem all or any of such Note/s (as specified in the Put Option Notice), in whole or in part (as specified in the Put Option Notice), on the Optional Redemption Date (Put), at the Optional Redemption Amount (Put), subject to and in accordance with Condition 9.3.
<i>Early redemption following a Tax Event or a Change in Law</i>	If a Tax Event or a Change in Law, as the case may be, has occurred and is continuing in relation to any Series of Notes, the Issuer may at its option, redeem that Series of Notes (and each Tranche of Notes in that Series) (in whole but not in part), on the Optional Redemption Date (Tax Event) or the Optional Redemption Date (Change in Law), as the case may be, at the Optional Redemption Amount (Tax Event) or the Optional Redemption Amount (Change in Law), as the case may be, subject to and in accordance with Condition 9.4.
Register	<p>The Register is the register of the Issuer's securities (including the register of the Issuer's uncertificated securities) contemplated in (and maintained in accordance) with Part E of the Companies Act.</p> <p>The Register will be maintained by the Transfer Agent.</p> <p>The registered Noteholder/s of the Note/s in a Tranche of Notes which is held in the CSD will be determined in accordance with the CSD Procedures, and such registered Noteholder/s will be named in the Register as the registered Noteholder/s of such Note/s.</p> <p>Each holder of Notes which are represented by a Certificate will be named in the Register as the registered Noteholder of such Notes.</p> <p>The holders of Beneficial Interests in Notes will not be listed in the Register.</p> <p>Only the CSD (in the case of Notes held in the CSD) and Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register (in the case of Notes represented by Certificates) will be entitled to payments of amounts due and payable in respect of the Notes.</p>
Register Closed Period	<p>The Register will, in respect of a Tranche of Notes, be closed during the Register Closed Period.</p> <p>The Register Closed Period will be from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Redemption Date.</p> <p>The Last Day to Register will be until 17h00 (South African time) on the sixth day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Redemption Date.</p>
Risk factors	Investing in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are set out in the section of this Programme Memorandum headed " <i>Risk Factors</i> ".

Selling restrictions	The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States of America, the European Economic Area, the United Kingdom and South Africa (see the section of this Programme Memorandum headed " <i>Subscription and Sale</i> " under " <i>Selling Restrictions</i> "). Any other or additional selling restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Specified Currency	South African Rand (ZAR) or (subject, to the Exchange Control Regulations), any other currency specified as such in the Applicable Pricing Supplement.
Specified Denomination	The denomination of each Note in a Tranche of Notes will be the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR) or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, and will rank <i>pari passu</i> without any preference or priority among themselves and (save for those that have been accorded by law preferential rights) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5.
Taxation	A summary of the more important fiscal provisions pertaining to the Notes as at the Programme Date, is set out in the section of this Programme Memorandum headed " <i>Taxation</i> ". The summary is not intended to be and does not constitute tax advice. Potential investors in the Notes should, before making an investment in the Notes, consult their own professional advisers as to the potential fiscal consequences of, and their tax positions in respect of the acquisition, holding and/or disposal of the Notes.
Terms and Conditions	<p>The terms and conditions of the Notes are set out in the section of this Programme Memorandum headed "<i>Terms and Conditions</i>" ("Terms and Conditions").</p> <p>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.</p>
Transfer Agent	Merchantec Capital, unless the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 14.
Type of Notes	A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Notes, Mixed Rate Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the relevant Dealer/s and specified in the Applicable Pricing Supplement.
Use of proceeds	The Issuer will use the net proceeds of the issue of a Tranche of Notes for its general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.
Withholding tax	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any Taxes unless such withholding or deduction is required by Applicable Law. If

any such withholding or other deduction is required by Applicable Law, the Issuer will, subject to the election of the Issuer to redeem that Tranche of Notes following a Tax Event pursuant to Condition 9.4 (and subject to certain exceptions as provided in Condition 8.2), pay such additional amounts as shall be necessary in order the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.

FORM OF THE NOTES

NOTES ISSUED IN UNCERTIFICATED FORM

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in registered uncertificated form in terms of Chapter IV of the Financial Markets Act and held in the CSD (see "*Beneficial Interests in Notes held in the CSD*" below). Such Notes will not be represented by any certificate or written instrument.

Beneficial Interests in Notes held in the CSD

CSD Participants will maintain records of the Beneficial Interests in Notes held in the CSD.

The registered Noteholder/s of the Note/s in a Tranche of Notes which is held in the CSD will be determined in accordance with the CSD Procedures, and such registered Noteholder/s will be named in the Register as the registered holder/s of such Note/s.

While a Tranche of Notes is held in its entirety in the CSD, the registered Noteholder/s of the Note/s in that Tranche of Notes, determined in accordance with the CSD Procedures, will be named in the Register as the sole Noteholder/s of such Note/s.

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

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are Standard Chartered Bank Johannesburg Branch, Société Générale, Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

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

CSD Participants are in turn required to maintain securities accounts for their clients. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients.

The clients of CSD Participants may include the holders of Beneficial Interests in Notes or their custodians. The clients of CSD Participants, as the holders of Beneficial Interests in Notes or as custodians for such holders, may exercise their rights in respect of their Beneficial Interests in such Notes only through their CSD Participants. Euroclear and Clearstream may hold Notes which are held in the CSD through their nominated CSD Participant.

In relation to each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest.

Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants. Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the security accounts maintained by such CSD Participants for such clients. Beneficial Interests may be transferred only in accordance with the CSD Procedures. Transfers of Beneficial Interests in Notes will not be recorded in the Register.

Holders of Beneficial Interests must vote in accordance with the CSD Procedures. Holders of Beneficial Interests in Notes must exercise their respective rights to vote through their respective CSD Participants. The respective CSD Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of Beneficial Interests in Notes, in accordance with the CSD Procedures.

Exchange of a Beneficial Interest for Notes represented by Certificates

Subject to the Financial Markets Act, the holder of a Beneficial Interest will only be entitled to exchange such

Beneficial Interest for Notes represented by a Certificate in accordance with Condition 12.1 (see "*Notes represented by Certificates*" below).

NOTES REPRESENTED BY CERTIFICATES

Each Noteholder of Notes which are represented by a Certificate will be named in the Register as the registered Noteholder of such Notes.

Title to Notes represented by Certificates will pass upon registration of transfer in accordance with Condition 11.2.

The Issuer, the Paying Agent and the Transfer Agent shall regard the Register as the conclusive record of title to Notes represented by Certificates.

PAYMENTS

Only the CSD (in the case of Notes held in the CSD) and Noteholders named in the Register at 17h00 (South African time) on the Last Day to Register (in the case of Notes represented by Certificates) will be entitled to payments of interest and/or principal in respect of such Notes.

Payments of all amounts due and payable in respect of Notes will be made, in accordance with Condition 7, to the CSD (in the case of Notes held in the CSD) or to the person named as the registered Noteholder of Notes in the Register at 17h00 (South African time) on the Last Day to Register (in the case of Notes represented by Certificates).

TRANSFERABILITY OF THE NOTES

The Notes in a Tranche of Notes will, upon issue, be freely transferrable and fully paid.

FORM OF THE APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on the Interest Rate Market of the JSE.

The form of Applicable Pricing Supplement which will be completed for each Tranche of Notes which is to be listed on any Exchange other than (or in addition to) the Interest Rate Market of the JSE will, subject to the rules of that Exchange and all Applicable Laws, be substantially in the form set out below, adapted, as applicable, to comply with the rules of that Exchange and all Applicable Laws.

The form of Applicable Pricing Supplement which will be completed for each Tranche of unlisted Notes will be substantially in the form set out below adapted, as applicable, in such manner as is agreed by the Issuer and the relevant Dealer/s.


WORKFORCE HOLDINGS LIMITED

(incorporated with limited liability under registration number 2006/018145/06 in the Republic of South Africa)

ZAR1,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

Issue of ZAR[•] [Type of Notes] due [•] [•] [•]

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

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 9 January 2017, as amended and/or supplemented from time to time ("**Programme Memorandum**") prepared by Workforce Holdings Limited ("**Issuer**") in connection with the Workforce Holdings Limited ZAR1,000,000,000 Medium Term Note Programme ("**Programme**").

The Programme Memorandum, dated 9 January 2017, was approved by the JSE Limited ("**JSE**") on 5 January 2017.

References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions*". A reference to any Condition shall be a reference to that Condition of the Terms and Conditions. Capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions.

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

A DESCRIPTION OF THE NOTES

- | | | |
|----|-----------------|--|
| 1. | Issuer | Workforce Holdings Limited |
| 2. | Tranche number | [] |
| 3. | Series number | [] |
| 4. | Status of Notes | Senior Notes (see Condition 5) |
| 5. | Form of Notes | The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD. |
| 6. | Type of Notes | [Fixed Rate Notes] [Floating Rate Notes] [Mixed Rate Notes] [Indexed Notes] [Zero Coupon Notes] [<i>specify other</i>] |
| 7. | Security | Unsecured Notes |

8. Issue Date []
9. Aggregate Principal Amount of this Tranche ZAR[]
10. Issue Price [[]% of the Principal Amount] *[specify other]*
11. Specified Denomination (Principal Amount per Note) ZAR1,000,000 (or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act)
12. Specified Currency ZAR
13. Business Day Convention [Not Applicable]
[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] *[specify other]*
14. Day Count Fraction [Not Applicable]
[1/1] [Actual/365] [Actual/365 Fixed]] [Actual/360] [30/360] [30E/360] *[specify other]*
15. Business Centre [Johannesburg] *[specify other]*

B PROGRAMME AMOUNT

1. Programme Amount as at the Issue Date [ZAR1,000,000,000] *[specify other]*
2. Aggregate Outstanding Principal Amount of all of the Notes issued under the Programme as at the Issue Date ZAR[], excluding the aggregate Principal Amount of this Tranche and any other Tranche/s of Notes issued on the Issue Date specified in Item A(8) above.
3. Issuer confirmation as to Programme Amount The Issuer confirms that the issue of this Tranche of Notes will not cause the Issuer to exceed the Programme Amount.

C FIXED RATE NOTES (*delete if not applicable)

1. Fixed Interest Rate [[]% per annum [NACS] *[specify other]* for the period from and including the Interest Commencement Date to but excluding the Redemption Date] *[specify other]*
2. Interest Commencement Date [Issue Date] *[specify other]*
3. Interest Payment Date/s [Semi-annually in arrear on *specify date/s*: [] and [] of each year for the period from and including the Interest Commencement Date to but excluding the Redemption Date] *[specify other]*
4. First Interest Payment Date []
5. Interest Period/s [Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Redemption Date] *[specify other]*
6. Initial Broken Amount [Not Applicable] *[specify Initial Broken Amount: []]*
7. Final Broken Amount [Not Applicable] *[specify Final Broken Amount: []]*
8. Default Rate [[]% per annum] (see Condition 6.6.1)
9. Other terms relating to the method of calculating interest [Not Applicable] *[specify other terms]*

for Fixed Rate Notes

D FLOATING RATE NOTES (*delete if not applicable)

1. Floating Interest Rate [The floating interest rate per annum [NACQ] *[specify other]* equal to the sum of the [Reference Rate] and [the Margin] *[specify other]* for the period from and including the Interest Commencement Date to but excluding the Redemption Date] *[specify other]*
2. Interest Commencement Date [Issue Date] *[specify other]*
3. Interest Payment Date/s [Quarterly in arrear on *specify date/s*: [] [] [] and [] of each year for the period from and including the Interest Commencement Date to but excluding the Redemption Date] *[specify other]*
4. First Interest Payment Date []
5. Interest Period/s Each successive period commencing on and including an Interest Payment Date and ending on but excluding the following Interest Payment Date; provided that the first Interest Period will commence on and include the Interest Commencement Date and the last Interest Period will end on but exclude the Redemption Date] *[specify other]*
6. Manner in which the Floating Interest Rate is to be determined: [Screen Rate Determination] [ISDA Determination] [Other Determination - *specify*]
7. **Screen Rate Determination:** [Applicable] [Not Applicable]
 - (a) Reference Rate [JIBAR (being, subject to Condition 6.2.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "SFX 3M YIELD" at or about the Relevant Time on the Rate Determination Date, determined by the Calculation Agent in accordance with Condition 6.2.5)] *[specify other]*
 - (b) Rate Determination Dates [The first day of each Interest Period; provided that the first Rate Determination Date shall be []] *[specify other]*
 If any such date is not a Business Day, the Rate Determination Date will be first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date will be brought forward to the first preceding Business Day.
 - (c) Relevant Screen Page and Reference Code [Reuters Screen SAFEX MNY MKT page - "SFX 3M YIELD"] *[specify other]*
 - (d) Relevant Time [11h00 (South African time)] *[specify other]*
 - (e) Relevant Financial Centre [Johannesburg] *[specify other]*
8. **ISDA Determination:** [Applicable] [Not Applicable]
 - (a) Floating Rate Option []
 - (b) Designated Maturity []
 - (c) Reset Date []
9. **Other Determination:** [Applicable] [Not Applicable] *(if the Floating Interest Rate to be calculated otherwise than by reference to Item D(7) or Item D(8) above, insert basis for determining the Floating Interest Rate)*
10. Margin [Not Applicable] *[specify Margin: (+/-) []% to be added to/subtracted from the relevant [ISDA Rate] [Reference Rate] [specify other]]*

11. Minimum Floating Interest Rate [Not Applicable] [*specify Minimum Floating Interest Rate:*
[]%]
12. Maximum Interest Rate [Not Applicable] [*specify Maximum Floating Interest Rate:*
[]%]
13. Default Rate [[]% per annum] (see Condition 6.6.1)
14. Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes, if different from those set out in the Terms and Conditions [Not Applicable] [*specify other terms*]

E MIXED RATE NOTES (**delete if not applicable*)

1. Interest Period/s during which []
the Interest Rate for the Mixed Rate Notes will be a Fixed Interest Rate, and for which Interest Period/s the Mixed Rate Notes will, pursuant to Condition 6.3, be construed as Fixed Rate Notes and have the terms set out in Item C above headed "FIXED RATE NOTES"
2. Interest Period/s during which []
the Interest Rate for the Mixed Rate Notes will be a Floating Interest Rate, and for which Interest Period/s the Mixed Rate Notes will, pursuant to Condition 6.3, be construed as Floating Rate Notes and have the terms set out in Item D above headed "FLOATING RATE NOTES"
3. Other terms relating to the method of calculating interest for Mixed Rate Notes [Not Applicable] [*specify other terms*]

F ZERO COUPON NOTES (**delete if not applicable*)

1. Implied Yield [[]%] [*specify other*]
2. Reference Price []
3. Any other formula/basis of determining amount payable [Not Applicable] [*give details*]
4. Default Rate [[]% per annum] (see Condition 6.6.2)
5. Other terms relating to the method of calculating payments for Zero Coupon Notes, if different from those set out in the Terms and Conditions [Not Applicable] [*specify other terms*]

G INDEXED NOTES (**delete if not applicable*)

1. Type of Index Linked Notes [Indexed Interest Notes] [Indexed Redemption Amount Notes]

2. Index/Formula by reference to which Interest Rate / Interest Amount / Redemption Amount is to be determined [give details]
3. Manner in which the Interest Rate / Interest Amount / Applicable Redemption Amount is to be determined [give details]
4. Provisions where calculation by reference to Index/Formula is impossible or impracticable [give details]
5. Interest Commencement Date []
6. Interest Payment Date(s) []
7. First Interest Payment Date []
8. Interest Periods []
9. Minimum Rate of Interest [Not Applicable] [[]% per annum]
10. Maximum Rate of Interest [Not Applicable] [[]% per annum]
11. Market Disruption or Settlement Disruption Events [Describe any market disruption or settlement disruption events that affect the Index]
12. Index Sponsor []
13. Other terms relating to the calculation of Interest Rate / Interest Amount / Redemption Amount [Not Applicable] [give details]
14. Other terms or special conditions [Not Applicable] [give details]

H OTHER NOTES (*delete if not applicable)

1. If the Notes are not Floating Rate Notes, Fixed Rate Notes, Mixed Rate Notes, Zero Coupon Notes or Indexed Notes, or if the Notes are a combination of any of the foregoing, set out the relevant description and any additional terms and conditions applicable to such Notes. []

I REDEMPTION

1. Maturity Date []
2. Final Redemption Amount [The aggregate Outstanding Principal Amount of this Tranche plus interest accrued (if any) to the Maturity Date.] [specify other]
3. Call Option [Applicable - (see Condition 9.2)]
[Not Applicable]
4. **If Call Option applicable:**
 - (a) Redemption in whole [Applicable] [Not Applicable]
 - (b) Redemption in part [Applicable]
If Applicable, []% []% []% []% (Note 1: specify the percentage of the aggregate Outstanding Principal Amount of

this Tranche which will be redeemed on each Optional Redemption Date (Call))

(Note 2: if no percentage/s is/are specified above, the percentage of the aggregate Outstanding Principal Amount of this Tranche which will be redeemed on each Optional Redemption Date (Call) will be the percentage specified in the notice of redemption given by the Issuer in terms of Condition 9.2)

[Not Applicable]

- (c) Optional Redemption Date/s (Call) [] [] [] [] (Note 1: specify the Optional Redemption Date/s (Call) on which the Issuer will redeem this Tranche (or the relevant portion thereof) in terms of Condition 9.2)

(Note 2: if no date is specified above, the Optional Redemption Date/s (Call) will be the Interest Payment Date/s (in the case of interest-bearing Notes) or other date/s (in the case of non-interest-bearing Notes) stipulated as the Optional Redemption Date/s (Call) in the notice/s of redemption given by the Issuer in terms of Condition 9.2)

- (d) Optional Redemption Amount/s (Call) [The aggregate Outstanding Principal Amount (or the relevant portion thereof) of this Tranche plus accrued interest (if any) to the Optional Redemption Date (Call)] [The aggregate amount of principal (or the relevant portion thereof) of this Tranche calculated in accordance with Condition 9.5.] [specify other]

5. Put Option [Applicable - (see Condition 9.3)]

[Not Applicable]

6. If Put Option applicable:

- (a) Redemption in whole [Applicable] [Not Applicable]

- (b) Redemption in part [Applicable]

If Applicable, []% []% []% []% (Note 1: specify the percentage of the aggregate Outstanding Principal Amount of all or any (as specified in the Put Option Notice) of the Notes in this Tranche held by the relevant Noteholder which are subject to the Put Option ("relevant Notes") which (subject to Condition 9.3) the Issuer will be required to redeem on each Optional Redemption Date (Put))

(Note 2: if no percentage/s is/are specified above, the percentage of the aggregate Outstanding Principal Amount of the relevant Notes which (subject to Condition 9.3) the Issuer will be required to redeem on each Optional Redemption Date (Put) will be the percentage specified in the Put Option Notice)

[Not Applicable]

- (c) Optional Redemption Date/s (Put) [] [] [] [] (Note 1: specify the Optional Redemption Date/s (Put) on which (subject to Condition 9.3) the Issuer will be required to redeem the relevant Notes (or the relevant portion thereof) in terms of Condition 9.3)

(Note 2: if no date is specified above, the Optional Redemption Date/s (Put) will be the Interest Payment Date/s (in the case of interest-bearing Notes) or other date/s (in the case of non-interest-bearing Notes) stipulated as the Optional Redemption Date/s (Call) in the Put Option Notice)

- (d) Optional Redemption Amount/s (Put) [The aggregate Outstanding Principal Amount (or the relevant portion thereof) of the relevant Notes plus accrued interest (if any) to the Optional Redemption Date (Put)] [The aggregate amount of principal (or the relevant portion thereof) of the relevant Notes

- calculated in accordance with Condition 9.5.] *[specify other]*
- (e) Put Option Notice In order to exercise the Put Option, the relevant Noteholder must, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Put), send the duly completed Put Option Notice (in the form obtainable from the Issuer or attached to the Applicable Pricing Supplement, as the case may be), together with (where applicable) a copy of the Certificate (if any) representing the relevant Notes to the Issuer, with a copy of the Put Option Notice to the Transfer Agent and the Paying Agent, as set out in Condition 9.3.
- (f) *pro forma* Put Option Notice attached [Yes] [No]
- 7. Optional early redemption following a Tax Event:** [Applicable – (see Condition 9.4)]
[Not Applicable]
- (a) Redemption in whole: Applicable
- (b) Redemption in part: Not Applicable
- (c) Optional Redemption Date (Tax Event) [The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of this Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.4.] *[specify other]*
- (d) Optional Redemption Amount (Tax Event) [The aggregate Outstanding Principal Amount of this Tranche plus interest accrued (if any) to the Optional Redemption Date (Tax Event)]
[The aggregate amount of principal of this Tranche calculated in accordance with Condition 9.5] *[specify other]*.
- 8. Optional early redemption following a Change in Law:** [Applicable - (see Condition 9.4)]
[Not Applicable]
- (a) Redemption in whole: Applicable
- (b) Redemption in part: Not Applicable
- (c) Optional Redemption Date (Change in Law) [The Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of this Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.4.] *[specify other]*
- (d) Optional Redemption Amount (Change in Law) [The aggregate Outstanding Principal Amount of this Tranche plus interest accrued (if any) to the Optional Redemption Date (Tax Event)] [The aggregate amount of principal of this Tranche calculated in accordance with Condition 9.5] *[specify other]*.
9. Other terms applicable on redemption [Not Applicable] *[give details]*

J AGENTS AND SPECIFIED OFFICES

1. Calculation Agent [Merchantec Proprietary Limited] *[specify other]*
2. Specified Office of the Calculation Agent [2nd Floor, North Block, Hyde Park Office Tower, Corner 6th Road and Jan Smuts Avenue, Hyde Park, Johannesburg 2196, South Africa] *[specify other]*
3. Paying Agent [Merchantec Proprietary Limited] *[specify other]*
4. Specified Office of the Paying Agent [2nd Floor, North Block, Hyde Park Office Tower, Corner 6th Road and Jan Smuts Avenue, Hyde Park, Johannesburg 2196, South Africa] *[specify other]*

5. Transfer Agent [Merchantec Proprietary Limited] *[specify other]*
6. Specified Office of the Transfer Agent [2nd Floor, North Block, Hyde Park Office Tower, Corner 6th Road and Jan Smuts Avenue, Hyde Park, Johannesburg 2196, South Africa] *[specify other]*

K REGISTER CLOSED

1. Last Day to Register Up until 17h00 (South African time) on the [sixth] *[specify other]* day (whether such is a Business Day or not) preceding each Interest Payment Date (where applicable) and the Redemption Date, being in each instance, the last date on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes represented by Certificates.
2. Register Closed Period The Register will be closed during the [5 (five)] *[specify other]* days preceding each Interest Payment Date (where applicable) and the Redemption Date from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date (where applicable) and the Redemption Date.
3. Books Closed Dates *[specify]*

L GENERAL

1. Exchange control approval [Not Applicable] [Applicable] *(Note: see the section of the Programme Memorandum headed "Exchange Control")*
2. Additional selling restrictions (if any) [Not Applicable] *[give details]*
3. International Securities Numbering (ISIN) []
4. Stock Code Number []
5. Exchange JSE Limited (Interest Rate Market)
6. Debt Sponsor [Merchantec Proprietary Limited] *[specify other]*
7. Names of Dealer/s *[give details]*
8. Stabilisation Manager (if applicable) [Not Applicable] *[give details]*
9. Method of distribution [Private Placement] [Dutch Auction] [Dutch Auction (sealed bid without feedback)] *[specify other]*
10. Pricing Methodology [Not Applicable] *[give details]*
11. Rating (if any) assigned to the Issuer, Rating Agency and date on which such Rating (if any) is expected to be reviewed [Not Applicable] *[give details]*
12. Rating (if any) assigned to the Programme, Rating Agency and date on which such Rating (if any) is expected to be reviewed [Not Applicable] *[give details]*
13. Rating (if any) assigned to the Notes, Rating Agency and date on which such Rating (if any) is expected to be reviewed [Not Applicable] *[give details]*
14. Governing law The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa.

15. Other provisions [Not Applicable] *[give details]*
16. Use of proceeds [The Issuer will use the proceeds of this Tranche of Notes for [its general corporate purposes] *[specify other]*.]
17. Commercial Paper Regulations [Not Applicable] [Applicable - see Annexure "A" to this Applicable Pricing Supplement]
- [Note: The Issuer is not obliged to comply with the Commercial Paper Regulations in the case of, among others, a private placement of the Notes (that is, where the subscription proceeds of the Notes are not accepted from "the general public" for purposes of the definition of "the business of a bank" in the Banks Act, 1990)]*
18. Other provisions [Not Applicable] *[give details]*

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all Annexures to this Applicable Pricing Supplement, the annual financial statements of the Issuer and any amendments to such annual financial statements and each supplement to the Programme Memorandum published by the Issuer from time to time (except as otherwise stated therein).

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make any statement contained in the Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum contains or incorporates by reference (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*") all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

Application is hereby made to list Tranche [] of Series [] of the Notes on the Interest Rate Market of the JSE, as from [], pursuant to the Workforce Holdings Limited ZAR1,000,000,000 Domestic Medium Term Note Programme.]

WORKFORCE HOLDINGS LIMITED

By: _____

By: _____

Name: _____

Name: _____

Duly authorised

Duly authorised

Date: _____

Date: _____

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

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

If the Issuer, in relation to the issue and placing of a Tranche of Notes ("**relevant Tranche of Notes**"), is obliged (or is not obliged but nevertheless elects) to comply with the Commercial Paper Regulations, the Issuer will procure that this Annexure "A" is completed and attached to the Applicable Pricing Supplement relating to the relevant Tranche of Notes ("**Applicable Pricing Supplement**").

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

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

The Issuer of the relevant Tranche of Notes is Workforce Holdings Limited (incorporated with limited liability under registration number 2006/018145/06 in South Africa).

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

(Note: only applicable if the relevant Tranche of Notes is not listed – see paragraph 7 below) [The Issuer, during the 18 months prior to the Issue Date, has held net assets in excess of ZAR100 million, as certified by the auditors of the Issuer in the Issuer's most recent audited financial statements, and, in the calculation of the value of such net assets, (a) intangible assets that are not readily marketable have been excluded and (b) the total amount of the Issuer's off-balance-sheet liabilities and contingent liabilities have been deducted.]

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

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

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

The auditors of the Issuer as at the Issue Date are [Horwath Leveton Boner] [*specify other*]. [Horwath Leveton Boner] [*specify other*] has acted as the auditors of the Issuer's latest audited financial statements.

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

a) [The Issuer has not, prior to the Issue Date, issued any "*commercial paper*" (as defined in the Commercial Paper Regulations).]

[The Issuer has, prior to the Issue Date, issued "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[]]

b) [As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will not issue any "*commercial paper*" (as defined in the Commercial Paper Regulations) during the Issuer's current financial year (excluding the relevant Tranche of Notes).]

[As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR[] during the Issuer's current financial year (excluding the relevant Tranche of Notes).]

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

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

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

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

[give details, if applicable]

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

The relevant Tranche of Notes will be [unlisted] [listed on [the Interest Rate Market of the JSE] [*specify other*]].

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

[The proceeds of the issue of the relevant Tranche of Notes will be used by the Issuer for its general corporate purposes] [*specify other*].

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

The relevant Tranche of Notes is [secured] [unsecured].

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

The Issuer's auditors as at the Issue Date have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche of Notes under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

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

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

TERMS AND CONDITIONS

The following is the text of the Terms and Conditions:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Unless separately defined in the Terms and Conditions or, in relation to a Tranche of Notes, unless separately defined in the Applicable Pricing Supplement, the following expressions have the following meanings:

"Acceleration Date" has the meaning given to it in Condition 10.3;

"Actual Payment Date" means, in relation to each Note in a Tranche of Notes, the earlier of (A) the date on which the full amount due and payable by the Issuer to the Noteholder of such Note under the Applicable Terms and Conditions has been paid to the Noteholder of such Note or (B) if such Note is held in the CSD, the date on which the full amount due and payable by the Issuer to the Noteholder of such Note under the Applicable Terms and Conditions has been paid to the CSD and (in the circumstances set out in Condition 6.6) notice to that effect has been given by the Issuer to the Noteholder of such Note (in the manner set out in Condition 15);

"Actual Redemption Date" means, in relation to each Note in a Tranche of Notes, the earlier of (A) the date upon which such Note is actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the Noteholder of such Note under the Applicable Terms and Conditions has been paid to the Noteholder of such Note or (B) if such Note is held in the CSD, the date on which such Note is actually redeemed in full by the Issuer and the full amount due and payable by the Issuer to the Noteholder of such Note under the Applicable Terms and Conditions has been paid to the CSD and (in the circumstances set out in Condition 6.6) notice to that effect has been given by the Issuer to the Noteholder of such Note (in the manner set out in Condition 15);

"Affiliate" means, in relation to a company, its *"holding company"* (as defined in the Companies Act) and each Subsidiary of such company and such holding company, it being recorded that the relevant entities shall not be limited to being South African companies;

"Applicable Agency Agreement" means each agency agreement concluded between the Issuer and the Paying Agent and/or the Calculation Agent and/or the Transfer Agent, as amended, novated and/or substituted from time to time in accordance with its/their terms, unless the Issuer itself acts in any of the abovementioned capacities;

"Applicable Laws" means, in relation to the Issuer (or any other Person), all and any statutes, subordinate legislation, regulations, ordinances, directives, circulars and guidance notices, and judgments and decisions of any competent authority in South Africa, (including without limitation, the JSE Debt Listings Requirements and the Applicable Procedures), compliance with which is mandatory for the Issuer (or that other Person);

"Applicable Pricing Supplement" means, in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to the issue of that Tranche of Notes, setting out such additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the *pro forma* pricing supplement which is set out in the section of the Programme Memorandum headed *"Form of the Applicable Pricing Supplement"*;

"Applicable Procedures" means, in relation to a Tranche of Notes which is held in the CSD, the CSD Procedures, the JSE Rules, the JSE Debt Listings Requirements and such other rules and operating procedures for the time being as are applicable to the CSD and/or CSD Participants and/or the JSE and, in relation to a Tranche of Notes which is listed on any other Exchange, the rules and operating procedures for the time being of that Exchange;

"Applicable Terms and Conditions" means, in relation to a Tranche of Notes, 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;

"Arranger" means Merchantec Capital;

"Banks Act" means the Banks Act, 1990;

"Beneficial Interest" means, in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of all of the Notes in that Tranche, as contemplated in Chapter IV of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate Outstanding Principal Amount of such number of Notes bears to the aggregate Outstanding Principal Amount of all of the Notes in that Tranche, as contemplated in Chapter IV of the Financial Markets Act;

"Blocked Rand" means, for purposes of the Exchange Control Regulations, funds which may not be remitted out of South Africa or paid into a bank account outside South Africa;

"Board" means the board of directors of the Issuer;

"Business Day" means, subject to the Applicable Procedures, a day (other than a Saturday or Sunday or statutory public holiday) on which commercial banks and foreign exchange markets settle payments in the Specified Currency in the principal financial centre of the Specified Currency;

"Business Day Convention" means, in relation to a Tranche of Notes (where applicable), the convention for adjusting any date if it would otherwise fall on a day that is not a Business Day, and the following terms, when specified in the Applicable Pricing Supplement and used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

- a) if **"Following"** is specified in the Applicable Pricing Supplement the relevant payment date will be the first following day that is a Business Day; or
- b) if **"Modified Following"** or **"Modified"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; or
- c) if **"Preceding"** is specified in the Applicable Pricing Supplement, the relevant payment date will be the first preceding day that is a Business Day; or
- d) such other method of adjusting the relevant payment date as is specified in the Applicable Pricing Supplement;

"Calculation Agent" means Merchantec Capital or, if the Issuer elects to appoint another entity as Calculation Agent, as contemplated in Condition 14, that other entity, as the case may be;

"Call Option" means, in relation to a Tranche of Notes (where applicable), the option of the Issuer to redeem that Tranche of Notes (in whole or in part) in terms of Condition 9.2;

"Certificate" means the single certificate in definitive registered form without interest coupons representing Notes for which a Beneficial Interest has been exchanged in accordance with Condition 12.1;

"Change in Law" means, in relation to a Series of Notes (and each Tranche of Notes in that Series), an event where, as a result of (a) the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (b) 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 the Applicable Terms and Conditions of any Tranche of Notes in that Series (including, without limitation, as a result of any increase in tax liability, decrease in tax benefit or other adverse effect on the Issuer's tax position) which adoption, change or promulgation is announced on or after the Issue Date of the first Tranche of Notes in that Series;

"Commercial Paper Regulations" means the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of *"the business of a bank"* in the Banks Act, set out in Government Notice 2172 and published in *Government Gazette* 16167 of 14 December 1994;

"Common Monetary Area" means, for purposes of the Exchange Control Regulations, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;

"Companies Act" means the Companies Act, 2008;

"Condition" means a numbered term or condition forming part of the Terms and Conditions;

"CSD" means Strate Proprietary Limited (incorporated with limited liability in South Africa under registration number 1998/022242/07), licensed as a central securities depository in terms of the Financial Markets Act or any additional or alternate depository approved by the Issuer;

"CSD Participant" means a Person accepted by the CSD as a participant in terms of the Financial Markets Act;

"CSD Procedures" means, in relation to a Tranche of Notes which is held in the CSD, the rules and operating procedures for the time being of the CSD and CSD Participants;

"Day Count Fraction" means, in relation to a Tranche of Notes (where applicable):

- a) if **"1/1"** is specified in the Applicable Pricing Supplement, 1; or
- b) if **"Actual/365"**, **"Act/365"**, **"Actual/Actual"** or **"Act/Act"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- c) if **"Actual/365 (Fixed)"**, **"Act/365 (Fixed)"**, **"A/365 (Fixed)"** or **"A/365F"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- d) if **"Actual/360"**, **"Act/360"** or **"A/360"** is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- e) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- f) if **"30E/360"** or **"Eurobond Basis"** is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- g) such other calculation method as is specified in the Applicable Pricing Supplement;

"Dealers" means Merchantec Capital and each additional Dealer appointed by the Issuer under the Programme from time to time pursuant to the Programme Agreement, 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 Dealer;

"Debt Sponsor" means Merchantec Capital, or such other Person as may be appointed by the Issuer from time to time in accordance with the Applicable Procedures;

"Early Termination Amount" means, in respect of each Accelerated Note (i) the Outstanding Principal Amount of that Accelerated Note plus accrued interest (if any) to the Actual Redemption Date or (ii) the amount of principal of that Accelerated Note calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Event of Default" means an event of default set out in Condition 10.1;

"Exchange" means, in relation to a Tranche of Notes (where applicable), the Interest Rate Market of the JSE and/or such other exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to Applicable Laws, as specified in the Applicable Pricing Supplement;

"Exchange Control Authorities" means the Financial Surveillance Department of the South African Reserve Bank;

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

"Extraordinary Resolution" means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), upon a poll, by a majority consisting of not less than 75% of the votes cast on such poll;

"Final Broken Amount" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"Final Redemption Amount" means, in relation to a Tranche of Notes which is to be redeemed on the Maturity Date in terms of Condition 9.1, (i) the aggregate Outstanding Principal Amount of that Tranche plus accrued interest (if any) to the Maturity Date or (ii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Financial Markets Act" means the Financial Markets Act, 2012;

"First Interest Payment Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement;

"Fixed Interest Rate" means, in relation to a Tranche of Notes (where applicable), the fixed interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Fixed Rate Notes" means a Tranche of Notes which will bear interest at a Fixed Interest Rate, as specified in the Applicable Pricing Supplement;

"Floating Interest Rate" means, in relation to a Tranche of Notes (where applicable), the floating interest rate per annum specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Floating Rate Notes" means a Tranche of Notes which will bear interest at a Floating Interest Rate, as specified in the Applicable Pricing Supplement;

"Group" or **"Group of Noteholders"** means Noteholders of one or more Tranche/s of Notes or Noteholders of a Series of Notes, as applicable;

"Group Company" means any company within the Workforce Group;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ('IASB') and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

"Implied Yield" means, in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price, specified as a percentage in the Applicable Pricing Supplement;

"Income Tax Act" means the Income Tax Act, 1962;

"Indebtedness" means, in relation to the Issuer or any Material Subsidiary, as the case may be, any indebtedness of the Issuer or that Material Subsidiary, as the case may be, in respect of moneys borrowed, and any guarantees and/or suretyships and/or indemnities given by the Issuer or that Material Subsidiary, as the case may be, in respect of moneys borrowed by any other Person, whether present or future, actual or contingent;

"Indexed Notes" means a Tranche of Notes, the Redemption Amount and/or the Interest Amount of which is not fixed on the Issue Date, but which is calculated with reference to such formula and/or other arrangement as is specified in the Applicable Pricing Supplement;

"Initial Broken Amount" means, in relation to a Tranche of Notes (where applicable), the amount (if any) specified as such in the Applicable Pricing Supplement;

"Insolvency Act" means the Insolvency Act, 1936;

"Insolvency Event" means, in relation to the Issuer or any Material Subsidiary, as the case may be, the occurrence of any of the following events in respect of the Issuer or that Material Subsidiary, as the case may be:

- a) a liquidator or business rescue practitioner is appointed in respect of the Issuer or that Material Subsidiary, as the case may be, or any application for any such appointment is made (other than in respect of a Solvent Reconstruction);
- b) any step (including an application, a proposal or a convening of a meeting) is taken by any Person with a view to having the Issuer or that Material Subsidiary, as the case may be, wound up or liquidated (other than in respect of a Solvent Reconstruction) or placed under business rescue;
- c) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer or that Material Subsidiary, as the case may be (other than in respect of a Solvent Reconstruction) or an order is made or an effective resolution is passed for the appointment of a business rescue practitioner in respect of the Issuer or that Material Subsidiary, as the case may be, or for the placing of the Issuer or that Material Subsidiary, as the case may be, under business rescue; or
- d) the Issuer is wound-up or liquidated (other than in respect of a Solvent Reconstruction) or placed under business rescue, whether provisionally or finally and whether voluntarily or compulsorily, or passes a resolution providing for any such event;
- e) the Issuer or that Material Subsidiary, as the case may be, takes any action (including an application, a proposal or a convening of a meeting) for a readjustment or deferment of any of its obligations or makes or attempts to make a general assignment or an arrangement or composition or compromise with or for the benefit of its creditors or declares a moratorium in respect of all or any of its indebtedness for moneys borrowed or raised (other than in respect of a Solvent Reconstruction);
- f) the Issuer or that Material Subsidiary, as the case may be, commits any act which is, or if it were a natural Person, would be, an act of insolvency as defined in the Insolvency Act;
- g) the Issuer or that Material Subsidiary, as the case may be, is unable to pay its debts when they fall due or is deemed to be unable to pay its debts under any Applicable Laws (other than as the result of a failure to pay a debt or claim which is the subject of a good faith dispute),

provided that where any of the events described in sub-paragraphs (a) to (d) inclusive above (i) are the result of frivolous and/or vexatious proceedings and/or actions and/or steps or (ii) are the subject of a good faith dispute, as the case may be, the occurrence of such events shall not constitute an Insolvency Event;

"Interest Amount" means, in relation to a Tranche of Notes (where applicable), the amount of interest due and payable in respect of each Note in that Tranche, on the relevant Interest Payment Date, in respect of the relevant Interest Period, calculated by the Calculation Agent in accordance with Condition 6;

"Interest Commencement Date" means, in relation to a Tranche of Notes (where applicable), the Issue Date or such other date (if any) as is specified in the Applicable Pricing Supplement;

"Interest Payment Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement or, if no date is specified in the Applicable Pricing Supplement, the last day of each Interest Period;

"Interest Period" means, in relation to a Tranche of Notes (where applicable), each successive period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period shall commence on (and include) the Interest Commencement Date and the last Interest Period shall end on (but exclude) the Redemption Date;

"Interest Rate" and **"Rate of Interest"** means, in relation to a Tranche of Notes (where applicable), the Fixed Interest Rate and/or the Floating Interest Rate applicable to that Tranche;

"Interest Rate Market of the JSE" means the separate platform or sub-market of the JSE designated as the *"Interest Rate Market"* and on which *"debt securities"* (as defined in the JSE Debt Listings Requirements) may be listed, or such other separate platform or sub-market of the JSE as is selected by the Issuer, subject to all Applicable Laws;

"ISDA" means International Swaps and Derivatives Association Inc.;

"ISDA Definitions" means the 2006 ISDA Definitions (Interest Rate and Currency Derivative

Transactions) published by ISDA (as amended, supplemented, revised or republished from time to time);

"ISDA Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 6.2.2 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Issue Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Issue Price" means, in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement;

"Issuer" and **"Workforce"** means Workforce Holdings Limited (incorporated with limited liability under registration number 2008/018145/06 in South Africa);

"JSE" means the JSE Limited (incorporated with limited liability in South Africa under registration number 2005/022939/06), licensed as an exchange in terms of the Financial Markets Act, or any exchange which operates as a successor exchange to the JSE in terms of the Financial Markets Act;

"JSE Debt Listings Requirements" means the JSE Debt Listings Requirements applicable to the Interest Rate Market of the JSE, as amended and/or supplemented from time to time by the JSE;

"JSE Rules" means the exchange rules of the JSE promulgated from time to time pursuant to the Financial Markets Act;

"Last Day to Register" means, in relation to a Tranche of Notes, the sixth day or such other day as is specified in the Applicable Pricing Supplement (whether a Business Day or not) preceding each Interest Payment Date (where applicable) and the Redemption Date until 17h00 (South African time) on that day, such day being the last day on which the Transfer Agent will accept Transfer Forms and record in the Register the transfer of Notes in that Tranche represented by Certificate/s;

"Margin" means, in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement;

"Material Indebtedness" means, in relation to any Indebtedness of the Issuer or any Material Subsidiary, as the case may be, at any point in time, an amount which (either alone or when aggregated with the amount of any other Indebtedness of the Issuer or that Material Subsidiary, as the case may be, at that point in time) is equal to or exceeds the greater of (i) ZAR10,000,000 or (ii) an amount equal to 1% of the aggregate value of the total assets of the Issuer or that Material Subsidiary, as the case may be, such aggregate value and such total assets being determined by reference to the latest audited consolidated annual financial statements of the Issuer;

"Material Subsidiary" means a Workforce Subsidiary the total value of whose net assets represents at least 15% of the total value of all consolidated net assets owned by the Workforce Group, such total value being determined by reference to the latest audited consolidated financial statements of the Issuer;

"Maturity Date" means, in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;

"Merchantec Capital" means Merchantec Proprietary Limited (incorporated with limited liability under registration number 2008/027362/07 in South Africa);

"Mixed Rate Notes" means a Tranche of Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or Indexed Notes, as specified in the Applicable Pricing Supplement;

"NACA" means nominal annual compounded annually;

"NACM" means nominal annual compounded monthly;

"NACQ" means nominal annual compounded quarterly;

"NACS" means nominal annual compounded semi-annually;

"Noteholders" and **"holders of Notes"** means the holders of Notes recorded as the registered holders of such Notes in the Register;

"Notes" means notes of any kind issued or to be issued by the Issuer, under the Programme, pursuant to the Programme Memorandum;

"Optional Redemption Amount (Call)" means, in relation to a Tranche of Notes to which the Call Option is applicable, (i) the aggregate Outstanding Principal Amount (or the relevant portion thereof) of that Tranche of Notes plus accrued interest (if any) to the Optional Redemption Date (Call) or (ii) the aggregate amount of principal (or the relevant portion thereof) of that Tranche calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Optional Redemption Amount (Change in Law)" means, in relation to a Series of Notes (and each Tranche of Notes in that Series) which is to be redeemed (in whole) in terms of Condition 9.4 following a Change in Law, (i) the aggregate Outstanding Principal Amount of that Tranche plus accrued interest (if any) to the Optional Redemption Date (Change in Law) or (ii) the aggregate amount of principal of that Tranche calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of each Note in a Tranche of Notes to which the Put Option is applicable, (i) the Outstanding Principal Amount (or the relevant portion thereof) of that Note plus accrued interest (if any) to the Optional Redemption Date (Put) or (ii) the amount of principal (or the relevant portion thereof) of that Note calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Optional Redemption Amount (Tax Event)" means, in relation to a Series of Notes (and each Tranche of Notes in that Series) which is to be redeemed (in whole) in terms of Condition 9.4 following a Tax Event, (i) the aggregate Outstanding Principal Amount of that Tranche plus accrued interest (if any) to the Optional Redemption Date (Tax Event) or (ii) the aggregate amount of principal of that Tranche calculated in accordance with Condition 9.5 or (iii) such other amount as is specified as such in (or calculated in the manner set out in) the Applicable Pricing Supplement;

"Optional Redemption Date (Call)" means, in relation to a Tranche of Notes to which the Call Option is applicable, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes (in whole or in part), in the notice of redemption given by the Issuer in terms of Condition 9.2;

"Optional Redemption Date (Change in Law)" means, in relation to a Series of Notes (and each Tranche of Notes in that Series) which is to be redeemed (in whole) in terms of Condition 9.4 following a Change in Law, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.4;

"Optional Redemption Date (Put)" means, in relation to each Note in a Tranche of Notes to which the Put Option is applicable, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of such Note (in whole or in part) in the Put Option Notice given by the Noteholder of that Note in terms of Condition 9.3;

"Optional Redemption Date (Tax Event)" means, in relation to a Series of Notes (and each Tranche of Notes in that Series) which is to be redeemed (in whole) in terms of Condition 9.4 following a Tax Event, the Interest Payment Date (in the case of interest-bearing Notes) or other date (in the case of non-interest-bearing Notes) stipulated as the date for redemption of that Tranche of Notes in the notice of redemption given by the Issuer in terms of Condition 9.4;

"Ordinary Resolution" means a resolution passed at a meeting (duly convened) of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) upon a poll, by not less than 51% of the votes cast on such poll;

"Outstanding Principal Amount" means, in relation to each Note in a Tranche of Notes, the Principal Amount of that Note less (on each occasion on which that Note is partially redeemed in terms of Condition 9) that portion of the Principal Amount of that Note which has been so partially redeemed and, in relation to the Programme at any point in time, the aggregate of such Principal Amounts of all of the Notes in issue under the Programme at that time;

"Paying Agent" means Merchantec Capital or, if the Issuer elects to appoint another entity as Paying Agent, as contemplated in Condition 14, that other entity, as the case may be;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"place" means, in relation to a Dealer, to use reasonable commercial endeavours to procure the subscription and payment for the Notes in one or more Tranches of Notes pursuant to a Placement Agreement so that all of the Notes in such Tranche/s are subscribed and paid for on the Issue Date/s and **"placing"** will be construed accordingly;

"Placement Agreement" means an agreement, concluded in accordance with the Programme Agreement, in terms of which the Issuer agrees to issue one or more Tranches of Notes and one or more Dealers agree to place such Tranche or Tranches of Notes, in accordance with such agreement;

"Principal Amount" means, in relation to each Note in a Tranche of Notes, the nominal amount of that Note (being the amount equivalent to the Specified Denomination);

"Principal Financial Centre" means, in relation to any Specified Currency, the principal financial centre for that Specified Currency; provided that, in relation to South African Rand, it means Johannesburg;

"Programme" means the Workforce Holdings Limited ZAR1,000,000,000 Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;

"Programme Agreement" means the written agreement entitled *"Programme Agreement"* entered into between the Issuer and Merchantec Capital on or about 6 December 2016, as amended, novated and/or substituted from time to time in accordance with its terms;

"Programme Amount" means the maximum aggregate Outstanding Principal Amount of all of the Notes that may be issued under the Programme at any one point in time being, as at the Programme Date, ZAR1,000,000,000, or such increased amount as is determined by the Issuer from time to time, as set out in the section of the Programme Memorandum headed *"General Description of the Programme"*;

"Programme Date" means the date of the Programme Memorandum, being 9 January 2017;

"Programme Memorandum" means this document so entitled in respect of the Programme dated 9 January 2017; provided that if the Issuer publishes a new Programme Memorandum or a Supplement, as the case may be (as contemplated in the section of this document headed *"Documents Incorporated by Reference"*), references to "Programme Memorandum" shall be construed as references to that new Programme Memorandum or the Programme Memorandum as supplemented by that Supplement, as the case may be;

"Put Option" means, in relation to a Tranche of Notes (where applicable), the option of a Noteholder of Note/s in that Tranche to require the Issuer to redeem all or any of such Note/s (in whole or in part) in terms of Condition 9.3;

"Put Option Notice" means, in relation to a Tranche of Notes to which the Put Option is applicable, a written notice (in the form obtainable from the Issuer and/or the Transfer Agent and/or attached to the Applicable Pricing Supplement) which must be completed and signed by a Noteholder of Note/s in that Tranche who wishes to exercise the Put Option in respect of all or any of such Note/s (in whole or in part) subject to and in accordance with Condition 9.3;

"R" or "Rand" or "ZAR" means the lawful currency of South Africa;

"Rate Determination Date" means, in relation to a Tranche of Notes (where applicable), the date specified as such in the Applicable Pricing Supplement or, if no date is specified in the Applicable Pricing Supplement, the day falling on the first day of each Interest Period or, if such day is not a Business Day, the first following day that is a Business Day, unless it would thereby fall into the next calendar month, in which event the Rate Determination Date shall be brought forward to the first preceding Business Day;

"Rating" means, in relation to the Issuer and/or the Programme and/or a Tranche of Notes (where applicable), the rating assigned to the Issuer and/or the Programme and/or a Tranche of Notes (as applicable) by any Rating Agency, as specified in the Applicable Pricing Supplement;

"Rating Agency" means Global Credit Rating Co. Proprietary Limited (incorporated with limited liability under registration number 1995/005001/07 in South Africa) and/or Moody's Investors Service South Africa Proprietary Limited (incorporated with limited liability under registration number 2002/014566/07 in South Africa) or the South African branch (registration number 2012/020451/10) of Standard & Poor's Global Inc. and/or such other internationally recognised rating agency/ies as is/are appointed by the Issuer for purposes of the Issuer and/or the Programme and/or a Tranche of Notes;

"Redemption Amount" means, in relation to all or any of the Notes in a Tranche of Notes (as applicable),

the Final Redemption Amount or the Optional Redemption Amount (Call) or the Optional Redemption Amount (Change in Law) or the Optional Redemption Amount (Put) or the Optional Redemption Amount (Tax Event) or the Early Termination Amount, as applicable;

"Redemption Date" means, in relation to all or any of the Notes in a Tranche of Notes (as applicable), the Maturity Date or the Optional Redemption Date (Call) or the Optional Redemption Date (Change in Law) or the Optional Redemption Date (Put) or the Optional Redemption Date (Tax Event) or the Acceleration Date, as applicable;

"Reference Banks" means, in relation to a Tranche of Notes (where applicable), the banks specified as such in the Applicable Pricing Supplement or, if none, four major banks (selected by the Calculation Agent and approved by the Issuer) in the market that is most closely connected with the Reference Rate;

"Reference Price" means, in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement;

"Reference Rate" means, in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement;

"Register" means the register of the Issuer's securities (including the register of the Issuer's uncertificated securities) contemplated in (and maintained in accordance) with Part E of the Companies Act;

"Register Closed Period" means, in relation to a Tranche of Notes, from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding each Interest Payment Date (where applicable) and the Redemption Date, during which the Register will be closed for purposes of giving effect to transfers, redemptions or payments in respect of that Tranche of Notes;

"Relevant Date" means, in relation to a Tranche of Notes, the earlier of (a) the date on which the full amount due and payable by the Issuer to the Noteholders of that Tranche is paid or (b) if that Tranche is held in the CSD, the date on which such amount is paid to the CSD;

"Relevant Financial Centre" means, in relation to a Tranche of Notes (where applicable), the centre specified as such in the Applicable Pricing Supplement;

"Relevant Screen Page" means, 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;

"Relevant Time" means, in relation to a Tranche of Notes (where applicable), the time specified as such in the Applicable Pricing Supplement;

"Representative" means a Person duly authorised to act on behalf of a Noteholder, which Person may be regarded by each of the Issuer, the Transfer Agent and the Paying Agent (acting in good faith) as being duly authorised to act based upon the tacit or express representation made by such Person, in the absence of express notice to the contrary from that Noteholder;

"Screen Rate Determination" means, in relation to a Tranche of Floating Rate Notes (where applicable), the manner (set out in Condition 6.2.3 as read with the Applicable Pricing Supplement) in which the Floating Interest Rate applicable to that Tranche is to be determined;

"Series" means a Tranche of Notes which, together with any other Tranche/s of Notes, is expressed in the Applicable Pricing Supplement to form a single series of Notes, identified in the Applicable Pricing Supplements relating to such Tranches of Notes by way of a unique numeral (such as Series 1);

"Solvent Reconstruction" means, in relation to the Issuer or any Material Subsidiary, as the case may be, the event where an order is made or an effective resolution is passed for the winding-up of the Issuer or that Material Subsidiary, as the case may be, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the Notes then in issue under the Programme or the obligations of that Material Subsidiary, as the case may be, are assumed by the successor entity to which all, or substantially all, of the property, assets and undertaking of the Issuer or that Material Subsidiary, as the case may be, are transferred or where an arrangement with similar effect not involving bankruptcy or insolvency is implemented;

"South Africa" means the Republic of South Africa;

"Specified Currency" means, in relation to each Note in a Tranche of Notes, subject to the Exchange Control Regulations, the currency specified as such in the Applicable Pricing Supplement;

"Specified Denomination" means, in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement; provided that such amount shall not be less than ZAR1,000,000 (or the equivalent thereof in the Specified Currency if the Specified Currency is not ZAR) or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act;

"Specified Office" means, in relation to each of the Issuer, the Calculation Agent, the Paying Agent and the Transfer Agent, the address of the office specified in respect of such entity at the end of this Programme Memorandum 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 15, as the case may be;

"Subsidiary" means, in relation to any Person as at any time, each "*subsidiary*" (as defined in the Companies Act) of that Person at that time;

"Substantial Part" means, in relation to the present or future assets of the Issuer or any Material Subsidiary, as the case may be, at any point in time, assets of the Issuer or that Material Subsidiary, as the case may be, which (either alone or when aggregated with other assets of the Issuer or that Material Subsidiary, as the case may be, at that point in time) have an aggregate value equal to or greater than 25% of the aggregate value of the total assets of the Issuer or that Material Subsidiary, as the case may be, such aggregate value and such total assets being determined by reference to the latest audited consolidated annual financial statements of the Issuer;

"Taxes" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of South Africa or any political subdivision therein or any authority therein or thereof having power to tax;

"Tax Event" means, in relation to a Series of Notes (and each Tranche of Notes in that Series), an event where, as a result of a Tax Law Change, the Issuer has paid or will pay or would on the next Interest Payment Date be required to pay additional amounts as provided for in Condition 8 and the Issuer cannot avoid the foregoing by taking measures reasonably available to it;

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

"Terms and Conditions" means the terms and conditions of the Notes set out in this section of the Programme Memorandum headed "*Terms and Conditions*";

"Tranche" and **"Tranche of Notes"** means those Notes which are subject to the identical Applicable Terms and Conditions (including as to listing) and in respect of which the same Applicable Pricing Supplement applies;

"Transfer Agent" means Merchantec Capital or, if the Issuer elects to appoint another entity as Transfer Agent, as contemplated in Condition 14, that other entity, as the case may be;

"Transfer Form" means the written form for the transfer of a Note represented by a Certificate, in the usual form or in such other form as is approved by the Transfer Agent;

"Value-Added Tax Act" means the Value-Added Tax Act, 1991;

"VAT" means value added tax imposed in terms of the Value-Added Tax Act, or any similar tax imposed in place thereof from time to time;

"Workforce Group" means the Issuer and each Workforce Subsidiary;

"Workforce Subsidiary" means each Subsidiary of the Issuer within South Africa whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS;

"Zero Coupon Notes" means a Tranche of Notes which will be offered and sold at a discount to their

Principal Amount or at par and will not bear interest other than in the case of late payment, as specified in the Applicable Pricing Supplement.

1.2 Interpretation

1.2.1 In the Terms and Conditions:

- 1.2.1.1 if an expression is stated in Condition 1.1 to have the meaning given in the Applicable Pricing Supplement, but the Applicable Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the relevant Tranche of Notes; and
- 1.2.1.2 any reference to the Applicable Agency Agreement shall be construed as a reference to the Applicable Agency Agreement, as amended and/or supplemented from time to time.
- 1.2.2 Unless inconsistent with the context or save where the contrary is expressly specified in the Terms and Conditions:
 - 1.2.2.1 all references in the Terms and Conditions to any statute, regulation or other legislation will be a reference to that statute, regulation or other legislation as at the Programme Date and as amended, re-enacted or replaced and substituted from time to time;
 - 1.2.2.2 references to any Condition are to that Condition of the Terms and Conditions;
 - 1.2.2.3 words denoting the singular only will include the plural also and *vice versa*, words denoting one gender only will include the other genders and words denoting Persons only will include firms and corporations and *vice versa*;
 - 1.2.2.4 the use of the word "including" followed by a specific example/s will not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule will not be applied in the interpretation of such general wording or such specific example/s. Such references to "including" and "in particular" will not be construed restrictively but will mean "including, without prejudice to the generality of the foregoing" and "in particular, but without prejudice to the generality of the foregoing" respectively;
 - 1.2.2.5 any reference to days (other than a reference to Business Days), months or years will be a reference to calendar days, months or years, as the case may be.
- 1.2.3 If any provision in a definition in the Terms and Conditions is a substantive provision conferring a right or imposing an obligation on any party then, notwithstanding that it is only in a definition, effect shall be given to that provision as if it were a substantive provision in the body of the Terms and Conditions.
- 1.2.4 Headings and sub-headings in the Terms and Conditions are inserted for convenience only.
- 1.2.5 Where any term is defined within a particular Condition, that term shall bear the meaning ascribed to it in that Condition wherever it is used in the Terms and Conditions.
- 1.2.6 The *contra proferentem* rule shall not be applied in the interpretation of the Terms and Conditions.

2. ISSUE

- 2.1. The Issuer may from time to time (without the consent of any Noteholder), issue one or more Tranche/s of Notes (denominated in the Specified Currency) pursuant to the Programme, provided that the aggregate Outstanding Principal 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.
- 2.3. The Applicable Terms and Conditions of a Tranche of Notes are incorporated by reference into the Certificate/s (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement will be attached to such Certificate/s.
- 2.4. The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE. Listed Notes will be listed on the Interest Rate Market of the JSE and/or on such other Exchange/s as may be determined by the Issuer and the relevant Dealer/s subject to Applicable Laws. The Applicable

Pricing Supplement will specify whether or not a Tranche of Notes will be listed and, if so, on which Exchange/s.

3. TYPE, FORM AND DENOMINATION

3.1. General

- 3.1.1. All payments in relation to the Notes in a Tranche will be made in the Specified Currency. The denomination of each Note in a Tranche will be the Specified Denomination.
- 3.1.2. A Tranche of Notes may comprise Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Indexed Notes, Mixed Rate Notes or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and the relevant Dealer/s and specified in the Applicable Pricing Supplement.

3.2. Notes issued in uncertificated form

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and each Tranche of unlisted Notes will be issued in uncertificated form in terms of section 33 of the Financial Markets Act, and will be held in the CSD. Notes issued in uncertificated form will not be represented by any certificate or written instrument.

3.3. Beneficial Interests in Notes held in the CSD

All Notes held in the CSD will be held subject to the Financial Markets Act and the Applicable Procedures..

3.4. Notes represented by Certificates

Subject to the Financial Markets Act, a holder of a Beneficial Interest shall be entitled to exchange such Beneficial Interest for Notes represented by a Certificate in accordance with Condition 12.1.

4. TITLE

4.1. Notes issued in uncertificated form

The registered Noteholder/s of the Note/s in a Tranche of Notes which is held in the CSD will be determined in accordance with the CSD Procedures, and such registered Noteholder/s will be named in the Register as the registered holder/s of such Note/s.

4.2. Beneficial Interests in Notes held in the CSD

- 4.2.1. The CSD Participants will maintain records of the Beneficial Interests in Notes held in the CSD.
- 4.2.2. While a Tranche of Notes is held in its entirety in the CSD, the registered Noteholder/s of the Note/s in that Tranche, determined in accordance with the CSD Procedures, will be named in the Register as the sole Noteholder/s of such Note/s.
- 4.2.3. All amounts to be paid and, subject to the CSD Procedures, all rights to be exercised in respect of Notes held in the CSD will be paid to and, subject to the CSD Procedures, may be exercised only by the CSD for the holders of Beneficial Interests in such Notes.
- 4.2.4. In relation to each Person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in a particular aggregate Outstanding Principal Amount of Notes, a certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the aggregate Outstanding Principal Amount of such Notes standing to the account of such Person shall be *prima facie* proof of such Beneficial Interest.
- 4.2.5. Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.
- 4.2.6. The clients of CSD 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 CSD Participants. Euroclear and Clearstream may hold Notes through their CSD Participant.

- 4.2.7. Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants, in accordance with the CSD Procedures (as contemplated in Condition 11.1).
- 4.2.8. Title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients, in accordance with the CSD Procedures (as contemplated in Condition 11.1).

4.3. Notes represented by Certificates

- 4.3.1. Each holder of Notes which are represented by a Certificate will be named in the Register as the registered holder of such Notes.
- 4.3.2. Title to Notes which are represented by a Certificate will pass upon registration of transfer in the Register in accordance with Condition 11.2.

4.4. Register

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

5. STATUS OF NOTES

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and (save for those that have been accorded by law preferential rights) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer.

6. INTEREST

6.1. Fixed Rate Notes

- 6.1.1. A Tranche of Fixed Rate Notes will bear interest on its Outstanding Principal Amount at the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Redemption Date.
- 6.1.2. The interest due on a Tranche of Fixed Rate Notes in respect of an Interest Period will be payable in arrears on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 7.6 shall determine the date of payment of interest due on that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 6.1.3. The interest payable in respect of a Tranche of Fixed Rate Notes in respect of any six-monthly Interest Period shall, unless otherwise specified in the Applicable Pricing Supplement, be calculated by multiplying the Fixed Interest Rate applicable to that Tranche of Fixed Rate Notes by its Outstanding Principal Amount and then dividing the product by two; provided that:
 - 6.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, the first Interest Amount shall equal that Initial Broken Amount; and
 - 6.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, the final Interest Amount shall equal that Final Broken Amount.
- 6.1.4. Save as provided in the preceding paragraphs of this Condition 6.1, if interest on a Tranche of Fixed Rate Notes is required to be calculated for a period of other than one year (in the case of annual interest payments) or other than six months (in the case of semi-annual interest payments), as the case may be, such interest shall (unless otherwise specified in the Applicable Pricing Supplement) be calculated on the basis of the actual number of days in such period divided by 365 (three hundred and sixty five).

6.2. Floating Rate Notes

6.2.1. General

- 6.2.1.1. A Tranche of Floating Rate Notes will bear interest on its Outstanding Principal Amount at the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement, for the period from (and including) the Interest Commencement Date to (but excluding) the Redemption Date.
- 6.2.1.2. The interest due on a Tranche of Floating Rate Notes in respect of an Interest Period will be payable in arrears on the Interest Payment Date in respect of that Interest Period. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date. If any Interest Payment Date falls upon a day which is not a Business Day, the provisions of Condition 7.6 shall determine the date of payment of interest due on that Interest Payment Date; provided that for the purposes of determining an Interest Period, no such adjustment will be made to an Interest Payment Date.
- 6.2.1.3. The Floating Interest Rate applicable from time to time to a Tranche of Floating Rate Notes will be determined (and specified in the Applicable Pricing Supplement) (i) on the basis of ISDA Determination or (ii) on the basis of Screen Rate Determination or (iii) on such other basis as may be determined by the Issuer and specified in the Applicable Pricing Supplement.

6.2.2. ISDA Determination

Where ISDA Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate/s is/are to be determined, the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation 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:

- 6.2.2.1. the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Applicable Pricing Supplement;
- 6.2.2.2. the Designated Maturity (as defined in the ISDA Definitions) is the period specified in the Applicable Pricing Supplement; and
- 6.2.2.3. the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or the Johannesburg inter-bank offered rate (JIBAR), as the case may be, for a currency, the first day of that Interest Period or (B) in any other case, as specified in the Applicable Pricing Supplement.

6.2.3. Screen Rate Determination

Where Screen Rate Determination is specified in the Applicable Pricing Supplement as the manner in which the Floating Interest Rate/s is/are to be determined, the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- 6.2.3.1. if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Rate Determination Date;
- 6.2.3.2. in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Rate Determination Date;
- 6.2.3.3. if, in the case of Condition 6.2.3.1, the Reference Rate does not appear on the Relevant Screen Page or, in the case of Condition 6.2.3.2, fewer than two Reference Rates appear on the Relevant Screen Page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - 6.2.3.3.1. request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Rate Determination Date to prime banks in the Relevant Financial Centre inter-bank market in an

amount that is representative for a single transaction in that market at that time; and

6.2.3.3.2. determine the arithmetic mean of such quotations;

6.2.3.4. if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11h00 (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading banks in the Principal Financial Centre of the Specified Currency 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 Floating 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 that if the Calculation 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 Floating Interest Rate applicable to the relevant Tranche of Floating Rate 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 relevant Tranche of Floating Rate Notes in respect of the preceding Interest Period.

6.2.4. *Maximum or Minimum Floating Interest Rate*

If any Maximum Floating Interest Rate or Minimum Floating Interest Rate is specified in the Applicable Pricing Supplement, then the Floating Interest Rate applicable to the relevant Tranche of Floating Rate Notes shall in no event be greater than the maximum or be less than the minimum so specified.

6.2.5. *Calculation of Floating Interest Rate and Interest Amount*

The Calculation Agent will, on or as soon as practicable after each Rate Determination Date or each Reset Date, as applicable, but in any event not later than 3 (three) Business Days after the Rate Determination Date or the Reset Date, as applicable, determine the Floating Interest Rate applicable to a Tranche of Floating Rate Notes for the Interest Period commencing on that Rate Determination Date or that Reset Date, as applicable, and (ii) calculate the Interest Amount payable in respect of that Tranche of Floating Rate Notes for that Interest Period. Unless otherwise specified in the Applicable Pricing Supplement, the Interest Amount in respect of a Tranche of Floating Rate Notes will be determined by multiplying the Floating Interest Rate applicable to that Tranche of Floating Rate Notes by its Outstanding Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest cent, half a cent being rounded upwards.

6.3. **Mixed Rate Notes**

6.3.1. A Tranche of Fixed Rate Notes will bear interest on its Outstanding Principal Amount at (i) the Fixed Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period/s in respect of which the Interest Rate is a Fixed Interest Rate) or (ii) the Floating Interest Rate specified in (or calculated in the manner set out in) the Applicable Pricing Supplement (during the Interest Period/s in respect of which the Interest Rate is a Floating Interest Rate), as the case may be, for the period from (and including) the Interest Commencement Date to (but excluding) the Redemption Date.

6.3.2. A Tranche of Mixed Rate Notes will bear interest at (i) a Fixed Interest Rate for such Interest Period/s as is/are specified for this purpose in the Applicable Pricing Supplement and (ii) a Floating Interest Rate for such Interest Period/s as is/are specified for this purpose in the Applicable Pricing Supplement.

6.3.3. A Tranche of Mixed Rate Notes shall (i) for the Interest Period/s during which that Tranche bears interest at a Fixed Interest Rate, be construed for all purposes as a Tranche of Fixed Rate Notes and (ii) for the Interest Period/s during which that Tranche bears interest at a Floating Interest Rate, be construed for all purposes as a Tranche of Floating Rate Notes.

6.4. **Indexed Notes**

The Applicable Pricing Supplement relating to a Tranche of Indexed Notes will set out, among other things, the manner in which the Interest Amount and/or Redemption Amount and/or other amounts payable in respect of that Tranche of Indexed Notes are to be calculated, the Interest Commencement

Date (and/or other payment commencement date), the Interest Payment Date/s (and/or other payment date/s) and the Interest Period/s (and/or other payment period/s), and the manner in which the increased interest and/or other amounts payable in respect of that Tranche of Indexed Notes (if applicable) are to be calculated.

6.5. Other Notes

The Applicable Pricing Supplement relating to any other Tranche of Notes not specifically provided for in the Terms and Conditions will set out, among other things, the manner in which the interest and/or other amounts payable in respect of that Tranche are to be calculated, the Interest Commencement Date (and/or other payment commencement date), the Interest Payment Date/s (and/or other payment date/s) and the Interest Period/s (and/or other payment period/s).

6.6. Default interest

- 6.6.1. If payment of principal (or the relevant portion thereof) and/or interest due and payable in respect of a Tranche of interest-bearing Notes (or the relevant Notes in that Tranche) is improperly withheld or refused, the overdue principal and/or interest will bear interest at the Fixed Rate or the Floating Rate, as the case may be, applicable to that Tranche of Notes on the due date for payment of such principal and/or interest, from and including such due date for payment to but excluding the Actual Redemption Date.
- 6.6.2. If payment of principal (or the relevant portion thereof) due and payable in respect of a Tranche of Zero Coupon Notes (or the relevant Notes in that Tranche) is improperly withheld or refused then, unless otherwise specified in the Applicable Pricing Supplement, the overdue principal will bear interest at the Implied Yield, from and including the due date for payment of such principal to but excluding the Actual Redemption Date.

6.7. General

6.7.1. *Calculation of other amounts*

If the Applicable Pricing Supplement specifies that any other amount, rate, index and/or formula in relation to a Tranche of Notes is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount, rate, index and/or formula is to be determined, calculate the relevant amount, rate, index and/or formula in the manner specified in the Applicable Pricing Supplement.

6.7.2. *Fall-back Interest Rate*

Unless otherwise specified in the relevant Applicable Pricing Supplement, if the Calculation Agent is unable to determine a rate (or, as the case may be, the arithmetic mean of rates) in accordance with the above provisions of this Condition 6, the Interest Rate applicable to the relevant Tranche of Notes during the relevant Interest Period will be the Interest Rate applicable to the relevant Tranche of Notes during the immediately preceding Interest Period (with adjustment for any change in the Margin, Maximum Interest Rate or Minimum Interest Rate).

6.7.3. *Notification of Floating Interest Rate and each Interest Amount*

- 6.7.3.1. The Calculation Agent will cause each Floating Rate of Interest and each Interest Amount determined by it (and any other amount/s required to be determined by it) to be notified to the Paying Agent as soon as practicable after such determination but in any event not later than 3 (three) Business Days after the Rate Determination Date or the Reset Date, as applicable (in the case of the determination of the Floating Interest Rate) and not later than 3 (three) Business Days before the Interest Payment Date (in the case of the determination of the Interest Amount). The Calculation Agent will, as contemplated in Rule 7.23 of the JSE Debt Listing Requirements, cause each Floating Interest Rate applicable to a Tranche of Notes which is listed on the Interest Rate Market to be published on SENS not later than 3 (three) Business Days before the relevant Interest Payment Date.
- 6.7.3.2. The Calculation 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.

6.8. *Certificates to be final*

All communications, notifications, opinions, determinations, certificates, calculations, quotations and

decisions given, expressed, made or obtained for the purposes of this Condition 6 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (subject as aforesaid) no liability to the Issuer or the Noteholders will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to the provisions of this Condition 6.

6.9. *Failure to make determinations*

If the Calculation Agent does not for any reason determine and/or calculate and/or publish any amount, rate or date as provided in the Terms and Conditions, it will forthwith notify the Issuer and the Paying Agent thereof and, if the relevant Notes are listed on the Interest Rate Market of the JSE, it will forthwith notify the JSE and the CSD thereof. Any failure by the Calculation Agent to determine and/or calculate and/or publish any of the foregoing will not affect the Issuer's obligations to pay any amount due in respect of the Notes as and when due.

7. **PAYMENTS**

7.1. **General**

- 7.1.1. All payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any Notes shall be made by the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent, on behalf of the Issuer (where the Issuer has appointed a third party to act as Paying Agent), on the terms and conditions of the Applicable Agency Agreement and this Condition 7.
- 7.1.2. All references in this Condition 7 to "*Paying Agent*" shall be construed as references to the Issuer (where the Issuer itself acts as Paying Agent) or the Paying Agent on behalf of the Issuer (where the Issuer has appointed a third party entity to act as Paying Agent), as the case may be.
- 7.1.3. Payments will be subject in all cases to any Taxation or other laws, directives and regulations applicable to such payment in the place of payment.
- 7.1.4. Any reference in the Terms and Conditions to principal and/or interest in respect of the Notes shall be deemed to include any additional amounts which may be payable under Condition 8.

7.2. **Method of payment**

- 7.2.1. Only the CSD (in the case of Notes held in the CSD) and Noteholders named in the Register at 17h00 (South African time) on the relevant Last Day to Register (in the case of Notes represented by Certificates) will be entitled to payments of interest and/or principal in respect of Notes.
- 7.2.2. Payments of interest and/or principal in respect of Notes shall be made, in accordance with this Condition 7.2, to the CSD (in the case of Notes held in the CSD) or to the Person reflected as the registered Noteholder of Notes in the Register at 17h00 (South African time) on the relevant Last Day to Register (in the case of Notes represented by Certificates).
- 7.2.3. The Paying Agent will pay all amounts due and payable in respect of the Notes:
 - 7.2.3.1. in the case of Notes which are held in the CSD, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer to the bank account of the CSD;
 - 7.2.3.2. in the case of Note/s which are represented by a Certificate, in immediately available and freely transferable funds, in the Specified Currency, by electronic funds transfer, to the bank account of the Person named as the registered Noteholder of such Notes in the Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the Register in respect of such Notes; provided that if several Persons are entered into the Register as joint registered Noteholders of such Notes then, without affecting the previous provisions of this Condition 7.2.3, payment to any one of them shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer and/or the Paying Agent may have of the right, title, interest or claim of any other Person to or in any such Notes.
- 7.2.4. Neither the Paying Agent nor the Issuer shall be responsible for the loss in transmission of any such funds, and payment of any amount into the bank account referred to in Condition 7.2.3.1 or Condition 7.2.3.2, as the case may be, in accordance with Condition 7.2.3, shall be satisfaction *pro tanto*, to the extent of such amount, of the Issuer's obligations to the Noteholders under the relevant Notes, the Applicable Terms and Conditions and the Applicable Agency Agreement.

7.3. Beneficial Interests

- 7.3.1. Following payment to the CSD of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Notes which are held in the CSD pursuant to Condition 7.2.3.1, the relevant funds will be transferred by the CSD, via the CSD Participants, to the holders of Beneficial Interests in such Notes, in accordance with the CSD Procedures.
- 7.3.2. Each of the Persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes, will look solely to the CSD or the relevant CSD Participant, as the case may be, for such Person's share of each payment so made by the Paying Agent to or for the order of the CSD.
- 7.3.3. Neither the Paying Agent nor the Issuer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests.
- 7.3.4. Payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of Beneficial Interests in Notes will be recorded by the CSD, distinguishing between interest, principal and any other amount, and such record of payments by the CSD will be *prima facie* proof of such payments.

7.4. Payments by cheque

- 7.4.1. If the Paying Agent is prevented or restricted directly or indirectly from making any payment in respect of any Notes by electronic funds transfer in accordance with the preceding provisions of this Condition 7 (whether by reason of strike, lockout, fire, explosion, flood, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbance, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer) such inability to make payment will not constitute an Event of Default and the Paying Agent shall be entitled (subject to Applicable Laws and banking practice) to make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice).
- 7.4.2. Payments by cheque shall, promptly after the Paying Agent is so prevented or restricted from making payment by electronic funds transfer (as contemplated in Condition 7.4.1), be sent by post, at the risk of the relevant Noteholder (unless otherwise requested by the relevant Noteholder by notice in writing to the Paying Agent), to the address of the relevant Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of such Notes.
- 7.4.3. Each cheque issued in respect of the Notes shall be made payable to or for the order of the Noteholder of such Notes or, in the case of joint Noteholders of Notes, the first one of them named in the Register in respect of such Notes. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss, including without limitation any loss due to theft or fraud, in transmission and the postal authorities shall be deemed to be the agent of the relevant Noteholders for the purposes of all cheques posted in terms of this Condition 7.4.
- 7.4.4. Payment by cheque sent in terms of this Condition 7.4 shall be a complete discharge by the Issuer of its obligations in respect of the amount of the cheque. The relevant Noteholders shall not be entitled to any interest or other payment in respect of any delay in payment of any amount in respect of the relevant Notes resulting from a cheque mailed in accordance with this Condition 7.4 arriving after the due date for such payment or being lost in the mail.

7.5. Surrender of Certificates

- 7.5.1. Payments of principal in respect of any Note/s which is/are represented by Certificate/s shall be made to the Noteholder/s of such Note/s only if, prior to the Redemption Date, such Certificate/s shall have been surrendered to the Transfer Agent (at its Specified Office).
- 7.5.2. If the relevant Certificate is not surrendered to the Transfer Agent (at its Specified Office) in accordance with Condition 7.5.1, the amount of principal payable to the Noteholder of the Notes represented by that Certificate shall be retained by the Paying Agent for such Noteholder, at the latter's risk, until that Certificate shall have been surrendered to the Transfer Agent (at its Specified Office), and such Noteholder will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender such Certificate.

7.6. Payment Date

Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount (whether in respect of principal, interest or otherwise) due and payable in respect of a Tranche of Notes is not a Business Day, then:

- 7.6.1. if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day;
- 7.6.2. if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention,

and the holders of such Notes will not be entitled to further interest or other payments in respect of any such delay.

8. TAXATION

- 8.1. All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for or on account of any Taxes, unless the withholding or deduction is required by Applicable Law.
- 8.2. If any withholding or other deduction for or on account of any Taxes is required by Applicable Law, the Issuer shall, subject to the Issuer's rights to redeem that Tranche of Notes following a Tax Event pursuant to Condition 9.4, pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been received by them in the absence of such withholding or deduction, provided that no such additional amounts shall be payable in respect of any Note:
 - 8.2.1. to a Noteholder who is liable for such Taxes in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect of such Note; or
 - 8.2.2. held by or on behalf of a Noteholder which would not be liable for or subject to such withholding or deduction by complying with any statutory requirement or by making a declaration of non-residency or other similar claim for exemption to the relevant tax authority; or
 - 8.2.3. where such withholding or deduction is in respect of Taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the "*taxable income*" (as defined in section 1 of the Income Tax Act) or "*taxable capital gain*" (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of the relevant Noteholder; or
 - 8.2.4. where (in the case of any payment of principal and/or interest which is conditional on surrender of the relevant Certificate in accordance with the Terms and Conditions), the relevant Certificate is surrendered more than 30 (thirty) days after the Relevant Date, except to the extent that the relevant Noteholder would have been entitled to such additional amounts if it had surrendered the relevant Certificate on such 30th (thirtieth) day; or
 - 8.2.5. if such withholding or deduction arises through the exercise by the revenue authorities of special powers in respect of tax defaulters; or
 - 8.2.6. where any withholding is required under sections 1471 through to 1474 of the U.S. Internal Revenue Code ("*FATCA*") (including any regulations or official interpretations issued with respect thereto, or any law implementing an intergovernmental agreement in respect thereto, including pursuant to the intergovernmental agreement signed between the Government of the Republic of and the U.S. Government on 9 June 2014).
- 8.3. The payment of any Taxes by the Issuer as an agent or representative taxpayer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 8.

9. REDEMPTION AND PURCHASES

9.1. Redemption on the Maturity Date

Unless previously redeemed, or purchased and cancelled, pursuant to this Condition 9 below, the Issuer will redeem a Tranche of Notes, at the Final Redemption Amount, on the Maturity Date.

9.2. Call Option

- 9.2.1. If the Call Option is applicable to a Tranche of Notes, the Issuer may, at its option, having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Paying Agent, the Transfer Agent and (in the manner set out in Condition 15.1) the Noteholders of that Tranche of Notes, redeem that Tranche of Notes, in whole or in part (as specified in the Applicable Pricing Supplement), on the Optional Redemption Date (Call), at the Optional Redemption Amount (Call).
- 9.2.2. If the Issuer elects to redeem the relevant Tranche of Notes in terms of Condition 9.2.1, the Issuer shall redeem that Tranche of Notes, on the Optional Redemption Date (Call), at the Optional Redemption Amount (Call), subject to and in accordance with this Condition 9.2.

9.3. Put Option

- 9.3.1. If the Put Option is specified in the Applicable Pricing Supplement as being applicable to a Tranche of Notes, any Noteholder of Note/s in that Tranche ("**relevant Noteholder**") may, at its option (but subject to Condition 9.3.2) require the Issuer to redeem all or any of such Note/s (as specified in the Put Option Notice) ("**relevant Notes**"), in whole or in part (as specified in the Put Option Notice), on the Optional Redemption Date (Put), at the Optional Redemption Amount (Put).
- 9.3.2. In order to exercise the Put Option, the relevant Noteholder must, not less than 30 (thirty) nor more than 60 (sixty) days before the Optional Redemption Date (Put), send the duly completed Put Option Notice (in the form obtainable from the Issuer or attached to the Applicable Pricing Supplement, as the case may be), together with (where applicable) a copy of the Certificate (if any) representing the relevant Notes to the Issuer, with a copy of the Put Option Notice to the Transfer Agent and the Paying Agent.
- 9.3.3. No Certificate representing the relevant Notes which has been surrendered to the Transfer Agent in accordance with Condition 7.5 may be withdrawn; provided that if, prior to the Optional Redemption Date (Put), the relevant Notes become immediately due and payable or payment of the relevant redemption monies is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the Put Option, be returned to the relevant Noteholder by uninsured mail (airmail if overseas) at the address specified by the relevant Noteholder in the Put Option Notice.
- 9.3.4. The Issuer shall, following receipt of the Put Option Notice, redeem the relevant Notes, on the Optional Redemption Date (Put), at the Optional Redemption Amount (Put), subject to and in accordance with this Condition 9.3.

9.4. Optional redemption following a Tax Event or a Change in Law

- 9.4.1. If a Tax Event or a Change in Law, as the case may be, has occurred and is continuing in relation to any Series of Notes, the Issuer may at its option, redeem that Series of Notes (and each Tranche of Notes in that Series) (in whole but not in part), on the Optional Redemption Date (Tax Event) or the Optional Redemption Date (Change in Law), as the case may be, at the Optional Redemption Amount (Tax Event) or the Optional Redemption Amount (Change in Law), as the case may be, subject to the Issuer having given not less than 30 (thirty) days' notice (which notice shall be irrevocable) to the Transfer Agent, the Calculation Agent, the Paying Agent and (in the manner set out in Condition 15.1) the Noteholders of the Notes in that Series of Notes ("**relevant Noteholders**").
- 9.4.2. Prior to the publication of the notice referred to in Condition 9.4.1, the Issuer shall deliver to the relevant Noteholders (in the manner set out in Condition 15.1) (a) 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 (b) a legal opinion, addressed to the Issuer, from a reputable firm of lawyers in South Africa to the effect that a Tax Event or a Change in Law, as the case may be, has occurred.
- 9.4.3. If the Issuer elects to redeem the relevant Series of Notes (and each Tranche of Notes in that Series) in terms of and subject to Condition 9.4.1 and Condition 9.4.2, the Issuer shall redeem that Series of Notes (and each Tranche of Notes in that Series), on the Optional Redemption Date (Tax Event) or the Optional Redemption Date (Change in Law), as the case may be, at the Optional Redemption Amount (Tax Event) or the Optional Redemption Amount (Change in Law), as the case may be, subject to and in accordance with this Condition 9.4.

9.5. Early redemption of Zero Coupon Notes

9.5.1. Unless otherwise specified in the Applicable Pricing Supplement, the amount of principal payable in respect of a Tranche of Zero Coupon Notes which has been redeemed prior to the Maturity Date shall be an amount equal to the sum of:

9.5.1.1. the Reference Price; and

9.5.1.2. the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Redemption Date.

9.5.2. Where any calculation is to be made in terms of this Condition 9.5 for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 365 (three hundred and sixty five), or such other calculation basis as may be specified in the Applicable Pricing Supplement.

9.6. Redemption of a portion of the Notes

If only a portion of a Tranche of Notes (or only a portion of any Notes in that Tranche) are to be redeemed prior to the Maturity Date in terms of this Condition 9, the Redemption Amount of each such Note shall be the Redemption Amount of that Tranche of Notes (calculated as if that Tranche of Notes were to be redeemed in whole) multiplied by that portion (expressed as a percentage) divided by the total number of Notes in that Tranche.

9.7. Redemption of some, but not all, of the Notes in a Tranche

Where only some, but not all, of the Notes in a Tranche of Notes are to be redeemed prior to the Maturity Date in terms of this Condition 9, the Redemption Amount of each such Note shall be the Redemption Amount of that Tranche of Notes divided by the total number of Notes in that Tranche.

9.8. Purchases

The Issuer and any other Group Company may at any time purchase Notes in the open market or otherwise and at any price. In the event of the Issuer purchasing Notes, such Notes may (subject to the restrictions of any Applicable Law) be held, resold or, at the option of the Issuer, cancelled.

9.9. Cancellation

All Notes which are redeemed or purchased by the Issuer and, at the option of the Issuer, cancelled (as contemplated in Condition 9.8) will forthwith be cancelled and may not be re-issued or resold. Each Certificate (if any) representing any Notes which are cancelled or, following a partial redemption, partially cancelled, shall be forwarded to the Transfer Agent for cancellation. The Transfer Agent shall, in respect of a Tranche of Notes which is listed on the Interest Rate Market of the JSE, notify the CSD and the JSE of any cancellation, partial cancellation, partial redemption or redemption of Notes so that such entities can record the reduction in the aggregate Outstanding Principal Amount of the Notes in issue. Where only a portion of the Notes represented by a Certificate is redeemed, the Transfer Agent shall deliver a new Certificate to the holder of such Notes representing the balance of such Notes, as contemplated in Condition 11.2.

9.10. Applicable Procedures

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

10. EVENTS OF DEFAULT

10.1. An Event of Default in respect of a Tranche of Notes will occur if:

10.1.1. the Issuer fails to pay any amount (whether in respect of principal, interest or otherwise) due and payable under the Applicable Terms and Conditions of that Tranche of Notes on the due date for payment of such amount and such failure to pay has continued for more than 10 (ten) Business Days after the Issuer has been given written notice from any Noteholder of Notes in that Tranche requiring such failure to pay to be remedied; or

10.1.2. the Issuer fails to perform or observe any of its other material obligations under the Applicable Terms and Conditions of that Tranche of Notes and such failure to perform or observe is not remedied within 14 (fourteen) days after the Issuer has been given written notice from any Noteholder of Notes in that Tranche requiring such failure to perform or observe to be remedied;

- 10.1.3. the Issuer or any Material Subsidiary, as the case may be, fails to pay any amount due and payable under any Material Indebtedness (taking into account any applicable grace period for such payment) and such failure to pay continues for more than 30 (thirty) consecutive days; provided that such failure to pay shall not constitute an Event of Default if the Issuer or that Material Subsidiary, as the case may be, in good faith and on reasonable grounds, institutes proceedings to contest its liability to pay such amount within 30 (thirty) consecutive days of the day on which such amount is purportedly due and payable; provided further that if a final decision which is not subject to any appeal has been given or handed down in respect of such proceedings and such decision has been given or handed down against the Issuer or that Material Subsidiary, as the case may be, such failure to pay shall, with effect from the date on which such decision is given or handed down, constitute an Event of Default; or
- 10.1.4. any material consent, license, permit or authorisation required by the Issuer for the conduct of its business, is revoked, withdrawn, materially altered or not renewed and such event is not remedied within 14 (fourteen) days after the Issuer has received written notice from any Noteholder requiring the applicable consent, licence, permit or authorisation to be obtained;
- 10.1.5. the Issuer or any Material Subsidiary, as the case may be, has one or more judgment/s or order/s or similar award/s for the payment of any amount which, individually or in the aggregate at any point in time, exceeds ZAR10,000,000 ("**Judgment**") awarded against it and fails to satisfy such judgment within 30 (thirty) days after becoming aware thereof, or:
 - 10.1.5.1. if such judgment is appealable, fails to appeal against such judgment within the time limits prescribed by law or fails to diligently prosecute such appeal thereafter or ultimately fails in such appeal and then fails to satisfy such judgment within 10 (ten) days; and/or
 - 10.1.5.2. if such judgment is a default judgment, fails to apply for the rescission thereof within the time limits prescribed by law or fails to diligently prosecute such application thereafter or ultimately fails in such application and then fails to satisfy such judgment within 10 (ten) days; and/or
 - 10.1.5.3. if such judgment is reviewable, fails to initiate proceedings for the review thereof within the time limits prescribed by law or fails to diligently prosecute such proceedings thereafter or ultimately fails in such proceedings and then fails to satisfy such judgment within 10 (ten) days; or
- 10.1.6. an Insolvency Event occurs; or
- 10.1.7. proceedings are initiated against the Issuer or any Material Subsidiary, as the case may be, such that a Person takes possession of the whole or a Substantial Part of the assets of the Issuer or that Material Subsidiary, as the case may be, or an execution or attachment or other process is levied, enforced upon, sued out or put in force against the whole or a Substantial Part of the assets of the Issuer or that Material Subsidiary, as the case may be, and such proceedings are not (or such execution, attachment or other process is not) withdrawn, or settled and satisfied, within 30 (thirty) days; or
- 10.1.8. save in the case of a Solvent Reconstruction, the Issuer or any Material Subsidiary, as the case may be, ceases to carry on its business in a normal and regular manner or materially changes the nature of its business, or through an official act of the Board or the board of directors of that Material Subsidiary, as the case may be, threatens to cease to carry on its business; or
- 10.1.9. it is or becomes unlawful for the Issuer to perform any of its obligations under the Applicable Terms and Conditions of that Tranche of Notes.
- 10.2. The Issuer, upon becoming aware that an Event of Default has occurred and is continuing, shall forthwith notify (i) the relevant Noteholders (in the manner set out in Condition 15.1) of that Event of Default and (ii) the Paying Agent, the Calculation Agent, the CSD and, if any of the Notes are listed on the Interest Rate Market of the JSE, the JSE, in writing of that Event of Default.
- 10.3. Any Noteholder of Notes in respect of which an Event of Default contemplated in Condition 10.1 has occurred may, by written notice to the Issuer effective upon the date of receipt thereof by the Issuer ("**Acceleration Date**"), declare those Notes to be immediately due and payable, whereupon those Notes ("**Accelerated Notes**") (whether or not due for payment) shall become immediately due and payable at the Early Termination Amount.
- 10.4. The Issuer shall, forthwith following receipt of a notice contemplated in Condition 10.3, notify the Paying Agent, the Calculation Agent, the CSD and, if any of the Accelerated Notes are listed on the Interest Rate Market of the JSE, the JSE, that the Accelerated Notes have become immediately due and payable.

11. TRANSFER OF NOTES

11.1. Transfer of Beneficial Interests in Notes held in the CSD

- 11.1.1. Beneficial Interests may be transferred only in accordance with the CSD Procedures.
- 11.1.2. Transfers of Beneficial Interests to and from clients of CSD Participants shall occur by way of electronic book entries in the securities accounts maintained by the CSD Participants for their clients, in accordance with the CSD Procedures.
- 11.1.3. Transfers of Beneficial Interests among CSD Participants shall occur through electronic book entries in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the CSD Procedures.
- 11.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the Register, and the CSD's Nominee will continue to be reflected in the Register as the registered holder of such Notes notwithstanding such transfers.

11.2. Transfer of Notes represented by Certificates

- 11.2.1. In order for any transfer of Notes represented by a Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
 - 11.2.1.1. the transfer of such Notes is embodied in the Transfer Form;
 - 11.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representative of that registered Noteholder and/or transferee;
 - 11.2.1.3. the Transfer Form is delivered to the Transfer Agent, at its Specified Office, together with the Certificate representing such Notes for cancellation.
- 11.2.2. Notes represented by a Certificate may be transferred, in whole or in part, in amounts of not less than the Specified Denomination or any multiple thereof.
- 11.2.3. Subject to the preceding provisions of this Condition 11.2, the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or the Applicable Procedures), record the transfer of Notes represented by a Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Specified Office of the Transfer Agent or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Certificate in respect of such Notes reflecting the same Outstanding Principal Amount as the Notes transferred.
- 11.2.4. Where a Noteholder has transferred part only of his holding of Notes represented by a Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Specified Office of the Transfer Agent or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, a new Certificate in respect of the balance of the Notes held by such Noteholder.
- 11.2.5. The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 11.2.6. Before any transfer of any Notes represented by a Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may require as to the identity and title of the transferor and the transferee.
- 11.2.7. No transfer of any Notes represented by a Certificate will be registered during the Register Closed Period.
- 11.2.8. If a transfer of any Notes represented by a Certificate is registered in the Register, the Transfer Form and cancelled Certificate will be retained by the Transfer Agent.

12. EXCHANGE OF BENEFICIAL INTERESTS FOR AN INDIVIDUAL CERTIFICATE AND REPLACEMENT OF CERTIFICATES

12.1. Exchange of Beneficial Interests

- 12.1.1. A holder of a Beneficial Interest in Note/s may, in terms of the Applicable Procedures and subject to section 42 read with section 35(2)(i) of the Financial Markets Act (or such other relevant section of any successive legislation), by written notice to the holder's nominated CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in

definitive registered form represented by a Certificate ("**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 a Certificate; provided that such day shall be a Business Day and shall fall not less than 30 (thirty) days after the day on which such Exchange Notice is given.

- 12.1.2. The holder's nominated CSD Participant will, within 7 (seven) days of 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 a Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) days after receiving such notice, in accordance with the Applicable Procedures, procure that a Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 day period ("**Exchange Date**"), to the CSD Participant acting on behalf of 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 Certificate in respect of that joint holding, and delivery to one of those joint holders shall be delivery to all of them.
- 12.1.3. In order to effect the exchange of a Beneficial Interest in any Notes (a) such Notes will, prior to the Exchange Date, be surrendered (through the CSD) to the Transfer Agent at its Specified Office; and (b) the Transfer Agent will obtain the release of such Notes from the CSD in accordance with the CSD Procedures.
- 12.1.4. A Certificate shall, in relation to a Beneficial Interest in any number of Notes of a particular aggregate Outstanding Principal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Outstanding Principal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Outstanding Principal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

12.2. Replacement of Certificates

If any Certificate is 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 upon such terms as to evidence of title and the provision of such indemnity or security as the Issuer and the Transfer Agent may require. Mutilated or defaced Certificates must be surrendered at the Specified Office of the Transfer Agent before replacements will be issued.

12.3. Death and sequestration or liquidation of Noteholder

Any Person becoming entitled to Notes in consequence of the death, sequestration or liquidation of the holder of such Notes may, upon producing evidence to the satisfaction of the Issuer and the Transfer Agent that he holds the position in respect of which he proposes to act under this Condition 12.3 or of his title as the Issuer and the Transfer Agent shall require, be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 12.3 and Condition 11.2, may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant CSD 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.

12.4. Costs

The costs and expenses of the delivery of each Certificate and all taxes or governmental charges that may be imposed in relation to such Certificate and/or the printing, issue and delivery of such Certificate and all related insurance charges (if any) shall, unless and to the extent otherwise provided by Chapter IV of the Financial Markets Act, be borne by the Noteholder of the Notes represented by that Certificate. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes represented by Certificates may be levied by other Persons, such as a CSD Participant, under the Applicable Procedures, and such costs and expenses shall not be borne by the Issuer.

13. REGISTER

- 13.1. The Register will be maintained by the Transfer Agent and will be kept at the Specified Office of the Transfer Agent. The Register will reflect the number of Notes issued and outstanding and the serial number of Certificates (if any) issued in respect of the Notes. The registered Noteholder/s of the Note/s in a Tranche of Notes which is held in the CSD will be determined in accordance with the CSD Procedures,

and such registered Noteholder/s will be named in the Register as the registered holder/s of such Note/s. The Register will contain the name, address and bank account details of the CSD and the name, address and bank account details of the registered Noteholders of Notes represented by Certificates. The Register will set out the aggregate Principal Amount of Notes issued to a Noteholder or the aggregate Outstanding Principal Amount of Notes transferred to a Noteholder, as the case may be, the Issue Date or the date of transfer, as the case may be, and the date upon which the Noteholder became registered as such.

- 13.2. The Register will be open for inspection during the normal business hours of the Transfer Agent by any Noteholder of Notes (or any Representative of such Noteholder). The Register will, in relation to a Tranche of Notes, be closed during the Register Closed Period.
- 13.3. Neither the Issuer nor the Transfer Agent will be bound to enter any trust into the Register or to take any notice of or to accede to the execution of any trust (express, implied or constructive) to which any Registered Note may be subject.
- 13.4. The Transfer Agent will alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of Notes of which it is notified; provided that the Register will only be amended to reflect a transfer of Notes represented by a Certificate if such transfer is carried out in accordance with Condition 11.2.

14. TRANSFER AGENT, CALCULATION AGENT AND PAYING AGENT

- 14.1. The Issuer is entitled to vary or terminate the appointment of any third party appointed by the Issuer as Calculation Agent and/or Paying Agent and/or Transfer Agent in accordance with the terms and conditions of the Applicable Agency Agreement governing that appointment and/or to appoint additional or other agents.
- 14.2. If the Issuer elects to appoint another entity (not being the Issuer) as Calculation Agent and/or Paying Agent and/or Transfer Agent, that other entity, on execution of an appropriate Applicable Agency Agreement or an appropriate accession letter to the Applicable Agency Agreement, as the case may be, shall serve in that capacity in respect of the Notes. The Issuer shall notify the Rating Agency and the Noteholders (in the manner set out in Condition 15.1) 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.
- 14.3. There will at all times be a Calculation Agent, a Paying Agent and a Transfer Agent with a Specified Office in such place as may be required by the Applicable Procedures.
- 14.4. The Calculation Agent, the Paying Agent and the Transfer Agent act solely as the agents of the Issuer and do not assume any obligation towards or relationship of agency or trust for or with any Noteholders.
- 14.5. If and to the extent that the Issuer acts as the Transfer Agent and/or the Calculation Agent and/or the Paying Agent:
 - 14.5.1. all references in the Terms and Conditions to any action, conduct or function in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and
 - 14.5.2. any requirements in the Terms and Conditions 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 the Transfer Agent and/or the Calculation Agent and/or the Paying Agent (as applicable) shall be disregarded to the extent that the Issuer performs such role.

15. NOTICES

15.1. Notice to Noteholders

- 15.1.1. All notices to Noteholders of Notes represented by Certificates shall be in writing and shall be sent by registered mail to the respective postal addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 15.1.2. For so long as any Notes represented by Certificates are listed on the Interest Rate Market of the JSE, there may be substituted for the notice contemplated in Condition 15.1.1, the publication of the relevant notice on SENS or on any other electronic news service of general distribution.
- 15.1.3. All notices to holders of Beneficial Interests in Notes shall be in writing and shall be delivered by

hand or transmitted by e-mail to the CSD, the CSD Participants and, if such Notes are listed on the Interest Rate Market of the JSE, the JSE, for communication by the CSD and the CSD Participants to the holders of Beneficial Interests in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the date of delivery (if such notice is delivered by hand) or the date on which such notice is transmitted by e-mail (if such notice is sent by e-mail).

- 15.1.4. 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 this Condition 15.1, subject to compliance with any other time periods prescribed in the provision concerned.
- 15.1.5. In addition to the applicable notice requirements set out in this Condition 15.1 above, all notices of meetings of all of the Noteholders or the relevant Group of Noteholders, as the case may be, shall be published on SENS.

15.2. Notice by Noteholders

- 15.2.1. All notices to be given by any Noteholder of Note/s represented by a Certificate to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of that Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be. Each such notice shall be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the date of delivery (if such notice is delivered by hand) or the tenth day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).
- 15.2.2. All notices to be given by any holder of a Beneficial Interest to the Issuer or the Transfer Agent, as the case may be, shall be in writing and given by such holder through such holder's CSD Participant in accordance with the CSD Procedures, and in such manner as the Issuer and the relevant CSD Participant may approve for this purpose.

16. AMENDMENT

- 16.1. The Issuer may effect, without the consent of any Noteholder, any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of South Africa (including, without limitation, the Applicable Laws and the Applicable Procedures); provided that such amendment shall be in writing and signed by or on behalf of the Issuer.
- 16.2. Save as is provided in Condition 16.1, no amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) may be effected unless (i) the proposed amendment is first approved by the JSE and, after having obtained the approval of the JSE to the proposed amendment, (ii) the proposed amendment is signed by or on behalf of the Issuer and (iii):
 - 16.2.1. where the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable to *all* of the Notes, (i) the proposed amendment is approved by an Extraordinary Resolution of all of the Noteholders at a general meeting or (ii) the written resolution containing the proposed amendment is signed by or on behalf of Noteholders holding not less than 66.67% (sixty six point sixty seven percent) of the aggregate Outstanding Principal Amount of all of the Notes (provided that the relevant written resolution shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to the Noteholders in terms of Condition 16.4);
 - 16.2.2. where the proposed amendment is an amendment to any of the Applicable Terms and Conditions (including any of the Terms and Conditions) which are applicable only to *certain* Tranche/s of Notes, (i) the proposed amendment is approved by an Extraordinary Resolution of the Group/s of Noteholders holding such Tranche/s of Notes at a general meeting or (ii) the written resolution containing the proposed amendment is signed by or on behalf of Noteholders in the such Group/s of Noteholders holding not less than 66.67% (sixty six point sixty seven percent) of the aggregate Outstanding Principal Amount of all of such Tranche/s of Notes (provided that the relevant written resolution shall be signed within 15 (fifteen) Business Days after the proposed amendment is submitted to such Group/s of Noteholders in terms of Condition 16.4).
- 16.3. The provisions of Condition 17 will apply, *mutatis mutandis*, to each meeting of all of the Noteholders or the relevant Group/s of Noteholders, as applicable.

- 16.4. After having obtained the approval of the JSE to a proposed amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) to be effected in terms of Condition 16.2, the Issuer shall (in the manner set out in Condition 15.1) notify all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, of such proposed amendment. Such notice shall (i) include the written resolution setting out such proposed amendment, (ii) the restrictions on voting under the Terms and Conditions, (iii) the last date on which the Noteholders or the relevant Group/s of Noteholders, as the case may be, should return the signed written resolution, and the address to which the signed written resolution should be sent.
- 16.5. Any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) effected in terms of this Condition 16 will be binding on all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, and such amendment will be notified (in the manner set out in Condition 15.1) to all of the Noteholders or the relevant Group/s of Noteholders, as the case may be, as soon as practicable after such amendment has been effected.
- 16.6. If and for so long as any Tranche of Notes then in issue has been Rated by the Rating Agency, no amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions) of any Tranche of Notes may be made unless the Rating Agency confirms in writing that such amendment will not adversely affect its current Rating of the first-mentioned Tranche of Notes.

17. MEETINGS OF NOTEHOLDERS

17.1. Directions of Noteholders

- 17.1.1. The provisions with regard to meetings of Noteholders are set out in this Condition 17. The provisions of this Condition 17 will apply, *mutatis mutandis*, to each separate meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) ("**meeting**").
- 17.1.2. Every director or duly appointed representative of the Issuer and every other Person authorised in writing by the Issuer, may attend and speak at a meeting, but will not be entitled to vote, other than (subject to Condition 17.10.3) as a Noteholder or proxy or duly authorised representative of a Noteholder.
- 17.1.3. A meeting will have power, in addition to any powers specifically conferred elsewhere in the Terms and Conditions:
- 17.1.3.1. by Ordinary Resolution of all of the Noteholders, to give instructions to the Issuer in respect of any matter not covered by the Applicable Terms and Conditions (including any of the Terms and Conditions) (but without derogating from the powers or discretions expressly conferred upon the Issuer by the Applicable Terms and Conditions (including any of the Terms and Conditions) or imposing obligations on the Issuer not imposed or contemplated by the Applicable Terms and Conditions (including any of the Terms and Conditions) or otherwise conflicting with or inconsistent with the provisions of the Applicable Terms and Conditions (including any of the Terms and Conditions));
 - 17.1.3.2. by Extraordinary Resolution of all of the Noteholders, to bind all of the Noteholders to any compromise or arrangement;
 - 17.1.3.3. by Extraordinary Resolution of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), to approve any amendment to the Applicable Terms and Conditions (including any of the Terms and Conditions), subject to and in accordance with Condition 16.
- 17.1.4. Unless otherwise specified in the Terms and Conditions (and subject to Condition 17.1.3), resolutions of all of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be passed as Ordinary Resolutions.

17.2. Convening of meetings

- 17.2.1. The Issuer may at any time convene a meeting.
- 17.2.2. The Issuer will convene a meeting of (i) all the Noteholders upon the requisition in writing of Noteholders holding not less than 15% of the aggregate Outstanding Principal Amount of all of the Notes or (ii) a separate meeting of any Group/s of Noteholders upon the requisition in writing of Noteholders in such Group/s holding not less than 15% of the aggregate Outstanding Principal Amount of the Notes in the relevant Tranche(s) of Notes held by such Group/s, as the case may be (each such requisition, a "**requisition notice**").

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

17.3. Convening of meetings by requisitionists

If the Issuer fail/s to convene a meeting within 10 (ten) days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 30 (thirty) days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer and to all of the Noteholders or the relevant Group/s of Noteholders (as applicable), in accordance with Condition 15.2 and this Condition 17.

17.4. Notice of meeting

- 17.4.1. Whenever the Issuer wishes (or is required) to convene a meeting, it will forthwith give at least 21 (twenty one) days' prior written notice thereof (exclusive of the day on which the notice is given and of the day on which the meeting is held) to all of the Noteholders or the relevant Group/s of Noteholders (as applicable) in the manner set out in Condition 15.1, 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; provided that Noteholders or Group of Noteholders (as applicable) holding at least 90% of the aggregate Outstanding Principal Amount of all of the Notes or the relevant Tranche(s) of Notes may agree in writing to a shorter notice period.
- 17.4.2. In addition to the applicable notice requirements set out in Condition 15, all notices of meetings shall be published on SENS.

17.5. Quorum

- 17.5.1. A quorum at a meeting shall:
- 17.5.1.1. 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 one-third of the aggregate Outstanding Principal Amount of all of the Notes or the relevant Tranche(s) of Notes held by the relevant Group/s of Noteholders (as applicable);
 - 17.5.1.2. 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 clear majority of the aggregate Outstanding Principal Amount of all of the Notes or the relevant Tranche(s) of Notes held by the relevant Group/s of Noteholders (as applicable).
- 17.5.2. No business will be transacted at a meeting unless a quorum is present at the time when the meeting proceeds to business.
- 17.5.3. If, within 30 (thirty) minutes 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 second 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 at such adjourned meeting will constitute a quorum for the purpose of considering any resolution, including an Ordinary Resolution and an Extraordinary Resolution.

17.6. Place of meeting

Unless otherwise specified in the relevant notice, all meetings will be held in Johannesburg.

17.7. Chairman

The Issuer or its representative will preside as chairman at a meeting. If the aforesaid Person is not present within 15 (fifteen) minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairman at that meeting. The procedures to be followed at the meeting shall be as determined by the chairman subject to this Condition 17. The chairman of an adjourned meeting need not be the same Person as was chairman of the original meeting.

17.8. Adjournment

- 17.8.1. Subject to the provisions of this Condition 17, the chairman of a meeting may, with the consent of (and shall if directed by) the Noteholders then present at the meeting, adjourn the meeting from time to time and from place to place.
- 17.8.2. At least 10 (ten) days' written notice of any meeting adjourned through want of a quorum will be given in the same manner as of the original meeting and such notice will state that the relevant Noteholders present in person or by proxy at the adjourned meeting will constitute a quorum. Otherwise it shall not be necessary to give notice of an adjourned meeting.
- 17.8.3. No business will be transacted at any adjourned meeting other than the business left unfinished at original meeting which was adjourned.

17.9. How resolutions are decided

At a meeting, a resolution put to the vote will be decided on a poll. In the case of an equality of votes, the chairman will not be entitled to a casting vote in addition to the vote, if any, to which he or she is entitled.

17.10. Votes

- 17.10.1. Voting at a meeting shall only take place on a poll and not on a show of hands. Subject to Condition 17.10.3, on a poll each Noteholder present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Outstanding Principal Amount of the Notes held by such Noteholder bears to the aggregate Outstanding Principal Amount of all of the Notes or the relevant Tranche(s) of Notes held by the relevant Group/s of Noteholders (as applicable).
- 17.10.2. Holders of Beneficial Interests in Notes must vote in accordance with the CSD Procedures. The holders of Beneficial Interests in Notes must exercise their respective rights to vote through their respective CSD Participants. The respective CSD Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of Beneficial Interests in Notes, in accordance with the CSD Procedures.
- 17.10.3. Neither the Issuer nor any other Group Company will have any voting rights in respect of any Notes held by it.

17.11. Proxies and representatives

- 17.11.1. Noteholders present at a meeting 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, 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.
- 17.11.2. A Person appointed to act as proxy need not be a Noteholder.
- 17.11.3. The proxy form will be deposited at the Specified Office of the Issuer not less than 48 (forty eight) hours before the time appointed for holding the meeting or adjourned meeting at which the Person named in such proxy proposes to vote.
- 17.11.4. No proxy form will be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.
- 17.11.5. Notwithstanding Condition 17.11.4, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon.
- 17.11.6. 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 the 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 more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.
- 17.11.7. Any Noteholder which is a juristic Person may, by resolution of its directors or other governing body, authorise any Person to act as its Representative in connection with any meeting or proposed meeting. Any reference in the Terms and Conditions to a Noteholder present at a meeting in person

includes the duly authorised Representative of a Noteholder which is a juristic Person.

17.12. Binding effect of resolutions

A resolution passed at a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), duly convened and held in accordance with the provisions of this Condition 17 is binding on all of the Noteholders or the relevant Group/s of Noteholders (as applicable), whether present or not present at any such meeting, and each of such Noteholders shall be bound to give effect thereto accordingly. The passing of any such resolution shall be conclusive evidence (unless the contrary is proved) that the circumstances of such resolution justify the passing of it.

17.13. Signed resolution

A resolution in writing signed by or on behalf of the Noteholders or the relevant Group/s of Noteholders (as applicable) shall be as valid and effectual as an Extraordinary Resolution passed at a meeting of all of the Noteholders or the relevant Group/s of Noteholders (as applicable), duly convened and held in accordance with the provisions of this Condition 17.

17.14. Minutes

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

18. PRESCRIPTION

Any claim for payment of any amount (whether in respect of principal, interest or otherwise) in respect of any Notes will prescribe 3 (three) years after the date on which such amount first becomes due and payable under the Applicable Terms and Conditions; provided that if payment of such amount is required, in accordance with the Applicable Terms and Conditions, to be made to the CSD, any claim by a Noteholder for payment of such amount will prescribe 3 (three) years after the date on which such amount has been received by the CSD.

19. SEVERABILITY

Should any of the Applicable Terms and Conditions be, or become, invalid, the validity of the remaining Applicable Terms and Conditions shall not be affected in any way.

20. GOVERNING LAW

The Programme Memorandum, the Notes and the Applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa.

21. FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of any Noteholder, to create and issue a Tranche of Notes ("**Additional Notes**") having terms and conditions which are identical to any other Tranche of Notes already in issue under the Programme ("**Existing Notes**") (save for their respective Issue Dates, First Interest Payment Dates, Issue Prices and aggregate Principal Amounts), so that the Additional Notes (i) are consolidated with the Existing Notes and form part of the same Tranche of Existing Notes and (ii) rank *pari passu* in all respects with the Existing Notes.

USE OF PROCEEDS

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

GENERAL DESCRIPTION OF THE ISSUER

REGISTERED OFFICE AND COMPANY SECRETARY OF THE ISSUER

Workforce Holdings Limited ("Issuer" or "**Workforce**") is a limited liability public company incorporated in South Africa (registered on 12 June 2006 under registration number 2006/018145/06).

The registered office of the Issuer is situated at 11 Wellington Road, Parktown, 2193, Johannesburg, South Africa.

The company secretary of the Issuer is Ms Sirkien van Schalkwyk (BLC, LLB) of Juba Statutory Services Proprietary Limited (registration number 2010/006409/07). The office of the company secretary is situated at No 1 Carlsberg, 430 Nieuwenhuyzen Street, Erasmuskloof Ext 2, 0181, Pretoria, South Africa.

BACKGROUND AND DESCRIPTION OF THE BUSINESS OF THE ISSUER

Founded by Mr Ronald (Ronny) Katz in 1972 and listed on the Alternative Exchange of the JSE Limited in November 2006, Workforce is a holding company whose subsidiaries carry on the business of staff outsourcing, recruitment and specialist staffing, training and consulting, employee health management, process outsourcing and financial and lifestyle products.

Workforce's business offerings are delivered through multiple brands in the market place. Services integration of the various offerings of each of the closely aligned niche-focused businesses has enabled the Workforce Group to position itself as a "one-stop" comprehensive human resources solutions provider for employers in all industry sectors throughout the country.

Workforce operates primarily in South Africa and boasts an extensive national branch infrastructure that extends to all the provinces of the country. This footprint currently comprises 100 branches providing good geographic reach alignment for its national contracts.

Industrial staff outsourcing, which was the foundation of the Workforce Group in the early 1970s, remains the largest contributor to turnover over four decades later.

A more detailed description of the Workforce Group is set out in the Annual Report for the financial year ended 31 December 2015 which is incorporated by reference into this Programme Memorandum (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*"), and is available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, this Annual Report is available on the following website: www.workforce.co.za.

Divisional Structure

Staffing and recruitment

Workforce Staffing is the largest specialist business division within the Group, providing a comprehensive range of industrial staff outsourcing solutions utilising primarily blue-collar and technical categories. Its integrated solutions extend beyond the relatively simple task of merely providing staff and labour to include a comprehensive administrative role to manage all aspects of the human resources management matrix efficiently and cost effectively.

Workforce Retail is a sub-division that focuses on providing a comprehensive range of solutions to the retail and wholesale sectors. In addition to staffing, Workforce Retail offers end-to-end stock-taking solutions.

Workforce Hospitality is a sub-division that provides tailored staffing solutions to the catering, hospitality and leisure industries.

Industries served include but is not limited to construction, engineering, manufacturing, mining, food processing, transport, shipping and logistics, retail and hospitality.

Workforce Group Limitada provides a broad scope of solutions to businesses operating within the borders of Mozambique. The comprehensive service capabilities offered by this division are available to all industries and address many of the diverse challenges and needs of organisations within the country.

Fempower is a specialist recruitment agency in temporary, permanent and contract placements nationwide; and offers a range of recruitment solutions to source and attract middle management and up, front-line professional staff, etc.

Accotech serves two markets – by providing specialised recruitment and staffing services to all businesses requiring the skills of accounting and information technology professionals, and secondly, by facilitating good

career development for specialists and professionals within these sectors.

Only the Best is a generalist recruitment and staffing solutions provider primarily to the financial services industry. The company was established more than 16 years ago and was acquired by the Workforce Group in 2008.

Teleresources is a specialist company focusing on sales, customer service, contact centres and telephone-based recruitment services. Permanent, temporary, high-volume and tailor-made recruitment solutions are offered nationwide for a variety of roles from agent through to director level including telesales, customer service, telemarketing, IT helpdesk, credit control, reservations and multi-lingual positions.

Albrecht Nursing Agency is a niche focused division specialising in the provision of professional nurses and healthcare workers to private and provincial hospitals, welfare organisations, old-age and frail-care homes. Albrecht Nursing Agency recently launched a training school, which offers 'Ancillary Health Care' courses which are recognised by the Health and Welfare SETA.

Workforce Worldwide is the global recruiting division of the Group. Workforce Worldwide has extensive experience in recruiting and deploying all categories and levels of staff in positions beyond the South African borders. In addition to understanding the protocols associated with international recruitment, Workforce Worldwide also has extensive international skills search and placement capability.

Process Outsourcing

The Process Outsourcing division specialises in the delivery of manufacturing and packaging process outsourcing solutions. The division takes full responsibility for a specific manufacturing process and the related human resources administration element and provides the skilled workforce, supervision and management required to meet a client's production, quality and delivery goals.

By outsourcing non-core processes to it, they become its core processes, and the division can then focus on areas that may not otherwise receive top attention at its clients. It improves the value chain by tracking key metrics, communicating daily, and building strong hand-offs between processes while delivering savings to a client's bottom line.

Workforce Superdata specialises in the supply, integration and support of customised electronic time and attendance solutions. Its product range includes standard clocking and the latest biometrics terminals, together with the Issuer's proprietary 'Time-Zone' Software. Workforce Superdata ensures that a seamless integration between its systems and those of its client is achieved.

DebtworX Collections Agency is a niche focused business division that enables companies to outsource their debt collection function to the Issuer and in so doing achieve operational efficiencies and time-savings to focus on their core business.

Training and consulting

Training Force is a registered Private Further Education and Training (FET) provider which focuses on providing industry and job specific skills assessment and training interventions across all industry sectors. Its training programmes are aligned with South African Qualifications Authority (SAQA) standards and Sector Education and Training Authority (SETA) accreditation. As an accredited company, the scope of Training Force's courses leads to nationally recognised qualifications.

Training Force maintains local and international skills development partnerships focused on 'vocational technical training', linking training to industry. Its service capability involves continuous professional development of employees.

With employers continually having to keep abreast of the ever-changing legislation in the areas of industrial relations and human resources, the Workforce Group established a division that offers an extensive range of consulting services to employers.

Prisma Training Solutions is a recent acquisition by Training Force (October 2015). Prisma was established in 2007 and offers technical training in mining, team development and supervisor development. The company is Mining Qualification Authority accredited and Alpha ISO 9001:2008 certified. It has completed training projects for underground and surface workers for prominent mining companies and enjoys a strong reputation by building long term relationships with stakeholders in the mining sector, and by providing certified and relevant learning opportunities for employers, employees and community members.

Employee Health Management

The Employee Health Management division specialises in employee health management and offers

comprehensive primary and occupational employee health management solutions. Services include fully equipped occupational healthcare clinics; mobile clinics for large numbers requiring medical screening; guidance, training, management of HIV/AIDS in the work environment and customised employee wellness programmes with a 24 hour call centre, staffed by qualified professionals.

Financial and lifestyle products

Babereki is a registered member of the National Credit Regulatory Authority (NCR) and offers a range of easily accessible lifestyle products and support services to employees (including micro-loans) and employers (including staff loan book management, garnishee management and employee debt management).

Dreams Direct focuses on the external market and provides lifestyle products and services through online direct marketing channels.

BOARD OF DIRECTORS OF THE ISSUER

The members of the board of directors of the Issuer ("**Board**") as at the Programme Date are:

- Philip Froom – Chief Executive Officer
- Ronald Stanley Katz - Executive Chairperson
- Willem Petrus van Wyk - Financial Director
- John Russell Macey - Lead Independent Director
- Lulama Letlape - Independent Non-Executive Director
- Kyansambo Vundla - Independent Non-Executive Director
- Neil Mark Anderson - Non-Executive Director

The Board comprises a majority of non-executive directors, who bring specific skills and experience to the Board. The responsibility of all directors is clearly divided to ensure a balance of power and authority to prevent unfettered powers of decision-making. The executive directors have an overall responsibility for implementing the group's strategy and managing its day-to-day operations. The Board is of the view that all non-executive directors bring independent judgement to bear on material decisions of the company.

CORPORATE GOVERNANCE

The Board recognises that good corporate governance is essential to protect and balance the interests of all its stakeholders. The Workforce Group is committed to the principles of transparency, fairness, integrity and accountability in its dealings with all stakeholders.

The Board endorses the King Code of Governance Principles for South Africa 2009 ("**King III**") and has satisfied itself that Workforce conforms with all principles of the code and the Listings Requirements of the JSE, except where it has applied the principle of "apply or explain" as set out below. The detailed summary report of compliance with the 75 principles of King III is available on the Issuer's website, www.workforce.co.za.

- While a formal dispute policy has not been adopted, disputes are managed as efficiently and as expeditiously as possible.
- While the audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities, a combined assurance model is being considered for all assurance activities.
- An internal review, in lieu of a third party verification of the Sustainability Report is currently being effected. However, this principle is currently under review.

FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The respective Annual Reports of the Issuer and its consolidated Subsidiaries for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015, the annual financial statements of the Issuer for the financial years ended 31 December 2013, 31 December 2014 and 31 December 2015, which include the independent auditor's reports in respect of such financial statements, and the unaudited interim financial statements of the Issuer for the six months ended 30 June 2016, are incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*"). These Annual Reports, annual financial statements and interim financial statements are available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, these Annual Reports, annual financial statements and interim financial statements are available on the following website: www.workforce.co.za.

The respective Annual Reports of the Issuer and its consolidated Subsidiaries for all financial years after the Programme Date and the respective annual financial statements of the Issuer for all financial years after the Programme Date, which will include the independent auditor's reports in respect of such financial statements, are incorporated by reference into the Programme Memorandum (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*"). These Annual Reports and annual financial statements will (as and when such Annual Reports, annual financial statements are approved and become available) be available for inspection, upon request, during normal office hours, at the Specified Office of the Issuer. In addition, these Annual Reports and annual financial statements will (as and when such Annual Reports and annual financial statements are approved and become available) be available on the following website: www.workforce.co.za.

REPORT OF THE INDEPENDENT AUDITORS

The reports of the independent auditors of the Issuer are (or will be) included with the respective audited annual financial statements of the Issuer (see "*Financial Statements*" above).

AUDITORS

Horwath Leveton Boner are the auditors of the Issuer as at the Programme Date.

For purposes of Rule 7.31 of the JSE Debt Listings Requirements, Horwath Leveton Boner is an accredited audit firm specified as such in the JSE List of Accredited Auditors (26 February 2016).

RISK FACTORS

The Issuer believes that the following investment considerations may affect its ability to fulfil its obligations under the Notes. All of these investment considerations are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The information set out below is not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes.

Investment considerations which the Issuer believes may be material for the purpose of assessing the risks associated with the Notes and the market for the Notes generally are also described below.

The Issuer believes that the investment considerations described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts payable in respect of the Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Prospective investors should, prior to investing in the Notes, carefully consider the following investment considerations, in addition to the information set out elsewhere in this Programme Memorandum (including all documents incorporated by reference into this Programme Memorandum), the Applicable Pricing Supplement relating to a Tranche of Notes and consult their own financial, tax and legal advisers as to the risks and investment considerations arising from an investment in the Notes, the appropriate tools to analyze such an investment, and the suitability of such an investment in the context of the particular circumstances of each investor.

The information set out in the following summary is intended as a general guide to certain investment considerations and risk factors which may be relevant to a prospective subscriber for or purchaser of any Notes or any Person contemplating making an investment in the Notes.

RISKS RELATING TO THE ISSUER

General

The factors described below represent the inherent risks relating to the Issuer. The Issuer does not represent that the statements below regarding the risks relating to it are exhaustive. A potential investor should carefully consider the risks below and the other information in this Programme Memorandum.

The value of the Notes depends upon, amongst other things, the ability of the Issuer to fulfil its obligations under the Notes.

The financial prospects of any entity are sensitive to the underlying characteristics of its business and the nature and extent of the commercial risks to which the entity is exposed. There are a number of risks faced by the Issuer, including those that encompass a broad range of economic and commercial risks, many of which are not within its control. The performance of the Issuer's business can be influenced by external market and regulatory conditions. If the Issuer's business is affected by adverse circumstances in the same period, overall earnings would suffer significantly. These risks create the potential for the Issuer to suffer loss.

Liquidity risk

Liquidity risk is the risk that the Issuer is unable to meet its payment obligations, the consequences of which may be the failure to meet the Issuer's obligations to repay commitments to funders, or to sustain and grow the business.

Legal, regulatory, compliance and tax risk

Failure to comply with legal and regulatory requirements which are applicable to the Issuer, including tax laws and regulations, or government policies, may have an adverse effect on the Issuer and its reputation among clients and regulators in the market.

As at the Programme Date, indications are that amended labour legislation affecting the industry within which the Workforce Group operates is in the process of being finalised. Should the relevant labour legislation Bills be passed into law in their current format, the amended labour legislation will result in the further regulation of the temporary employment services industry, and at the same time put more onerous demands on all employers of temporary staff. Whilst the introduction of the amended labour legislation will place certain demands on the Workforce Group's internal requirements, it may create a further need for the services of the

Issuer.

Compliance risk is the risk (among other things) that regulatory requirements which are applicable to the Issuer are not complied with.

Operational risk

Operational risk is the risk of inadequate or ineffective processes of internal control.

The daily operations of the Issuer may result in financial loss, adverse regulatory consequences or reputational damage due to a variety of operational risks including business decisions (including the inability to rapidly respond to market and environmental changes in a productive and cost effect manner), technology risk (including relevance of the IT infrastructure and systems on the business model), fraud, compliance with legal and regulatory obligations, business continuity planning, legal and litigation risk, data integrity and processing risk, risk of not creating full value from acquisitions, managing conflicts of interests and key person risk.

Credit risk

The Issuer is exposed to the risk of financial loss as a result of failure by a client to meet its contractual obligations. This risk includes the failure of sizeable corporations to meet its contractual obligations as well as non-payment of micro loans granted in the businesses micro loan business.

Market risk

Market risk is the exposure to adverse changes in the value of future cash flows and/or financial instruments and/or financial assets as a result of changes in market prices or volatility, including risks arising from interest rates, derivatives (which are subject to settlement and other risks) and the correlation of market prices and rates within and across markets. Any decline in global asset markets, or in market liquidity, could adversely impact the Issuer's results of operations and financial condition.

Solvency risk

Solvency risk is the risk that the Issuer is not adequately capitalised.

Any failure by the Issuer to maintain capital adequacy may impact on its ability to fulfil its obligations under the Notes.

Transformation risk

Transformation risk is the risk that the Issuer is not able to successfully maintain its broad-based black economic empowerment rating at a level which is sufficient to successfully gain new customers.

Exchange control

Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which the South African Government (the "**Government**") may further relax such exchange controls cannot be predicted with certainty, although the Government has committed itself to a gradual approach of relaxation. Further relaxation, or abolition of exchange controls, may precipitate a change in the capital flows to and from South Africa. If the net result of this were to cause large capital outflows, this could adversely affect the Issuer's business and it could have an adverse effect on the financial condition of the Issuer as a whole. In the event of the immediate abolition of exchange control there may be a sudden withdrawal of Rand from the South African market by investors. Because South Africa has a fully floating exchange rate and a flexible interest rate policy, this could result in a rapid depreciation of the Rand exchange rate which could serve to stem the flight and could also result in an increase in interest rates due to the depreciation of the Rand.

Market conditions, including funding

Global market conditions are subject to periods of volatility and change which can negatively impact market liquidity, increase credit spreads and reduce funding availability. Since 2008, global equity and debt markets have experienced some difficult conditions. These challenging market conditions have resulted in periods of reduced liquidity, extreme volatility and declining asset prices.

Market conditions also led to the failure of a number of financial institutions and the intervention of government authorities and central banks around the world. Global economic conditions remain uncertain. If the economic climate worsens in the future, the Issuer's financial performance, business or strategy may be adversely affected.

Further instability in equity and debt markets may affect the Issuer's ability to access the funding necessary to grow its business.

Changes in investment markets, including changes in interest rates, exchange rates and returns from any equity, listed and unlisted investment assets, property and other investments, as well as adverse economic conditions, may affect the financial performance of the Issuer.

Terrorist acts

Terrorist acts, and other acts of war or hostility and responses to those acts, may create economic and political uncertainties, which could have a negative impact on South Africa, and international economic conditions generally, and more specifically on the business and results of operations of the Issuer in ways that cannot be predicted.

RISKS RELATING TO THE NOTES GENERALLY

Investment suitability

Investors should have (either alone or with the help of a financial adviser) sufficient knowledge and experience in financial and business matters to meaningfully evaluate the merits and risks of investing in a particular issue of Notes and the information contained in or incorporated by reference into this Programme Memorandum, or any Applicable Pricing Supplement, as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their particular circumstances.

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

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

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

Exchange rate risks and exchange controls

All payments (whether in respect of principal, interest or otherwise) in respect of a Tranche of Notes will be made in the Specified Currency. If a Tranche of Notes is denominated in a Specified Currency other than ZAR, certain risks may arise relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency will decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency equivalent value of the principal payable on the Notes and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders of the Notes may receive less interest or principal in respect of the Notes than expected, or no interest or principal.

Legal investment considerations may restrict certain investments

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

Meetings of Noteholders

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

Change of law

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

Rating

As at the Programme Date, neither the Issuer nor the Programme is rated. The Issuer and/or the Programme may, after the Programme Date, be rated by a Rating Agency on a national or international scale basis. The Issuer will procure that any change to the Rating of the Issuer (if any) and/or the Programme (if any) that occurs after the Programme Date is announced on SENS.

A Tranche of Notes may also, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating/s, if any, assigned to the Issuer and/or the Programme and/or a Tranche of Notes, as well as the Rating Agency/ies which assigned such Rating/s.

A Rating of the Issuer and/or the Programme and/or a Tranche of Notes is not a recommendation to subscribe for, buy, sell or hold any Notes, inasmuch as, among other things, a Rating does not comment on the market price or suitability of the Notes for a particular investor. A Rating of a Tranche of Notes only addresses the likelihood that the aggregate Outstanding Principal Amount of Notes in that Tranche will be fully repaid by the Maturity Date and that the interest (if any) payable in respect of such Notes will be paid on a timely basis. A Rating of a Tranche of Notes does not address the likelihood of repayment of the aggregate Outstanding Principal Amount of such Notes before the Maturity Date. In addition, there can be no assurance that a Rating of a Tranche of Notes will remain for any given period of time or that the Rating will not be lowered or withdrawn entirely by the Rating Agency if, in its judgment, circumstances in the future warrant such action. There can be no assurance of any connection between a Rating on a national scale basis and a Rating on an international scale basis. A Rating assigned to a Tranche of Notes by a rating agency that has not been requested by the Issuer to do so, may be lower than the equivalent Rating of that Tranche of Notes assigned by the Rating Agency, or such rating agency may rate a Tranche of Notes on an international scale basis which may be lower than the Rating on a national basis assigned to that Tranche of Notes by the Rating Agency.

Any adverse change in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes could adversely affect the trading price of all or any of the Notes.

Listing and limited liquidity of the Notes

The Issuer may issue listed or unlisted Notes.

The continued listing of any Tranche of Notes listed on the Interest Rate Market of the JSE and/or on any other Exchange/s is subject to the rules of the relevant Exchange/s in force from time to time. There can accordingly be no assurance that the listing of any Tranche of Notes will continue until the Maturity Date.

There may be a limited secondary market for the Notes. There can be no assurance that any secondary market for any of the Notes will continue until the Maturity Date. Generally, Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Consequently, a subscriber or purchaser must be

prepared to hold its Notes until the Maturity Date.

In addition, Noteholders should be aware that global credit market conditions may lead to a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the assets of the Issuer.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Noteholders that trade in interest-bearing Notes during the period that the Register is closed prior to each Interest Payment Date, will need to reconcile any amounts payable on the following Interest Payment Date pursuant to a partial redemption of the Notes. As a result, secondary market liquidity of the Notes may reduce during this period.

Notes held in the CSD

Each Tranche of unlisted Notes and each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in registered uncertificated form and will be held in the CSD. The Noteholders of such Notes (and the holders of Beneficial Interests in such Notes) will have to rely on the CSD Procedures of the JSE and the CSD for transfer, payment and communication with the Issuer. Except in the circumstances described in the Terms and Conditions, the Noteholders of such Notes will not be entitled to receive Certificates.

The CSD Participants will maintain records of the Beneficial Interests in Notes held in the CSD. While Notes are held in the CSD, the holders of Beneficial Interests in such Notes will be able to trade their Beneficial Interests in such Notes only through the CSD. While Notes are held in the CSD, the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the CSD, for distribution, via the CSD Participants, to the holders of Beneficial Interests in such Notes, in accordance with the CSD Procedures. A holder of a Beneficial Interest in Notes must rely on the CSD Procedures to receive payments under such Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in Notes must vote in accordance with the CSD Procedures. Holders of Beneficial Interests in Notes must exercise their respective rights to vote through their respective CSD Participants. The respective CSD Participants will vote in accordance with the respective instructions conveyed to them by the respective holders of Beneficial Interests in Notes, in accordance with the CSD Procedures.

Subject to the Financial Markets Act, the holder of a Beneficial Interest will be entitled to exchange such Beneficial Interest for Notes represented by a Certificate in accordance with Condition 12.1.

Notes represented by Certificates where the denominations involve integral multiples

If the aggregate Principal Amount of Notes held by a Noteholder is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, the Certificate representing such Notes will be issued in accordance with, and be governed by, the Applicable Procedures.

A Noteholder which holds Notes in an aggregate Outstanding Principal Amount which is less than the minimum Specified Denomination may not receive a Certificate in respect of such holding and may need to purchase an additional Principal Amount of Notes such that its total holding of such Notes amounts to the minimum Specified Denomination.

Holders of Notes which are represented by a Certificate should be aware that, where such Notes have a denomination which is a fraction of the Specified Denomination or a fraction of any multiple thereof, such Notes may be illiquid and difficult to trade.

No recourse against the JSE where Notes are not listed on the Interest Rate Market of the JSE

Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

RISKS RELATING TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. The risks of a particular Tranche of Notes will depend on the Applicable Terms and Conditions of that Tranche of Notes, but may include, without limitation, the possibility of significant changes in the values of the applicable interest rates or other indices or formula. Prospective investors could lose all or a substantial portion of their investment.

Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the relevant securities, assets or other property. Neither the current nor the historical price, value or performance of (a) the relevant interest rates or other indices or formulae, (b) the relevant classes of securities, assets or other property, or (c) the relevant entities should be taken as an indication of future price, value or performance during the term of any Tranche of Notes.

In addition, certain issues of Notes may not be an appropriate investment for investors who are inexperienced with respect to:

- the applicable interest rate indices, currencies, other indices or formulas, or redemption or other rights or options; or
- investments where the amount of principal and/or interest payable (if any) is based on the price, value, performance or some other factor and/or the creditworthiness of one or more entities.

Unsecured Notes

The Notes will be obligations solely of the Issuer, and will not be obligations of, or the responsibility of, or guaranteed by, any other Person.

Notes subject to optional redemption by the Issuer

The Issuer may, in terms of and subject to the applicable provisions of Condition 9, at its option, redeem a Tranche of Notes prior to the Maturity Date, as more fully described in Condition 9. These optional early redemption features of the Notes may limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any such redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the Interest Rate applicable to the Notes. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that applicable to the relevant Notes. Potential investors in the Notes should consider reinvestment risk in light of other investments available at that time.

Indexed Notes

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

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

Partly-paid Notes

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Fixed Rate Notes.

Investment in Notes that bear interest at a rate that converts from a Fixed Interest Rate to a Floating Interest Rate (or *vice versa*) may affect the market value of the Notes. If the interest on the Notes is converted from a Fixed Interest Rate to a Floating Interest Rate, the spread on the Notes may be less favourable than then prevailing spreads on comparable Notes tied to the same reference rate. In addition, the new Floating Interest Rate at any time may be lower than the rates on other Notes. If the interest on the Notes is converted from a Floating Interest Rate to a Fixed Interest Rate, the new Fixed Interest Rate may be lower than then prevailing rates on other Notes.

Mixed Rate Notes

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

Variable rate Notes with a multiplier or other leverage factor

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

Notes issued at a substantial discount or premium

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

RISKS RELATING TO OTHER NOTES

The risks (if any) of investing in particular types of Notes which are not set out in, or covered by, this section of the Programme Memorandum headed "*Risk Factors*" will be set out in an annexure to the Applicable Pricing Supplement relating to the relevant Tranche of Notes and/or in a supplement to this Programme Memorandum prior to the Issue Date of the first Tranche of such Notes to be issued under the Programme.

SETTLEMENT, CLEARING AND TRANSFERS OF NOTES

NOTES WHICH ARE HELD IN THE CSD

Each Tranche of unlisted Notes and each Tranche of Notes which is listed on the Interest Rate Market of the JSE will be issued in registered uncertificated form and held in the CSD.

Clearing systems

The CSD is the operator of an electronic clearing system and has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the Interest Rate Market of the JSE.

Each Tranche of Notes which is held in the CSD will be issued, cleared and transferred in accordance with the Applicable Procedures through the electronic settlement system of the CSD, and the settlement of trades in such Notes will take place in accordance with the electronic settlement procedures of the JSE and the CSD. Such Tranches of Notes will be settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the JSE and the CSD. The Issuer will adhere to the recognised and standardised electronic clearing and settlement procedures of 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 relevant Dealer/s.

CSD Participants

The CSD maintains central securities accounts only for CSD Participants. As at the Programme Date, the CSD Participants are the South African Reserve Bank, Standard Chartered Bank Johannesburg Branch, Société Générale, Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited. Euroclear and Clearstream will settle other offshore transfers through their nominated CSD Participant.

CSD Participants are responsible for the settlement of scrip and payment transfers through the CSD, the Interest Rate Market of the JSE and the South African Reserve Bank.

Payments

Payments of all amounts in respect of a Tranche of Notes which is held in the CSD will be made to the CSD, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests, in accordance with the CSD Procedures. Each of the Persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant CSD Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD.

Transfer and exchange of Beneficial Interests

The CSD Participants will maintain records of the Beneficial Interests in Notes held in the CSD.

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

Subject to the Financial Markets Act, Beneficial Interests may be exchanged for Notes represented by Certificates in accordance with Condition 12.

No recourse against the JSE where Notes are not listed on the Interest Rate Market of the JSE

Unlisted Notes are not regulated by the JSE. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE.

NOTES LISTED ON ANY EXCHANGE OTHER THAN (OR IN ADDITION TO) THE INTEREST RATE MARKET OF THE JSE

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

If a Tranche of Notes which is listed on any Exchange (other than the Interest Rate Market of the JSE) may, in

terms of the rules of that Exchange and Applicable Laws, be lodged in a central securities depository and/or issued in uncertificated form, the relevant procedures (including those relating to beneficial ownership interests in that Tranche of Notes) will be set out in the Applicable Pricing Supplement.

SUBSCRIPTION AND SALE

ARRANGER, DEBT SPONSOR, DEALER AND PLACING ARRANGEMENTS

Arranger

The Issuer has appointed Merchantec Capital as Arranger of the Programme in terms of, and subject to, the Programme Agreement.

Debt Sponsor

In terms of a written mandate agreement entered into between the Issuer and Merchantec Capital ("**Debt Sponsor Mandate**"), Merchantec Capital has been appointed by the Issuer as the ongoing Debt Sponsor of the Programme (as required by the JSE Debt Listings Requirements), subject to Rules 2.5 and 2.6 of the JSE Debt Listings Requirements (as read with the terms as to termination of such appointment set out in the Debt Sponsor Mandate).

In terms of the Debt Sponsor Mandate, Merchantec Capital has been appointed by the Issuer as the Debt Sponsor for purposes of procuring the approval of the Programme Memorandum by the JSE and the listing of Tranche/s of Notes on the Interest Rate Market of the JSE, subject to Rules 2.5 and 2.6 of the JSE Debt Listings Requirements (as read with the terms and conditions of the Debt Sponsor Mandate).

Rule 2 of the JSE Debt Listings Requirements sets out certain requirements in relation to the appointment, and termination of appointment, of a Debt Sponsor. Among other things, if the appointment of the Debt Sponsor is terminated by the Issuer for whatever reason, such termination must be approved by the Board. Once the termination of the Debt Sponsor has been approved by the Board, the Issuer and the Debt Sponsor must submit a report to the JSE stipulating the reasons for the termination, within 48 hours of such termination.

Dealer and placing arrangements

A Tranche of Notes may be offered by way of public auction or private placement or any other means permitted by Applicable Law, as determined by the Issuer and the relevant Dealer/s.

In terms of (and subject to) the Programme Agreement, Merchantec Capital has been appointed as a Dealer for the duration of the Programme (subject to the Issuer's right to terminate the appointment of any Dealer).

The Issuer may, in terms of (and subject to) the Programme Agreement, appoint one or more additional Dealers for the duration of the Programme or to place one or more particular Tranches of Notes (subject to the Issuer's right to terminate the appointment of any Dealer).

Subject to the Programme Agreement, the Issuer may from time to time agree with any Dealer/s to issue, and any Dealer/s may agree to place, one or more Tranches of Notes by entering into a Placement Agreement. Each Placement Agreement will be concluded in accordance with, and be supplemental to, the Programme Agreement.

A Placement Agreement will, among other things, provide for the relevant Dealer/s, subject to certain conditions set out in the Placement Agreement (as read with the Programme Agreement), to place the Notes in the relevant Tranche/s of Notes, and may also provide for the Dealer/s to underwrite the subscription and payment for such Notes.

On the Issue Date, delivery of the Notes in a Tranche of Notes which is held in the CSD to the subscribers of such Notes will, in accordance with the relevant Placement Agreement (as read with the Programme Agreement), be effected by the Issuer's CSD Participant, against payment of the Issue Price, in accordance with the Applicable Procedures. The relevant Dealer/s may procure sale and purchase transactions in respect of the relevant Tranche/s of Notes before the Issue Date. Such transactions will be for settlement on the Issue Date and will be subject to the condition that the relevant Placement Agreement is not terminated before the time on which such transactions are to be settled on the Issue Date.

The relevant Dealer/s may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Notes) terminate their obligations to place the relevant Tranche/s of Notes under the relevant Placement Agreement. The relevant Placement Agreement may, under certain circumstances (before the issue of or payment for the relevant Tranche/s of Notes), automatically terminate. If the relevant Placement Agreement is terminated before the Issue Date, the transactions in the relevant Tranche/s of Notes shall also terminate and no party thereto shall have any claim against any other party as a result of such termination.

The Issuer has no right to cancel the relevant Placement Agreement before the issue of or payment for the

relevant Tranche/s of Notes.

SELLING RESTRICTIONS

South Africa

Each Dealer will be required to represent and agree that it will not solicit any offers for subscription for or sale of any Notes and will not itself sell any Notes, 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, the Programme Memorandum does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Dealer will be required to represent and agree that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of any Notes (whether for subscription, purchase or sale).

Notes will not be offered for subscription or sale to any single addressee for an amount of less than ZAR1,000,000 (or such other amount as is prescribed from time to time in terms of section 96(2)(a) of the Companies Act).

United States of America

Regulation S Category 2

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**"). The Notes may not be offered or sold in the United States of America or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act or in a transaction exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Each Dealer will be required to represent and agree that it has not offered, sold, resold or delivered any Notes and will not offer, sell, resell or deliver any Notes:

- a) as part of its distribution at any time; and
- b) otherwise until 40 (forty) days after completion of the distribution of all of the Notes in the relevant Tranche/s of Notes, as determined and certified by the Dealer or, in the case of an issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s, of all Notes of the Series of which the relevant Tranche/s of Notes is/are a part,

within the United States of America or to, or for the account or benefit of, U.S. persons only in accordance with Regulation S and it will send to each distributor to which it sells any Notes a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States of America or to, or for the account or benefit of, U.S. persons.

In addition, an offer or sale of the Notes within the United States of America by any Dealer or other distributor (whether or not participating in the offering of such Notes during the distribution compliance period described in the preceding paragraph) may violate the registration requirements of the U.S. Securities Act.

Each Dealer (and in the case of the issue of the relevant Tranche/s of Notes on a syndicated basis, the relevant Lead Manager/s) shall determine and certify to the Issuer when it has completed the distribution of the Notes in the relevant Tranche/s of Notes.

Each Dealer will be required to further represent and agree that neither it, its affiliates nor any Person acting on its or their behalf has engaged or will engage in any "*directed selling efforts*" (as that term is defined in Regulation S under the U.S. Securities Act) with respect to any Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer will be required to represent and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State ("**Relevant Implementation Date**") it has not made and will not make an offer of any Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- a) if the Applicable Pricing Supplement relating to a Tranche of Notes specifies that an offer of such Notes may be made other than pursuant to Article 3.2 of the Prospectus Directive in that Relevant Member

State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Applicable Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the Issuer for any such offer; or
- d) at any time in any other circumstances falling within Article 3.2 of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United Kingdom

Each Dealer will be required to represent and agree that:

- a) in relation to any of Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any 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 Notes would otherwise constitute a contravention of Section 19 of the United Kingdom Financial Services and Markets Act, 2000 ("**FSMA**") by the Issuer;
- b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer;
- c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Changes to the above selling restrictions

The selling restrictions set out above may in relation to any Tranche of Notes, be changed by the Issuer and the relevant Dealer/s, including following a change in, or clarification of, a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country or jurisdiction concerned or any change in or introduction of any of them or in their interpretation or administration. Any such change will be set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Other selling restrictions

Each Dealer will be required to represent and agree that:

- a) it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers or sells any Notes or has in its possession or distributes the Programme Memorandum and/or the Applicable Pricing

Supplement and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of any Notes under the laws and regulations in force in each jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales; and

- b) it will comply with such other or additional restrictions as the Issuer and the Dealer agree and as are set out in the Applicable Pricing Supplement relating to the relevant Tranche of Notes.

Neither the Issuer nor the Debt Sponsor nor the Arranger nor the Dealer/s represent that this Programme Memorandum and/or any Applicable Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, subscribed for or sold, 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, offering, subscription or sale.

Persons into whose possession this Programme Memorandum and/or any Applicable Pricing Supplement comes are required by the Issuer, the Debt Sponsor, the Arranger and the Dealers to comply with all Applicable Laws and regulations in each country or jurisdiction in which they subscribe for, purchase, offer, sell, transfer or deliver Notes or have in their possession or distribute this Programme Memorandum and/or any Applicable Pricing Supplement and to obtain any consent, approval or permission required by them for the subscription, purchase, offer, sale, transfer or delivery by them of any Notes under the law and regulations in force in any country or jurisdiction to which they are subject or in which they make such subscriptions, purchases, offers, sales, transfers or deliveries, in all cases at their own expense, and none of the Issuer, the Debt Sponsor, the Arranger or the Dealers shall have responsibility therefor.

In accordance with the above, any Notes purchased or subscribed for by any Person which it wishes to offer for sale or resale may not be offered in any country or jurisdiction in circumstances which would result in the Issuer being obliged to register this Programme Memorandum or any further prospectus or corresponding document relating to the Notes in such country or jurisdiction.

TAXATION

The summary in this section headed "Taxation" below is intended to deal with the more important general fiscal provisions that could be relevant on the treatment of the Notes from a general fiscal perspective as at the Programme Date. The contents of this section headed "Taxation" are not intended to and do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or holder of or purchaser of any Notes. Prospective Noteholders of Notes should consult their professional advisers in this regard.

SECURITIES TRANSFER TAX

The issue, transfer and redemption of Notes will not attract securities transfer tax under the Securities Transfer Tax Act. Any future transfer duties and/or taxes that may be introduced in respect of (or be applicable to) the transfer and/or redemption of Notes will be for the account of Noteholders.

INCOME TAX - TREATMENT OF PREMIUM AND/OR DISCOUNT AS WELL AS INTEREST ON THE NOTES

The taxation of "interest" is regulated by section 24J of the Income Tax Act, 1962 ("**Income Tax Act**"). For tax purposes "interest" as defined in section 24J of the Income Tax Act ("**Interest**") has a wide meaning and includes, among other things, not just interest and related finance charges, but also any discount or premium payable or receivable in terms of or in respect of a financial arrangement.

However, to the extent that a Noteholder is a "covered person" as defined in section 24JB of the Income Tax Act, such as a member of a banking group, the Noteholder should apply the provisions of section 24JB of the Income Tax Act instead.

Original issue discount or premium

Any discount that arises pursuant to the original issue of the Notes will be treated as Interest for tax purposes, and the amount of the discount will be deemed to accrue to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Any premium that arises pursuant to the original issue of the Notes over the Principal Amount thereof will also be treated as Interest for tax purposes and will be taken into account in calculating the return to the Noteholder on a yield to maturity basis as if such Noteholder were to hold the Notes until the Maturity Date.

Interest on the Notes

A "resident" of South Africa (as defined in section 1 of the Income Tax Act) ("**Resident**") will, subject to any available exemptions, be taxed on its worldwide income. Accordingly, a Resident Noteholder will be liable for income tax, subject to available exemptions, on any income received or accrued in respect of the Notes held by that Resident Noteholder in the relevant year of assessment of that Resident Noteholder.

A Person who or which is not a Resident ("**Non-Resident**") is taxed in South Africa under the Income Tax Act only on income from a source within or deemed to be sourced within South Africa, subject to any relief available in any applicable convention concluded between the Government of the Republic of South Africa and the relevant other contracting state for the avoidance of double taxation ("**DTA**").

Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder may be regarded as being from a South African source.

However, Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of Notes which are held by that Non-Resident Noteholder should be exempt from income tax under section 10(1)(h) of the Income Tax Act (see, however the Withholding Tax on Interest paid to a Non-Resident under "**Withholding tax**" below).

The section 10(1)(h) exemption will not apply to a Non-Resident Noteholder if:

- a) that Non-Resident Noteholder is a natural Person who was physically present in South Africa for a period exceeding 183 calendar days in aggregate during the 12 month period preceding the date on which the interest is received or accrued by that Non-Resident Noteholder;
- b) the debt from which the Interest arises is effectively connected to a permanent establishment of that Non-Resident Noteholder in South Africa.

If a Non-Resident Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act,

(a) that Non-Resident Noteholder should be exempt from the Withholding Tax on Interest paid to Non-Residents (see "*Withholding tax*" below), (b) an exemption from or reduction of tax liability under the Income Tax Act may be available under an applicable DTA and (c) certain entities may be exempt from income tax.

Prospective Non-Resident Noteholders must consult their own professional advisers as to whether the Interest income earned on Notes to be held by them will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable DTA.

As regards the Withholding Tax on Interest paid to Non-Resident Noteholders, see "*Withholding tax*" below.

Withholding tax

In terms of Part IVB of the Income Tax Act, a withholding tax on Interest paid to Non-Residents (at a rate of 15% of the amount of the Interest) ("**Withholding Tax**") came into effect on 1 March 2015.

Interest which, during the relevant year of assessment of a Non-Resident Noteholder, is received or accrued in respect of the Notes which are held by that Non-Resident Noteholder may be regarded as being from a South African source.

Subject to any Withholding Tax relief provided for in the Income Tax Act (see the paragraph below) or an applicable DTA, the Withholding Tax will be imposed in respect of all payments of Interest to Non-Residents (other than payments of Interest to a Non-Resident who is not entitled to the section 10(1)(h) exemption referred to under "*Income tax - treatment of premium and/or discount as well as interest on the Notes*" above and which Non-Resident is therefore liable for the payment of income tax on such Interest).

However, payments of Interest under Notes held by Non-Resident Noteholders will be exempt from Withholding Tax if (among other exemptions) such Notes are listed on a "*recognised exchange*". The JSE is a "*recognised exchange*".

Accordingly, payments of Interest under Notes held by a Non-Resident Noteholder will be exempt from Withholding Tax if such Notes are listed on the Interest Rate Market of the JSE (or on any other Exchange which qualifies as a "*recognised exchange*"). Payments of Interest under Notes held by a Non-Resident Noteholder will be subject to Withholding Tax (a) if such Notes are not listed and (b) if such Notes are listed on an Exchange which does not qualify as a "*recognised exchange*".

Disposal of the Notes

If a Noteholder sells or otherwise disposes of a Note, Taxes (whether income tax or capital gains tax) may be levied on such sale or disposal.

Having regard to the provisions of section 24J(4) of the Income Tax Act, Taxes (whether income tax or capital gains tax) may be levied on the disposal or deemed disposal of any Notes held by a Resident Noteholder. In general, income tax will be leviable to the extent that a Resident Noteholder is a trader or has acquired the Notes for speculative purposes or has acquired the Notes as part of a business in carrying out a profit making scheme. Capital gains tax will be leviable to the extent that the Notes have been acquired by a Resident Noteholder for investment purposes and the disposal is not regarded as an operation of business in carrying out a profit-making scheme even though the South African Revenue Service has generally taken the view that these types of profits would generally be on revenue account.

Any discount or premium on acquisition of the Notes which has already been treated as Interest for income tax purposes under section 24J of the Income Tax Act (see "*Original issue discount or premium*" above) will not again be taken into account when determining any capital gain or loss.

Taxes (whether income tax or capital gains tax) will not be levied on the disposal or deemed disposal of Notes held by a Non-Resident Noteholder unless the profits made on the disposal or deemed disposal of such Notes are from a South African source or are attributable to a permanent establishment of that Non-Resident Noteholder in South Africa during the relevant year of assessment of that Non-Resident Noteholder. An applicable DTA may provide such Non-Resident Noteholder with relief from such Taxes.

VALUE-ADDED TAX

In terms of the Value-Added Tax Act, no VAT is payable on the issue or transfer of the Notes. The Notes constitute "*debt securities*" as defined in the Value-Added Tax Act. The issue, allotment or transfer of ownership of the Notes constitutes a "*financial service*", the supply of which is exempt from VAT in terms of section 12(a) of the VAT Act. However, commissions or other charges that are payable on the facilitation of this "*financial service*" are, in principle, subject to VAT at the standard current rate of 14%, depending on the circumstances and the identity of the relevant service provider.

US TAXATION – FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a withholding tax with respect to certain payments to any non-U.S. financial institution ("**foreign financial institution**" or "**FFI**"). The United States and a number of other jurisdictions have entered into intergovernmental agreements (each, an "**IGA**") to facilitate the implementation of FATCA. The South African Government and the U.S. Government signed an IGA ("**South African IGA**") in respect of FATCA on 9 June 2014. Under the South African IGA, South African FFIs will be treated as "deemed compliant" from a FATCA perspective, until such time that the FFI does not comply with all the reporting requirements under FATCA.

FATCA is a particularly complex piece of legislation and potential investors in the Notes should consult their own tax advisers to determine how these rules may apply to payments they will receive under the Notes and the potential impact of the implementation of the South African IGA and implementing legislation on them.

EXCHANGE CONTROL

The comments below are intended as a general guide to the position under the Exchange Control Regulations as at the Programme Date. The contents of this section headed "Exchange Control" do not constitute exchange control advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional advisers in this regard.

PROGRAMME MEMORANDUM

The Programme Memorandum does not require the prior approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

ISSUE OF NOTES

In general, the issue of a Tranche of Notes will not require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

However, under certain circumstances (see the paragraph below) and if so indicated in the Applicable Pricing Supplement, the issue of a particular Tranche of Notes will require the prior written approval of the Exchange Control Authorities in terms of the Exchange Control Regulations.

In particular, in terms of Rule 3.20(c) of the JSE Debt Listings Requirements, "where the ... Issuer issues listed [Notes] that will pay higher than the interest rate to be paid/discounted in terms of exchange control policy, and where there will be foreign participation cross-border funding, the ... Issuer is required to obtain prior [Exchange Control Authorities] approval/directive in respect of the issue. Exchange control policy allows interest to be paid up to the prime overdraft rate (predominant rate) plus 3% per annum or as amended from time to time".

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

BLOCKED RAND

Blocked Rand may be used for the subscription for or purchase of Notes. Any principal and/or other redemption amount which is payable by the Issuer in respect of such Notes subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into a bank account which is outside South Africa.

EMIGRANTS FROM THE COMMON MONETARY AREA

Any Certificates issued to a Noteholder who is an emigrant from the Common Monetary Area ("**Emigrant Noteholder**") will be restrictively endorsed "emigrant" and must be deposited with the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets.

Where a Beneficial Interest is held by an Emigrant Noteholder through the CSD, the securities account maintained for such Emigrant Noteholder by the relevant CSD Participant will be designated as an "emigrant" account.

All payments of principal and/or other redemption amount payable to an Emigrant Noteholder will be deposited into such Emigrant Noteholder's Emigrant Blocked Rand account, as maintained by the nominated authorised dealer in foreign exchange controlling such Emigrant Noteholder's blocked assets. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations. Payments of interest due and payable in respect of such Notes to such Emigrant Noteholder need not be deposited into such Emigrant Noteholder's Emigrant Blocked Rand account, and such amounts of interest are freely transferable from the Common Monetary Area.

NON-RESIDENTS OF THE COMMON MONETARY AREA

Any Certificates issued to a Noteholder who is not resident in the Common Monetary Area ("**Non-Resident Noteholder**") will be restrictively endorsed "non-resident".

Where a Beneficial Interest is held by a Non-Resident Noteholder through the CSD, the securities account maintained for such Non-Resident Noteholder by the relevant CSD Participant will be designated as a "non-resident" account.

It will be incumbent on a Non-Resident Noteholder to instruct its nominated authorised dealer in foreign

exchange as to how payments of amounts (whether in respect of principal, interest or otherwise) payable in respect of the Notes held by such Non-Resident Noteholder are to be dealt with. Such amounts may, in terms of the Exchange Control Regulations, be remitted abroad only if such Notes were acquired with foreign currency introduced into South Africa and provided that the relevant Certificate has been restrictively endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" securities account, as the case may be.

GENERAL INFORMATION

AUTHORISATION

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the Programme Date have been given for the establishment of the Programme and the execution of this Programme Memorandum, and for the Issuer to enter into and perform its obligations under each Applicable Agency Agreement and the Programme Agreement.

All corporate authorities, and all consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer will be given, prior to the Issue Date of a Tranche of Notes for (among other things) the Issuer to issue that Tranche of Notes, to execute the Applicable Pricing Supplement relating to that Tranche of Notes, to enter into and perform its obligations under the Applicable Terms and Conditions of that Tranche of Notes, and to enter into and perform its obligations under the Placement Agreement relating to the issue and placing of that Tranche of Notes.

APPROVAL AND LISTING

The Programme Memorandum, dated 9 January 2017, was approved by the JSE on 5 January 2017.

A Tranche of Notes may, subject to all Applicable Laws, be listed on the Interest Rate Market of the JSE. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

A Tranche of Notes may be listed on such other Exchange/s as may be determined by the Issuer and the relevant Dealer/s, subject to all Applicable Laws and the Rules of such Exchange/s.

The Applicable Pricing Supplement relating to a Tranche of Notes will specify whether or not the Notes in that Tranche will be listed and, if so, on which Exchange.

COMMERCIAL PAPER REGULATIONS

If applicable, see Annexure "A" to the *pro forma* Applicable Pricing Supplement set out in the section of this Programme Memorandum headed "*Form of the Applicable Pricing Supplement*".

MATERIAL CHANGE

The Issuer confirms that, as at the Programme Date, no material change in the financial or trading condition of the Issuer and any "*subsidiary*" (as defined in the Companies Act) of the Issuer has occurred since 30 June 2016 (being the end of the last financial period for which unaudited interim financial statements of the Issuer have been published). This statement has not been confirmed or verified or reviewed and reported on by the auditors of the Issuer.

For purposes of the paragraph above "**material**" shall have the meaning ascribed to it in the JSE Listings Requirements applicable to the Main Board of the JSE.

The statement above is made pursuant to Rule 4.16(b)(i) of the JSE Debt Listings Requirements.

AUDITORS

Horwath Leveton Boner are the auditors of the Issuer as at the Programme Date.

SIGNED at Johannesburg on 9 January 2017

For: WORKFORCE HOLDINGS LIMITED

By: _____

Name: Ronald Stanley Katz

Capacity: *Director, duly authorised*

By: _____

Name: Phillip Froom

Capacity: *Director, duly authorised*

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