Under this NewWave Exchange Traded Note Programme (the “Programme”), the Issuer may from time to time issue long-term or perpetual exchange traded notes referencing indices, commodity prices and/or foreign currency rates or any other appropriate benchmark (collectively, “Notes” or “Securities”), subject to all applicable laws and the requirements of the JSE Limited or its successor (the “JSE”) and/or such other exchange(s) as may be determined by the Issuer and subject to a limit for the time being of ZAR15 billion.

This Programme Memorandum describes some of the general terms and conditions that may apply to these unsecured Notes and the general manner in which they may be offered. The specific terms and conditions of each type of Note will be provided in supplements to this Programme Memorandum (each a “Product Supplement”) and specific information relating to offers of specific Series of Notes in pricing supplements (each a “Pricing Supplement”). You should read this Programme Memorandum and the applicable Product Supplement and Pricing Supplement carefully before you invest. This Programme Memorandum, together with an applicable Product Supplement and Pricing Supplement may be used to offer and sell Notes from time to time, provided that this Programme Memorandum does not on its own constitute an offer and may not be used to sell Notes unless it is accompanied by a Product Supplement and Pricing Supplement. Terms used but not defined in the applicable Pricing Supplement and Product Supplement shall unless the context otherwise requires have the meanings assigned to them in this Programme Memorandum. However, if any terms described in the applicable Product Supplement are different or inconsistent with those described in this Programme Memorandum, the terms described in the applicable Product Supplement will prevail. Furthermore, if the terms described in an applicable Pricing Supplement are different from or inconsistent with those described in this Programme Memorandum and/or the applicable Product Supplement, the terms described in the applicable Pricing Supplement will prevail.

Claims against the JSE Guarantee Fund (or any successor fund) may only be made in respect of trading in Notes listed on the JSE in accordance with the rules of the JSE Guarantee Fund and if listed on the JSE, and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations in terms of its obligations under the Notes.

Sale to the public: The Securities may be offered and issued to the public pursuant to an offer, the specific terms and conditions of which will be set out in an applicable Pricing Supplement as read with this Programme Memorandum and an applicable Product Supplement (an “Offer”).

Prepared and issued in terms of the JSE Listings Requirements.

Programme Memorandum issued on: 20 February 2012
The Issuer certifies that, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made.

This Programme Memorandum contains all applicable information required by law and the JSE Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum, applicable Product Supplements, applicable Pricing Supplements, the annual financial report (incorporated herein by reference), the amendments to any such annual financial report or any supplements from time to time, except as otherwise stated therein.

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

As at the date of this Programme Memorandum, neither the Programme nor the Notes to be issued hereunder are rated by any rating agency. However, the Issuer may at any time obtain a rating from a rating agency for the Programme or any issue of Notes issued pursuant to the terms of this Programme, in which case such rating will be indicated in the applicable Pricing Supplement.

Offer in the Republic of South Africa only

This Programme Memorandum has been issued in connection with Offers in the RSA only and is addressed only to persons to whom an Offer may lawfully be made. The distribution of this Programme Memorandum and the making of an Offer may be restricted by law. Persons into whose possession this Programme Memorandum comes must inform themselves about and observe any such restrictions. This Programme Memorandum does not constitute an offer of or invitation to subscribe for and/or purchase any of the Securities in any jurisdiction in which such offer or subscription would be unlawful. No one has taken any action that would permit a public offering of Securities to occur outside the RSA.
Unless the context otherwise requires, capitalised words used in this section shall have the same meaning as defined on pages 7 to 11 of this Programme Memorandum, unless they are defined in this section.

The advisors of the Issuer have not separately verified the information contained in this Programme Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the advisors as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Securities. The advisors do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Securities.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other information supplied in connection with the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of its advisors.

This Programme Memorandum and any other information supplied in connection with the Securities does not constitute the rendering of financial or investment advice by the Issuer or any of its advisors and is not intended to provide the basis of any credit or other evaluation. This Programme Memorandum and such information merely contains a description of certain facts at the date of this Programme Memorandum and should not be considered as a recommendation by the Issuer or its advisors that any recipient of this Programme Memorandum should purchase any Securities.

Each Investor contemplating purchasing any Securities should make its own independent investigation and appraisal of the financial condition and affairs of the Issuer.

Neither the delivery of this Programme Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein is correct at any time subsequent to the date hereof.

This Programme Memorandum is to be read in conjunction with all documents incorporated herein by reference and should be read and understood on the basis that such documents are incorporated in and form part of this Programme Memorandum.

This Programme Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the Offer or solicitation in such jurisdiction. Neither the Issuer nor any of the professional advisors represents that this Programme Memorandum may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available therefore, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in compliance with any Applicable Laws and regulations and the Issuer has represented that all offers and sales by them will be made in compliance with this prohibition.

The distribution of this Programme Memorandum and the offer or sale of Securities may be restricted by law in certain jurisdictions. Any persons coming into possession of this Programme Memorandum or any Securities must inform themselves about, and observe any such restrictions.

The Securities have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”). Securities may not be offered, sold or delivered within the United States or to US persons, except in accordance with Regulations under the Securities Act.

The Issuer has represented and agreed that:

- it will not offer or sell any Security falling within Regulation 3(2)(c) of the Public Offers of Securities Regulations (1995) as amended (the “POS Regulations”) to persons in the United Kingdom (“UK”), except 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 otherwise in circumstances which have not resulted and will not result in an offer to the public in the UK within the meaning of the POS Regulations;
• it will comply with all applicable provisions of the UK Financial Services and Markets Act (2000) (the “FSMA”) with respect to anything done by it in relation to the Securities in, from or otherwise involved in the UK;

• it 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 Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

DISCLAIMER

The information provided in this document is for information purposes only and does not constitute the provision of professional advice of any kind. The information provided should thus not be used as a substitute for consultation with your professional advisors. Before making any decision or taking any action, you should consult a professional advisor who has been provided with all the pertinent facts relevant to your particular situation. The Issuer does not accept any responsibility for loss to any person who acts or refrains from acting based on the information contained in this document.
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1. CORPORATE INFORMATION

The Issuer, market maker, transfer secretaries and calculation agent

Absa Bank Limited
(acting through its Absa Capital division)
(Registration number 1986/004794/06)
15 Alice Lane, Sandton, 2196
(Private Bag X10056, Sandton, 2146)

Legal advisor to the Issuer
Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
1 North Wharf Square, Loop Street
Foreshore
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Registered office
Absa Bank Limited
7th Floor
Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

Company secretary
D W P Hodnett (acting), BCom, CA(SA), MBA
8th Floor
Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

Holding company
Absa Group Limited
(Registration number 1986/003934/06)
7th Floor
Absa Towers West
15 Troye Street
Johannesburg, 2001
(PO Box 7735, Johannesburg, 2000)

Tax advisor to the Issuer
Edward Nathan Sonnenbergs Inc.
1 North Wharf Square, Loop Street
Foreshore
Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Auditor
PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
(Registration number 1998/012055/21)
2 Eglin Road, Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Participating broker – for Non-Controlled Clients
Absa Capital Securities (Pty) Ltd
Member of Absa Group Ltd
(Registration number 2008/021179/07)
15 Alice Lane
Sandton, 2196
(Private Bag X10056, Sandton, 2146)
Contact: Cameron Ashton or Carlyle Whitaker
Telephone No: (011) 895 6848

Participating broker – Auditor for Non-Controlled Clients
Absa Capital Securities (Pty) Ltd
(Registration number 2008/021179/07)
15 Alice Lane
Sandton, 2196
(Private Bag X10056, Sandton, 2146)
Contact: Cameron Ashton or Carlyle Whitaker
Telephone No: (011) 895 6848

Participating broker – for Controlled Clients
Absa Stockbrokers (Proprietary) Limited
(Registration number 1973/010798/07)
65 Empire Road, Parktown, 2193
(PO Box 113, Auckland Park, 2006)
Telephone No: 08600 50403

Corporate advisor and sponsor
Absa Bank Limited
(acting through its Absa Capital division)
(Registration number 1986/004794/06)
15 Alice Lane, Sandton, 2196
Contact: Marian Gaylard
Telephone No: (011) 506 7951
Issuer CSDP
Absa Capital Investor Services
Absa Towers North
180 Commissioner Street
Johannesburg, 2001
(PO Box 5013, Johannesburg, 2000)

Directors
G Griffin† (Chairman)
M Ramos* (Chief Executive)
L L von Zeuner* (Deputy Chief Executive)
C Beggs†
B P Connellan†
Y Z Cuba†
S A Fakie†
D W P Hodnett *
M J Husain†
A P JenkinsΔ (British)
R Le BlancΔ (British)
P B Matlare†
T M Mokgosi-Mwantembe†
E C Mondlane JrΔ (Mozambican)
T S Munday†
S G Pretorius†
I R RitossaΔ (Australian)
B J Willemse†

* Executive,
† Independent non-executive
Δ Non-executive
2. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents shall be deemed to be incorporated in and form part of this Programme Memorandum, which means that important information may be disclosed to you by referring you to these documents:

(a) all amendments and supplements to this Programme Memorandum issued by the Issuer;
(b) the applicable Product Supplement relating to any type of Note issued under the Programme;
(c) the applicable Pricing Supplement relating to any Series of Notes issued under the Programme;
(d) in respect of any issue of Notes under the Programme, the published shareholder reports (incorporating the audited annual financial statements and notes thereto) of the Issuer for the three financial years prior to the date of such issue, as well as for each financial year thereafter ending on the last day of each financial year, currently 31 December;
(e) the relevant resolutions of the Issuer authorising the establishment of the Programme and the issue of Notes thereunder and approving the creation and issue of Notes; and
(f) the Memorandum and Articles of Association of the Issuer,

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

The Issuer has undertaken, in connection with the listing of the Notes on the JSE or on such other exchange or further exchange or exchanges as may be selected by the Issuer, that for so long as any Note remains outstanding and approved by such exchange or exchanges, in the event of an adverse change in the condition (financial or otherwise) of the Issuer which is material in the context of the Notes issued by it under the Programme or if any event occurs subsequent to the date of this Programme Memorandum which affects any matter contained in this Programme Memorandum the inclusion of which in this Programme Memorandum would be material and be reasonably required by the Holders, the Issuer will prepare or procure the preparation of an amendment or supplement to the Programme Memorandum or, as the case may be, publish a new Programme Memorandum.

A copy of any or all of the documents referred to above which we have incorporated in this Programme Memorandum by reference will be provided to you without charge, upon your written or oral request. Requests should be directed to, Absa Capital Investments, Absa Bank Limited, acting through its Absa Capital division, 15 Alice Lane, Sandton, 2196 (telephone: +27 (11) 895 5517). The audited annual financial statements and unaudited interim financial statements of the Issuer and all Product and Pricing Supplements will also be available on the website, www.absacapitaletfs.com and on the JSE website, whilst any Notes issued hereunder are listed on the JSE.
Throughout this Programme Memorandum, unless otherwise stated, the capitalised words in the first column have the meanings assigned to them in the second column, words in the singular include the plural and vice versa, words importing natural persons include corporations and associations of persons and any reference to a gender includes the other gender and the neuter. In this Programme Memorandum, unless the context otherwise requires, “we”, “us” and “our” means the Issuer.

“Absa Bank” Absa Bank Limited (Registration number 1986/004794/06), a public company duly incorporated in accordance with the company laws of the RSA and registered as a bank in terms of the Banks Act;

“Absa Capital” Absa Capital, the investment banking division of Absa Bank affiliated with Barclays Capital;

“Absa Group” Absa Group Limited (Registration number 1986/003934/06), a public company duly incorporated in accordance with the company laws of the RSA, the holding company of Absa Bank;

“Accumulated Investor Fee” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the accumulated Daily Investor Fee with respect to the Notes as determined on the immediately preceding Calculation Date, increasing daily by an amount equal to the Daily Investor Fee. The Accumulated Investor Fee will be zero on the relevant Inception Date;

“Act” the Companies Act, 2008 (as amended from time to time) including the provisions of the Companies Act, 1973 that have not been repealed;

“Applicable Laws” in relation to any entity, all and any:
- statutes and sub-ordinate legislation;
- regulations, ordinances and directions;
- by-laws;
- codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and
- other similar provisions,
from time to time, compliance with which is mandatory for that entity;

“Applicable Procedures” the rules and operating procedures for the time being of the JSE, Strate and/or the CSDPs, as the case may be;

“Applicable Terms and Conditions” all terms and conditions applicable to a Series of Notes, being the General Terms and Conditions as read with the Technical Terms and Conditions and Specific Terms and Conditions applicable to that Series of Notes;

“Applicant” a person or entity which applies to subscribe for Notes on the basis described in this Programme Memorandum as read with the applicable Product Supplement and Pricing Supplement;

“Banks Act” the Banks Act, 1990 (as amended from time to time);

“Barclays Capital” Barclays Capital, the investment banking division of Barclays Bank PLC;

“Block” or “Block of Notes” that number of Notes, of the same Series, specified as constituting a “Block” in the applicable Pricing Supplement;
“Broker” bears the meaning ascribed to the term “Stockbroker” in terms of section 1 of the Securities Services Act;

“Calculation Agent” the Issuer or any other party specified as such in an applicable Pricing Supplement;

“Calculation Date” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, each day on which the Daily Investor Fee is calculated;

“Certificated Note” a Note which is not Dematerialised and title to which is represented by a physical document of title;

“Closing Price” the price of the Notes on the JSE at close of trade on the Trading Day immediately preceding the Calculation Date;

“Conditions to Issue” the conditions which must be fulfilled prior to the issue of any Notes (both in respect of an Offer and each Subsequent Issue), being:

• the receipt by the Issuer of a valid Application Form in respect of such Note;
• the receipt by the Issuer of the Issue Price in respect of the Notes applied for;
• the receipt by the Issuer of the Creation Fee (if any); and
• any other condition specified in the relevant Product Supplement and/or applicable Pricing Supplement;

“Conditions to Redemption” the conditions which must be fulfilled prior to the Issuer and/or the Holder being entitled to redeem a Note as specified in the relevant Product Supplement and/or applicable Pricing Supplement;

“Controlled Client” an Investor whose funds and uncertificated Notes are in the control of a Broker;

“CSDP” a participant in Strate as contemplated in the Securities Services Act;

“Daily Investor Fee” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the fee accruing to the Issuer on a daily basis in respect of each Note in a Series calculated by applying the Specified Investor Fee Percentage in the determination of the Redemption Proceeds;

“Dematerialised” the process whereby physical certificates and other documents of title are replaced with electronic records evidencing ownership of Securities for the purposes of the Strate System, as contemplated in the Securities Services Act, and “Dematerialise” shall bear a corresponding meaning;

“Final Redemption Proceeds” the Final Redemption Proceeds as specified in the applicable Pricing Supplement;

“Final Valuation Date” the Final Valuation Date as described in the applicable Pricing Supplement;

“General Terms and Conditions” the terms and conditions governing all Notes issued in terms of the Programme, as set out in Section 6 of this Programme entitled “General Terms and Conditions of all Notes issued in terms of this Programme Memorandum”;

“Holder” in relation to any Note, the person or entity whose name is entered in the Register as the Holder of such Note;
‘Inception Date’ the date on which the relevant Series of Notes is to be first issued and listed on the JSE as specified in the applicable Pricing Supplement;

‘Initial Valuation Date’ the Initial Valuation Date as specified in the applicable Pricing Supplement;

‘Issue Date’ in relation to a Note, the date of issue thereof;

‘Issue Price’ in relation to each Note, the price (expressed in Rand) at which such Note is issued on the Issue Date or any Subsequent Issue thereof;

‘Issuer’ Absa Bank, acting through its Absa Capital division;

‘Investor’ a Holder of a Note, or a potential Holder of a Note, as may be appropriate in the context;

‘JSE’ JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the company laws of the RSA and licensed as an exchange under the Securities Services Act;

‘JSE Listings Requirements’ the Debt Listing Requirements of the JSE, as applicable, from time to time;

‘Last Practicable Date’ the last practicable date prior to the issue of this Programme Memorandum;

‘Market Disruption Event’ bears the meaning ascribed to the term in the Applicable Terms and Conditions;

‘Memorandum and Articles of Association’ the memorandum and articles of association of the Issuer (or the Memorandum of Incorporation (as defined in the Act, as applicable);

‘NY Business Day’ a day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in U.S. Dollars in New York City, USA;

‘Non-Controlled Client’ an Investor, other than a Controlled Client, which has appointed a CSDP and whose settlements take place directly with such CSDP;

‘Note’ or ‘Security’ an exchange traded security (in whatever legal form) issued by the Issuer under this Programme and ‘Notes’ and ‘Securities’ shall bear corresponding meanings;

‘Offer’ an initial offering to Investors to subscribe for Notes in a Series in terms of the applicable Pricing Supplement;

‘Offer Period’ the period during which an Offer is open to members of the public, as described in the applicable Pricing Supplement;

‘Offer Price’ the price at which a Note is offered to Investors pursuant to an Offer, as described in the applicable Pricing Supplement;

‘Participating Broker’ the Broker(s) appointed by the Issuer in respect a Series of Notes for the benefit of Applicants which do not have an appointed Broker, as set out in the applicable Pricing Supplement;

‘Pounds Sterling’ or ‘GBP’ the currency of the United Kingdom;

‘Pricing Supplement’ a supplement to this Programme Memorandum as read with an applicable Product Supplement which sets out a description of and the Specific Terms and Conditions applicable to a particular Series of Notes;

‘Product Supplement’ a supplement to this Programme Memorandum as read with an applicable Pricing Supplement, which details the terms and conditions applicable to a particular type of Note to be issued under this Programme;
“Programme” the NewWave Exchange Traded Note Programme established in terms of this Programme Memorandum;

“Programme Memorandum” or “Document” this document, signed on 9 February 2012, and issued on 20 February 2012;

“Rand” or “ZAR” South African Rand;

“Redemption” or “Redeem” the process whereby the outstanding amount or assets due in respect of any Note is paid to or delivered to a Holder as against cancellation of that Note whether at the instance of the Holder or the Issuer or on maturity of the Note, as may be permitted in terms of the applicable Pricing Supplement;

“Redemption Date” the date on which payment of the Redemption Proceeds is effected by the Issuer in respect of a Redeemed Note, as described in the applicable Pricing Supplement;

“Redemption Proceeds” in relation to any Note and on Redemption thereof, the total proceeds payable or assets deliverable by the Issuer under that Note (excluding interest, if any), as set out in any Pricing Supplement read with the applicable Product Supplement and howsoever such amount may be defined or described in such documents, and may include, if the terms of a Series of Notes so provide, the delivery of assets or payment of a cash settlement amount to a Holder;

“Reference” the relevant level, value, price or other event relating to one or more indices, commodities, foreign currencies or other asset class or financial indicator to which the principal, interest, Redemption Proceeds or any other amount payable on the Notes or to which the Notes themselves may be linked, as specified in the applicable Product Supplement and/or applicable Pricing Supplement;

“Reference Quantity” the specific quantity or portion of a Reference to which each Note in a particular Series is referenced and/or linked at any given point in time;

“Register” the Register of Notes, which Register shall, in the case of Dematerialised Notes, be kept by Strate and, in the case of Certificated Notes, be kept by the Transfer Secretary;

“RSA” the Republic of South Africa;

“SA Business Day” a day (other than a Saturday, Sunday or official public holiday within the meaning of the Public Holidays Act, 1994 (as amended)) on which commercial banks are generally open to settle payments in Rand in Johannesburg, the RSA;

“Securities Services Act” the Securities Services Act, 2004 (as amended from time to time);

“Series” or “Series of Notes” all Notes having the same Reference and being identical in all respects except for their respective Issue Dates and/or Issue Price;

“Specific Terms and Conditions” the terms and conditions governing a particular Series of Notes, as set out in the applicable Pricing Supplement;

“Specified Investor Fee Percentage” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the percentage to be used in the calculation of the Daily Investor Fee, specified as such in the applicable Pricing Supplement;

“Subsequent Issue” an issue of further Notes in any Series by the Issuer to one or more specifically named subscribers therefor made subsequent to the date of an Offer;
“Strate” Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the company laws of the RSA, which is a registered central securities depository in terms of the Securities Services Act and which is responsible for the electronic settlement system used by the JSE;

“Strate System” an electronic custody, clearing and settlement system for all transactions concluded in respect of securities listed on the JSE and managed by Strate;

“Technical Terms and Conditions” the terms and conditions governing all Series of Notes issued under an applicable Product Supplement, as set out in the applicable Product Supplement;

“Trading Day” a trading day as described in the applicable Pricing Supplement;

“Transfer Secretary” the Issuer or such other transfer secretary appointed to a Series of Notes for the purpose of maintaining the register of Certificated Notes as set out in the applicable Pricing Supplement;

“UK Business Day” a day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in Pounds Sterling in London, England;

“U.S. Dollars” or “USD” the currency of the United States of America;

“Valuation Date” the Valuation Date as described in the applicable Product Supplement and/or applicable Pricing Supplement; and

“VAT” value-added tax.
4. BACKGROUND AND HISTORY

1. THE ISSUER

The Issuer is a wholly-owned subsidiary of Absa Group. Incorporated in 1986 in the RSA in terms of the Act and registered as a bank in terms of the Banks Act. The Issuer is a leading South African banking company.

Since it was established early in 1991, the Absa Group has become a well-diversified financial services group across retail, business and investment banking as well as a highly regarded bancassurance operation. As at 31 December 2010, the Issuer had a customer base of 11.8 million and an asset base of R716.5 billion.

In keeping with its strategy of diversification through the Absa Corporate and Absa Business Bank divisions of Absa Bank and Absa Capital, Absa Group’s investment banking arm, Absa Group also provides services to the corporate, commercial and investment markets in the RSA and in selected markets on the African continent.

Absa Group is a subsidiary of Barclays Bank PLC (“Barclays”). Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the Americas, Africa and Asia. It has over three hundred years of history and expertise in banking and today operates in over fifty countries and employs in excess of one hundred and forty-seven thousand people. The Barclays group moves, lends, invests and protects money for over forty-eight million customers and clients world-wide.

Absa Capital’s specialist investment bankers and secondary markets sales teams identify, understand and manage client facing risk management needs, while the product specialists ensure the client receives the optimum solution that a global investment bank can offer.

The Absa Capital approach is supported by products and services (which match the increasingly sophisticated demands in the market), access to world-class technology and product expertise as well as an enviable balance sheet through Absa Bank and Barclays.

2. EXCHANGE TRADED PRODUCTS (“ETPs”)

At the end of December 2011, the total ETPs were at a level of approximately US$1,350.9 billion and the industry had 3011 ETFs from 155 providers. The total global ETPs were 4221, which include exchange traded notes (“ETNs”), with assets of approximately US$1,524.5 billion. ETNs and Exchange Trades Funds are similar in that they are similar cost effective tracker instruments. The most important difference is that with ETNs the Investor is exposed to the counterparty risk of the Issuer (Source: Blackrock: ETF Landscape Industry Highlights Year End 2011).

You may contact the executive offices of Absa Capital at 15 Alice Lane, Sandton, 2196. Our telephone number is +27 (11) 895 5517 and the website address is www.absacapitaletfs.com
5. RISK FACTORS AND INVESTMENT CONSIDERATIONS

This section describes the most significant risks and important investment considerations relating to an investment in the Notes and should be read in conjunction with the other information in this Programme Memorandum together with more specific risk factors and investment considerations set out in the applicable Product Supplement and/or applicable Pricing Supplement before investing in the Notes.

An investment in any Note involves certain risks. Before investing in the Notes, prospective Investors should carefully consider the risk factors inherent in investing in the Notes, which include but are not limited to the risk factors listed below. Investors should note that the list of risk factors below is not an exhaustive list and that Investors should obtain independent advice with respect to other risk factors in addition to matters set forth elsewhere in this Programme Memorandum. The Notes involve substantial risks and may expose the investors in the Notes to a full loss of the initial amount invested. Unless otherwise specified, the initial amounts invested in the Notes are not guaranteed or protected. Only prospective investors who can withstand the loss of their entire investment should buy the Notes. The Notes may be suitable only for sophisticated Investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in any Series of Notes.

1. PRICE RISK

1.1 The market value of each Series of Notes may be influenced by many unpredictable factors

The market value of your Notes may fluctuate between the date you purchase them and the applicable Valuation Date. You may also sustain a significant loss if you sell the Notes in the secondary market. Several factors, many of which are beyond the Issuer’s control, will influence the market value of the Notes. The Issuer expects that generally the value of the applicable Reference will affect the market value of those Notes more than any other factor. However, other factors that may influence the market value of a Series of Notes include:

1.1.1 economic, financial, political, regulatory, geographical, biological or judicial events that affect the relevant Reference, its value or its components, if applicable;

1.1.2 the general interest rate environment;

1.1.3 the creditworthiness of the Issuer; and

1.1.4 the supply and demand for the Notes, including any suspension or disruption of market trading in the Notes.

These factors interrelate in complex ways and the effect of one factor on the market value of your Notes may offset, enhance or exacerbate the effect of another factor.

1.2 Even if the value of the Reference at maturity or upon redemption exceeds its initial level, you may receive less than the initial amount invested in your Notes

If specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, because the Daily Investor Fee reduces the Reference Quantity and thus the amount of your return at maturity or upon early redemption, the value of the Reference underlying your Notes must increase in order for you to break even on your investment at maturity or upon redemption of your Notes. If the value of the Reference underlying your Notes decreases or does not increase sufficiently to offset the Daily Investor Fee, you will receive less than the initial amount of your investment at maturity or upon early redemption of your Notes (or in respect of Notes which provide for physical settlement, the value of the assets delivered to you on redemption will be lower than the initial amount invested by you).

1.3 Hedging

In relation to certain Series of Notes, the Issuer may hedge itself for protection against the risks which arise in connection with the issue of the Notes by entering into hedging transactions in relation to the
2. ISSUER CREDIT RISK

2.1 Reliance on creditworthiness of the Issuer

The Notes comprise obligations of the Issuer and, consequently, Holders are relying on the creditworthiness of the Issuer.

The Notes will not be secured or guaranteed in any way, unless otherwise specified with respect to any particular Series of Notes.

2.2 Changes in the Issuer’s credit ratings may affect the market value of your Notes

The Issuer’s credit ratings (from time to time) are an assessment of its ability to pay or settle its obligations, including those on the Notes. Consequently, actual or anticipated changes in its credit ratings may affect the market value of your Notes. However, because the return on your Notes is dependent upon certain factors in addition to the Issuer’s ability to meet its obligations under the Notes, an improvement in its credit ratings will not reduce the other investment risks related to your Notes.

2.3 There are no security interests in the Notes

There are no restrictions on the Issuer’s ability or the ability of any of its affiliates to sell, pledge or otherwise convey all or any portion of the Notes acquired by it or its affiliates. Neither the Issuer nor any of its affiliates will pledge or otherwise hold those Notes for the benefit of Holders of the Notes. Consequently, in the event of a bankruptcy, insolvency or liquidation involving the Issuer, any of those Notes that it owns will be subject to the claims of its creditors generally and will not be available specifically for the benefit of the Holders of the Notes. The principal, interest or any other amounts payable on the Notes or obligations to effect physical settlement under the Notes constitute our direct, unconditional, unsecured and unsubordinated obligations ranking pari passu, without any preference among themselves, with all the Issuer’s other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

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

2.4.1 The Issuer’s financial performance is subject to inherent risks concerning borrower credit

The Issuer’s businesses are subject to inherent risks regarding borrower and counterparty credit quality and the recoverability of loans and amounts due from counterparties. Changes in the credit quality of the Issuer’s borrowers and counterparties or arising from systemic risk in the financial systems could reduce the value of the Issuer’s assets and require increased provisions for bad and doubtful debts. In addition, changes in economic conditions may result in deterioration in the value of security held against lending exposures and increase the risk of loss in the event of the borrower defaulting. The Issuer has established credit quality management policies and actively monitors credit exposure on an on-going basis to mitigate such risks.

2.4.2 The Issuer’s businesses are inherently subject to the risk of market fluctuations

The Issuer’s businesses are inherently subject to the risk of market fluctuations. In particular, the Issuer’s activities are subject to interest rate risks and may in some cases be subject to foreign exchange, bond, commodity, credit and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. The performance of financial markets may cause changes in the value of the Issuer’s investment and trading portfolios. The Issuer has implemented risk management
methods to mitigate these and other market risks to which the Issuer is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer’s financial performance.

2.4.3 **The Issuer’s business may be exposed to the adverse effects of operational risks**

The Issuer’s businesses are subject to operational risk and losses can result from inadequate or failed internal processes, documentation, people, systems, fraud, equipment failures, natural disasters or the failure of external systems, including those of the Issuer’s suppliers and counterparties. The Issuer’s systems, processes and internal controls are designed to ensure that the operational risks associated with its activities are appropriately monitored and controlled. In addition, business resumption and disaster recovery processes have been implemented to mitigate operational risks inherent in the Issuer’s businesses.

2.4.4 **Difficulty in accessing capital may impair the Issuer’s ability to adequately fund its operations**

Ready access to funds is essential to any business, including those operated by the Issuer. Any inability on the part of the Issuer to access funds or to access the markets from which it raises funds may lead to the Issuer being unable to finance its operations adequately, which in turn could adversely affect its operations and financial condition. In particular, the Issuer takes deposits with maturities which are shorter than the loans it makes. This exposes the Issuer to the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strains. Additionally, the Issuer’s ability to raise or access funds may be impaired by factors that are not specific to it, such as general market conditions, severe disruption of the financial markets or negative views about the prospects for the industries or regions in which the Issuer operates. In addition, the Issuer’s borrowing costs and access to funds may be adversely affected by any reduction in its credit rating and no assurance can be given that any rating agency will not at some time in the future reduce such credit ratings. The Issuer has developed and implemented risk management policies, procedures and processes designed to reduce this risk through active monitoring and reporting of its liquidity position.

The Issuer, in common with other banks in the RSA, is very reliant on wholesale funding rather than retail deposits, due to the low savings rate within the RSA. Although the Issuer believes that its level of access to domestic and international inter-bank and capital markets and its liquidity risk management policy allows and will continue to allow the Issuer to meet its short-term and long-term liquidity needs, any maturity mismatches may have a material adverse effect on its financial condition and results of operations. Furthermore, there can be no assurance that the Issuer will be successful in obtaining additional sources of funding on acceptable terms or at all.

2.4.5 **The Issuer’s risk management policies and procedures may not have identified or anticipated all potential risk exposures**

The Issuer has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, market, liquidity, interest rate and operational risks and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Issuer’s methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Issuer operates, its clients or other matters that are publicly available or otherwise accessible by the Issuer. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure arising out of the Issuer’s risk management techniques may have an adverse effect on its operations and financial condition.
2.4.6 The financial services industry in which the Issuer operates is competitive
The financial services industry in which the Issuer’s businesses operate is highly competitive. The Issuer competes on the basis of a number of factors, including customer services and quality, transaction execution, its products and services, innovation, reputation and price. New competitors, including companies other than banks, may disintermediate the market thus impacting market share. Many of the banks operating in the Issuer’s markets compete for substantially the same customers as the Issuer. An increase in competition in some or all of the Issuer’s principal markets may have an adverse effect on its financial condition and results of operations.

2.4.7 Concentration risk
The Issuer’s business is significantly focused on the RSA markets and therefore faces a geographic concentration risk. Any adverse changes affecting the RSA economy are likely to have an adverse impact on the Issuer’s loan portfolio and, as a result, on its financial condition and its operations.

2.4.8 The Issuer may be unable to recruit, retain and motivate key personnel
The Issuer’s performance is dependent on the talents and efforts of key personnel, some of whom may have been employed by the Issuer for a substantial period of time and have developed with the business. The Issuer’s continued ability to compete effectively and further develop its businesses also depends on its ability to retain these employees and attract new employees. In relation to the development and training of new staff, the Issuer is reliant on the continued development of the educational sector within the RSA, including access to facilities and educational programmes by its future employees. The Issuer has implemented programmes, for example its graduate programme, to attract new employees and equip them with appropriate skills.

2.4.9 Terrorist acts and other acts of war could have a negative impact on the business
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 the RSA and international economic conditions generally and more specifically on the business and results of operations of the Issuer in ways that cannot be predicted.

2.4.10 The Issuer is subject to capital requirements that could limit its operations
The Issuer is subject to capital adequacy guidelines adopted by the South African Reserve Bank, which provide for a minimum target ratio of capital to risk-adjusted assets. Any failure by the Issuer to maintain its ratios may result in sanctions against the Issuer which may in turn impact on its ability to fulfil its obligations under the Notes.

2.4.11 Basel II Framework
In light of the changing risk conditions, the Basel Committee on Banking Supervision releases on an ongoing basis new requirements and best practice guidelines on various risk management practices. It is therefore appropriate that Investors consult their advisors on an ongoing basis to assess the implications of such changes.

2.4.12 Political, social and economic risks in the RSA or regionally may have an adverse effect on the Issuer’s operations
The Issuer’s operations are concentrated in the RSA with the majority of its revenues deriving from operations in the RSA. Operations in this market are subject to various risks which need to be assessed in comparison to jurisdictions elsewhere. These include political, social and economic risks specific to the RSA, such as general economic volatility, recession, inflationary pressure, exchange rate risks and exchange controls, which could affect an investment in the Notes. The existence of such factors may have an impact on the RSA and the results of the Issuer in ways that cannot be predicted.
2.4.13 **The impact of any future change in law or regulation on the Issuer’s business is uncertain**

The nature and impact of future changes in laws, regulations and regulatory policies are not predictable and are beyond the Issuer’s control and changes in such laws, regulations and regulatory policies may have an adverse effect on the Issuer’s financial condition and its operations. The terms and conditions of Notes are governed by RSA law, in effect as at the date of this Programme Memorandum. No assurances can be given as to the impact of any possible judicial decision or change to RSA law or administrative practice after the date of this Programme Memorandum.

3. **SECONDARY MARKET RISK**

The liquidity of the market for the Notes may vary materially over time

The number of Notes of any Series outstanding or held by persons other than the Issuer or its affiliates could be reduced at any time due to early redemptions of the Notes. Accordingly, the liquidity of the market for a Series of Notes could vary materially over the term of the Notes. Although the Issuer will endeavour in normal market circumstances to make a market in the Notes, there may be circumstances when the Issuer is unable to do so. While the Specific Terms and Conditions applicable to a particular Series of Notes may provide for the right to redeem your Notes prior to maturity, early redemption will be subject to those Specific Terms and Conditions (as read with the General Terms and Conditions and the Technical Terms and Conditions) and the redemption procedures described in the applicable Pricing Supplement, including the condition that you must redeem at least a Block of Notes of the same Series at one time in order to exercise your right to redeem your Notes on any Redemption Date. In addition, any other factor impacting on the supply of Notes in the market may influence the market value of the Notes.

4. **INVESTMENT CONSIDERATIONS**

4.1 **The Notes may not be a suitable investment for all Investors**

Each potential Investor in the Notes is fully responsible for determining the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential Investor should:

4.1.1 have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable Product and/or applicable Pricing Supplement;

4.1.2 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 the Notes will have on its overall investment portfolio;

4.1.3 have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

4.1.4 understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;

4.1.5 be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate, tax and other factors that may affect its investment and its ability to bear the applicable risks; and

4.1.6 determine whether the Notes: (i) are fully consistent with its financial needs, objectives and conditions; (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it and (iii) are a fit, proper and suitable investment for it.

Some Notes may be 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, appropriate addition of risk to their overall portfolios. Investors in Notes are deemed to have sufficient knowledge and experience and have access to or have sought professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax,
accounting, credit, regulatory and other business evaluation of the risks and merits of or associated with investments in the Notes. Investors in Notes should ensure that they fully understand the risks of or associated with investments of this nature. Investors in Notes are solely responsible for making their own independent appraisal of and investigation into the underlying Reference. A potential Investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial advisor) 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.

Investors in Notes should be aware that none of the parties involved in the Programme has any duty to conduct or accepts any responsibility for conducting or failing to conduct any investigation into the Reference. Investors in the Notes may not rely on the views, opinions or advice of the Issuer for any information in relation to any person other than the Issuer itself.

4.2 Conflict of interest

The Issuer is acting in a number of capacities. The Issuer will, unless otherwise specified, act as Calculation Agent and will be responsible for, amongst other things, calculating any payments to be made in respect of the Notes and determining the dates of such payments in accordance with the Applicable Terms and Conditions of the Notes. The Issuer may also trade in the Notes. Although in the majority of cases, the Calculation Agent may have no discretion in determining amounts payable under the Notes (given that amounts will be determined with reference to the relevant Reference), there may be occasions (for example, on the occurrence of certain Market Disruption Events) when the Calculation Agent is required to exercise some discretion.

4.3 Legality of purchase

Neither of the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition or subscription of Notes by a prospective Investor, whether under the laws of the RSA, or for compliance by that prospective Investor with any law, regulation or regulatory policy applicable to it.

4.4 Modification, waivers and substitution

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

4.5 Legal investment considerations may restrict certain investments

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

4.6 No rights or interests in the underlying and not a collective investment scheme

4.6.1 Unless otherwise expressly specified:

4.6.1.1 the net proceeds to be received by the Issuer from the sale of Notes will not be used to purchase or sell the Reference (or any components thereof) for your benefit or on your behalf; and

4.6.1.2 an investment in the Notes does not constitute either a direct or indirect investment by you in the applicable Reference (or its components) or in a collective investment vehicle that trades in the Reference or its components.
4.6.2 Because the Notes will not be interests in a pool of assets, the Notes will not be regulated by the Financial Services Board (“FSB”) as a collective investment scheme, we will not be registered with the FSB as the manager of a collective investment scheme, and you will not benefit from the regulatory protections afforded to persons who invest in regulated collective investment schemes.
6. GENERAL TERMS AND CONDITIONS OF ALL NOTES ISSUED IN TERMS OF THIS PROGRAMME MEMORANDUM

The following are the General Terms and Conditions of all Notes to be issued by the Issuer in terms of this Programme Memorandum and which will be incorporated by reference into each Note so issued. You should read these documents carefully. The applicable Pricing Supplement read with the relevant Product Supplement in relation to any Series of Notes will describe and set out the additional Specific Terms and Conditions in relation to that Series of Notes. Those Specific Terms and Conditions shall be in addition to and shall amplify these General Terms and Conditions and to the extent inconsistent with the following General Terms and Conditions, replace or modify the following General Terms and Conditions for the purpose of such Series of Notes. If there is any inconsistency between the Technical Terms and Conditions presented in the Product Supplement and the Specific Terms and Conditions in the applicable Pricing Supplement, the Specific Terms and Conditions in the applicable Pricing Supplement will apply and will replace those presented here and in the applicable Product Supplement.

Capitalised expressions used in these General Terms and Conditions and not defined herein shall bear the meaning assigned to them elsewhere in this Programme Memorandum, the relevant Product Supplement or the applicable Pricing Supplement, as may be applicable.

1. INTERPRETATION

In these General Terms and Conditions unless inconsistent with the context the following expressions shall have the following meanings:

“Absa Bank” Absa Bank Limited (Registration number 1986/004794/06), a public company duly incorporated in accordance with the company laws of the RSA and registered as a bank in terms of the Banks Act;

“Absa Capital” Absa Capital, the investment banking division of Absa Bank, and affiliated with Barclays Capital;

“Absa Group” Absa Group Limited (Registration number 1986/003934/06), a public company duly incorporated in accordance with the company laws of the RSA, the holding company of Absa Bank;

“Accumulated Investor Fee” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the accumulated Daily Investor Fee with respect to the Notes as determined on the immediately preceding Calculation Date, increasing daily by an amount equal to the Daily Investor Fee. The Accumulated Investor Fee will be zero on the relevant Inception Date;

“Act” the Companies Act, 2008 (as amended from time to time and including the provisions of the Companies Act, 1973 that have not been replaced);

“Applicable Laws” in relation to any entity, all and any:
• statutes and subordinate legislation;
• regulations, ordinances and directions;
• by-laws;
• codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and
• other similar provisions,
from time to time, compliance with which is mandatory for that entity;

“Applicable Procedures” the rules and operating procedures for the time being of the JSE, Strate and/or the CSDPs, as the case may be;
“Applicable Terms and Conditions”
all terms and conditions applicable to a Series of Notes, being the General Terms and Conditions as read with the Technical Terms and Conditions and Specific Terms and Conditions applicable to that Series of Notes;

“Applicant”
a person or entity which applies to subscribe for Notes on the basis described in this Programme Memorandum or in the applicable Pricing Supplement;

“Application Form”
an application form for Notes in the prescribed format;

“Banks Act”
the Banks Act, 1990 (as amended from time to time);

“Barclays Capital”
Barclays Capital, the investment banking division of Barclays Bank PLC;

“Block” or “Block of Notes”
that number of Notes, of the same Series, specified as constituting a “Block” in the applicable Pricing Supplement;

“Broker”
bears the meaning ascribed to the term “Stockbroker” in terms of section 1 of the Securities Services Act;

“Calculation Agent”
the Issuer or any other party specified as such in an applicable Pricing Supplement;

“Calculation Date”
if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, each day on which the Daily Investor Fee is calculated;

“Certificate”
the physical document of title representing a Certificated Note;

“Certificated Note”
a Note which is not Dematerialised and title to which is represented by a physical document of title;

“Change in Law”
the Issuer determines at any time that, on or after the Inception Date due to the adoption of, or any change in: (a) any law (including, without limitation, the Dodd Frank Wall Street Transparency and Accountability Act of 2010 (Public Law 111–203, 124 Stat. 1376 (2010)) (the “Dodd-Frank Act”)), regulation (including, without limitation, any regulations implementing the Dodd-Frank Act) or order; (b) any regulatory or tax authority ruling, regulation or order or (c) any regulation, rule or procedure of any exchange (an “Applicable Regulation”), or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or exchange with competent jurisdiction of any Applicable Regulation: (A) it has or will become illegal or contrary to any Applicable Regulation for the Issuer to hold, acquire or dispose of Hedge Position(s) relating to the Notes or (B) the Issuer will incur a materially increased cost in: (i) performing its obligations under these Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or (ii) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any Hedge Position(s) relating to this Transaction;

“Class” or “Class of Holders”
the Holders in relation to a Series of Notes;

“Closing Price”
the price of the Notes on the JSE at close of trade on the Trading Day immediately preceding the Calculation Date;

“Common Monetary Area”
RSA, Republic of Namibia and the Kingdoms of Lesotho and Swaziland;

“Conditions to Issue”
the conditions which must be fulfilled prior to the issue of any Notes (both in respect of an Offer and each Subsequent Issue), being:
• the receipt by the Issuer of a valid Application Form in respect of such Note;
• the receipt by the Issuer of the Issue Price in respect of the Notes applied for;
• the receipt by the Issuer of the Creation Fee (if any); and
• any other condition specified in the applicable Product Supplement and/or applicable Pricing Supplement;

“Conditions to Redemption” the conditions which must be fulfilled prior to the Issuer and/or the Holder being entitled to redeem a Note as specified in the applicable Product Supplement and/or applicable Pricing Supplement;

“Creation Fee” the fee (if any) payable by an Applicant to the Issuer for the issue of the Notes applied for by such Applicant, as set out in the applicable Pricing Supplement;

“Controlled Client” an Investor whose funds and uncertificated Notes are in the control of a Broker;

“CSDP” a participant in Strate as contemplated in the Securities Services Act;

“Daily Investor Fee” if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the fee accruing to the Issuer on a daily basis in respect of each Note in a Series calculated by applying the Specified Investor Fee Percentage in the determination of the Redemption Proceeds;

“Default Rate” the interest rate specified as the Default Rate in the applicable Product Supplement or applicable Pricing Supplement, or failing which, a rate equivalent to the Prime Lending Rate;

“Dematerialised” the process whereby physical certificates and other documents of title are replaced with electronic records evidencing ownership of Securities for the purposes of the Strate System, as contemplated in the Securities Services Act and “Dematerialise” shall have a corresponding meaning;

“Event of Default” the occurrence, with respect to any Series of Notes, of any of the following events:
• the failure by the Issuer to pay any amount due in respect of any Note in that Series within seven SA Business Days from the date such amount was due and payable; or
• the failure by the Issuer to perform or observe any of its other obligations in respect of any Note in that Series and such failure continues for a period of thirty calendar days following the service by any Holder on the Issuer of notice requiring the same to be remedied (and for these purposes, the failure to perform or observe an obligation shall be deemed to be remediable, notwithstanding that the failure results from not doing an act, or thing by a particular time); or
• the granting of any order by any competent court or authority for the liquidation, winding-up, dissolution or judicial management of the Issuer, whether provisionally (and not dismissed or withdrawn within twenty SA Business Days thereof) or finally, or the placing of the Issuer under voluntary liquidation or curatorship, provided that no liquidation, winding-up, dissolution or judicial management shall comprise an event of default if:
  • the liquidation, winding-up, dissolution or judicial management is for purposes of effecting an amalgamation, merger, demerger, consolidation, re-organisation or other similar arrangement; and
  • the terms of such amalgamation, merger, demerger, consolidation, re-organisation or other similar arrangement were approved by Extraordinary Resolution of Holders before the date of the liquidation, winding-up, dissolution or judicial management;
“Extraordinary Resolution” as used with reference to one or more Class of Holders, a resolution passed at a meeting (duly convened) of the Noteholders or, as the case may be, by a majority consisting of not less than 66.67% (sixty-six comma sixty-seven percent) of the persons voting at such meeting upon a show of hands or by proxy or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty-six comma sixty-seven percent) of the votes given on such poll;

“Final Redemption Proceeds” the Final Redemption Proceeds as specified in the applicable Pricing Supplement;

“Final Valuation Date” the Final Valuation Date as described in the applicable Pricing Supplement;

“Form of Proxy” an instrument in writing signed by a Holder of a Certificated Note or, in the case of a Holder which is a company or other juristic person holding a Certificated Note, signed on its behalf by a Representative of the company or juristic person appointing a Proxy;

“General Terms and Conditions” the legal terms and conditions applicable to all Notes issued in terms of this Programme, as set out in this section entitled “General Terms and Conditions of all Notes issued in terms of this Programme Memorandum”;

“Guardian’s Fund” a fund falling under the administration of the Master of the High Court of the RSA;

“Hedging Disruption” the Issuer is unable at any time, after using commercially reasonable efforts, to either: (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge, in a manner acceptable to it, any relevant price risk (including, but not limited to, currency risk or commodity price risk) relating to the Notes or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or these Notes between accounts within the jurisdiction of the Hedge Positions or from accounts within such jurisdiction to accounts outside of such jurisdiction;

“Hedge Positions” any purchase, sale, entry into or maintenance of one or more positions or contracts in securities, options, futures, derivatives or foreign exchange or other instruments or arrangements (howsoever described) in order to hedge, in a manner acceptable to Issuer individually or on a portfolio basis or otherwise, the Notes;

“Holder” in relation to any Note, the person or entity whose name is entered in the Register as the holder of such Note;

“Inception Date” the date on which the relevant Series of Notes is to be first issued and listed on the JSE as specified in the applicable Pricing Supplement;

“Increased Cost of Hedging” the Issuer determines at any time that it would incur a materially increased (as compared with circumstances existing on the Inception Date) amount of tax, duty, expense or fee to: (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge, in a manner acceptable to it, any relevant price risk (including, but not limited to, the currency risk or commodity price risk) relating to the Notes or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or this Transaction between accounts within the jurisdiction of the Hedge Positions or from accounts within such jurisdiction to accounts outside such jurisdiction, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging;
“Initial Issue Price” the price at which each Note is issued to an Investor on the Inception Date as described in the applicable Pricing Supplement;

“Initial Valuation Date” the Initial Valuation Date as specified in the applicable Pricing Supplement;

“Issue Date” in relation to a Note, the date of issue thereof;

“Issue Price” in relation to each Note, the price (expressed in Rand) at which such Note is issued on the Issue Date or any Subsequent Issue thereof;

“Investor” a Holder of a Note, or a potential Holder of a Note, as may be appropriate in the context;

“JSE” JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the company laws of the RSA and licensed as an exchange under the Securities Services Act;

“JSE Guarantee Fund” JSE Guarantee Fund, consisting of assets acquired and liabilities incurred by the trustees of the JSE Guarantee Fund, with Master’s reference number IT9150/2003, operated by the JSE and a separate guarantee fund in terms of sections 9(1)(e) and 18(2)(x) of the Securities Service Act, or any successor fund;

“Last Practicable Date” the last practicable date prior to the issue of this Programme Memorandum;

“Market Disruption Event” bears the meaning ascribed to the term in the Applicable Terms and Conditions;

“Maturity Date” if applicable, the date specified as such in the applicable Pricing Supplement, being the date upon which the Notes will be Redeemed by the Issuer in the absence of any prior Redemption;

“Memorandum and Articles of Association” the memorandum and articles of association of the Issuer (or the Memorandum of Incorporation as defined in the Act, as applicable);

“Non-Controlled Client” an Investor, other than a Controlled Client, which has appointed a CSDP and whose settlements take place directly with such CSDP;

“Note” or “Security” exchange traded securities (in whatever legal form) issued by the Issuer under this Programme and “Notes” and “Securities” shall bear corresponding meanings;

“NY Business Day” a day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in U.S. Dollars in New York City, USA;

“Offer” an initial offering to Investors to subscribe for Notes in a Series in terms of the applicable Pricing Supplement;

“Offer Period” the period during which an Offer is open to members of the public, as described in the applicable Pricing Supplement;

“Offer Price” the price at which a Note is offered to Investors pursuant to an Offer, as described in the applicable Pricing Supplement;

“Participating Broker” the Broker(s) appointed by the Issuer in respect of a Series of Notes for the benefit of Applicants who do not have an appointed Broker, as set out in the applicable Pricing Supplement;

“Pricing Supplement” a supplement to this Programme Memorandum as read with an applicable Product Supplement which sets out a description of and the Specific Terms and Conditions applicable to a particular Series of Notes;

“Prime Lending Rate” the prime lending rate to corporate customers as published from time to time by the Issuer;
“Product Supplement” a supplement to this Programme Memorandum as read with an applicable Pricing Supplement, which sets out the terms and conditions applicable to a particular type of Security to be issued under this Programme;

“Programme” the NewWave Exchange Traded Note Programme established in terms of this Programme Memorandum;

“Programme Memorandum” this document, signed on 9 February 2012 and issued on 20 February 2012 of which these General Terms and Conditions form part;

“Proxy” a person duly appointed under a Form of Proxy to act for and on behalf of a Holder holding a Certificated Note in connection with any meeting or proposed meeting of Holders;

“Rand” or “ZAR” Rand, the legal currency of the RSA;

“Record Date” as used with reference to any Redemption Date or Payment Date, the day upon which a person must be recorded in the Register as a Holder in order to receive the Redemption Proceeds or other payment, as the case may be, which date shall be such number of SA Business Days prior to the Redemption Date as is provided for in terms of the relevant Applicable Procedures, and will, if applicable, be notified to Holders via SENS;

“Redemption” or “Redeem” the process whereby the outstanding amount or assets due in respect of any Note is paid to or delivered to an Investor as against cancellation of that Note whether at the instance of the Investor or the Issuer or on maturity of the Note, as may be permitted in terms of the applicable Pricing Supplement;

“Redemption Date” the date on which a Note is Redeemed by the Issuer whether on: (i) the Maturity Date; or (ii) such earlier date on which a note is Redeemed by the Issuer pursuant to the exercise by a Holder of a right of Redemption (if applicable) or on which (iii) Redemption may be permitted or required on any other basis permitted in the relevant Product Supplement or applicable Pricing Supplement;

“Redemption Proceeds” in relation to any Note and as at the Redemption Date thereof, the total proceeds payable or assets deliverable by the Issuer under that Note (excluding interest, if any), as set out in any Pricing Supplement read with the applicable Product Supplement and howsoever such amount may be defined or described in such documents, and may include, if the terms of a Series of Notes so provide, the delivery of assets or payment of a cash settlement amount to a Holder;

“Redemption Fee” the fee (if any) payable by a Holder to the Issuer for the Redemption, at the instance of the Holder in respect of Notes which permit such Redemption, of a Note, such fee to be deducted from the Redemption Proceeds or, in the event of physical settlement in respect of Notes which provide therefor, such fee to be paid by the Holder to the Issuer in cash against physical settlement;

“Reference” the relevant level, value, price or other event relating to one or more indices, commodities, foreign currencies or other asset class or financial indicator to which the principal, interest, Redemption Proceeds, Cash Settlement Amount or any other amount payable on the Notes or to which the Notes themselves may be linked, as specified in the applicable Product Supplement and/or Pricing Supplement;

“Reference Quantity” the specific quantity or portion of a Reference to which each Note in a particular Series is referenced and/or linked at any given point in time;
Register" the register of Notes, which register shall, in the case of Dematerialised Notes, be kept by Strate and, in the case of Certificated Notes, be kept by the Transfer Secretaries;

"Representative" a person authorised by a resolution of a corporate Holder’s directors or other governing body to act as its representative in connection with any meeting or proposed meeting of Holders;

"RSA" or "South Africa" the Republic of South Africa;

"SA Business Day" a day (other than a Saturday, Sunday or official public holiday within the meaning of the Public Holidays Act, 1994 (as amended)) on which commercial banks are generally open to settle payments in Rand in Johannesburg, RSA;

"Securities Services Act” the Securities Services Act, 2004 (as amended from time to time);

"SENS" the Securities Exchange News Service, an office of the JSE;

"Series” or “Series of Notes” all Notes having the same Reference and being identical in all respects except for their respective Issue Dates, and/or Issue Price;

"Specific Terms and Conditions” the specific terms and conditions governing a Series of Notes, as set out in the applicable Pricing Supplement;

"Specified Investor Fee Percentage" if specified as being applicable in the applicable Product Supplement and/or the applicable Pricing Supplement, the percentage to be used in the calculation of the Daily Investor Fee, specified as such in the applicable Pricing Supplement;

"Strate" Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the company laws of the RSA, which is a registered central securities depository in terms of the Securities Services Act and which is responsible for the electronic settlement system used by the JSE;

"Strate System” an electronic custody, clearing and settlement system for all transactions concluded in respect of Notes listed on the JSE and managed by Strate;

"Subsequent Issue” an issue of further Notes in any Series by the Issuer to one or more specifically named subscribers therefor made subsequent to the date of an Offer;

"Taxation” all taxes, duties, assessments, levies and/or governmental charges (including any penalty in respect thereof and interest thereon) payable to any governmental authority or any political sub-division thereof or any authority or agency therein or thereof having the power to tax, including income tax, VAT and regional services levies;

"Technical Terms and Conditions” specified terms and conditions governing a particular type of Note, as set out in the applicable Product Supplement;

"Trading Day” a Trading Day as described in the applicable Pricing Supplement;

"Transfer Secretary” the Issuer or such other transfer secretaries appointed to a Series of Notes as set out in the applicable Pricing Supplement;

"UK Business Day” a day (other than a Saturday, Sunday or official public holiday) on which commercial banks are generally open to settle payments in Pounds Sterling in London, England;

"Valuation Date” the Valuation Date as described in the applicable Product Supplement and/or Pricing Supplement; and

"VAT” value-added tax.
2. ISSUE OF SECURITIES

2.1 Under this Programme Memorandum the Issuer may from time to time offer and issue Notes to a maximum value of ZAR15 billion, provided that this limit may be varied from time to time at the sole discretion of the Issuer, subject to JSE approval, and the Issuer will not be obliged to furnish Holders with notice of any such variation.

2.2 Notes may be issued in any form as may be permissible in terms of the Applicable Laws from time to time. Each Offer of Notes will be accompanied by a Product Supplement and an applicable Pricing Supplement.

3. STATUS

Unless otherwise specified in the applicable Pricing Supplement, the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank pari passu among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding. Holders have no right or beneficial interest in and to any Reference to which a Note is linked.

4. FORM AND RECOREUSE TO THE JSE GUARANTEE FUND

The Notes will only be issued as Dematerialised Notes; however, the Holder of a Dematerialised Note will be entitled, in accordance with Condition 16, to exchange such Dematerialised Note for a Certificated Note.

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Guarantee Fund, even if such Notes are settled through the electronic settlement procedures of the JSE and Strate. Claims against the JSE Guarantee Fund may only be made in respect of the trading of Notes listed on the JSE and in accordance with the rules of the JSE Guarantee Fund. Unlisted notes are not regulated by the JSE.

5. TITLE

5.1 Title to the Notes will pass upon registration of transfer in accordance with Condition 17. The Issuer and the Transfer Secretaries shall recognise a Holder as the sole and absolute owner of the Note registered in that Holder'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.

5.2 In terms of existing law and practice, title to Dematerialised Notes will be transferred through the Strate System by way of book entries into the securities accounts of the relevant CSDPs.

6. INTEREST

If the Notes in any Series are to bear interest, the terms and conditions applicable to the calculation and payment of such interest will be set out in the applicable Product Supplement or applicable Pricing Supplement.

7. FEES

The Issuer will be entitled to levy such fees against the Notes of any Series in issue from time to time in the manner and on the basis set out in the applicable Pricing Supplement read with the applicable Product Supplement, which fees may include but not be limited to Creation Fees, Redemption Fees and the Daily Investor Fee (if applicable).
8. CONSOLIDATION, MERGER AND SALE OF ASSETS, ASSUMPTION

8.1 The Issuer may, without the consent of Holders, consolidate with, merge into or transfer or lease its assets substantially or as an entirety to any other party subject to the provisions of the Banks Act and, provided that such party must be a bank, organised under the laws of the RSA and has been afforded a credit rating by a recognised credit rating agency of at least the same or higher credit rating than that of the Issuer at that date.

8.2 Subject to compliance with all Applicable Laws, any of the Issuer’s wholly-owned subsidiaries incorporated in the RSA may assume its obligations under any Series of Notes without the consent of any Holder of such Series, provided that the Issuer must irrevocably guarantee the obligations of that subsidiary under that Series of Notes.

9. LIABILITY FOR CALCULATIONS

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purpose of these General Terms and Conditions, whether by the Issuer, the Calculation Agent or otherwise, shall (in the absence of gross negligence or manifest error) be binding on the Issuer and the Holders and (in such absence as aforesaid) no liability of the Holders shall attach to the Issuer or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and/or discretions hereunder.

10. PAYMENTS

10.1 Certificated Notes

Payments in respect of Certificated Notes shall be made to the Holder of the relevant Note, as set forth in the Register on the close of business on the Record Date. In addition, in the case of payment of the Redemption Proceeds in respect of a Note, the Holder of that Certificated Note must, on or before the Record Date prior to the Maturity Date, surrender the relevant Certificate at the offices of the Transfer Secretary.

10.2 Dematerialised Notes

Payments in respect of Dematerialised Notes will be made in accordance with the Applicable Procedures and will be made to Strate (or its nominee) on behalf of the Holder of the relevant Notes, and the Issuer will be discharged by proper payment to Strate in respect of such Dematerialised Notes in respect of the amount so paid. Strate (or its nominee) shall in turn transfer the funds via the relevant CSDP to those persons shown in the records of Strate and/or the CSDPs as holders of beneficial interests in such Notes. The holder of a beneficial interest in the Notes shall look solely to Strate or the relevant CSDP (as the case may be) for its share of payments made in respect of the Notes by the Issuer to, or for the order of, the registered Holder of the Note. The Issuer shall have no responsibility and shall not incur any liability in any respect for the records relating to, or payments made on account of Dematerialised Notes, or for the maintaining, supervising or reviewing any records relating to such Dematerialised Notes.

10.3 Method of payment

10.3.1 Payments in respect of Notes will, unless indicated otherwise in the applicable Product Supplement or Pricing Supplement, be made in Rand by means of electronic settlement to the Holder.

10.3.2 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 10.3.1 (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, force majeure, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall give notice to the Holders within three SA Business Days of such inability arising. Upon receipt of such notice, any Holder may request the Issuer to make payment of any such amounts by way of cheque and, if the
10.3.2 Holder so requests, to make such cheque available for collection during business hours by a Holder or its Representative at the office of the Transfer Secretary. All monies so payable by cheque shall, unless the Holder requests that the cheque be made available for collection as set out above, be sent by post within two SA Business Days of the receipt by the Issuer of such request to:

10.3.2.1 the address of that Holder as set forth in the Register at close of business on the Record Date; or

10.3.2.2 in the case of joint Holders, the address set forth in the Register of that one of them which is first named in the Register in respect of that Note at close of business on the Record Date; or

10.3.2.3 such other address as may be designated to the Transfer Secretaries in writing by that Holder; or

10.3.2.4 if the amount in question is legally payable to anyone else, the address designated by that person for that purpose.

10.3.3 Each such cheque shall be made payable to the relevant Holder or, in the case of joint Holders, the first one of them named in the Register and each such cheque shall be dated as at the relevant Payment Date.

10.3.4 Payment of a cheque sent in terms of Condition 10.3.2 or 10.3.3 shall be a complete discharge by the Issuer of the amount of the cheque.

10.3.5 If several persons are entered into the Register as joint Holders then, payment to any one of them of any monies payable on or in respect of the Notes shall be an effective and complete discharge by the Issuer of the amount so paid, notwithstanding any notice (express or otherwise) which the Issuer may have of the right, title, interest or claim of any other person to or in any Note or interest therein.

10.3.6 Subject to these General Terms and Conditions, cheques may be posted by ordinary post, provided that neither the Issuer nor its agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Holders for the purpose of all cheques posted in terms of this Condition 10.

10.3.7 Any monies payable by the Issuer in respect of a Note which are unclaimed by the relevant Holder for any reason whatsoever, including, without limiting the generality of the aforesaid, by reason of a failure on the part of the relevant Holder to submit its bank account details to the Transfer Secretary for entry into the Register, for a period of three years after the relevant Payment Date of the monies in question shall:

10.3.7.1 be paid over to the Guardian’s Fund for and on behalf of the relevant Holder; and

10.3.7.2 shall not bear interest,

and such payment by the Issuer to the Guardian’s Fund shall be a complete discharge by the Issuer of its relevant payment obligations under the Note in question.

11. REDEMPTION AND PURCHASE OF NOTES BY ISSUER

11.1 Redemption on Maturity Date

Unless previously Redeemed on any basis provided for in the Applicable Terms and Conditions, or previously purchased and cancelled as specified below, each Note will be Redeemed by the Issuer on its Maturity Date for the Redemption Proceeds.

11.2 Purchases

The Issuer or any subsidiary of the Issuer may at any time purchase Notes in the open market or otherwise on such terms and conditions as may be specified in the applicable Product Supplement as read with a Pricing Supplement. Such Notes may, subject to the Applicable Laws, be held, resold, or, at the option of the Issuer, surrendered to the Transfer Secretary for cancellation.
11.3 Optional Early Redemption at the election of the Issuer

11.3.1 Subject to the terms of any applicable Pricing Supplement, the Issuer may Redeem all, but not some only, of the Notes of any Series for the Redemption Proceeds in terms of this paragraph, having given not less than thirty and not more than forty SA Business Days’ notice to the Holders (given in accordance with Condition 20 and which notice shall be irrevocable):

11.3.1.1 if any of the terms and conditions contained in any of the Programme documents applicable to that Series of Notes becomes illegal or unenforceable for any reason whatsoever and such illegality or unenforceability cannot be remedied by reasonable measures available to the Issuer; or

11.3.1.2 as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 14 and the requirement cannot be avoided by the Issuer taking reasonable measures available to it.

11.3.2 Pursuant to Conditions 11.3.1.1 and 11.3.1.2 above, the Issuer may Redeem all, but not some only, of the Notes held by a specific Holder (as opposed to all of the Holders) as at the date thereof, having given not less than thirty and not more than forty SA Business Days’ notice to the relevant Holder (given in accordance with Condition 20 and which notice shall be irrevocable) if the Issuer is reasonably of the view that the continued holding by such Holder of Notes may result in the Issuer falling foul of the provisions of the Financial Intelligence Centre Act, 2001, or any other Applicable Laws. Should the Issuer Redeem Holder’s Notes in terms of this paragraph 11.3.2, the Issuer shall do so at a value equal to the Redemption Proceeds less any costs incurred by the Issuer in relation to such or associated with such Redemption.

11.3.3 The Issuer may Redeem all, but not some only, of the Notes of any Series for the Redemption Proceeds in terms of this paragraph (given in accordance with Condition 20 and which notice shall be irrevocable):

11.3.3.1 if there is a Change in Law;

11.3.3.2 a Hedging Disruption; or

11.3.3.3 an Increased Cost of Hedging.

12. MANDATORY REDEMPTION FOLLOWING AN EVENT OF DEFAULT

12.1 If the Issuer becomes aware of the occurrence of an Event of Default in regard to any Series of Notes, the Issuer shall forthwith notify the Holders of that Series of Notes of the occurrence of such event.

12.2 Upon the occurrence of an Event of Default, any Holder of Notes in respect of which such Event of Default has occurred shall, upon becoming aware of such Event of Default, be entitled to call upon the Issuer in writing to Redeem all of the Notes of that Series held by that Holder for the Redemption Proceeds as at the date of occurrence of such Event of Default.

12.3 The Issuer shall pay the applicable Holder interest at the Default Rate on the outstanding, unpaid balance of any amount which is due for payment by the Issuer hereunder from the date of the relevant Event of Default.

13. CANCELLATION AND TERMINATION OF LISTING

13.1 All Notes which have been Redeemed or purchased by the Issuer and submitted to the Transfer Secretary for cancellation will forthwith be cancelled. All Notes so cancelled cannot be re-issued or resold. Where only a portion of Certificated Notes represented by a single Certificate are cancelled, the Transfer Secretary shall deliver a replacement Certificate to the Holder in respect of the balance of such Notes.
13.2 The Issuer must apply to the JSE for the termination of listing of all Notes so cancelled, in accordance with the Applicable Procedures.

14. TAXATION

As at the date of issue of this Programme Memorandum, no withholding or deduction will be made in respect of any payments in respect of the Notes for or on account of any present or future Taxation imposed or levied by or on behalf of the RSA or any authority thereof or therein having power to tax, unless such withholding or deduction update required by Applicable Law. In that event, the Issuer shall make such payments after such withholding or deduction has been made (where applicable) and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer shall not be obliged to make any additional payments to Holders in respect of such withholding or deduction.

15. PRESCRIPTION

The Notes will become void unless presented for payment within a period of three years after the Maturity Date.

16. DELIVERY, DEMATERIALISATION, EXCHANGE AND REPLACEMENT OF CERTIFICATES

16.1 The Notes will initially be issued in Dematerialised form in the Strate System.

16.2 The holder of Dematerialised Notes shall be obliged, if requested upon written notice of not less than five SA Business Days by the Issuer to do so, to exchange such Dematerialised Notes for Certificated Notes (or such number of Certificated Notes as such Holder may request in writing), in accordance with the Applicable Procedures if:

16.2.1 Strate notifies the Issuer that it is unwilling or unable to continue as depository for the Dematerialised Notes and a successor central securities depository satisfactory to the Issuer and the JSE is not available;

16.2.2 Strate is closed for business for a continuous period of ten SA Business Days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business and a successor depository and clearing system satisfactory to the Issuer and the JSE is not available;

16.2.3 Strate notifies the Issuer that it is unwilling or unable to continue as clearing system for the Dematerialised Notes and a successor clearing system satisfactory to the Issuer and the JSE is not available; or

16.2.4 the Issuer has become or will become subject to adverse tax consequences, which would not be suffered were such Dematerialised Notes to be exchanged for Certificated Notes.

16.3 A person holding a Dematerialised Note may, in terms of the Applicable Procedures and through its nominated CSDP, direct a written request to the Transfer Secretary for a Certificate representing the number of Certificated Notes to be delivered by the Transfer Secretary in exchange for such Dematerialised Notes. The Transfer Secretary shall deliver such Certificates upon such written request no later than ten SA Business Days after receiving the written request of the holder of such Dematerialised Notes in accordance with the Applicable Procedures, provided that joint holders of Dematerialised Notes 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.

16.4 Certificates shall be provided (whether by way of issue, delivery or exchange) by the Issuer without charge, save as otherwise provided in these General Terms and Conditions. Separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes may be levied by other persons, such as a CSDP, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates other than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Holder.
16.5 If any Certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Transfer Secretary on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Secretary may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16.6 Any person becoming entitled to Certificated Notes in consequence of the death or insolvency of the relevant Holder may, upon producing evidence to the satisfaction of the Issuer that he holds the position in respect of which he proposes to act under this paragraph or of his title, require the Issuer and the Transfer Secretary to register such person as the Holder of such Notes or, subject to the requirements of this Condition 16, to transfer such Notes to such person.

17. TRANSFER OF NOTES

17.1 Notes will only be capable of being traded in electronic form and accordingly Certificated Holders will first have to Dematerialise their Certificates should they wish to trade therein. The process of Dematerialisation may take between twenty-four hours and eight SA Business Days.

17.2 No transfer will be registered while the Register is closed.

18. REGISTER

18.1 The Register shall be kept at the offices of the Transfer Secretary. The Register shall contain the name, address and bank account details of the registered Holders. The Register shall show the date of such issue and the date upon which the Holder became registered as such. The Register shall show the serial numbers of Certificates issued (if any). The Register shall be open for inspection during the normal business hours of the Transfer Secretary to any Holder or any person authorised in writing by any Holder. The Transfer Secretary shall not record any transfer other than on a SA Business Day, nor while the Register is closed.

18.2 The Transfer Secretary shall alter the Register in respect of any change of name, address or bank account number of any of the Holders of which it is notified in accordance with these General Terms and Conditions.

19. LISTING AND TRADING

19.1 Unless otherwise specified in an applicable Pricing Supplement all Notes will be listed on the JSE in the Exchange Traded Notes sub-sector of the Exchange Traded Product sector of the main board of the JSE and may only be traded on the JSE in electronic Dematerialised form.

19.2 All Applicants and all Holders will be required to appoint either a Broker or a CSDP to act on their behalf and to handle their trading and settlement requirements in respect of the Notes.

19.3 The JSE’s approval of the listing is not to be taken in any way as an indication of the merits of the Issuer or the Notes. The JSE has not verified the accuracy and truth of the contents of the Programme Memorandum, Product Supplements and Pricing Supplements and to the extent permitted by law, the JSE will not be liable for any claim of whatever kind.

20. NOTICES

20.1 All notices (including all demands or requests under these General Terms and Conditions) to the Holders will be valid if:

20.1.1 mailed by registered post or hand delivered to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in the RSA; or

20.1.2 for so long as any of the Notes in the relevant Series are listed on the JSE, released on SENS.
20.2 Any such notice shall be deemed to have been given on the day of first publication or hand delivery or five SA Business Days after the day on which it is mailed (as the case may be).

20.3 Notices (including all demands or requests under the Applicable Terms and Conditions) to be given by any Holder shall:

20.3.1 in respect of Certificated Notes, be in writing and given by delivering the notice, together with a certified copy of the relevant Certificate, to the Issuer at its registered office;

20.3.2 for so long as any of the Notes are Dematerialised, notice may be given by a Holder of a Dematerialised Note to the Issuer through the Holder's relevant CSDP in accordance with the Applicable Procedures and in such manner as the Issuer and the relevant CSDP may approve for this purpose.

20.4 Any notice to the Issuer shall be deemed to have been received by the Issuer two SA Business Days after being hand delivered to the registered office of the Issuer or five SA Business Days after the day on which it is mailed by registered post to the registered office of the Issuer (as the case may be).

21. AMENDMENT OF APPLICABLE TERMS AND CONDITIONS

21.1 The Issuer may effect, without the consent of any Holder, any amendment to the Applicable Terms and Conditions applicable to the Notes or any Series of Notes which is of a minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the RSA. Any such amendment will be binding on Holders and will be notified to Holders of all Notes affected by such amendment in accordance with Condition 20 above as soon as practicable thereafter.

21.2 In respect of any amendment that is not of the type contemplated in Condition 21.1 above, such amendment shall not be made unless the affected Class or Classes of Holders has consented to such amendment by an Extraordinary Resolution to that effect.

22. MEETINGS OF HOLDERS

22.1 Convening of meetings

22.1.1 The Issuer may at any time convene a meeting of any Class of Holders ("a Meeting" or "the Meeting").

22.1.2 All notices of Meetings shall include details of the place, day and time of the Meeting and of the nature of the business to be transacted at the Meeting.

22.1.3 All Meetings of Holders shall be held in Johannesburg.

22.2 Notice of Meeting

22.2.1 A minimum of fifteen SA Business Days notice (exclusive of the day on which the notice is served or deemed to be served and the day on which the Meeting is held) of every Meeting shall be given to the Class of Holders which are to meet.

22.2.2 The accidental omission to give such notice to any Holder or the non-receipt of any such notice, shall not invalidate the proceedings at a Meeting.

22.3 Quorum

22.3.1 A quorum at a Meeting shall:

22.3.1.1 for the purposes of considering a resolution other than an Extraordinary Resolution, consist of Holders present in person or by Proxy and holding not less than one-third of the aggregate number of outstanding Notes in that Series;
22.3.1.2 for the purposes of considering an Extraordinary Resolution, consist of Holders present in person or by Proxy and holding a clear majority of the aggregate number of outstanding Notes in that Series.

22.3.2 No business shall be transacted at a meeting of the Holders unless a quorum is present at the time when the Meeting proceeds to business.

22.3.3 If, within fifteen minutes from the time appointed for the Meeting, a quorum is not present, the Meeting shall stand adjourned to the same day in the second week thereafter, at the same time and place, or if that day is not a SA Business Day, the next succeeding SA Business Day, in which event, notice of the adjourned Meeting shall be sent to every Holder in the affected Class and shall state that if a quorum (as referred to in Condition 22.3.1) is not present at the adjourned Meeting, the Holders then present will form a quorum.

22.4 Chairperson

Any director of the Issuer or his duly authorised representative shall preside as chairperson at a Meeting. If no director of the Issuer or his duly authorised representative is present within ten minutes of the time appointed for the holding of the Meeting, the Holders then present shall choose one of their own number to preside as chairperson.

22.5 Adjournment

22.5.1 Subject to the provisions of this Condition 22, the chairperson may, with the consent of, and shall on the direction of, the Meeting, adjourn the Meeting from time to time and from place to place.

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

22.5.3 At least ten SA Business Days' written notice of the place, day and time of an adjourned Meeting shall be given by the Issuer to each Holder. In the case of a Meeting adjourned in terms of Condition 22.3.3, the notice shall state that the Holders present in person or represented by Proxy at the adjourned Meeting will constitute a quorum.

22.6 How questions are decided

22.6.1 At a Meeting, a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairperson or by any one of the Holders present in person or represented or by Proxy.

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

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

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

22.7 Votes

On a show of hands every Holder present in person shall have one vote. On a poll every Holder, present in person or represented by Proxy, shall have one vote for each Note held by it. The joint holders of Notes shall have only one vote on a show of hands and only one vote in respect of the Notes of which they are the registered holder and the vote may be exercised only by the holder whose name appears first in the Register in the event that more than one of such joint holders is present at the Meeting in person or represented by Proxy. The Holder
in respect of Dematerialised Notes shall vote at any such Meeting on behalf of the holders of such Dematerialised Notes in accordance with the instructions to Strate (or its nominee) from the holders of Dematerialised Notes conveyed through the CSDPs in accordance with the Applicable Procedures.

22.8 Proxies and representatives

22.8.1 Voting by way of a poll may occur in person or by Proxy. A Proxy shall be authorised in writing under a Form of Proxy.

22.8.2 A person appointed to act as Proxy need not be a Holder.

22.8.3 The Form of Proxy shall be deposited at the registered office of the Issuer or at the office where the Register is kept not less than twenty-four hours before the time appointed for holding the Meeting or adjourned Meeting at which the person named in such Proxy proposes to vote, failing which, the Proxy shall be invalid.

22.8.4 No Form of Proxy shall be valid after the expiration of six months from the date named in it as the date of its execution. A Form of Proxy shall be valid for any adjourned Meeting, unless the contrary is stated thereon.

22.8.5 A Proxy shall have the right to demand or join in demanding a poll.

22.8.6 A vote given in accordance with the terms of a Proxy shall be valid, notwithstanding the previous death or incapacity of the principal or revocation of the Proxy or of the authority under which the Proxy was executed or the transfer of Notes in respect of which the Proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Secretary more than, and that the transfer has been given effect to less than, twelve hours before the commencement of the Meeting or adjourned Meeting at which the Proxy is to be used.

22.8.7 Any reference in these General Terms and Conditions to a Holder present in person includes such a duly authorised Representative of a Holder.

22.9 Records

22.9.1 The Issuer shall cause minutes of all resolutions and proceedings of Meetings to be duly entered in books of the Issuer.

22.9.2 Any such minutes as aforesaid, if purporting to be signed by the chairperson of the Meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding Meeting, shall be admissible in evidence without any further proof, and until the contrary is proved, a Meeting of Holders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

23. GOVERNING LAW

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

24. SUCCESSORS

Obligations under these General Terms and Conditions as read with the Technical Terms and Conditions and the Specific Terms and Conditions are binding on all successors, executors, administrators, liquidators and transferees of the Notes.
7. GENERAL INFORMATION

Part I – General Information regarding the Notes

1. CALCULATIONS AND CALCULATION AGENT

1.1 Any calculations relating to the Notes will be made by the Calculation Agent. Unless otherwise specified in the applicable Pricing Supplement, the Issuer will act as Calculation Agent. The Issuer may appoint a different institution, including one of its affiliates, to serve as Calculation Agent from time to time after the Inception Date of the Notes. You will be notified of any such change in the Calculation Agent.

1.2 The Calculation Agent will, in its sole discretion, make all determinations regarding the Redemption Proceeds, the price, value or level of the Reference, Market Disruption Events, SA Business Days, UK Business Days, NY Business Days, Trading Days, the Maturity Date, any Early Redemption Date, the interest rate (if any) and the amount payable in respect of your Notes and any other calculations or determinations to be made in respect of the Notes. Absent manifest error, all determinations of the Calculation Agent will be conclusive for all purposes and final and binding on you and us, without any liability on the part of the Calculation Agent. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using reasonable judgment. If the Calculation Agent uses its sole discretion to make a determination, the Calculation Agent will notify the Issuer who will, to the extent it is required to, notify each Holder. You will not (in the absence of manifest error) be entitled to any compensation for any loss suffered as a result of any of the above determinations by the Calculation Agent.

1.3 All percentages resulting from any calculation relating to a Note will be rounded upward or downward, as appropriate, to the next higher or lower fifth decimal point or as specified in the applicable Pricing Supplement. All amounts used in or resulting from any calculation relating to a Note will be rounded upward or downward, as appropriate, to the nearest cent, in the case of Rand, the nearest corresponding hundredth of a unit, in the case of a currency other than Rand with one-half cent or one-half of a corresponding hundredth of a unit or one-half of a hundred-thousandth of a unit or more being rounded upward.

1.4 In determining the price, value or level of a Reference that applies to a Note during a particular period, the Calculation Agent may obtain quotes from various banks or dealers active in the relevant market. Those reference banks or dealers may include the Calculation Agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant Notes and its affiliates, and they may include the Issuer or its affiliates.

2. PRELIMINARY AND ISSUE EXPENSES

The aggregate estimated amount to be incurred by the Issuer in the form of preliminary and issue expenses in relation to the establishment of the Programme is R3 million.

3. DOCUMENTS AVAILABLE FOR INSPECTION

For as long as Notes are capable of being issued under this Programme, copies of the following documents will be made available for inspection at the Issuer’s registered office at 7th Floor, Absa Towers West, 15 Troye Street, Johannesburg, 2001 during normal business hours:

(a) the Memorandum and Articles of Association of the Issuer;

(b) the written consents of the legal advisor and tax advisor and sponsor and corporate advisor of the Issuer named in this Programme Memorandum to act in those capacities;

(c) the material contracts referred to in paragraph 9 below;

(d) all amendments and other supplements to this Programme Memorandum prepared and issued by the Issuer, from time to time;
(e) in respect of any issue of Notes under this Programme, the audited annual financial statements of the Issuer, and the notes thereto, for its three financial years prior to the date of such issue; and

(f) in respect of any issue of Notes under this Programme, the published annual report (incorporating its annual financial statements and the notes thereto) of the Issuer for its three financial years prior to the date of such issue.

4. SETTLEMENT, TRANSFER AND CLEARING

Insofar as they are listed on the JSE, Notes will be issued, cleared and transferred in accordance with the recognised and standardised electronic clearing and settlement procedures operating within the JSE environment.

5. EXCHANGE CONTROL

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

Dealings in the Notes and the performance by the Issuer of its obligations under the Notes and the applicable Terms and Conditions may be subject to exchange control regulations ("Exchange Control Regulations").

Blocked Rand

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

Emigrants from the Common Monetary Area

Any Note issued to emigrants from the Common Monetary Area will be endorsed “emigrant”. Such restrictively endorsed Certificated Note shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

In the event that a beneficial interest in Dematerialised Notes is held by an emigrant from the Common Monetary Area through the CSD, the securities account maintained for such emigrant by the relevant CSDP will be designated as an “emigrant” account.

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

Non-residents of the Common Monetary Area

Any Certificate Note issued to Holders who are not resident in the Common Monetary Area will be endorsed “non-resident”. In the event that a beneficial interest in Dematerialised Notes is held by a non-resident of the Common Monetary Area, the securities account maintained for such Holder by the relevant CSDP will be designated as a “non-resident” account.

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

The following is a summary of general information about the Issuer, its share capital and some provisions of its Memorandum and Articles of Association and Memorandum of Incorporation. This summary does not purport to be complete. It is subject to, and qualified by reference to, the Issuer’s Memorandum and Articles of Association, which you should read. The Issuer’s Memorandum and Articles of Association are incorporated by reference.

1. DIRECTORS

Information regarding the directors of the Issuer as at the Last Practicable Date, as required in terms of the Act and the JSE Listings Requirements, is set out in the table below. The Issuer has no material subsidiaries.

<table>
<thead>
<tr>
<th>Director</th>
<th>Age as at 31 December 2011</th>
<th>Nationality</th>
<th>Role</th>
<th>Qualification</th>
<th>Business address</th>
<th>Occupation and experience</th>
<th>Directorships/Partnerships in preceding five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>C (Colin) Beggs</td>
<td>63</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>BCom (Hons)</td>
<td>34 Charles Street Bryanston</td>
<td>Colin holds a BCom (Hons) from the Nelson Mandela University in Port Elizabeth and qualified as a chartered accountant in 1971. He is a former senior partner and Chief Executive Officer of Pricewaterhouse-Coopers Inc. (PwC) in Southern Africa, having retired from this position in June 2009. Throughout his career, he served on several global PwC boards and councils. He was also chairman of the SAICA board in 2002/3 and is a member of the Accounting Practices Board.</td>
<td>Colin is a director of Absa Group Limited, SAB, Zenzele Holdings Limited and Sasol Limited. He is a former director of three companies in the Discovery Holdings Limited Group. Colin is a trustee of the Absa Group Pension Fund.</td>
</tr>
<tr>
<td>B P (Brian) Connellan</td>
<td>71</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>CA(SA)</td>
<td>14 Via Torino Villa Torino 66 Cumberland Road Bryanston</td>
<td>Brian joined the Barlows Group in 1964. He managed several subsidiaries and was appointed as a director of Barlow Rand Limited in 1985. He served as Executive Chairman of the building materials, steel and paint division until 1990. He was then appointed as Executive Chairman of Nampak Limited, a position he held until his retirement in 2000.</td>
<td>Brian is a director of Absa Group Limited. He is a previous director of Reunert Limited, Sasol Limited, Tiger Brands Limited, Nampak Limited, Oceana Group Limited and Illovo Sugar Limited.</td>
</tr>
<tr>
<td>Director</td>
<td>Age as at 31 Dec 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
<td>Business address</td>
<td>Occupation and experience</td>
<td>Directorships/Partnerships in preceding five years</td>
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<tr>
<td>Y Z (Yolanda) Cuba</td>
<td>34</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>• BCom (Stats) • BCom (Hons) (Acc) • CA(SA)</td>
<td>1st Floor 30 Melrose Arch Boulevard Melrose Arch</td>
<td>Yolanda began her career in marketing with Robertson's Foods in 1999. She moved to Fisher Hoffman, an auditing firm, where she completed her articles in 2002. In January 2003 she joined the corporate finance division of Mvelaphanda Group Limited. Yolanda was appointed as Deputy Chief Executive Officer and, in July 2007, as Chief Executive Officer of Mvelaphanda Group. Yolanda joined South African Breweries Limited as Executive Director: Development and Decision Support in September 2011.</td>
<td>Yolanda is an executive director at South African Breweries Limited, as well as a non-executive director of Absa Group Limited, Reunert Limited, Steinhoff International Holdings Limited, and Reatile Resources (Pty) Ltd. She is a member of the Nelson Mandela Foundation Investment and Endowment Committee.</td>
</tr>
<tr>
<td>S A (Shauket) Fakie</td>
<td>58</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>• BCom • CA(SA)</td>
<td>216, 14th Avenue Fairland</td>
<td>Shauket was the Auditor-General of South Africa for seven years and served as Chairman of the UN Panel of External Auditors Secretary General for the Auditors-General Association on the African continent, and as External Auditor to both the World Health Organisation and the United Nations. He was also a member of the Audit Advisory Committee to the World Bank in Washington. He currently holds an executive position at MTN, responsible for Internal Audit and Business Risk Management.</td>
<td>Shauket is a director of Absa Group Limited, and a member of the following professional bodies: The South African Institute of Chartered Accountants; the Australian Institute of Chartered Accountants and the Institute of Public Finance and Audit. He serves as a director on several MTN subsidiary companies in Africa.</td>
</tr>
<tr>
<td>Director</td>
<td>Age as at 31 December 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
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<td>G (Garth) Griffin (Chairman)</td>
<td>62</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>• BSc, • FIA, • FASSA</td>
<td>Klaasensbosch Cottage 78 Brommersvlei Road Constantia Cape Town</td>
<td>Garth worked for Old Mutual from 1970 to 1999, and was the Managing Director responsible for Old Mutual’s world-wide asset management and unit trust businesses, as well as all activities outside South Africa. He served as a non-executive director on several boards in the South African financial services sector, and is currently a non-executive board member of Suiderland Development Corporation Limited and Swiss Re Life and Health Africa Limited. He was President of the Actuarial Society of South Africa for 2008 and 2009.</td>
<td>Garth is a director of Absa Group Limited, Absa Financial Services Limited, Suiderland Development Corporation Limited and Swiss Re Life and Health Africa Limited. He is a trustee of the University of Cape Town Foundation.</td>
</tr>
<tr>
<td>D W P Hodnett (David)</td>
<td>42</td>
<td>RSA</td>
<td>Executive director</td>
<td>• BCom • CA(SA) • MBA</td>
<td>8th Floor Absa Towers West 15 Troye Street Johannesburg</td>
<td>David completed his articles with KPMG Inc. where he became partner in the financial services team. He then joined Standard Bank group, where, for seven years, he was involved in group risk and retail credit. David joined Absa in 2008 as the Chief Risk Officer. He was appointed as Absa’s Financial Director on 1 March 2010.</td>
<td>David is a director of Absa Group Limited and Absa Financial Services Limited.</td>
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<tr>
<td>Director</td>
<td>Age as at 31 December 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
<td>Business address</td>
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<tr>
<td>M J (Mohamed)</td>
<td>51</td>
<td>RSA</td>
<td>Independent director</td>
<td>BProc</td>
<td>4th Floor The Forum 2 Maude Street Sandown Sandton</td>
<td>Mohamed has been an attorney for approximately 25 years during which time he has represented a diverse range of clients in commercial and corporate litigation, insolvency law and administrative law. He was one of the advisors to the Constitution Assembly on the drafting of the final Constitution. He has also acted as a judge of the High Court.</td>
<td>Mohamed is a director of Absa Group Limited and of Andulela Investment Holdings Limited. He is a member of the Law Society of the Northern Provinces, Chairman of the Attorneys Insurance Indemnity Fund, President of the international Commonwealth Lawyers Association, Trustee of the Wits Law School Endowment Appeal, Member of Eskom’s Board Tender Committee and Chairman of the Remuneration Committee of the Law Society of South Africa. He is an attorney and director of Knowles Husain Lindsay Incorporated and Councillor of the Law Society of South Africa. He is a former director of KLH Investments (Pty) Ltd.</td>
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<tr>
<td>Husain</td>
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<td></td>
<td>non-executive director</td>
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<tr>
<td>A (Antony)</td>
<td>50</td>
<td>British</td>
<td>Non-executive director</td>
<td>Masters in philosophy, politics and economics (Oxford University) MBA, Cranfield School of Management</td>
<td>1 Churchill Place London E14 5HP United Kingdom</td>
<td>Antony started his finance career in Barclays in 1983, when he completed the Barclays management development programme. Following his move to Citigroup in 1989, he ultimately gained responsibility for most of Citi Cards with US$90 billion in receivables. Antony rejoined Barclays as the Chief Executive of Barclaycard in January 2006. He was appointed Chief Executive of Global Retail Banking and joined Barclays Executive Committee in November 2009. Antony is also responsible for diversity and inclusion at Barclays.</td>
<td>Antony is a director of Absa Group Limited and director of Barclays Bank Delaware, Barclays Financial Corporation, Visa Europe Limited and Barclays Lead for Equality and Diversity. He is a member of the Barclays Group Treasury and Group Recruitment and Promotions Committee.</td>
</tr>
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<td>Director</td>
<td>Age as at 31 December 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
<td>Business address</td>
<td>Occupation and experience</td>
<td>Directorships/Partnerships in preceding five years</td>
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<td>R (Robert) Le Blanc</td>
<td>55</td>
<td>British</td>
<td>Non-executive director</td>
<td>MSc, MBA</td>
<td>1 Churchill Place, London, United Kingdom</td>
<td>Robert worked for many years at J.P. Morgan in the capital markets, fixed income, emerging markets and credit areas and later in the risk management function. He joined Barclays in 2002 as the Head of Risk Management at Barclays Capital. Robert was appointed Chief Risk Officer at Barclays in 2004 and holds this position to date.</td>
<td>Robert is a director of Absa Group Limited.</td>
</tr>
<tr>
<td>P B (Peter) Matlare</td>
<td>51</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>BSc (Hons) (Political Science), MA (South African Studies)</td>
<td>3010 William Nicol Drive, Bryanston</td>
<td>Peter is the Chief Executive Officer of Tiger Brands Limited. He is the previous Executive Director of Commercial at Vodacom SA (Pty) Ltd, Chief Strategy and Business Development Officer of Vodacom Group Limited and Chief Executive Officer of the South African Broadcasting Corporation (SABC). He began his career with the Urban Foundation and Citibank, and gained international experience in the USA and Europe.</td>
<td>Peter is a non-executive director of Oceana Group Limited and of Kumba Iron Ore Limited. He is previous director of Vodacom Group Limited.</td>
</tr>
<tr>
<td>T M (Thoko) Mokgosi-Mwantembe</td>
<td>50</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>BSc, MSc (Medical Chemistry), Dip (Education)</td>
<td>The Oval Office Park, Sloane and Meadow-broke Streets, Bryanston</td>
<td>Thoko started her career as the Product Manager for Glaxo (1989 to 1994), then Merck, Sharp and Dohme (1994 to 1996) and Telkom (1996 to 2001). She served as Divisional Managing Director of Siemens Telecommunications from 2001 to 2004. Thoko has subsequently served as Chief Executive Officer of Alcatel South Africa (2004) and Hewlett Packard (2004 to 2006), and is currently the Chief Executive Officer of Kutana Investment Group.</td>
<td>Thoko is a director of Absa Group Limited, Aveng Limited, Knoor-Bremse (SA) (Pty) Ltd, Paracon Holdings Limited, Kutana Investment Group Limited and Vodacom Group Limited. She is a trustee of the Absa Group Pension Fund. She is a former director of IFCA Technologies Limited.</td>
</tr>
<tr>
<td>Director</td>
<td>Age as at 31 December 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
<td>Business address</td>
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<tr>
<td>E C (Eduardo) Mondlane, Jr</td>
<td>54</td>
<td>Mozambican</td>
<td>Non-executive director</td>
<td>Political Science Extension Student UCLA</td>
<td>868 Ashton Road Dainfern</td>
<td>Eduardo established and operated an African-focused trading company based in New York. He also established the Mozambique Business Council in Washington DC. Thereafter, Eduardo worked in the aerospace industry for a number of years with Boeing Commercial Airplanes, United Technologies and Guinness Peat Aviation. In 1994, he moved to the infrastructure development industry where he advised various multi-national contractors in the development of strategically important infrastructure projects in southern Africa.</td>
<td>Eduardo is a director of Absa Group Limited, Barclays Bank Mozambique S.A., the Managing Director of Ninham Shand Mozambique Lda, Chairman of Retail Masters S.A. (Mozambique), and a director of Ilha de Quilalea Lda and Liberty Holdings Lda. He is a member of the Advisory Board of Confederation of Economic Associations (Mozambique) and Advisory Board of Lapdesk (South Africa).</td>
</tr>
<tr>
<td>T S (Trevor) Munday</td>
<td>62</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>BCom</td>
<td>27 Angus Road Bryanston Sandton</td>
<td>In the late 1980s, Trevor was appointed Finance and Commercial Director of AECI Explosives Chemicals Limited. He then served as Managing Director of Dulux Paints (1996 to 2000). Trevor was appointed as an executive director of Sasol Limited with global responsibility for finance and accounting, risk management, internal audit, corporate affairs and planning. In 2003, Trevor assumed responsibility for Sasol Group’s global chemical businesses. He was appointed as Deputy Chief Executive of Sasol Limited on 1 July 2005. He retired from his executive responsibilities at Sasol on 31 December 2006.</td>
<td>Trevor is a director of Absa Group Limited and Chairman of Reunert Limited. He is also a director of Iron Mineral Beneficiation Services (Pty) Ltd, Life Healthcare Group Holdings Limited and Illovo Sugar Limited. Trevor is a previous director of Barloworld, Sasol Petroleum International (Pty) Ltd, Sasol Synfuels International (Pty) Ltd and Sasol Polymers, a division of Sasol Chemical Industries Limited.</td>
</tr>
<tr>
<td>Director</td>
<td>Age as at 31 December 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
<td>Business address</td>
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<td>S G (Brand) Pretorius</td>
<td>63</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>MCom (Business Economics)</td>
<td>228 Frederick Drive Northcliff Johannesburg</td>
<td>Brand started his career at Toyota South Africa in 1973. In 1988, he was appointed as Managing Director of Toyota South Africa Marketing. Brand was appointed Chief Executive Officer of McCarthy Motor Holdings in 1995. In 2011 he retired as Chief Executive of McCarthy Limited and as an executive director of The Bidvest Group Limited.</td>
<td>Brand is a director of Absa Group Limited, Italtile Limited, Reunert Limited, RGT Smart Market Intelligence Limited, Tongaat-Hulett Limited and Eliance. He is a former director of Bidvest and numerous McCarthy Group companies. He is a board member of the National Business Initiative and a trustee of the READ Educational Trust.</td>
</tr>
<tr>
<td>M (Maria) Ramos</td>
<td>52</td>
<td>RSA</td>
<td>Executive director</td>
<td>MSc (Economics) • BCom Honours in Economics • Institute of Bankers’ Diploma (CAIB)</td>
<td>8th Floor Absa Towers West 15 Troye Street Johannesburg</td>
<td>Maria has formerly acted as the Director-General of the National Treasury. In 2003, she was appointed Group Chief Executive of Transnet Limited. Maria joined Absa as Chief Executive in March 2009, and is a member of the Barclays PLC executive Committee.</td>
<td>Maria is a director of Absa Group Limited and Absa Financial Services Limited. She is also a non-executive director of Richemont. She serves on the executive committees of the International Business Council, World Bank Chief Economist Advisory Panel, Business Leadership South Africa and the Banking Association of South Africa. She is a member of the Institute of International Finance.</td>
</tr>
<tr>
<td>I R (Ivan) Ritossa</td>
<td>50</td>
<td>Australian</td>
<td>Non-executive director</td>
<td>BCom (Hons)</td>
<td>1 Churchill Place London E14 5HP United Kingdom</td>
<td>Ivan is a Managing Director and Head of Latin America, Central and Eastern Europe, Middle East and Africa at Barclays Capital (appointed in June 2011) and is also a member of the Barclays Capital Executive Committee. He joined Barclays in February 2002 as Managing Director and Global Head of</td>
<td>Ivan is a member of Singapore Foreign Exchange Market Committee.</td>
</tr>
<tr>
<td>Director</td>
<td>Age as at 31 Decem-ber 2011</td>
<td>Nationality</td>
<td>Role</td>
<td>Qualification</td>
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<td>Directorships/ Partnerships in preceding five years</td>
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<tr>
<td>L L (Louis) von Zeuner</td>
<td>50</td>
<td>RSA</td>
<td>Executive director</td>
<td>BEcon</td>
<td>8th Floor Absa Towers West 15 Troye Street Johannesburg</td>
<td>Louis worked in Absa's retail and commercial banking operations since 1981, where he held various branch, regional and provincial leadership positions. Louis was appointed Operating Executive of Absa Commercial Bank. He was then appointed as an executive director of Absa Group in 2004 and Deputy Chief Executive in 2009.</td>
<td>Louis is a director of Absa Group Limited, Absa Financial Services Limited, Absa Insurance Company Limited and Absa Life Limited.</td>
</tr>
<tr>
<td>B J (Johan) Willemse</td>
<td>57</td>
<td>RSA</td>
<td>Independent non-executive director</td>
<td>BCom (Economics) • BCom (Hons) • MCom (Economics) • PhD (Agricultural Economics)</td>
<td>Room 105 – Landbou Building University of the Free State Nelson Mandela Road Bloemfontein</td>
<td>Johan has in-depth experience in agricultural marketing and strategy, working in various capacities in the agricultural sector and currently consults to major agricultural businesses in South Africa on business strategy, economics and markets.</td>
<td>Johan is a director of Absa Group Limited and the Chairman of the Nictus Group. He is the Vice-Chairman of Agricultural Economics Association of Southern Africa. He is also the Chairman of the Department of Agricultural Economics at the University of the Free State and a trustee of the University of the Free State Provident Fund.</td>
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</table>

As at 31 December 2011, executive directors retire as executives at the age of sixty. Non-executive directors do not have service contracts. Letters of appointment confirm the terms and conditions of their service. One-third of the directors are required to retire at each Annual General Meeting (“AGM”) and may offer themselves for re-election. In line with international best practice all directors on the board for longer than nine years are subject to annual re-election by shareholders at the AGM.

No person or entity has any right to appoint any director (save as provided in the Articles of Association).
2. SHARE CAPITAL

The Issuer has an authorised share capital of ZAR322 800 000, divided into 320 000 000 ordinary par value shares of ZAR1.00 each, 250 000 000 ‘A’ ordinary par value shares of ZAR0.01 each and 30 000 000 non-cumulative, non-redeemable preference shares of ZAR0.01 each, of which 302 609 359 ordinary par value shares, 71 502 632 ‘A’ ordinary par value shares and 4 944 839 non-cumulative non-redeemable preference shares have been issued. All of these issued shares other than the preference shares are beneficially owned by Absa Group. The Issuer does not have any shares of no par value, founders’, management or deferred shares. There are no contracts, arrangements or any proposed contracts or arrangements to grant any options or preferential rights given or proposed to be given to any person(s) to subscribe for, convert or exchange any securities of the Issuer, or any of its subsidiaries, other than in terms of the share incentive arrangements referred to in Note 49 with respect to Absa Group Limited shares, and share premium is ZAR10.5 billion. No shares are held as treasury shares.

3. LOANS

The material loans made by the Issuer are detailed in Notes 4, 8 and 10 and borrowings by the Issuer are described in Note 22 to the Issuer’s Annual Financial Statements, as contained in the Shareholder Report for the year ended 31 December 2010 (incorporated herein by reference).

4. SHARE INCENTIVE SCHEMES

Details of Absa Group Share Incentive Trust, Absa Group Employee Share Ownership Administrative Trust and other incentive schemes are set out in Note 49 of the Issuer’s Annual financial Statements, as contained in the Issuer’s Shareholder Report for the year ended 31 December 2009 (incorporated herein by reference).

5. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH

No shares have been issued other than for cash during the preceding two years and no such shares are proposed to be issued (including by any subsidiary).

6. PRINCIPAL IMMOVABLE PROPERTY, FIXED ASSETS AND SUBSIDIARIES

Details of principal immovable property owned or leased by the Issuer or its subsidiaries, material acquisitions and disposals of immovable property or fixed assets and any proposed acquisitions or disposals, together with details of the subsidiaries are set out in the Annual Financial Statements of the Issuer as contained in the Issuer’s Shareholder Report for the year ended 31 December 2010 (incorporated herein by reference).

7. PROMOTERS’ INTERESTS

No amount has during the two years preceding this Programme Memorandum been paid to nor is any amount to be paid to any promoter or partnership or syndicate or other association of which a promoter would benefit as a member.

8. LITIGATION STATEMENT

There are a number of legal or potential claims against the Issuer, the outcome of which cannot at present be foreseen. The claims are not regarded as material either on an individual or group basis. Provision is made for all liabilities which are expected to materialise as set out in Note 47 to the Annual Financial Statements as contained in the Issuer’s Shareholder Report for the year ended 31 December 2010 (incorporated herein by reference).

9. MATERIAL CONTRACTS

Details of any material contracts pertaining to an Offer entered into by the Issuer in the two years preceding the date of the relevant Offer will be disclosed in the applicable Pricing Supplement.
10. PROSPECTS

The following are extracts from Absa Group Limited Annual Report for the year ended 31 December 2010:

“The One Absa strategy comprises four key pillars to position the Group for sustainable growth. To implement the One Absa strategy successfully, the Group has created a range of strategic workstreams.

The four pillars of the One Absa strategy

Pillar 1: Sustainable growth in targeted markets
To become the leading financial services group in South Africa and selected African countries, while providing profitability and returns.

Pillar 2: Balance sheet optimisation and pro-active risk management
To maintain a strong balance sheet that can withstand economic and financial shocks.

Pillar 3: Simple, streamlined Group for customer delivery
Instilling a culture of operating as a fully integrated organisation, in a manner that generates efficiencies and places the customer at the centre of everything the Group does.

Pillar 4: Customer and people centred organisation
Deliver leading-edge customer service, using the most talented and motivated people”.

The directors of the Issuer are of the opinion that the prospects of the Issuer remain as set out above. In addition, the directors of the Issuer are of the opinion that the Issuer has sufficient expertise to issue the Notes and to undertake the Programme on the basis set out herein.

11. CORPORATE GOVERNANCE – KING III ADHERENCE

The Issuer subscribes to, and is fully committed to sound business principles and motives of integrity and accountability and the values of good corporate governance as espoused in the Code of Corporate Practices and Conduct of King III. In doing so the directors recognise the need to conduct the enterprise in accordance with best corporate practices.

Absa Group is focusing on a number of key areas to strengthen compliance with the King III principles. These are more fully set out in the annual financial statements.

12. NO MATERIAL CHANGE

After due and careful enquiry (and without the involvement of the Auditors), the Issuer confirms that there has not been any material change in its financial or trading position between 31 December 2010 and the Last Practicable Date.

13. MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

The main business of the Issuer is that of a deposit-taking institution.

Set out below are extracts from the articles of association of the Issuer:

Borrowing Powers

“11.1 From time to time the directors may borrow or raise for the purposes of the company such sums as they deem fit.

11.2 The directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, whether by creation and issue of debentures, mortgage or charge upon account or any of the property or assets of the company, including its uncalled or unpaid capital.
11.3 The above borrowing powers of the directors are subject to the following provisions:

11.3.1 no debt instruments may be issued without the approval in writing of the Registrar of Banks in terms of section 79 of the Banks Act; and

11.3.2 if and for so long as the company is a subsidiary, the total amount borrowed or secured shall not exceed the amount authorised by its holding company.

11.4 The directors shall cause a register to be kept in accordance with the provisions of the Act of all mortgages and charges specifically affecting the property of the company, and they shall cause to be entered in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of the charge created, the name of the mortgagee or person entitled to such charge and such further particulars as the provisions of the Act require."

Contracting with directors

“20.1 Every director shall comply with the provisions of sections 234 to 240 inclusive, of the Act.

20.2 Without derogating from the provisions of article 20.1, every director shall declare any interest, direct or indirect, material or otherwise, which such director has in any contract or arrangement which at the time of such declaration has been proposed or has been entered into by the company with any person whomsoever. For the purposes of this article a director shall be deemed to have an interest in any contract between the company and any company or partnership in which such director is a member, director or partner. Every interest to be declared in terms of this article shall be declared and minuted in the manner and at the time prescribed by sections 235 and 239 of the Act.

20.3 Nothing contained in article 20.2 shall be construed so as to debar any director as a member from taking part in and voting upon all questions submitted to a Meeting of members.”

14. AUTHORISATION

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

15. GOING CONCERN

The Issuer is a going concern and can in all circumstances be reasonably expected to meet all of its commitments as and when they fall due.

16. CONSENTS

The transfer secretaries, legal and tax advisors, corporate advisor and sponsor and auditors whose names are contained herein have consented in writing to act in their capacities stated and to their names being stated in this Programme Memorandum in the form and context in which they appear and none of these consents have been withdrawn prior to signature of this Programme Memorandum.

SIGNED at on this day of 2012
for and on behalf of

Absa Bank Limited

Absa Bank Limited

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