



# SCANIA

## SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED

(Incorporated in the Republic of South Africa with limited liability registration number 2000/025215/07)

irrevocably and unconditionally guaranteed by

## SCANIA CV AKTIEBOLAG (PUBL)

(Incorporated in the Kingdom of Sweden with registration number 556084-0976)

---

**ZAR3,000,000,000**

### **DOMESTIC MEDIUM TERM NOTE PROGRAMME**

---

Under this Programme Memorandum, Scania Finance Southern Africa (Proprietary) Limited (the **Issuer**) may from time to time issue notes (the **Notes**), denominated in any currency agreed by the Issuer and the relevant Dealer(s) (as defined herein) and further subject to all Applicable Laws (as defined herein) and, that are subject to the terms and conditions (the **Terms and Conditions**) contained in this Programme Memorandum. Any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing or modifying the Terms and Conditions, will be set forth in a pricing supplement (the **Applicable Pricing Supplement**).

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

As at the Programme Date, the Programme Amount is ZAR3,000,000,000. This Programme Memorandum will apply to the Notes issued under the Programme in an aggregate outstanding Nominal Amount which will not exceed ZAR3,000,000,000 (or the equivalent in any other currencies), unless such amount is increased by the Issuer as described more fully in the section of this Programme Memorandum headed “*General Description of the Programme*”.

Scania CV Aktiebolag (Publ) (the **Guarantor**) has given its irrevocable and unconditional guarantee to the holders of the Notes issued on or after the Programme Date for the due and punctual performance of all obligations which the Issuer may incur to the Noteholders and the due and punctual payment, of all amounts owing by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum.

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

This Programme Memorandum has not been registered with the JSE. Unlisted Notes will be issued under the Programme and will not be regulated by the JSE. The holders of Notes will have no recourse against the JSE Debt Guarantee Fund Trust.

**Particular attention is drawn to the section in this Programme Memorandum headed “Investor Considerations/Risk Factors” on page 14 below.**

---

Arranger and Dealer  
FIRSTSTRAND BANK LIMITED,  
acting through its RAND MERCHANT BANK division

---

Programme Memorandum dated 17 May 2022

---

## GENERAL

---

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

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Programme Memorandum contains all information required by law. The Issuer accepts full responsibility for the accuracy of the information contained in this Programme Memorandum and the audited annual financial statements of the Issuer, the Applicable Pricing Supplement(s) of the Issuer and all documents incorporated by reference and any amendments or supplements to the aforementioned documents, except as otherwise stated therein (see the section of this Programme Memorandum headed "*Documents Incorporated by Reference*").

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

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

The Arranger, the Dealer(s) or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**), other professional advisers named herein have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger, the Dealer(s) or any of their Affiliates or other professional advisers named herein as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer or the Guarantor. The Arranger, the Dealer(s) or any of their Affiliates or other professional advisers named herein do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer and/or the Guarantor in connection with the Programme.

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

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

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

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

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

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

**The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state in the United States of America and the Notes may not be offered, sold, delivered or transferred within the United States of America or to, or for the account or benefit of, any U.S. persons (as defined in the Regulation S of the Securities Act). In addition, there are restrictions on the distribution of this Programme Memorandum in South Africa, the European Union and the United Kingdom. For a more complete description of certain restrictions on the offering, sale and delivery of Notes and distribution of this Programme Memorandum see the section of this Programme Memorandum headed "*Subscription and Sale*" below.**

The terms of this Programme Memorandum, if it comes to the possession of persons resident in jurisdictions outside South Africa, may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves about and observe any applicable legal requirements in any such jurisdiction. It is the responsibility of any such person wishing to subscribe for or purchase the Notes to satisfy itself as to the full observance of the laws of the relevant jurisdiction therewith. If and to the extent that this Programme Memorandum is illegal in any jurisdiction, it is not made in such jurisdiction and this document is obtained by such persons in such jurisdiction for information purposes only.

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

All references in this Programme Memorandum to "*Rand*", "*ZAR*" "*South African Rand*", "*R*" and "*cent*" refer to the currency of the Republic of South Africa.

---

**TABLE OF CONTENTS**

---

	Page
DOCUMENTS INCORPORATED BY REFERENCE	5
GENERAL DESCRIPTION OF THE PROGRAMME	6
SUMMARY OF THE PROGRAMME	7
INVESTOR CONSIDERATIONS/RISK FACTORS	14
FORM OF THE NOTES	19
<i>PRO FORMA</i> APPLICABLE PRICING SUPPLEMENT	21
TERMS AND CONDITIONS OF THE NOTES	30
USE OF PROCEEDS	67
TERMS AND CONDITIONS OF THE GUARANTEE	68
DESCRIPTION OF SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED	70
DESCRIPTION OF SCANIA CV AKTIEBOLAG (PUBL)	75
SETTLEMENT, CLEARING AND TRANSFER OF NOTES	79
SUBSCRIPTION AND SALE	80
TAXATION	84
SOUTH AFRICAN EXCHANGE CONTROL	88
GENERAL INFORMATION	89
CORPORATE INFORMATION	90

---

## DOCUMENTS INCORPORATED BY REFERENCE

---

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

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

- (a) all amendments, restatements and/or supplements to this Programme Memorandum prepared by the Issuer from time to time;
- (b) the Guarantee executed by the Guarantor in respect of the Noteholders and all amendments, restatements and/or supplements thereto;
- (c) each Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (d) as at the Programme Date, the audited annual financial statements of the Issuer, for 3 (three) financial years prior to the Programme Date and in respect of all financial years after the Programme Date, as and when such audited annual financial statements become available;
- (e) as at the Programme Date, the published audited annual financial statements of the Guarantor, for 3 (three) financial years prior to the Programme Date and in respect of all financial years after the Programme Date, as and when such audited annual financial statements become available,

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

The Issuer will provide at its registered office as set out at the end of this Programme Memorandum, without charge, to any Person, upon request of such Person, a copy of all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. Requests for such documents should be directed to the Issuer and to the Transfer Agent at their respective registered offices as set out at the end of this Programme Memorandum and/or the Applicable Pricing Supplement.

The published audited annual financial statements of the Guarantor will be available on the Guarantor's website at <https://www.scania.com/group/en/home/investors/financial-reports/annual-reports.html>.

This Programme Memorandum does not constitute an offer or invitation by or on behalf of the Issuer, the Guarantor, the Arranger and the Dealer(s) to any Person in any jurisdiction to subscribe for or purchase any Notes.

The Issuer will publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

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

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

---

## GENERAL DESCRIPTION OF THE PROGRAMME

---

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

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

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

- a) Zero Coupon Notes and other Notes, the Conversion Rate shall be applied to the Nominal Amount for the relevant issue; and
- b) Index-Linked Notes, the Conversion Rate shall be applied to the Nominal Amount regardless of the amount paid up on such Notes.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures, all Applicable Laws and the Programme Agreement (as defined in the section headed “*Subscription and Sale*”), the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice thereof to the Noteholders in accordance with Condition 20 (*Notices*) of the Terms and Conditions and to the Guarantor, the Arranger and the Dealer(s). Upon such notice being given to the Noteholders and the conditions set out in the Programme Agreement to the exercise of this right having been met, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

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

The “*Summary of the Programme*” and the “*Terms and Conditions of the Notes*” appears below.

---

## SUMMARY OF THE PROGRAMME

---

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

### PARTIES

<b>Issuer</b>	Scania Finance Southern Africa (Proprietary) Limited (registration number 2000/025215/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa.
<b>Guarantor</b>	Scania CV Aktiebolag (Publ) (registration number 556084-0976) a company duly incorporated and registered in accordance with the laws of Sweden.
<b>Arranger</b>	Rand Merchant Bank; a division of FirstRand Bank Limited (registration number 1929/001225/06) ( <b>Rand Merchant Bank</b> ), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa.
<b>Dealer(s)</b>	(a) Rand Merchant Bank; and (b) any other additional Dealer(s) appointed under the Programme by the Issuer from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of such Dealer(s).
<b>Transfer Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as the Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
<b>Paying Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as Paying Agent, in which event, that other entity will act as Paying Agent as specified in the Applicable Pricing Supplement.
<b>Calculation Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as Calculation Agent, in which event, that other entity will act as Calculation Agent as specified in the Applicable Pricing Supplement.
<b>Issuer Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as Issuer Agent pursuant to the debt instrument solution system of the CSD, in which event that other entity will act as Issuer Agent.
<b>Settlement Agent</b>	a Participant, approved in terms of the Applicable Procedures to perform electronic settlement of both funds and scrip on behalf of market participants.
<b>CSD</b>	Strate Proprietary Limited (registration number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa and registered as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s).

<b>JSE</b>	JSE Limited (registration number 2005/022939/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa and a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE.
<b>GENERAL</b>	
<b>Cross Default</b>	The terms of the Notes will contain a cross-default provision relating to Indebtedness for money borrowed having an aggregate Outstanding amount equal to or greater than ZAR70,000,000 (or its equivalent in any other currency or currencies), or any guarantee of or indemnity in respect of any such indebtedness as further described in Condition 17.4 ( <i>Events of Default – Cross Default</i> ), unless otherwise set out in the Applicable Pricing Supplement.
<b>Clearing and Settlement</b>	Each Tranche of Notes which is held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. The CSD acts as the approved electronic clearing house, and carries on the role of matching, clearing and facilitation of settlement of all transactions. Each Tranche of Notes which is held in the CSD will be cleared by Participants who will follow the electronic settlement procedures prescribed by the CSD (see the section of this Programme Memorandum headed " <i>Settlement, Clearing and Transfer of Notes</i> ").
<b>Denomination</b>	Notes will be issued in such denominations as may be agreed by the Issuer and the relevant Dealer(s) and as indicated in the Applicable Pricing Supplement, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the central bank or regulator or any laws or regulations applicable to the Notes.
<b>Description of Programme</b>	Scania Finance Southern Africa (Proprietary) Limited ZAR3,000,000,000 Domestic Medium Term Note Programme.
<b>Distribution</b>	Notes may be distributed by way of public or private placement, auction, or bookbuild or any other means permitted by Applicable Law, as the case may be, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the relevant Dealer(s) and reflected in the Applicable Pricing Supplement.
<b>Emigrant Capital</b>	Emigrant capital, formerly known as blocked rands, that is solely used for fund transfers in and out of South Africa and that is held in a designated emigrant capital account may be used by, for exchange control purposes, non-residents to subscribe for, or purchase, Notes, subject to the Exchange Control Regulations.
<b>Form of Notes</b>	Each Tranche of Notes will be issued in certificated form represented by an Individual Certificate (see the section of this Programme Memorandum headed " <i>Form of the Notes</i> ").

<b>Governing Law</b>	The Terms and Conditions and the Notes are governed by, and will be construed in accordance with, the laws of the Republic of South Africa, in force from time to time, unless otherwise set out in the Applicable Pricing Supplement.
<b>Guarantee</b>	<p>The debt guarantee dated on or about 17 May 2022, as amended, restated or supplemented from time to time, granted in favour of the Noteholders, under which the Guarantor has irrevocably, unconditionally guaranteed the due and punctual performance of all obligations which the Issuer may incur to the Noteholders and the due and punctual payment, of all amounts owing by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum.</p> <p>The obligations of the Guarantor under the Guarantee constitute unconditional unsecured and unsubordinated obligations of the Guarantor and will rank (subject to any obligations preferred by law) <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Guarantor. (See Condition 7 (<i>Guarantee</i>) and the section of this Programme Memorandum headed “<i>Terms and Conditions of the Guarantee</i>”.)</p>
<b>Interest</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked, and the method of calculating interest will be specified in the Applicable Pricing Supplement.
<b>Interest Period(s)/Interest Payment Date(s)</b>	<b>Rate/Interest</b> The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Tranche of Notes will be specified in the Applicable Pricing Supplement.
<b>Issue and Transfer Taxes</b>	As at the Programme Date, no securities transfer tax or any similar tax is payable, in terms of the Securities Transfer Tax Act, 2007, in respect of the issue, transfer or redemption of the Notes, as the case may be, (see the section of this Programme Memorandum headed “ <i>Taxation</i> ”). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.
<b>Issue Price</b>	Notes may be issued on a fully paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.
<b>Listing</b>	This Programme Memorandum has not been registered with the JSE. Notes issued under the Programme will not be listed on the Interest Rate Market of the JSE.
<b>Maturities of Notes</b>	Such maturity(ies) as specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity.
<b>Negative Pledge</b>	The Notes will have the benefit of a negative pledge as described in Condition 6 ( <i>Negative Pledge</i> ) of the Terms and Conditions.

## Notes

Notes may comprise:

### **Fixed Rate Notes**

Fixed Rate of Interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and specified in the Applicable Pricing Supplement.

### **Floating Rate Notes**

Floating Rate Notes will bear interest calculated at a rate determined in accordance with the provisions of Condition 8.1 (*Floating Rate Notes and Indexed Interest Notes*) and as indicated in the Applicable Pricing Supplement.

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

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

The Interest Period for Floating Rate Notes will be as indicated in the Applicable Pricing Supplement.

### **Index-Linked Notes**

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

### **Zero Coupon Notes**

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

### **Mixed Rate Notes**

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

## **Noteholders**

The holder(s) of Notes which are recorded as the registered Noteholder(s), from time to time, of those Notes in the Register. The relevant Participant(s) will be named in the Register as the registered Noteholder(s) of each Tranche of Notes which is held in the CSD. Each holder of Notes which is represented by an Individual Certificate will be named in the Register as the registered Noteholder of such Notes.

## **Rating**

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

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

## **Redemption**

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

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

If “*Early Redemption at the Option of the Issuer*” is specified as applicable in the Applicable Pricing Supplement or pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*), the Issuer may, having given not less than 30 (thirty) Days’ nor more than 60 (sixty) Days irrevocable notice (or such other period of notice as may be specified in the Applicable Pricing Supplement) to the Noteholders in accordance with Condition 19 (*Notices*), redeem the Tranche of Notes on any Optional Redemption Date(s) or unless otherwise set out in the Applicable Pricing Supplement.

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

If “*Early Redemption in the event of a Change of Control*” is specified as applicable in the Applicable Pricing Supplement and a Change of Control Event occurs and the Noteholders, in accordance with Condition 10.5, resolve by way of an Extraordinary Resolution to have their Notes redeemed by the Issuer, then each Noteholder in that Class of Noteholders shall have the option to require the Issuer to redeem each Note in that Tranche of Notes held by that Noteholder at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) Days after the delivery by that Noteholder of a Change of Control Redemption Notice (as defined below) in the manner specified in Condition 10.5 (*Redemption in the event of a Change of Control*) or as otherwise set out in the Applicable Pricing Supplement.

If “*Redemption in the event of a failure to maintain any Rating*” is specified as applicable in the Applicable Pricing Supplement, the Noteholders of any Tranche of Notes may, after having been notified by the Issuer in accordance with Condition 19 (*Notices*), require the Issuer to redeem Notes in the manner specified in Condition 10.6 (*Redemption in the event of a failure to maintain any Rating*) and the Applicable Pricing Supplement.

#### **Selling Restrictions**

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

#### **Size of the Programme**

As at the Programme Date, the Programme Amount in respect of the Notes is ZAR3,000,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate Outstanding Nominal Amount which does not exceed the respective Programme Amounts. The Issuer may increase the Programme Amounts as described more fully in the section of this Programme Memorandum headed “*General Description of the Programme*”.

#### **Specified Currency**

Rands or, subject to all Applicable Laws, such currency as is specified in the Applicable Pricing Supplement.

#### **Status of Notes**

The Notes constitute direct, unconditional, unsubordinated and (subject to Condition 6 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other present or future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

**Taxation**

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

**Terms and Conditions**

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

**Use of Proceeds**

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

**Withholding Taxes**

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

---

## INVESTOR CONSIDERATIONS/RISK FACTORS

---

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

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

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

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

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

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

#### **Risks Relating to the Notes**

##### ***The Notes may not be a suitable investment for all investors***

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

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

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

### ***There may not be an active trading market for the Notes***

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

### ***The Notes may be redeemed prior to maturity***

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

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

### ***Credit Rating***

Tranches of Notes issued under the Programme, the Issuer, and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Any amendment in the Rating of the Issuer and/or the Programme and/or a Tranche of Notes, as the case may be, after the Programme Date, will be notified to the Noteholders.

### ***Risks related to the structure of the particular issue of Notes***

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

#### **Notes subject to optional redemption by the Issuer**

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

#### **Index-Linked**

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

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;

- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

#### Partly-paid Notes

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

#### Notes issued at a substantial discount or premium

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

#### Variable Rate Notes with a multiplier or other leverage factor

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

#### Fixed/Floating Rate Notes

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

#### Notes where denominations involve integral multiples: Individual Certificates

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

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

#### **Modification and waivers and substitution**

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

## **Change of law**

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

## **Legal investment considerations may restrict certain investments**

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

## **Material Risks relating to the Issuer's Business**

### Risk Management

The role of risk management is to evaluate, respond and monitor risks in the execution of our strategy. It is essential that business growth plans are supported by an effective Risk Management Framework (RMF). Risk culture is closely aligned to that of the business. The risk function retains independence in analysis and decision-making. The approach to managing risk is outlined in the RMF, which creates the context for setting policies and standards, and establishing the right practices throughout the Issuer. It defines the risk management process and sets out the activities, tools, techniques and organisational arrangements to ensure that material risks can be optimally identified and managed. It also ensures that appropriate responses are in place to protect the Issuer and its stakeholders. The RMF includes those risks taken by the Issuer that are probable, and material enough to merit establishing specific group-wide control frameworks. These are known as key risks and are grouped into four principal risks.

The three lines of defence, which has been defined in the RMF, enables the appropriate assignment of risk management activities between those parties that:

1. Originate and take risk, and implement controls (first line);
2. Oversee and challenge the first line, providing independent risk management activity and support controls (second line); and
3. Provide assurance that risk processes are fit for purpose, and that they are being carried out as intended (third line).

The RMF enables businesses and functions to be organised along the three lines by formalising independence and challenge, whilst promoting collaboration and the flow of information between all areas.

### Risk appetite

Risk appetite and stress testing are key components of the Issuer's management of risk and are embedded as part of the strategic planning process. The risk appetite statement describes and measures the amount and types of risk that the Group is prepared to take in executing its strategy. The Issuer's risk appetite framework combines a top-down view of capacity to take risk with a bottom-up view of the risk profile associated with each business area's plans.

### Risk appetite key indicators and triggers

The Issuer manages its risk profile in a forward-looking manner through a trigger and management action framework. Key indicators and triggers have been developed to serve as an early warning system in the event of deteriorating circumstances. The indicators include, inter alia, economic indices directly correlated with risk measures and key financial indicators. The indicators and triggers have been implemented at Company, and country level, and are routinely monitored by management and reported to the Central Risk Department on a quarterly basis.

The four principal risks are defined below:

1. Credit Risk: The risk of financial loss should the Issuer's customers, clients or market counterparts fail to fulfil their contractual obligation.

2. **Liquidity Risk:** Liquidity risk is the risk that the Issuer is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. These outflows would deplete available cash resources for client lending, trading activities and investments. Such outflows could be through, external counterparties removing financing, collateral posting requirements or loan drawdowns. This risk is inherent in all financing operations and can be affected by a range of group-specific and market-wide events. Liquidity risk is monitored at company level under a single comprehensive Treasury Risk Framework. The Treasury Risk Framework was designed to deliver an appropriate tenor structure and composition of funding consistent with the risk appetite set by the Board. This framework is delivered through a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.
3. **Interest Rate Risk** is the potential for losses that results from a change in interest rates
4. **Capital Risk Management:** The Issuer's objective when managing the capital (includes, share capital, borrowings, working capital and cash resources) is to maintain a flexible capital structure that reduces the total cost of capital to acceptable levels of risk and to safeguard the Issuer's ability to continue as a going concern whilst taking advantage if all possible strategic opportunities in order to maximise stakeholder returns sustainably. The Issuer manages its capital structure and makes adjustments to it when economic conditions require whilst matching the underlying risk characteristics of the Issuer assets.

---

## FORM OF THE NOTES

---

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

### **Notes issued in certificated form**

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

Subject to the Applicable Laws, title to Notes represented by Individual Certificates will be freely transferable, fully paid up and will pass upon registration of transfer in accordance with Condition 15.2 (*Transfer of Notes represented by Individual Certificates*) of the Terms and Conditions.

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

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

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

A Tranche of Notes will be freely transferable and fully paid up and must, subject to Applicable Laws and Applicable Procedures, be issued in uncertificated form in terms of section 33 of the Financial Markets Act.

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

### **Beneficial Interests in Notes held in the CSD**

A Tranche of unlisted Notes may also be held in the CSD. While a Tranche of Notes is held in the CSD, the relevant Noteholder will be named in the Register as the holder of the Notes in that Tranche.

The CSD will hold each Tranche of Notes, subject to the Financial Markets Act and the Applicable Procedures. All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participant on behalf of the relevant Noteholder pursuant to the Applicable Procedures. All rights to be exercised in respect of Notes held in the CSD will be exercised by the relevant Noteholder.

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

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

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

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

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

---

**PRO FORMA APPLICABLE PRICING SUPPLEMENT**

---

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

**SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED**

*(Incorporated in the Republic South Africa with limited liability under registration number 2000/025215/07)*

irrevocably and unconditionally guaranteed by

**SCANIA CV AKTIEBOLAG (PUBL)**

*(Incorporated in the Kingdom of Sweden with registration number 556084-0976)*

**Issue of Aggregate Nominal Amount of Tranche [Title of Notes]****Under its ZAR3,000,000,000 Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 17 May 2022, prepared by Scania Finance Southern Africa (Proprietary) Limited in connection with the Scania Finance Southern Africa (Proprietary) Limited ZAR3,000,000,000 Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

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

**PARTIES**

1.	Issuer	Scania Finance Southern Africa (Proprietary) Limited
	Specified Address	
2.	Guarantor	Scania CV Aktiebolag (Publ)
	Specified Address	
3.	Manager(s)	[ ]
4.	Paying Agent	[ ]
	Specified Address	[ ]
5.	Calculation Agent	[ ]
	Specified Address	[ ]
6.	Issuer Agent	[ ]
	Specified Address	[ ]
7.	Settlement Agent	[ ]
	Specified Address	[ ]

- |    |                   |     |
|----|-------------------|-----|
| 8. | Transfer Agent    | [ ] |
|    | Specified Address | [ ] |

**PROVISIONS RELATING TO THE NOTES**

- |     |   |  |
|-----|---|--|
| 9.  | Status of Notes   | Senior unsecured   |
| 10. | Form of Notes   | The Notes in this Tranche are unlisted Notes issued in [uncertificated form and held by the CSD/certificated form]   |
| 11. | Series Number   | [ ]  |
| 12. | Tranche Number  | [ ]  |
| 13. | Aggregate Nominal Amount:   |  |
|     | (a) Series  | [ ]  |
|     | (b) Tranche   | [ ]  |
| 14. | Interest  | [Interest-bearing/Non-interest-bearing]  |
| 15. | Interest Payment Basis  | [Fixed Rate/Floating Rate/Zero Coupon/Index-Linked] Notes/Other Notes]   |
| 16. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another | [Insert details including date for conversion]   |
| 17. | Issue Date  | [ ]  |
| 18. | Nominal Amount per Note   | [ ]  |
| 19. | Specified Denomination  | [ ]  |
| 20. | Specified Currency  | [ ]  |
| 21. | Issue Price   | [ ]  |
| 22. | Interest Commencement Date  | [ ]  |
| 23. | Maturity Date   | [ ]  |
| 24. | Applicable Business Day Convention  | [Floating Rate Business Day / Following Business Day / Modified Following Business Day / Preceding Business Day / other convention – insert details]   |
| 25. | Final Redemption Amount   | [ ]  |
| 26. | Last Day to Register  | By 17h00 on [ ] in each year until Maturity Date or if such Day is not a Business Day, the Business Day before each Books Closed Period  |
| 27. | Books Closed Period(s)  | The Register will be closed from [...] to [...] and from [...] to [...] of each year until the Maturity Date (all dates inclusive), or if any early redemption occurs, 10 Days prior to the actual Redemption Date |
| 28. | Default Rate  | [ ] basis points above the relevant Interest Rate applicable from time to time]  |

## FIXED RATE NOTES

29. Interest Payment Date(s) Each *[insert date]*, of each calendar year during the period commencing on *[insert date]* and ending on the Redemption Date, each such Day being subject to adjustment in accordance with the Business Day Convention
30. Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) *[the following Interest Payment Date / state specific Interest Payment Date]* (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
31. (a) Fixed Rate of Interest  percent per annum *[payable [annually/semi-annually/quarterly] in arrear]*
- (b) Fixed Coupon Amount(s)  per  in Nominal Amount
- (c) Initial Broken Amount
- (d) Final Broken Amount
- (e) Day Count Fraction
- (f) Any other terms relating to the particular method of calculating interest (e.g.: Day Count Fraction, rounding up provision)

## FLOATING RATE NOTES

32. Interest Payment Date(s) Each *[insert date]*, of each calendar year during the period commencing on *[insert date]* and ending on the Redemption Date, each such Day being subject to adjustment in accordance with the Business Day Convention
33. Interest Period(s) Each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) *[the following Interest Payment Date / state specific Interest Payment Date]* (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention)
34. (a) Definition of Business Day (if different from that set out in Condition 1) (*Interpretation*)
- (b) Minimum Rate of Interest  percent per annum
- (c) Maximum Rate of Interest  percent per annum
- (d) Other terms relating to the method

of calculating interest (e.g.: Day Count Fraction, rounding up provision)

35. Rate of Interest and the manner in which the Rate of Interest is to be determined [ISDA Determination] / [Screen Rate Determination (Reference Rate plus Margin)]/[other – insert details]
36. Margin [[•] basis points/[•] percent] to be added to/subtracted from the relevant ISDA Rate / Reference Rate]
37. If ISDA Determination:
- (a) Floating Rate [ ]
  - (b) Floating Rate Option [ ]
  - (c) Designated Maturity [ ]
  - (d) Reset Date(s) [ ]
  - (e) ISDA Definitions to apply [ ]
38. If Screen Rate Determination:
- (a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated) [ ]
  - (b) Interest Determination Date(s) [ ], [ ], [ ] and [ ] (or the first Business Day of each Interest Period) of each year until the Maturity Date, with the first Interest Determination Date being [*insert date*]
  - (c) Relevant Screen Page and Reference Code [ ]
39. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Rate Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions [ ]
40. Calculation Agent responsible for calculating amount of principle and interest [ ]

#### **ZERO COUPON NOTES**

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

#### **MIXED RATE NOTES**

42. Period(s) during which the Interest Rate for the Mixed Rate Notes will be (as applicable) that for:
- (a) Fixed Rate Notes [ ]
  - (b) Floating Rate Notes [ ]
  - (c) Index-Linked Notes [ ]
  - (e) Other Notes [ ]

43. The Interest Rate and other pertinent details are set out under the headings relating to the applicable forms of Notes

#### INDEX-LINKED NOTES

- |         |  |   |
|---------|--|---|
| 44. (a) | Type of Index-Linked Notes   | [Indexed Interest Notes / Indexed Redemption Amount Notes]  |
| (b)     | Name, code and currency of the Index/Formula by reference to which Interest Rate / Interest Amount is to be determined | [ ]   |
| (c)     | Manner in which the Interest Rate / Interest Amount is to be determined  | [ ]   |
| (d)     | Interest Payment Date(s)   | [insert date], of each year until the Maturity Date or, if such Day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention with the first Interest Payment Date being [insert date], or, if such Day is not a Business Day, the Business Day on which interest will be paid, as determined in accordance with the Applicable Business Day Convention |
| (e)     | Interest Period(s)   | From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on and including the Interest Commencement Date and ending on the Day before the next Interest Payment Date (each Interest Payment Date as adjusted in accordance with the Applicable Business Day Convention   |
| (f)     | Provisions where calculation by reference to Index and/or Formula is impossible or impracticable                       | [ ]   |
| (g)     | Definition of Business Day (if different from that set out in Condition 1 ( <i>Interpretation</i> ))                   | [ ]   |
| (h)     | Minimum Rate of Interest   | [ ] percent per annum   |
| (i)     | Maximum Rate of Interest   | [ ] percent per annum   |
| (j)     | Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)           | [ ]   |
| (k)     | Index sponsor  | [ ]   |
| (l)     | Index calculator (if different to the index sponsor)   | [ ]   |
| (m)     | Website address where the link to the index rulebook is available  | [ ]   |
| (n)     | Index level  | The index level is published [daily/weekly/monthly] on the index calculator's website, as detailed in line item (m) above   |

(o)	Required confirmations	Any changes to the index methodology will be published on the index calculator's website at [•]
(p)	Underlying indices	[N/A / The list of indices underlying the index is as follows: [•] The index level for each of the abovementioned indices are published [daily/weekly/monthly] The website address where the rulebooks are index levels for the abovementioned indices is [•]]

#### OTHER NOTES

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

#### PROVISIONS REGARDING REDEMPTION/MATURITY

46. Redemption at the Option of the Issuer pursuant to Condition 10.3 (*Redemption at the Option of the Issuer*): [Yes/No]
- If yes:
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [ ]
- (c) Minimum period of notice (if different from Condition 10.3 (*Redemption at the Option of the Issuer*)) [ ]
- (d) If redeemable in part: [ ]
- Minimum Redemption Amount(s) [ ]
- Higher Redemption Amount(s) [ ]
- (e) Other terms applicable on redemption [ ]
47. Redemption at the Option of the Noteholders pursuant to Condition 10.4 (*Redemption at the Option of the Noteholders*): [Yes/No]
- If yes:
- (a) Optional Redemption Date(s) [ ]
- (b) Optional Redemption Amount(s) [ ]
- (c) Minimum period of notice (if different from Condition 10.4 (*Redemption at the Option of the Noteholders*)) [ ]
- (d) If redeemable in part:

- |                |   |                                       |
|----------------|---|---------------------------------------|
|                | Minimum Redemption Amount(s)  | [ ]                                   |
|                | Higher Redemption Amount(s)   | [ ]                                   |
| (e)            | Other terms applicable on Redemption  | [ ]                                   |
| (f)            | Attach <i>pro forma</i> put notice(s)   | [ ]                                   |
| 48.            | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 ( <i>Redemption in the event of a Change of Control</i> ) or any other terms applicable to a Change of Control   | [Yes/No]                              |
| 49.            | Redemption in the event of a failure to maintain any Rating at the election of the Noteholders pursuant to Condition 10.6 ( <i>Redemption in the event of a failure to maintain any Rating</i> )  | [Yes/No]                              |
| 50.            | Early Redemption Amount(s) payable on redemption for taxation reasons pursuant to Condition 10.2 ( <i>Redemption for Tax Reasons</i> ), on Redemption at the Option of the Issuer pursuant to Condition 10.3 ( <i>Redemption at the Option of the Issuer</i> ), on Redemption at the Option of the Noteholders pursuant to Condition 10.4 ( <i>Redemption at the Option of the Noteholders</i> ) on redemption in the event of a Change of Control pursuant to Condition 10.5 ( <i>Redemption in the event of a Change of Control</i> ), Condition 10.6 ( <i>Redemption in the event of a failure to maintain any Rating</i> ) or on an Event of Default pursuant to Condition 17 ( <i>Events of Default</i> ) (if required or if different from that set out in Condition 10.7 ( <i>Early Redemption Amounts</i> )). | [Yes/No]                              |
|                | If yes:   |                                       |
| (a)            | Amount payable; or  | [ ]                                   |
| (b)            | Method of calculation of amount payable   | [ ]                                   |
| <b>GENERAL</b> |   |                                       |
| 51.            | Additional selling restrictions   | [ ]                                   |
| 52.            | International Securities Identification Numbering (ISIN)  | [ ]                                   |
| 53.            | Stock Code  | [ ]                                   |
| 54.            | Method of distribution  | [Private Placement/Auction/Bookbuild] |
| 55.            | Credit Rating assigned to the [Issuer]/[Guarantor]/[Programme]/[Notes]  | [ ], assigned on [●]                  |
| 56.            | Applicable Rating Agency  | [ ]                                   |
| 57.            | Governing law (if not the laws of South Africa)   | [ ]                                   |

58. Use of proceeds [ ]
59. Other provisions [Other Events of Default in addition to the Events of Default referred to in Condition 18 (Events of Default)]
- [Other covenants, provisions]

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

60. Paragraph 3(5)(a)  
The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the [Issuer].
61. Paragraph 3(5)(b)  
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
62. Paragraph 3(5)(c)  
The auditor of the Issuer is [insert].
63. Paragraph 3(5)(d)  
As at the Issue Date:
- (i) the Issuer has [not issued]/[issued ZAR[•],000,000,000] (inclusive of this issue of Notes) in Commercial Paper (as defined in the Commercial Paper Regulations); and
  - (ii) the Issuer estimates that it may issue [ZAR[•],000,000,000] (exclusive of this issue of Notes) of additional Commercial Paper during the remainder of the current financial year, ending [date].
64. Paragraph 3(5)(e)  
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and this Applicable Pricing Supplement.
65. Paragraph 3(5)(f)  
There has been no material adverse change in the Issuer’s financial position since the date of its last audited financial statements.
66. Paragraph 3(5)(g)  
The Notes issued will be [listed/unlisted].
67. Paragraph 3(5)(h)  
The funds to be raised through the issue of the Notes are to be used by the Issuer for its [general corporate purposes/funding of its business operations/other].
68. Paragraph 3(5)(i)  
The obligations of the Issuer in respect of the Notes are unsecured, but guaranteed in terms of the Guarantee provided by the Guarantor but are otherwise unsecured.
69. Paragraph 3(5)(j)  
[Insert], the statutory auditors of the Issuer, have confirmed that [their review did not reveal anything which indicates / nothing has come to their attention to indicate] that this issue of Notes issued under the Programme does not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with this Applicable Pricing Supplement contain all information required by law. The issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference (see the section of the Programme Memorandum headed '*Document Incorporated by Reference*').

**Programme Amount:**

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR3,000,000,000 has not been exceeded.

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ Day of \_\_\_\_\_ 20●●

For and on behalf of

**SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED**

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

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

---

## TERMS AND CONDITIONS OF THE NOTES

---

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

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

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

### 1. INTERPRETATION

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

<b>Affiliate</b>	in relation to any Person, a Subsidiary of that Person or a Holding Company of that person or any other Subsidiary of that Holding Company.
<b>Applicable Laws</b>	in relation to any Person, all and any statutes and subordinate legislation and common law, regulations, ordinances and by-laws, directives, codes of practice, circulars, guidance notices, judgments and decisions of any competent authority, or any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation and other similar provisions, from time to time, compliance with which is mandatory for that Person.
<b>Applicable Pricing Supplement</b>	in relation to a Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Tranche of Notes, based upon the <i>pro forma</i> pricing supplement which is set out in the section of the Programme Memorandum headed " <i>Pro Forma Applicable Pricing Supplement</i> ".
<b>Applicable Procedures</b>	the rules and operating procedures for the time being of the CSD, the Participants.
<b>Banks Act</b>	the Banks Act, 1990.
<b>Beneficial Interest</b>	in relation to a Tranche of Notes which is held in the CSD, the beneficial interest as co-owner of an undivided share of all of the Notes in that Tranche, as contemplated in section 37(1) of the Financial Markets Act, the nominal value of which beneficial interest, in relation to any number of Notes in that Tranche, is determined by reference to the proportion that the aggregate outstanding Nominal Amount of such number of Notes bears to the aggregate outstanding Nominal Amount of all of the Notes in that Tranche, as provided in section 37(3) of the Financial Markets Act.
<b>Books Closed Period</b>	in relation to a Tranche of Notes, the period, as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which transfers of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest.

<b>Business Day</b>	a Day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994, as amended from time to time) on which commercial banks settle ZAR payments in Johannesburg, save further that if the Applicable Pricing Supplement so provides, “ <i>Business Day</i> ” shall include a Saturday.
<b>Calculation Agent</b>	Rand Merchant Bank, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Calculation Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement.
<b>Class of Noteholders</b>	the holders of a Series of Notes or, where appropriate, the holders of different Series of Notes.
<b>Class of Notes</b>	a particular Series of Notes in relation to other Series of Notes.
<b>Commercial Paper Regulations</b>	the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of “the business of a bank” in the Banks Act, set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994, as amended from time to time.
<b>Companies Act</b>	the Companies Act, 2008.
<b>CSD</b>	Strate Proprietary Limited (registration number 1998/022242/07), a private company with limited liability duly incorporated in accordance with the company laws of South Africa and licensed as a central securities depository in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the relevant Dealer(s), in terms of the Financial Markets Act.
<b>Day</b>	a Gregorian calendar Day unless qualified by the word “ <i>Business</i> ”.
<b>Day Count Fraction</b>	<p>in relation to a Tranche of Notes (where applicable) and the calculation of an amount for any period of time (the <b>Calculation Period</b>), the Day Count Fraction specified as such in the Terms and Conditions or the Applicable Pricing Supplement and:</p> <p>(a) if <b>Actual/365</b> or <b>Act/365</b> is so specified, means the actual number of Days in the Interest Period in respect of which payment is being made divided by 365 (three hundred and sixty five) (or, if any portion of the Interest Period falls in a leap year, the sum of (i) the actual number of Days in that portion of the Interest Period falling in a leap year divided by 366 (three hundred and sixty six) and (ii) the actual number of Days in that portion of the Interest Period falling in a non-leap year divided by 365 (three hundred and sixty five));</p> <p>(b) if <b>Actual/Actual (ICMA)</b> or <b>Act/Act (ICMA)</b> is so specified, means:</p> <ol style="list-style-type: none"> <li>1. where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of Days in the Calculation Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods in any year; and</li> <li>2. where the calculation Period is longer than one Regular Period, the sum of: <ol style="list-style-type: none"> <li>a. the actual number of Days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of Days in such Regular Period and (2) the</li> </ol> </li> </ol>

- number of Regular Periods in any year; and
- b. the actual number of Days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of Days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (c) if **Actual/Actual** or **Actual/Actual (ISDA)** is so specified, means the actual number of Days in the Calculation Period divided by 365 (three hundred and sixty five) (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of Days in that portion of the Calculation Period falling in a leap year divided by 366 (three hundred and sixty six) and (B) the actual number of Days in that portion of the Calculation Period falling in a non-leap year divided by 365 (three hundred and sixty five));
- (d) if **Actual/365 (Fixed)** is so specified, means the actual number of Days in the Calculation Period divided by 365 (three hundred and sixty five);
- (e) if **Actual/360** is so specified, means the actual number of Days in the Calculation Period divided by 360 (three hundred and sixty);
- (f) if **30/360**, **360/360** or **Bond Basis** is so specified, means the number of Days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the first Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

**Y<sub>1</sub>** is the year, expressed as a number, in which the first Day of the Calculation Period falls;

**Y<sub>2</sub>** is the year, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**M<sub>1</sub>** is the calendar month, expressed as a number, in which the first Day of the Calculation Period falls;

**M<sub>2</sub>** is the calendar month, expressed as a number, in which the Day immediately following the last Day included in the Calculation Period falls;

**D<sub>1</sub>** is the first Day, expressed as a number, of the Calculation Period unless (i) that Day is the last Day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

**D<sub>2</sub>** is the Day, expressed as a number, immediately following the last Day included in the Calculation Period unless (i) that Day is the last Day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

<b>Dealer(s)</b>	Rand Merchant Bank and/or any other entity appointed as a Dealer by the Issuer, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any such Dealer(s), as indicated in the Applicable Pricing Supplement.
<b>Default Rate</b>	in relation to a Tranche of Notes, the Interest Rate applicable to such Notes or the default rate referred to in Condition 8.4 ( <i>Accrual of Interest</i> ) and specified as such in the Applicable Pricing Supplement.
<b>Early Redemption Amount</b>	in relation to a Tranche of Notes, the amount, as set out in Condition 10.7 ( <i>Early Redemption Amounts</i> ), at which the Notes will be redeemed by the Issuer, pursuant to the provisions of Condition 10.2 ( <i>Redemption for Tax Reasons</i> ), Condition 10.3 ( <i>Redemption at the Option of the Issuer</i> ), Condition 10.4 ( <i>Redemption at the Option of the Noteholders</i> ) and Condition 10.5 ( <i>Redemption in the event of a</i>

	<i>Change of Control</i> ), Condition 10.6 ( <i>Redemption in the event of a failure to maintain any Rating</i> ) and/or Condition 17 ( <i>Events of Default</i> ).
<b>Encumbrances</b>	any mortgage, pledge, lien, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having the effect of providing a security interest to a creditor or any agreement or arrangement to give any form of a secured claim to a creditor but excluding statutory preferences and any security interest arising by operation of law and for the avoidance of doubt, any guarantee.
<b>Event of Default</b>	in relation to a Series of Notes, unless otherwise set out in the Applicable Pricing Supplement, any of the events described in Condition 17 ( <i>Events of Default</i> ).
<b>Exchange Control Regulations</b>	the Exchange Control Regulations, 1961, promulgated pursuant to the Currency and Exchanges Act, 1933.
<b>Extraordinary Resolution</b>	<p>(a) a resolution in writing signed by no later than 20 (twenty) Business Days after the notice of the written resolution has been sent to Noteholders by or on behalf of all of the Noteholders or a Class of Noteholders holding not less than 66.67% (sixty-six point six seven percent) of the total value of the Notes outstanding from time to time or the total value of a specific Class of Notes, as the case may be;</p> <p>(b) a resolution passed at a meeting (duly convened) of all of the Noteholders or Class of Noteholders, as the case may be, holding not less than 66.67% (sixty-six point six seven percent) of the value of a specific Class of Notes or the value of the outstanding Notes present in person or by proxy and voting at such meeting upon a show of hands or a poll.</p>
<b>Final Broken Amount</b>	in relation to a Tranche of Notes, the final broken amount specified as such in the Applicable Pricing Supplement.
<b>Final Redemption Amount</b>	in relation to a Tranche of Notes, the amount of principal specified in the Applicable Pricing Supplement payable in respect of such Tranche of Notes upon the Maturity Date.
<b>Financial Markets Act</b>	the Financial Markets Act, 2012.
<b>Fixed Coupon Amount</b>	in relation to a Tranche of Fixed Rate Notes (where applicable), the amount specified as such in the Applicable Pricing Supplement.
<b>Fixed Interest Payment Date</b>	in relation to a Tranche of Fixed Rate Notes, the date specified as such in the Applicable Pricing Supplement.
<b>Fixed Interest Period</b>	in relation to a Tranche of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement.
<b>Fixed Rate Notes</b>	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.1 ( <i>Fixed Rate Notes</i> ).
<b>Fixed Rate of Interest</b>	in relation to a Tranche of Notes, the fixed rate of interest specified as such in the Applicable Pricing Supplement.
<b>Floating Rate</b>	in relation to a Tranche of Floating Rate Notes, the floating rate of interest specified as such in the Applicable Pricing Supplement.

<b>Floating Rate Notes</b>	Notes which will bear interest at a Floating Rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 8.2 ( <i>Floating Rate Notes and Indexed Interest Notes</i> ).
<b>Group</b>	the Issuer and each of its subsidiaries and any other company or entity from time to time whose financial results are consolidated with the financial results of the Issuer in accordance with IFRS.
<b>Guarantee</b>	<p>the debt guarantee dated on or about 17 May 2022, as amended, restated or supplemented from time to time, granted in favour of the Noteholders, under which the Guarantor has irrevocably, unconditionally guaranteed the due and punctual performance of all obligations which the Issuer may incur to the Noteholders and the due and punctual payment, of all amounts owing by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum.</p> <p>The obligations of the Guarantor under the Guarantee constitute unconditional unsecured and unsubordinated obligations of the Guarantor and will rank (subject to any obligations preferred by law) pari passu with all other present and future unsecured and unsubordinated obligations of the Guarantor. (See Condition 7 (<i>Guarantee</i>) and the section of this Programme Memorandum headed “<i>Terms and Conditions of the Guarantee</i>”.)</p>
<b>Guarantor</b>	Scania CV Aktiebolag (Publ) (registration number 556084-0976) a company duly incorporated and registered in accordance with the laws of Sweden.
<b>Higher Redemption Amount</b>	in relation to a Tranche of Notes, the higher redemption amount specified as such in the Applicable Pricing Supplement.
<b>Holding Company</b>	in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.
<b>ICMA</b>	International Capital Market Association.
<b>IFRS</b>	the International Financial Reporting Standards issued by the International Accounting Standards Board ( <b>IASB</b> ) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time).
<b>Implied Yield</b>	in relation to a Tranche of Zero Coupon Notes, the yield accruing on the Issue Price of such Notes, as specified in the Applicable Pricing Supplement.
<b>Income Tax Act</b>	Income Tax Act, 1962, as amended.
<b>Indebtedness</b>	in respect of the Issuer, any indebtedness in respect of monies borrowed from any third party lender and (without double counting) guarantees or indemnities (other than those given in the ordinary course of business) given, whether present or future, actual or contingent,.
<b>Indexed Interest Notes</b>	Notes in respect of which the Interest Amount is calculated by reference to an index and/or a formula as indicated in the Applicable Pricing Supplement.
<b>Index-Linked Notes</b>	Indexed Interest Notes and/or an Indexed Redemption Amount Notes, as applicable and as indicated in the Applicable Pricing Supplement.
<b>Indexed Redemption Amount Notes</b>	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement.

<b>Individual Certificate</b>	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in accordance with Condition 12 ( <i>Exchange of Beneficial Interests and Replacement of Individual Certificates</i> ) and any further certificate issued in consequence of a transfer thereof.
<b>Initial Broken Amount</b>	in relation to a Tranche of Fixed Rate Notes, the initial broken amount specified as such in the Applicable Pricing Supplement.
<b>Interest Amount</b>	in relation to a Tranche of Notes, the amount of interest payable in respect of the Nominal Amount of Notes, other than Zero Coupon Notes, as determined by the Calculation Agent in accordance with Condition 8 ( <i>Interest</i> ).
<b>Interest Commencement Date</b>	in relation to a Tranche of Notes (where applicable) the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement.
<b>Interest Determination Date</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement.
<b>Interest Payment Date</b>	in relation to a Tranche of Notes, the Interest Payment Date(s) specified in the Applicable Pricing Supplement or, if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last Business Day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date.
<b>Interest Period</b>	in relation to a Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date or as otherwise set out in the Applicable Pricing Supplement.
<b>Interest Rate or Rate of Interest</b>	in relation to a Tranche of Notes, the rate or rates of interest applicable to Notes other than Zero Coupon Notes as indicated in the Applicable Pricing Supplement.
<b>ISDA</b>	the International Swaps and Derivatives Association Inc..
<b>ISDA Definitions</b>	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement.
<b>Issue Date</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement.
<b>Issue Price</b>	in relation to a Tranche of Notes, the price specified as such in the Applicable Pricing Supplement.
<b>Issuer</b>	Scania Finance Southern Africa (Proprietary) Limited (registration number 2000/025215/07), a private company incorporated with limited liability in accordance with the company laws of South Africa.
<b>Issuer Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as Issuer Agent pursuant to the debt instrument solution system of the CSD, in which event that other entity will act as Issuer Agent.
<b>JSE Debt Guarantee Fund Trust</b>	the guarantee fund trust established and operated by the JSE as a separate guarantee fund, in terms of sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund.

<b>Last Day to Register</b>	with respect to a particular Tranche of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent, in the case of Notes in certificated form will accept Transfer Forms or transfers and record the transfer of Notes in the Register for that particular Tranche of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day or if such Day is not a Business Day, the Business Day before each Books Closed Period.
<b>Margin</b>	in relation to a Tranche of Notes (where applicable), the margin specified as such in the Applicable Pricing Supplement.
<b>Material Indebtedness</b>	any Indebtedness amounting in aggregate to not less than ZAR70,000,000 (seventy million Rands) (or its equivalent in any other currency or currencies) in respect of the Issuer.
<b>Material Subsidiary</b>	any Subsidiary (i) of which the Issuer owns more than 50% (fifty percent) of the ordinary shares and (ii) which represents at least 15% (fifteen percent) of the consolidated total assets of the Group as published in the Issuer's latest audited annual financial statements.
<b>Maturity Date</b>	in relation to a Tranche of Notes, the date specified as such in the Applicable Pricing Supplement.
<b>Minimum Redemption Amount</b>	in relation to a Tranche of Notes, the minimum redemption amount specified as such in the Applicable Pricing Supplement.
<b>Mixed Rate Notes</b>	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index-Linked Notes or Other Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 8.3 ( <i>Mixed Rate Notes</i> ).
<b>NACA</b>	nominal annual compounded annually.
<b>NACM</b>	nominal annual compounded monthly.
<b>NACQ</b>	nominal annual compounded quarterly.
<b>NACS</b>	nominal annual compounded semi-annually.
<b>Nominal Amount</b>	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note as determined on Issue Date.
<b>Noteholders</b>	the registered holders of the Notes as recorded in the Register.
<b>Notes</b>	unlisted senior unsecured registered notes issued or to be issued by the Issuer under the Programme, pursuant to these Terms and Conditions in this Programme Memorandum.
<b>Optional Redemption Amount(s)</b>	in relation to a Tranche of Notes, the optional redemption amount specified as such in the Applicable Pricing Supplement.
<b>Optional Redemption Date</b>	in relation to a Tranche of Notes, the optional redemption date specified as such in the Applicable Pricing Supplement.
<b>Outstanding</b>	in relation to the Notes, all the Notes issued under the Programme other than: <ul style="list-style-type: none"> <li>(a) those which have been redeemed in full;</li> <li>(b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after</li> </ul>

such date) remain available for payment against presentation of Individual Certificates (if any);

- (c) those which have been purchased and cancelled as provided in Condition 10.1 (*Redemption at Maturity*);
- (d) those which have become prescribed under Condition 15 (*Prescription*);
- (e) those represented by mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*); or
- (f) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes represented by Individual Certificates alleged to have been lost, stolen or destroyed, and in respect of which replacement Individual Certificates have been issued pursuant to Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*),

provided that for each of the following purposes:

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 19.1 (*Amendment of these Terms and Conditions*) and 20.1 (*Meetings of Noteholders/Consent Process*),

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

<b>Participant</b>	a Person accepted by the CSD as a participant in terms of section 31 of the Financial Markets Act, and who is approved by the CSD, as a Settlement Agent to perform electronic settlement of funds and scrip.
<b>Paying Agent</b>	Rand Merchant Bank, unless the Issuer elects to appoint another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes, as indicated in the Applicable Pricing Supplement.
<b>Payment Day</b>	any Day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes.
<b>Permitted Encumbrance</b>	<p>unless otherwise set out in the Applicable Pricing Supplement:</p> <ul style="list-style-type: none"> <li>(a) any Encumbrance of the Issuer or any Material Subsidiary existing as at the Programme Date; or</li> <li>(b) any Encumbrance with regard to receivables of the Issuer or any Material Subsidiary after the Programme Date if such Encumbrance was created pursuant to any securitisation or like arrangement in accordance with normal market practice and whereby the Indebtedness secured by such Encumbrance is limited to the value of such receivables (on or about the date of creation of such Encumbrance); or</li> <li>(c) with respect to inter-company indebtedness incurred between the Issuer, any Material Subsidiary or between any subsidiaries; or created over any asset acquired, purchased, developed or constructed by the Issuer after the Programme</li> </ul>

Date (including any Encumbrance over the shares or other ownership interests in, or securities of, any person, acquired, subscribed for by the Issuer after the Programme Date, or the assets of such other company or person) if such Encumbrance was created for the sole purpose of financing or refinancing that asset by the Issuer or any Material Subsidiary provided that the Indebtedness so secured shall not exceed the bona fide arm's length market value (on or about the date of the creation of such Encumbrance) of that asset or the cost of that acquisition, purchase, development or construction of that asset by the Issuer or any Material Subsidiary (including all interest and other finance charges, adjustments due to changes in circumstances and other charges reasonably incidental to such cost, whether contingent or otherwise) and where such market value and such cost both apply, the higher of the two; or

- (d) any Encumbrances over immovable properties of the Issuer or any Material Subsidiary as at the Programme Date; or
- (e) created over or with respect to any netting or set-off arrangement entered into by the Issuer or any Material Subsidiary in the ordinary course of banking arrangements for purposes of netting debit and credit balances; or over deposit accounts securing a loan equal to the amounts standing to the credit of such deposit accounts, including any cash management system; or
- (f) any Encumbrances created in the ordinary course of business which includes, but is not limited to over stock-in-trade, inventories, accounts receivable, deposit accounts, full maintenance lease assets and assets financed under an asset based arrangement of the Issuer or any Material Subsidiary; or
- (g) subsisting over any asset of any Subsidiary of the Issuer prior to the date of such entity becoming a Subsidiary of the Issuer and not created in contemplation of such entity becoming a Subsidiary of the Issuer and any substitute Encumbrance created over that asset but in any such case the amount of the Indebtedness secured by such Encumbrance, may not be increased, save in the ordinary course of business as set out in sub-clauses (a) to (e) above; and
- (h) in addition to any Encumbrance referred to in (a) to (g) above, all other Encumbrances securing in aggregate an amount which is equal to or less than ZAR70,000,000 (or its equivalent in another currency)) of the total assets of the Issuer as set out in the Issuer's latest audited financial statements.

**Person**

any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing.

**Programme**

Scania Finance Southern Africa (Proprietary) Limited ZAR3,000,000,000 Medium Term Note Programme under which the Issuer may from time to time issue Notes.

<b>Programme Amount</b>	the maximum aggregate Outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time being ZAR3,000,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures, Applicable Laws and the Programme Agreement, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
<b>Programme Date</b>	the date of this Programme Memorandum being 17 May 2022.
<b>Programme Memorandum</b>	this programme memorandum dated 17 May 2022, as amended and/or restated and/or supplemented from time to time.
<b>Rand Merchant Bank</b>	FirstRand Bank Limited, acting through its Rand Merchant Bank division (registration number 1929/001225/06), a company with limited liability duly incorporated in accordance with the company and banking laws of South Africa.
<b>Rating</b>	in relation to the Issuer and/or the Guarantor and/or the Programme and/or a Tranche of Notes (where applicable), as the case may be, the rating of the Issuer and/or the Guarantor and/or the Programme and/or the Tranche of Notes, as the case may be, granted by the Rating Agency, specified in the Applicable Pricing Supplement.
<b>Rating Agency</b>	Global Credit Rating Co. Proprietary Limited ( <b>GCR</b> ), Moody's Investors Service Limited ( <b>Moody's</b> ) or Standard & Poor's Ratings Services ( <b>S&amp;P</b> ), as the case may be, and their successors or any other rating agency of equivalent national or international standing specified from time to time by the Issuer in the Applicable Pricing Supplement (if applicable) and/or notified to Noteholders pursuant to Condition 19 ( <i>Notices</i> ).
<b>Redemption Date</b>	in relation to a Tranche of Notes, the date upon which the Notes are redeemed by the Issuer, in accordance with Condition 10 ( <i>Redemption and Purchase</i> ).
<b>Reference Banks</b>	four leading banks in the South African inter-bank market selected by the Calculation Agent.
<b>Reference Price</b>	in relation to a Tranche of Notes (where applicable), the price specified as such in the Applicable Pricing Supplement.
<b>Reference Rate</b>	in relation to a Tranche of Notes (where applicable), the rate specified as such in the Applicable Pricing Supplement.
<b>Register</b>	the register of Noteholders maintained by or on behalf of the Transfer Agent in accordance with Condition 13 ( <i>Registration of Notes Issued in Certificated Form</i> ) and Condition 14 ( <i>Registration of Notes Issued in Uncertificated Form</i> ), as the case may be.
<b>Regular Period</b>	<p>(a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;</p> <p>(b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "<i>Regular Date</i>" means the Day and the month (but not the year) on which any Interest Payment Date falls; and</p> <p>(c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be</p>

paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “*Regular Date*” means the Day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

<b>Relevant Date</b>	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the CSD in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the CSD, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures.
<b>Relevant Screen Page</b>	in relation to a Tranche of Notes (where applicable), the page, section or other part of a particular information service (including without limitation, Reuters) specified as the Relevant Screen Page in the Applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.
<b>Representative</b>	a Person duly authorised to act on behalf of a Noteholder, the Transfer Agent or the Paying Agent, as the case may be, who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, the Transfer Agent and the Paying Agent.
<b>SAFEX</b>	the JSE Equity and Commodity Derivatives Markets.
<b>Series</b>	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none"> <li>(a) expressed to be consolidated and form a single series; and</li> <li>(b) identical in all respects except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;</li> </ul>
<b>Settlement Agent</b>	a Participant, approved in terms of the Applicable Procedures to perform electronic settlement of both funds and scrip on behalf of market participants.
<b>South Africa</b>	the Republic of South Africa.
<b>Specified Address</b>	the office of the Transfer Agent, the Paying Agent or the Calculation Agent, as the case may be, specified in the Applicable Pricing Supplement.
<b>Specified Currency</b>	in relation to each Note in a Tranche of Notes, subject to all Applicable Laws, the currency specified in the Applicable Pricing Supplement.
<b>Specified Denomination</b>	in relation to each Note in a Tranche of Notes, the amount specified as such in the Applicable Pricing Supplement.
<b>Subsidiary</b>	in respect of the Notes, a subsidiary company as defined in section 3 of the Companies Act.
<b>Sub-unit</b>	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency.

<b>Terms and Conditions</b>	the terms and conditions incorporated in this section headed “ <i>Terms and Conditions of the Notes</i> ” and in accordance with which the Notes will be issued.
<b>Tranche</b>	in relation to any particular Series, all Notes which are identical in all respects.
<b>Transfer Agent</b>	Rand Merchant Bank or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement, or such other entity appointed by the Issuer as Transfer Agent, in which event that other entity will act as Transfer Agent, as specified in the Applicable Pricing Supplement.
<b>Transfer Form</b>	the written form for the transfer of a Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee.
<b>Uncertificated Securities Register</b>	an Uncertificated Securities Register as contemplated in section 1 of the Companies Act.
<b>ZAR or Rand</b>	the lawful currency of South Africa, being the South African Rand, or any successor currency.
<b>ZAR-JIBAR-SAFEX</b>	(a) the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) that appears on the Reuters Screen SAFEX Page as at 11h00 (Johannesburg time) on the relevant date; or (b) in the event that the ZAR-JIBAR-SAFEX ceases to apply, such other rate as may be determined by the Calculation Agent and notified to the Noteholders pursuant to Condition 19 ( <i>Notices</i> ); and
<b>Zero Coupon Notes</b>	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment, as indicated in the Applicable Pricing Supplement.

## 2. ISSUE

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Terms and Conditions, as replaced, amended and/or supplemented by the terms and conditions of that Tranche of Notes set out in the Applicable Pricing Supplement relating to that Tranche of Notes.
- 2.3. Each Note, may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Note, a Mixed Rate Note or such combination of any of the foregoing or such other type of Note as may be determined by the Issuer and specified in the relevant Applicable Pricing Supplement.
- 2.4. All payments in relation to the Notes will be made in the Specified Currency. Each Note will be issued in the Specified Denomination.
- 2.5. The Terms and Conditions of a Tranche of Notes are incorporated by reference into the Individual Certificate(s) (if any) representing the Notes in that Tranche. The Applicable Pricing Supplement relating to a Tranche of Notes issued in certificated form will be attached to the Individual Certificate(s) representing the Notes in that Tranche.

## 3. FORM AND DENOMINATION

### 3.1. General

A Tranche of Notes will be issued in the form of unlisted registered Notes, as specified in the Applicable Pricing Supplement.

### 3.2. **Registered Notes**

A Tranche of Notes will be issued in certificated form or in uncertificated form, as contemplated in Condition 3.2.1 (*Notes issued in certificated form*) and Condition 3.2.2 (*Notes issued in uncertificated form*), respectively, as specified in the Applicable Pricing Supplement. A Tranche of unlisted Notes may also be issued in uncertificated form, as contemplated in Condition 3.2.2 (*Notes issued in uncertificated form*) and held in the CSD, as contemplated in Condition 3.2.3 (*Beneficial Interests in Notes held in the CSD*).

#### 3.2.1. **Notes issued in certificated form**

All Notes issued in certificated form will be represented by Individual Certificates. A Note which is represented by an Individual Certificate may be replaced by uncertificated securities in terms of section 33 of the Financial Markets Act.

#### 3.2.2. **Notes issued in uncertificated form**

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

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

- (i) A Tranche of unlisted Notes may also be issued in uncertificated form and held in the CSD.
- (ii) The CSD will hold Notes subject to the Financial Markets Act and the Applicable Procedures.
- (iii) All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participant for the holders of Beneficial Interests in such Notes.
- (iv) A holder of a Beneficial Interest shall only be entitled to exchange such Beneficial Interest for Notes represented by an Individual Certificate in accordance with Condition 12 (*Exchange of Beneficial Interests and Replacement of Individual Certificates*).

#### 3.2.4. **Recourse to the JSE Debt Guarantee Fund Trust**

The holders of unlisted Notes will have no recourse against the JSE Debt Guarantee Fund Trust.

## 4. **TITLE**

### 4.1. **Notes issued in certificated form**

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

4.1.2. Title to Notes represented by an Individual Certificate will pass upon registration of transfer in the Register in accordance with Condition 15.2 (*Transfer of Notes represented by Individual Certificates*).

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

### 4.2. **Notes issued in uncertificated form**

The Noteholder will be named in the Uncertificated Securities Register as the registered holder of each Tranche of Notes which is issued in uncertificated form.

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

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

- 4.3.2. Beneficial Interests which are held by Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such Participants, through the central securities accounts maintained by the CSD for such Participants.
- 4.3.3. Beneficial Interests which are held by clients of Participants will be held indirectly through such Participants, and such Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such Participants for such clients. The clients of Participants may include the holders of Beneficial Interests or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the CSD only through their Participants.
- 4.3.4. In relation to each Person shown in the records of the CSD or the relevant Participant, as the case may be, as the holder of a Beneficial Interest in a particular Nominal Amount of Notes, a certificate or other document issued by the CSD or the relevant Participant, as the case may be, as to the aggregate Nominal Amount of such Notes standing to the account of such Person shall be prima facie proof of such Beneficial Interest. A Noteholder (as the registered holder of such Notes named in the Register) will be treated by the Issuer, the Paying Agent, the Transfer Agent and the CSD as the holder of that aggregate Nominal Amount of such Notes for all purposes.
- 4.3.5. Beneficial Interests in Notes may be transferred only in accordance with the Applicable Procedures. Such transfers will not be recorded in the Uncertificated Securities Register and the Noteholder will continue to be reflected in the Uncertificated Securities Register as the registered holder of such Notes, notwithstanding such transfers.
- 4.3.6. Any reference in the Terms and Conditions to the relevant Participant shall, in respect of a Beneficial Interest, be a reference to the Participant appointed to act as such by the holder of such Beneficial Interest.

## 5. STATUS OF NOTES

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

## 6. NEGATIVE PLEDGE

- 6.1. Unless otherwise set out in the Applicable Pricing Supplement, for as long as any Tranche of the Notes remains Outstanding, the Issuer undertakes that it shall not, and shall procure that no Material Subsidiary, create or permit the creation of any Encumbrances other than Permitted Encumbrances over any of their present or future business undertakings, assets or revenues to secure any present or future Indebtedness (save for those which have been accorded a preference by law) without at the same time securing all Notes at least equally and rateably with such Indebtedness or providing such other security or arrangement as may be approved by Extraordinary Resolution of the Noteholders, unless the provision of any such security is waived by an Extraordinary Resolution of the Noteholders.
- 6.2. The Issuer shall be entitled, but not obliged, to form, or procure the formation of, a trust or special purpose company (or more than one), or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

## 7. GUARANTEE

- 7.1. In accordance with the terms of the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed the due and punctual performance of all obligations which the Issuer may incur to the Noteholders and the due and punctual payment, of all amounts owing by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum.

- 7.2. Payment to the Paying Agent under the Guarantee shall:
  - 7.2.1. be made by and of the Guarantor to the Paying Agent not later than 5 (five) Business Days after receipt of a demand; and
  - 7.2.2. discharge the Guarantor of its obligations to the Noteholders under the Guarantee.
- 7.3. The Guarantee will be deposited with, and be held by, the Transfer Agent until the later of:
  - 7.3.1. the date on which the Programme is terminated by the Issuer; and
  - 7.3.2. the date on which all of the obligations of the Issuer and the Guarantor under or in respect of the Notes and /or the Guarantee, as the case may be, have been discharged in full.
- 7.4. Each Noteholder shall be entitled to require the Transfer Agent to produce the original of the Guarantee on request and further shall be entitled to require the Transfer Agent, which shall be obliged, to provide a copy of the Guarantee to that Noteholder on request. In holding the Guarantee, the Transfer Agent does not act in any fiduciary or similar capacity for the Noteholders, and it has not accepted any liability, duty or responsibility to Noteholders in this regard.

## 8. **INTEREST**

### 8.1. **Fixed Rate Notes**

- 8.1.1. Each Fixed Rate Note bears interest on its outstanding Nominal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Fixed Rate of Interest so specified, payable in arrears on the Interest Payment Dates in each year up to and including the Maturity Date.
- 8.1.2. The first payment of interest will be made on the Interest Payment Date following the Interest Commencement Date.
- 8.1.3. Except as provided in the Applicable Pricing Supplement, the amount of interest payable per Note on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount, provided that:
  - 8.1.3.1. if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
  - 8.1.3.2. if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.
- 8.1.4. Interest will be calculated in accordance with the Interest Rate Period as specified in the Applicable Pricing Supplement for Fixed Rate Notes, however in any other instance, such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, as specified in the Applicable Pricing Supplement, and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half such Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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

#### 8.2.1. ***Interest Payment Dates***

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

8.2.2. ***Rate of Interest***

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

8.2.3. ***Minimum and/or Maximum Rate of Interest***

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

8.2.4. ***Determination of Rate of Interest and Calculation of Interest Amount***

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

8.2.5. ***Interest Determination, Screen Rate Determination including Fallback Provisions***

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

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

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

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

- (a) if the Relevant Screen Page is available,
  - (i) the offered quotation (if only one quotation appears on the Relevant Screen Page); or

- (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

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

- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, deposits in an amount approximately equal to the Nominal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the Nominal Amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 8.2.5 (c) the Rate of Interest shall be determined as at the last preceding Interest Determination Date (through substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

#### *Notification of Rate of Interest and Interest Amount*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be announced and notified to the CSD or authority as soon as possible after their determination but in any event no later than the 3<sup>rd</sup> (third) Business Day before the relevant Interest Payment Date. Each Interest Amount, Interest Payment Date or effective Rate of Interest, as the case may be, so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period or a change in the effective Rate of Interest. Any such amendment will be promptly notified to the CSD or authority and to the Noteholders in accordance with Condition 19 (*Notices*) and at least 3 (three) Business Days prior to the relevant Interest Payment Date.

#### 8.2.6. ***Certificates to be Final***

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

#### 8.3. **Mixed Rate Notes**

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

#### 8.4. **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal or the Early Redemption Amount is improperly withheld or refused. In such event, interest will continue to accrue on the Nominal Amount of the Note or part of the Note at the Rate of Interest as specified in the Applicable Pricing Supplement, plus interest at the Default Rate specified in the Applicable Pricing Supplement (if any) until the date on which all amounts due in respect of such Note have been paid, or, in respect of uncertificated Notes, the date on which the full amount of the money payable has been received by the CSD and/or the Participants and notice to that effect has been given to Noteholders in accordance with Condition 19 (*Notices*).

#### 8.5. **Business Day Convention**

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

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

- (c) the **Modified Following Business Day Convention**, such Interest Payment Date (or other date) shall be postponed to the next Day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the **Preceding Business Day Convention**, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

## 9. PAYMENTS

### 9.1. General

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

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

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

### 9.2. Method of Payment

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

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

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

### 9.3. Payment Day

- 9.3.1. Notwithstanding anything to the contrary contained in the Terms and Conditions, if the date for payment of any amount payable in respect of any Note is not a Business Day, then if a Business Day convention:

- 9.3.1.1. is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; and
- 9.3.1.2. is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day convention, and shall accrue up and until, but exclude the relevant Interest Payment Date, and be paid to the Noteholder on the relevant Interest Payment Date.

### 9.4. Interpretation of Principal and Interest

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

- 9.4.1. any additional amounts which may be payable with respect to principal under Condition 11 (*Taxation*);
- 9.4.2. the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;

- 9.4.3. the Optional Redemption Amount(s) (if any), as specified in the Applicable Pricing Supplement, of the Notes;
- 9.4.4. in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.7.3); and
- 9.4.5. any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

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

## 10. REDEMPTION AND PURCHASE

### 10.1. Redemption at Maturity

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

### 10.2. Redemption for Tax Reasons

Notes may be redeemed at the option of the Issuer at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 (thirty) Days nor more than 60 (sixty) Days' notice to the Noteholders prior to such redemption, in accordance with Condition 19 (*Notices*) (which notice shall be irrevocably certified by 2 (two) authorised directors of the Issuer and include particulars of the relevant change pursuant to Condition 10.2.1 below), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

- 10.2.1. as a result of any change in, or amendment to, the laws or regulations of South Africa or any political sub-division of, or any authority in, or of, South Africa having power to tax, or any change or amendment of such laws which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*); and
- 10.2.2. the requirement and/or any adverse effect cannot be avoided by the Issuer taking reasonable measures available to it,

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

- 10.2.2.1. notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 11 (*Taxation*); and
- 10.2.2.2. *mutatis mutandis* in the manner described in Condition 10.3 (*Redemption at the Option of the Issuer*), provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Higher Redemption Amount (both as specified in the Applicable Pricing Supplement) therein shall be disregarded for such purposes.

From the date of publication of the notice to Noteholders of the redemption referred to in this Condition 10.2 (*Redemption for Tax Reasons*), the Issuer shall deliver to the Transfer Agent and the Paying Agent at their Specified Addresses, for inspection by the relevant Noteholders (i) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer to effect such redemption have occurred and (ii) a copy of a legal opinion from independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

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

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

- 10.3.1. If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 (thirty) nor more than 60 (sixty) Days' irrevocable notice to the Noteholders in accordance with Condition 19 (*Notices*) or unless otherwise specified with the Applicable Pricing Supplement, redeem all or some of the Notes (to which such Applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).
- 10.3.2. Any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, both as indicated in the Applicable Pricing Supplement.
- 10.3.3. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures in the case of Redeemed Notes which are uncertificated, and in each case not more than 30 (thirty) Days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**).
- 10.3.4. In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 (*Notices*) not less than 15 (fifteen) Days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates Outstanding bears to the aggregate Nominal Amount of the Notes Outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes which are uncertificated shall be equal to the balance of the Redeemed Notes. No exchange of the relevant uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph, and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19(*Notices*) at least 10 (ten) Days prior to the Selection Date.
- 10.3.5. Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to such Noteholders, as the case may be, in respect of the balance of the Notes.

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

- 10.4.1. If Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such Noteholders may exercise such option in respect of such Notes by delivering to the Transfer Agent, in accordance with Condition 19 (*Notices*), a duly executed notice (Put Notice), at least 30 (thirty) Days but not more than 60 (sixty) Days, prior to the Optional Redemption Date.
- 10.4.2. For redemption in part, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as indicated in the Applicable Pricing Supplement.
- 10.4.3. The redemption by the Noteholders of uncertificated Notes shall take place in accordance with the Applicable Procedures.

- 10.4.4. The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount(s) and on the Optional Redemption Date(s), together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).
- 10.4.5. In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate to the Transfer Agent at least 1 (one) Business Day prior to the Optional Redemption Date for cancellation, failing which the Put Notice shall be invalid. A holder of an Individual Certificate shall, in that holder's Put Notice, specify a bank account in South Africa into which the redemption payment amount is to be paid.
- 10.4.6. If, prior to such due date for its redemption, such Note becomes immediately due and payable or if upon due presentation payment of such redemption monies is improperly withheld or refused, the Transfer Agent shall post such Note by uninsured post to, and at the risk of, the relevant Noteholder (unless the Noteholder has otherwise requested and paid the costs of such insurance to the Transfer Agent at the time of depositing the Notes) at such address as may have been given by the Noteholder in the Put Notice. At the end of each period for the exercise of such option, the Transfer Agent shall promptly notify the Issuer of the Nominal Amount of the Notes in respect of which such option has been exercised with it and the serial numbers in respect of any Notes represented by an Individual Certificate.
- 10.4.7. The delivery of Put Notices shall be required to take place during normal office hours to the Issuer and Transfer Agent. Put Notices shall be available for inspection at the Specified Address of the Transfer Agent.
- 10.4.8. Any Put Notice given by a Noteholder pursuant to this Condition 10.4(*Redemption at the Option of the Noteholders*) shall be irrevocable except where, after giving the notice but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer delivered at least 1 (one) Business Day prior to the Optional Redemption Date to withdraw the notice given pursuant to this Condition 10.4(*Redemption at the Option of the Noteholders*) and instead to declare such Note forthwith due and payable pursuant to Condition 17 (*Events of Default*).
- 10.4.9. The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.
- 10.5. **Redemption in the event of a Change of Control**
- The provisions of this Condition 10.5 (*Redemption in the event of a Change of Control*) shall apply if specified as applicable in the Applicable Pricing Supplement.
- 10.5.1. A change of control event shall occur if at any time while any Note remains Outstanding a Change of Control occurs (**Change of Control Event**).
- 10.5.2. Promptly upon the Issuer becoming aware that a Change of Control Event has occurred the Issuer shall give notice (a **Change of Control Notice**) to the relevant Class of Noteholders in accordance with Condition 19 (*Notices*) specifying the nature of the Change of Control Event and the circumstances giving rise to it and the procedure for exercising the option set out in Condition 10.5.4. Upon the receipt of a Change of Control Notice, the relevant Class of Noteholders shall have the right to exercise the option, by way of Extraordinary Resolution, to require early redemption of the Notes and to convene a meeting of each relevant Class of Noteholders within 30 (thirty) Days of the date on which the Issuer becomes aware of that Change of Control Event having occurred.
- 10.5.3. If a Class of Noteholders resolves, in accordance with Condition 20.1 (*Meetings of Noteholders*), by way of an Extraordinary Resolution, to require the redemption of the Notes of that Class of Noteholders as a consequence of the occurrence of the relevant Change of Control Event, then the Issuer shall redeem all of the Notes held by that Class of Noteholders within 15 (fifteen) Days of the date on which such Extraordinary Resolution is passed (the **Mandatory Redemption Date**) at its Early Redemption Amount together with interest accrued to, but excluding, the Mandatory Redemption Date.

- 10.5.4. For the purposes of this Condition 10.5:
- (a) **Acting in Concert** means a group of Persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer;
  - (b) a **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the senior management or board of directors of the Issuer) that any Person or Person Acting in Concert or any Person or Persons acting on behalf of any such Person(s) (**Relevant Person**), at any time directly or indirectly acquires Control of the Issuer, provided that a Change of Control shall not be deemed to have occurred if the shareholders of the Relevant Person are also, or immediately prior to the event which would otherwise constitute a Change of Control, were all of the shareholders of the Issuer;
  - (c) **Control** of the Issuer means (A) the holding beneficially of more than 50% (fifty percent) of the issued share capital of the Issuer (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital), or (B) the power to cast, or control the casting of votes in respect of, such number of the shares in the issued share capital of the Issuer carrying more than 50% (fifty percent) of the total number of votes that may be cast at a general meeting of the members of the Issuer.

#### 10.6. **Redemption in the event of a failure to maintain any Rating**

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

- 10.6.1. The Issuer shall, for so long as the Notes remain Outstanding, maintain any Rating (whether or not as specified in the Applicable Pricing Supplement) assigned to the Issuer, the Guarantor, the Notes or the Programme or the Notes, as the case may be.
- 10.6.2. If a breach of the undertakings in Condition 10.6.1 above occurs, then the Issuer shall within 3 (three) Business Days of such breach and in accordance with Condition 19 (*Notices*), give notice (the **Issuer Redemption Notice**) to the Noteholders of such breach and the procedure for exercising the option set out in Condition 10.6.3 below to the Noteholders.
- 10.6.3. Each Noteholder may within the period ending 15 (fifteen) Business Days of receipt of the Issuer Redemption Notice (the **Election Period**), require the Issuer to redeem its Notes on:
  - 10.6.3.1. the Interest Payment Date immediately following the Election Period; or
  - 10.6.3.2. if the Election Period expires within a Books Closed Period, the next Interest Payment Date falling after the Interest Payment Date at the end of the Election Period, by delivery to the Issuer of a notice (the **Noteholder Redemption Notice**) in accordance with Condition 19 (*Notices*).
- 10.6.4. The Issuer shall, in accordance with Condition 10.6.3 above, redeem the Notes relevant to each Noteholder Redemption Notice at the Early Redemption Amount calculated in accordance with Condition 10.7 (*Early Redemption Amounts*), together with accrued interest (if any).

#### 10.7. **Early Redemption Amounts**

For the purpose of Condition 10.2 (*Redemption for Tax Reasons*), Condition 10.3 (*Redemption at the Option of the Issuer*), Condition 10.4 (*Redemption at the option of Noteholders*), Condition 10.5 (*Redemption in the event of a Change of Control*), Condition 10.6 (*Redemption in the event of a failure to maintain any Rating*) and/or Condition 17 (*Events of Default*), the Notes will be redeemed at the Early Redemption Amount, plus interest (if any) calculated as follows:

- 10.7.1. in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

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

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

#### 10.8. **Purchases**

The Issuer or any of its Subsidiaries may, subject to the Applicable Laws, at any time purchase Notes, save for any instance where Issuer or any of its Subsidiaries are in possession of unpublished price sensitive information (pursuant to the Financial Markets Act) at any time purchase Notes at any price in the open market or otherwise. Such Notes may, subject to Applicable Laws, be held, resold, or, at the option of the Issuer, surrendered to the Transfer Agent for cancellation.

#### 10.9. **Cancellation**

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

#### 10.10. **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 10 (*Redemption and Purchase*) or upon its becoming due and repayable as provided in Condition 17 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.7.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 (five) Days after the date on which the full amount of the moneys payable has been received by the CSD, and notice to that effect has been given to the Noteholder in accordance with Condition 19 (*Notices*).

#### 10.11. **Applicable Procedures**

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

### 11. **TAXATION**

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

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

- 11.1. held by or on behalf of a Noteholder who is liable for such taxes or duties in respect of such Note by reason of his having some connection with South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 11.2. presented for payment by or on behalf of, or held by, a Noteholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying with any statutory requirements in force at the present time or in the future by making a declaration of non-residence or other similar claim or filing for exemption to which it is entitled to the relevant tax authority or the Paying Agent (the effect of which is not to require the disclosure of the identity of the relevant Noteholder); or
- 11.3. where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue of the inclusion of such payments in the taxable income (as defined in section 1 of the Income Tax Act) or taxable capital gain (as defined in paragraph 1 of Schedule 8 to the Income Tax Act) of any Noteholder; or
- 11.4. where (in the case of payment of principal and/or interest which is conditional on surrender and/or presentation of the relevant Individual Certificate in accordance with the Terms and Conditions) the relevant Individual Certificate is surrendered and/or presented more than 30 (thirty) Days after the Payment Day, except to the extent that the Noteholder thereof would have been entitled to an additional amount on presenting the same for payment on such 30<sup>th</sup> (thirtieth) Day; or
- 11.5. held by or on behalf of a Noteholder who is a foreign person (i.e. non-resident for tax purposes) and who does not qualify for any of the exemptions to the withholding tax on interest (levied in terms of section 50B of the Income Tax Act, as may be amended from time to time), in terms of section 50D of the Income Tax Act; or
- 11.6. if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters.

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

## 12. **EXCHANGE OF BENEFICIAL INTERESTS AND REPLACEMENT OF INDIVIDUAL CERTIFICATES**

### 12.1. **Exchange of Beneficial Interests**

- 12.1.1. The holder of a Beneficial Interest in Notes may, in terms of the Applicable Procedures and subject to section 42 of the Financial Markets Act, by written notice to the holder's nominated Participant (or, if such holder is a Participant, the CSD), request that such Beneficial Interest be exchanged for Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify (i) the name, address and bank account details of the holder of the Beneficial Interest and (ii) the Day on which such Beneficial Interest is to be exchanged for an Individual Certificate; provided that such Day shall be a Business Day and shall fall not less than 30 (thirty) Days after the Day on which such Exchange Notice is given.
- 12.1.2. The holder's nominated Participant will, following receipt of the Exchange Notice, through the CSD, notify the Transfer Agent that it is required to exchange such Beneficial Interest for Notes represented by an Individual Certificate. The Transfer Agent will, as soon as is practicable but within 14 (fourteen) Days after receiving such notice, in accordance with the Applicable Procedures, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Day period, to the holder of the Beneficial Interest at the Specified Address of the Transfer Agent; provided that joint holders of a Beneficial Interest shall be entitled to

receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those joint holders shall be delivery to all of them.

- 12.1.3. In the case of the exchange of a Beneficial Interest in Notes issued in uncertificated form:
- 12.1.3.1. the CSD will surrender (through the CSD system) such uncertificated Notes to the Transfer Agent at its Specified Address; and
- 12.1.3.2. the Transfer Agent will obtain the release of such uncertificated Notes from the CSD in accordance with the Applicable Procedures.
- 12.1.4. An Individual Certificate shall, in relation to a Beneficial Interest in any number of Notes issued in uncertificated form of a particular aggregate Nominal Amount standing to the account of the holder thereof, represent that number of Notes of that aggregate Nominal Amount, and shall otherwise be in such form as may be agreed between the Issuer and the Transfer Agent; provided that if such aggregate Nominal Amount is equivalent to a fraction of the Specified Denomination or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 12.2. **Replacement**

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

## 12.3. **Death and sequestration or liquidation of Noteholder**

Any Person becoming entitled to Notes as a consequence of the death, sequestration or liquidation of such Noteholder 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 12.3 (*Death and sequestration or liquidation of Noteholder*), or of his title as the Issuer and the Transfer Agent shall require, he be registered himself as the holder of such Notes or, subject to the Applicable Procedures, this Condition 12.3(*Death and sequestration or liquidation of Noteholder*) and Condition 15.2 (*Transfer of Notes represented by Individual Certificates*), may transfer such Notes. The Issuer and (if applicable) the CSD and the relevant Participant shall be entitled to retain any amount payable upon the Notes to which any Person is so entitled until such Person shall be registered as aforesaid or until such time such Notes are duly transferred.

## 12.4. **Costs**

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

## 13. **REGISTRATION OF NOTES ISSUED IN CERTIFICATED FORM**

- 13.1. The Register of Noteholders in respect of Notes issued in certificated form:
- 13.1.1. shall be kept at the Specified Address of the Transfer Agent and a copy thereof shall be made available for inspection at the Specified Address of the Issuer (as set out at the end of this Programme Memorandum) or such other Person as may be appointed for the time being by the Issuer to maintain the Register;
- 13.1.2. shall contain the names, addresses and bank account numbers of the registered Noteholders;
- 13.1.3. shall show the total Nominal Amount of the Notes held by the Noteholders;

- 13.1.4. shall show the dates upon which each of the Noteholders was registered as such;
- 13.1.5. shall show the serial numbers of the Individual Certificates and the dates of issue thereof;
- 13.1.6. shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any Person authorised in writing by a Noteholder; and
- 13.1.7. shall be closed during the Books Closed Period.
- 13.2. The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 13.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 13.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

#### **14. REGISTRATION OF NOTES ISSUED IN UNCERTIFICATED FORM**

- 14.1. The Uncertificated Securities Register of Noteholders in respect of Notes issued in uncertificated form will be administered by a Participant or the CSD as determined in accordance with the rules of the CSD.
- 14.2. Subject to Applicable Laws and the Applicable Procedures, title to Beneficial Interests held by Noteholders through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD or the relevant Participants for such Noteholders. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.
- 14.3. The Participant, or the CSD, as the case may be, shall alter the Uncertificated Securities Register in respect of any change of name, address or account number of any of the Noteholders of uncertificated notes of which it is notified.

#### **15. TRANSFER OF NOTES**

##### **15.1. Transfer of Beneficial Interests in Notes held in the CSD**

- 15.1.1. Beneficial Interests may be transferred only in accordance with the Applicable Procedures through the CSD.
- 15.1.2. Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 15.1.3. Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
- 15.1.4. Transfers of Beneficial Interests in Notes will not be recorded in the Register and the CSD will continue to be reflected in the Register as the holder of such Notes notwithstanding such transfers.

##### **15.2. Transfer of Notes represented by Individual Certificates**

- 15.2.1. In order for any transfer of Notes represented by an Individual Certificate to be recorded in the Register, and for such transfer to be recognised by the Issuer:
  - 15.2.1.1. the transfer of such Notes must be embodied in a Transfer Form;
  - 15.2.1.2. the Transfer Form must be signed by the registered Noteholder of such Notes and the transferee, or any Representatives of that registered Noteholder or transferee; and
  - 15.2.1.3. the Transfer Form must be delivered to the Transfer Agent at its Specified Address together with the Individual Certificate representing such Notes for cancellation.
- 15.2.2. Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).

- 15.2.3. Subject to this Condition 15.2 (*Transfer of Notes represented by Individual Certificates*), the Transfer Agent will, within 3 (three) Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any Applicable Laws and/or Applicable Procedures), record the transfer of Notes represented by an Individual Certificate (or the relevant portion of such Notes) in the Register, and authenticate and deliver to the transferee at the Transfer Agent's Specified Address or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the Notes transferred reflecting the outstanding Nominal Amount of the Notes transferred.
- 15.2.4. Where a Noteholder has transferred only a portion of the Notes represented by an Individual Certificate, the Transfer Agent will authenticate and deliver to such Noteholder at the Transfer Agent's Specified Address or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the Notes held by such Noteholder.
- 15.2.5. The transferor of any Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 15.2.6. Before any transfer of Notes represented by an Individual Certificate is registered in the Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Issuer and the Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.
- 15.2.7. No transfer of any Notes represented by an Individual Certificate will be registered whilst the Register is closed as contemplated in Condition 13 (*Registration of Notes in Certificated Form*).
- 15.2.8. If a transfer of any Notes represented by an Individual Certificate is registered in the Register, the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 15.2.9. In the event of a partial redemption of Notes under Condition 10.3(*Redemption at the Option of the Issuer*), the Transfer Agent shall not be required in terms of Condition 10.3(*Redemption at the Option of the Issuer*), to register the transfer of any Notes during the period beginning on the 10th (tenth) Day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

## 16. **PRESCRIPTION**

The Notes will become void unless presented for payment of principal within a period of 3 (three) years after their Redemption Date.

## 17. **EVENTS OF DEFAULT**

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

### 17.1. **Non-Payment**

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

### 17.2. **Negative Pledge**

the Issuer or any Material Subsidiary, as the case may be, fails to remedy a breach of Condition 6 (*Negative Pledge*) within 21 (twenty one) Business Days of receiving written notice from the Noteholders demanding such remedy; or

**17.3. Breach of Material Obligations**

the Issuer, the Guarantor or any Material Subsidiary fails to perform or observe any of its other material obligations or undertakings (not specifically covered elsewhere in this Condition 17(*Events of Default*)) under or in respect of any of the Notes and such failure continues for a period of 30 (thirty) Days after receipt by the Issuer of a notice from the Noteholders, as the case may be, (in accordance with Condition 19 (*Notices*)) in respect of such failure specifying the failure and requesting the Issuer to remedy same; or

**17.4. Cross Default**

17.4.1. any Indebtedness of the Issuer or any Material Subsidiary is declared to be or becomes due and repayable before its stated maturity by reason of an event of default (howsoever described); or

17.4.2. the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness on the due date for payment (as extended by any originally applicable grace period); or

17.4.3. any security given by the Issuer or any Material Subsidiary for any other Indebtedness becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security; or

17.4.4. a default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity (at the expiry of any originally applicable grace period) given by it in relation to any Material Indebtedness of any other person.

**17.5. Insolvency etc.**

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

**17.6. Insolvency Proceedings**

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

**17.7. Consents, Approvals and Authorisations**

any action, condition or thing, including obtaining any consent, licence approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or the Guarantor to comply with obligations under the Guarantee is not fulfilled or in place or any such consent, licence, approval or authorisation is revoked,

modified, withdrawn or withheld or ceases to be in full force and effect, resulting in the Issuer or the Guarantor being unable to perform any of its respective payment or other obligations in terms of the Notes and the Issuer or Guarantor fails to take reasonable steps to remedy such circumstances within 14 (fourteen) Business Days of receiving written notice from the Noteholders demanding such remedy; or

**17.8. Enforcement Proceedings**

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

**17.9. Cessation of business**

the Issuer disposes of all or a greater part of its assets or undertaking, except:

17.9.1. for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or

17.9.2. as may be required by or in accordance with any legislation or governmental directive, following which the Issuer shall give notice of any such disposal to the Noteholders in accordance with Condition 19 (*Notices*); or

**17.10. Guarantee**

17.10.1. the Guarantee is not in full force and effect and such failure has continued for more than 30 (thirty) Days following the service on the Guarantor and the Issuer of a written notice requiring that failure to be remedied; or

17.10.2. it is or becomes unlawful for the Guarantor to perform any of its obligations under the Guarantee; or

17.10.3. the Guarantor repudiates the Guarantee or there is evidence of an intention to repudiate the Guarantee; or

**17.11. Other**

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

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

For the purposes of Condition 17.4(Cross Default), any Indebtedness which is in a currency other than South African Rand shall be converted into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by any leading bank of South Africa selected on the date of such Event of Default.

**17.12. Notification of Event of Default**

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify the Guarantor, the Dealer(s) and Noteholders in writing in accordance with Condition 19 (*Notices*).

**18. CALCULATION AGENT, TRANSFER AGENT, PAYING AGENT, SETTLEMENT AGENT AND ISSUER AGENT**

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

**19. NOTICES**

- 19.1. All notices to the Noteholders of Notes represented by Individual Certificates shall be in writing and shall be sent by registered mail to the respective addresses of those Noteholders appearing in the Register or delivered by hand to the respective addresses of those Noteholders appearing in the Register. Each such notice shall be deemed to have been received by the relevant Noteholder on the 7th (seventh) Day following the Day on which the notice was posted as received by a post office (if such notice is sent by registered mail) or the date of delivery (if such notice is delivered by hand).
- 19.2. Notwithstanding the provisions of Condition 19.1, for so long as all of the Notes in a Tranche are held in their entirety in the CSD, they may be substituted for the notice contemplated in Condition 19.1, by the delivery of the relevant notice to the CSD and the relevant Participant for communication by them to the holders of Beneficial Interests in such Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests on the Day of delivery of such notice to the relevant Participant.
- 19.3. Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the 7th (seventh) Day after the Day on which it is sent. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 19.4. For so long as any of the Notes are uncertificated, notice may be given by any holder of an uncertificated Note to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Participants may approve for this purpose.

**20. AMENDMENT OF THESE TERMS AND CONDITIONS**

- 20.1. These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 20 (*Amendment of these Terms and Conditions*), no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless the amendments have been reduced to writing and signed by or on behalf of the Issuer, the Guarantor and the Noteholders (if applicable).
- 20.2. The Issuer and Guarantor may effect, without the consent of the Noteholders or the relevant Class of Noteholders, as the case may be, any modification of the Terms and Conditions, and/or the Applicable Pricing Supplement(s) and/or the Guarantee which is of a technical nature (including an increase in the Programme Amount and the Guarantee size) or is made to correct a manifest error or to comply with mandatory provisions of any Applicable Laws. The Issuer must notify the Noteholders of the relevant amendments providing a summary of the amendments and where the amended Terms and Conditions and/or the Applicable Pricing Supplement will be available for the inspection. Any such modification to an issuer document shall be binding on the Noteholders or the relevant Class of Noteholders, as the case may be, and any such modification shall be communicated to the Noteholders or the relevant Class of Noteholders, as the case may be, in accordance with Condition 19 (Notices) as soon as is practicable thereafter.
- 20.3. If any amendments to the Terms and Conditions, and/or the Applicable Pricing Supplement(s) and/or the Guarantee, do not fall within the provisions of Condition 20.2 the amendments will be approved in terms of Conditions 20.4 set out below.

- 20.4. The Issuer may with the prior sanction of an Extraordinary Resolution of Noteholders or the relevant Class of Noteholders, as the case may be, amend these Terms and Conditions, and/or the Applicable Pricing Supplement(s) and/or the Guarantee, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 19 (Notices).
- 20.5. Within 48 (forty-eight) hours after the meeting to consider the proposed Extraordinary Resolution has been held the Issuer shall notify the Noteholders of the details of the voting results.
- 20.6. Any such amendment to this Programme Memorandum shall be binding on the Noteholders or the relevant Class of Noteholders, as the case may be.

## 21. MEETINGS OF NOTEHOLDERS/CONSENT PROCESS

### 21.1. Convening of meetings

- 21.1.1. The Issuer may at any time convene a meeting of Noteholders (a **Meeting** or the **Meeting**).
- 21.1.2. The Issuer must convene a Meeting upon the requisition in writing of the holders of:
  - 21.1.2.1. at least 10% (ten percent) of the aggregate Nominal Amount outstanding of the Notes; or
  - 21.1.2.2. at least 10% (ten percent) of the aggregate Nominal Amount outstanding of a specific Class of Notes (**Requisition Notice**).
- 21.1.3. Whenever the Issuer wishes or is required to convene a Meeting, it shall forthwith give notice in writing to the Noteholders as specified in Condition 21.4 (*Notice of Meetings*).
- 21.1.4. The Issuer must notify the Noteholder and such notice must state, inter alia, the date and time of the Meeting and the date that the Issuer has selected to determine which Noteholders recorded in the Register will receive a Notice of Meeting and the last date by which proxy forms must be submitted.
- 21.1.5. All Meetings shall be held in Johannesburg.
- 21.1.6. Any director or duly authorised representative of the Issuer, and any other Person authorised in writing by the Issuer, may attend and speak at a Meeting, but shall not be entitled to vote, other than as a proxy (as defined below) or duly authorised representative of a Noteholder.
- 21.1.7. The Noteholders who demanded a Meeting (may, prior to such Meeting, withdraw the demand for such Meeting by issuing a written notice to the Issuer. Further, the Issuer may cancel the required Meeting if the required percentage in Condition 21.1.2 is not met as a result of one or more of the demands being withdrawn.
- 21.1.8. Where the Issuer is required to convene a Meeting, the Issuer must within 2 (two) Business Days after the Meeting was held notify the Noteholders of the outcome of the Meeting.

### 21.2. Requisition

- 21.2.1. Upon receipt of a Requisition Notice, the Issuer shall issue a Notice of Meeting, which shall include the date and time of the meeting and the date selected by the Issuer to determine which Noteholders shall receive the Notice of Meeting and the last Day for proxy forms to be submitted and the Notice of Meeting shall further state the nature of the business for which the meeting is to be held and shall be deposited at the registered office of the Issuer.
- 21.2.2. A Requisition Notice may consist of several documents in like form, each signed by one or more requisitionists.

### 21.3. **Convening of meetings by requisitionists**

If the Issuer does not proceed to cause a Meeting to be held within a reasonable period of time, not longer than 20 (twenty) Business Days, and in accordance with the Applicable Laws after the deposit with the company secretary of the Issuer of a valid Requisition Notice, requisitionists who together hold not less than 10% (ten percent) of the aggregate Nominal Amount outstanding of the Notes or a Class of Notes for the time being, may themselves convene the Meeting, provided that such Meeting so convened shall be held within 60 (sixty) Days from the date of delivery of the Requisition Notice and shall be convened as nearly as possible in the same manner as that in which Meetings may be convened by the Issuer. Notice of the Meeting shall be required to be given to the Issuer.

### 21.4. **Notice of Meeting**

21.4.1. Subject to Condition 21.4.2, unless all Noteholders or all the holders of a relevant Class of Notes are present at the meeting and vote to waive the minimum notice period, a minimum of at least 15 (fifteen) Business Days written notice specifying the place, Day, time and record date of the proposed Meeting and the nature of the business to be transacted thereat shall be given by the Issuer to Noteholders.

21.4.2. After the deposit with the company secretary of the Issuer of a valid Requisition Notice, the Issuer must, within the time period prescribed by the Applicable Laws, issue a written Notice of Meeting to the Noteholders.

21.4.3. The Notice of Meeting shall specify, inter alia, the place, Day, time (including the notice period applicable pursuant to the Applicable Procedures), and record date of the proposed Meeting and the nature of the business to be transacted thereat. The Notice of Meeting shall also specify the percentage of voting rights that will be required for the proposed resolution to be adopted and the form of the proposed resolution and shall include a statement to the effect that Noteholders may appoint proxies (who need not also be Noteholders) and that the participants at the Meeting need to provide satisfactory identification. Such Notice of Meeting is required to be given in accordance with Condition 19 (*Notices*).

21.4.4. In the case of a written resolution, the notice to Noteholders or a Class of Noteholders, as the case may be, must include the proposed resolutions to be passed, the record date, any restrictions on voting as provided for in these Terms and Conditions, the last date on which a Noteholder may submit its written vote as well as the address where the vote must be submitted.

21.4.5. A resolution in writing submitted to Noteholders or Noteholders of a Series or Class, as the case may be, entitled to exercise voting rights in relation to the resolution, and signed by the requisite majority of Noteholders or Noteholders of a Series or Class, as the case may be, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted and shall be deemed (unless a statement to the contrary is made in that resolution) to have been passed on the last Day on which that resolution is signed by any one or more of the Noteholders or Noteholders of a Series or Class, as the case may be. That resolution may consist of two or more documents in the same form each of which is signed by one or more of the Noteholders or Noteholders of a Series or Class, as the case may be.

### 21.5. **Quorum**

21.5.1. At any meeting one or more Noteholders or relevant Class of Noteholders, as the case may be, present in person or by proxy and holding in the aggregate not less than 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least 1 (one) matter to be decided at the meeting shall form a quorum for the transaction of business. If there are more than two Noteholders, then the meeting may not begin until at least three Noteholders are present at the meeting.

21.5.2. No business shall be transacted at a meeting of Noteholders or any Class of Noteholders unless a quorum is present at the time when the meeting proceeds to business.

- 21.5.3. If, within 1 (one) hour from the time fixed for the meeting, a quorum is not present, (i) for the meeting to take place, then the meeting shall stand adjourned for 1 (one) week, or (ii) for the matter to be considered, then the meeting shall be postponed to a later time in the meeting unless there is no other business on the agenda for the meeting, in which case the meeting shall stand adjourned for one week.
- 21.5.4. The chairman may extend the one hour limit for a reasonable period on the grounds that (a) exceptional circumstances affecting weather or transportation have generally impeded or are generally impeding the ability of the Noteholders to be present at the meeting or (b) 1 (one) or more particular Noteholders, having been delayed have communicated an intention to attend the meeting, and those Noteholders, together with others in attendance, would satisfy the quorum requirements for the meeting of the matter to be considered. The Issuer is not required to give further notice of a meeting that has been postponed or adjourned unless the location of the meeting has changed. If at the time appointed for a postponed meeting to begin or an adjourned meeting to resume, the requirements for a quorum have not been satisfied, the Noteholders present in person or by proxy will be deemed to constitute a quorum.
- 21.6. **Chairman**
- The chairman of the meeting shall be appointed by the Issuer, unless otherwise directed by the Noteholders at the meeting of the Noteholders.
- 21.7. **Adjournment**
- 21.7.1. A meeting, or the consideration of any matter at the meeting, may be adjourned from time to time without further notice, on a motion supported by Persons entitled to exercise, in aggregate, the majority of the voting rights held by all of the Persons who are present at the meeting at the time and that are entitled to be exercised on at least one matter remaining on the agenda of the meeting or on the matter under consideration. Such adjournment may be to a fixed time and place or until further notice (in such case, the notice must then be provided to the Noteholders timeously). A meeting, or the consideration of any matter at the meeting, may be adjourned from time to time without further notice, on a motion supported by Persons entitled to exercise, in aggregate, the majority of the voting rights held by all of the Persons who are present at the meeting at the time and that are entitled to be exercised on at least 1 (one) matter remaining on the agenda of the meeting or on the matter under consideration. Such adjournment may be to a fixed time and place or until further notice (in such case, the notice must then be provided to the Noteholders timeously).
- 21.7.2. A meeting may not be adjourned beyond the earlier of (i) the date falling 120 (one hundred and twenty) Business Days after the record date or (ii) the date falling 60 (sixty) Business Days after the date on which the adjournment occurred (unless otherwise provided in the Issuer's constitutive documents).
- 21.7.3. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 21.8. **How questions are decided**
- 21.8.1. At a meeting, a resolution put to the vote shall be decided by a poll unless, before or on the declaration that such meeting will be conducted by poll, a vote by show of hands, is demanded by the chairman or by any one of the Noteholders present in person or by proxy.
- 21.8.2. Unless a vote by show of hands is demanded, a declaration by the chairman that on a poll 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.
- 21.8.3. A polled vote must be held on a particular matter to be voted on in a meeting if a demand for a polled vote is made by (i) at least 5 (five) persons having the right to vote on the matter either in person or as proxy of the Noteholder or (ii) a Person who is, or Persons who together are, entitled to exercise at least 10% (ten percent) of the voting rights entitled to be voted on that matter.

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

## 21.9. **Votes**

21.9.1. On a show of hands every Noteholder present in person shall have 1 (one) vote. On a poll every Noteholder, present in person or by proxy, shall have 1 (one) vote for each ZAR1,000,000 of the Nominal Amount outstanding of the Notes held by him. The joint holders of Notes shall have only 1 (one) vote on a show of hands and 1 (one) vote on a poll for each ZAR1,000,000 of the Nominal Amount outstanding of the Notes of which they are the registered holder and the vote may be exercised only by that holder present whose name appears first on the Register in the event that more than 1 (one) of such joint holders is present in person or by proxy at the meeting. The Noteholder in respect of uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions to the CSD from the holders of Beneficial Interests conveyed through the Settlement Agents in accordance with the Applicable Procedures.

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

## 21.10. **Proxies and representatives**

21.10.1. Noteholders may:

21.10.1.1. present in person; or

21.10.1.2. through any appointed Person (a proxy), by an instrument in writing (a form of proxy) in the form annexed to the notice convening the meeting, signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney of a duly authorised officer or a duly authorised officer of the corporation, vote on a poll or by show of hands.

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

21.10.3. The form of proxy shall be deposited in accordance with the Applicable Procedures at the office of the Noteholder's nominated Participant or at the office where the Register is kept or at such other office as the Issuer may determine not less than 24 (twenty four) hours before the time appointed for holding the meeting or adjourned meeting at which the Person named in such form of proxy proposes to vote, or the chairman decides otherwise and in default, the proxy shall be invalid.

21.10.4. No form of proxy shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution.

21.10.5. A proxy shall have the right to demand or join in demanding a poll.

21.10.6. Notwithstanding Condition 21.10.4 the form of proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.

21.10.7. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the principal or revocation of the proxy or of the authority under which the form of proxy was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Issuer at the office of the Transfer Agent more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

21.10.8. Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any Person to act as its representative in connection with any meeting or proposed meeting of Noteholders. Any reference in this Condition 21 (*Meetings of Noteholders/Consent Process*) to a Noteholder present in person includes such a duly authorised representative of a Noteholder.

**21.11. Minutes**

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

**21.12. *Mutatis mutandis* application**

The provisions of this Condition 21 (*Meetings of Noteholders/Consent Process*) shall apply *mutatis mutandis* to the calling and conduct of meetings on an individual Tranche, Series or Class of Noteholders, as the case may be.

**22. FURTHER ISSUES**

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

**23. GOVERNING LAW**

- 23.1. The Terms and Conditions of the Notes are governed by, and will be construed in accordance with, the laws of South Africa, in force from time to time, unless otherwise set out in the Applicable Pricing Supplement.
- 23.2. The terms of the Guarantee shall be governed by and shall be construed in accordance with, the laws of Sweden in force from time to time.

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ Day of \_\_\_\_\_ 2022

For and on behalf of

**SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED**

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

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

---

## USE OF PROCEEDS

---

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

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

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

---

## TERMS AND CONDITIONS OF THE GUARANTEE

---

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

### GUARANTEE

We, the undersigned,

**SCANIA CV AKTIEBOLAG (PUBL)**, incorporated in Sweden with registration number 556084-0976, as **Guarantor**,

hereby, (as principal obligor and not merely as surety), unconditionally and irrevocably guarantee to the holders of Notes, issued or to be issued by Scania Finance Southern Africa (Proprietary) Limited (registration number 2000/025215/07) (the **Issuer**) under the Scania Finance Southern Africa (Proprietary) Limited’s ZAR3,000,000,000 Domestic Medium Term Note Programme (the **Programme**), the due and punctual performance of all obligations which the Issuer may incur to the Noteholders and the due and punctual payment, of all amounts owing by the Issuer in respect of the Notes arising under the Programme pursuant to the Programme Memorandum issued by the Issuer, dated 17 May 2022 as amended and restated from time to time (the **Programme Memorandum**).

Furthermore, in the event that the Issuer fails to fulfil its payments obligations towards the Noteholders under the Programme, we hereby unconditionally and irrevocably undertake to pay any or all amounts outstanding on written demand from the Noteholders, limited to the Programme Amount, in an amount of ZAR3,000,000,000 (three billion Rands), as may be increased from time to time.

1. Terms used but not defined herein have the meanings set forth in section of the Programme Memorandum headed “*Terms and Conditions of the Notes*” (the **Terms and Conditions**).
2. The payments under this Guarantee will be made on first written demand by the Noteholders free and clear of any set-off and without deduction of any tax whatsoever, including but not limited to withholding tax. Furthermore, any payments made under this Guarantee are to be made in accordance with Conditions 8(*Interest*) and 9 (*Payments*) of the Terms and Conditions.
3. The obligations of the Guarantor under the Guarantee constitute its unconditional, unsecured and unsubordinated obligations and will rank (subject to any obligations preferred by law) *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor.
4. The Guarantor hereby renounces, all benefits arising from the legal exceptions “*non numeratae pecuniae*” (no money was paid over), “*non causa debiti*” (lack of actionable debt), “*errore calculi*” (mistake in calculation of amount due) and “*beneficia excussionis et divisionis*” (the benefits of excussion and division), with the force and effect of which such Guarantor hereby declares it to be fully acquainted. The Guarantor agrees that this Guarantee is to be in addition and without prejudice to any other suretyship/s and security/ies now or hereafter to be held by the Noteholders and shall remain in force as a continuing security notwithstanding any intermediate settlement of account and notwithstanding any legal disability of such Guarantor.
5. No action in respect of any collateral or security given by the Issuer, or any other persons, in respect of the Notes is required to be taken before action is taken against the Guarantor under this Guarantee, and the existence or enforceability of this Guarantee shall not affect or be affected by any other security held in respect of the Issuer’s obligations under the Notes.
6. Notwithstanding any part payment by the Guarantor or on the Guarantor’s behalf, the Guarantor may not assign any of its rights or obligations hereunder to any other party and shall have no right to any cession of action in respect of such part payment and shall not be entitled to take any action against the Issuer or against any other surety for the Issuer in respect thereof unless and until the indebtedness of the Issuer to the Noteholders shall have been discharged in full.
7. The obligations of the Guarantor under this Guarantee shall not be discharged, impaired or otherwise affected or delayed by any waiver of the rights of the Noteholders or any illegality, invalidity or enforceability of the Issuer’s obligations under the Programme.
8. A demand made under this Guarantee by the Noteholders after an Event of Default has occurred and while it is continuing shall be made in writing to the Guarantor at the address specified below.

9. Payment to the Paying Agent under this Guarantee shall:
  - i. be made by and of the Guarantor to the Paying Agent not later than 5 (five) Business Days after receipt of a demand; and
  - ii. discharge the Guarantor of its obligations to the Noteholders under this Guarantee.
10. This Guarantee will be deposited with, and be held by, the Transfer Agent until the later of:
  - i. the date on which the Programme is terminated by the Issuer; and
  - ii. the date on which all of the obligations of the Issuer and the Guarantor under or in respect of the Notes and /or the Guarantee, as the case may be, have been discharged in full.
11. The Guarantor acknowledges and agrees that the Noteholders shall be entitled to require the Transfer Agent to produce the original of this Guarantee on request and further shall be entitled to require the Transfer Agent, which shall be obliged, to provide a copy of this Guarantee to the Noteholders on request. In holding the guarantee, the Transfer Agent shall not act in any fiduciary or similar capacity of and shall not accept any liability, duty or responsibility to Noteholders in this regard.
12. This Guarantee is and all rights and obligations relating to this Guarantee are, governed by, and shall be construed in accordance with, Swedish law.
13. This Guarantee shall not be cancelled or amended without the prior written consent of both the Noteholders and Guarantor.
14. This Guarantee will terminate upon all of the obligations of the Issuer under the Notes being fully and finally discharged in accordance with the Terms and Conditions.
15. The Guarantor chooses *domicilium citandi et executandi* to be Scania Head Office in Södertälje, Sweden, Att: GL.
16. This Guarantee constitutes the whole agreement relating to the subject matter hereof. No amendment, modification or variance (save for an increase of the Programme Amount) or consensual cancellation of this Guarantee or any provision or term hereof, unless of a technical nature, to correct a manifest error or to comply with mandatory provisions of law, shall be binding unless approved by Extraordinary Resolution of Noteholders or with the prior written approval of Noteholders or the relevant Class of Noteholders, as the case may be, holding not less than 66.67% (sixty-six point six seven percent) in the Nominal Amount of the Notes Outstanding from time to time and thereafter recorded in a written document signed by the Guarantor. Any waiver or relaxation or suspension given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.
17. The Guarantor agrees for the benefit of the Noteholders that the Gauteng Local Division, Johannesburg, South Africa (or any successor to that division) shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with this Guarantee and, for such purposes, irrevocably submits to the jurisdiction of such court.
18. This Guarantee may be executed in any number of counterparts and by different parties thereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same guarantee.

**SIGNED** at \_\_\_\_\_ on this \_\_\_\_\_ Day of \_\_\_\_\_ 20●●

For and on behalf of  
**SCANIA CV AB (PUBL)**

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

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

---

## DESCRIPTION OF SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED

---

*Capitalised terms used in this section headed “Description of Scania Finance Southern Africa (Proprietary) Limited” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### 1. INTRODUCTION

Scania Finance Southern Africa (Proprietary) Limited (the **Issuer**) a company incorporated under the laws of the Republic of South Africa. The Issuer is the Holding Company for the Group's finance operations in Southern and Eastern Africa. The Issuer is a full subsidiary of Scania Finance Holding Aktiebolag (**Scania Finance**), registered in accordance with the laws of Sweden, which is responsible for all the captive finance companies around the world. The Issuer is headquartered in Johannesburg with foreign operations in Namibia, Botswana, Tanzania, Kenya and Zambia. The main role for Scania Finance, is to provide comprehensive financial solutions, including insurance to Scania customers for all Scania products and related equipment. The Issuer's extensive network across the region allows it to support its customers in country where it matters the most.

### 2. BACKGROUND AND HISTORY

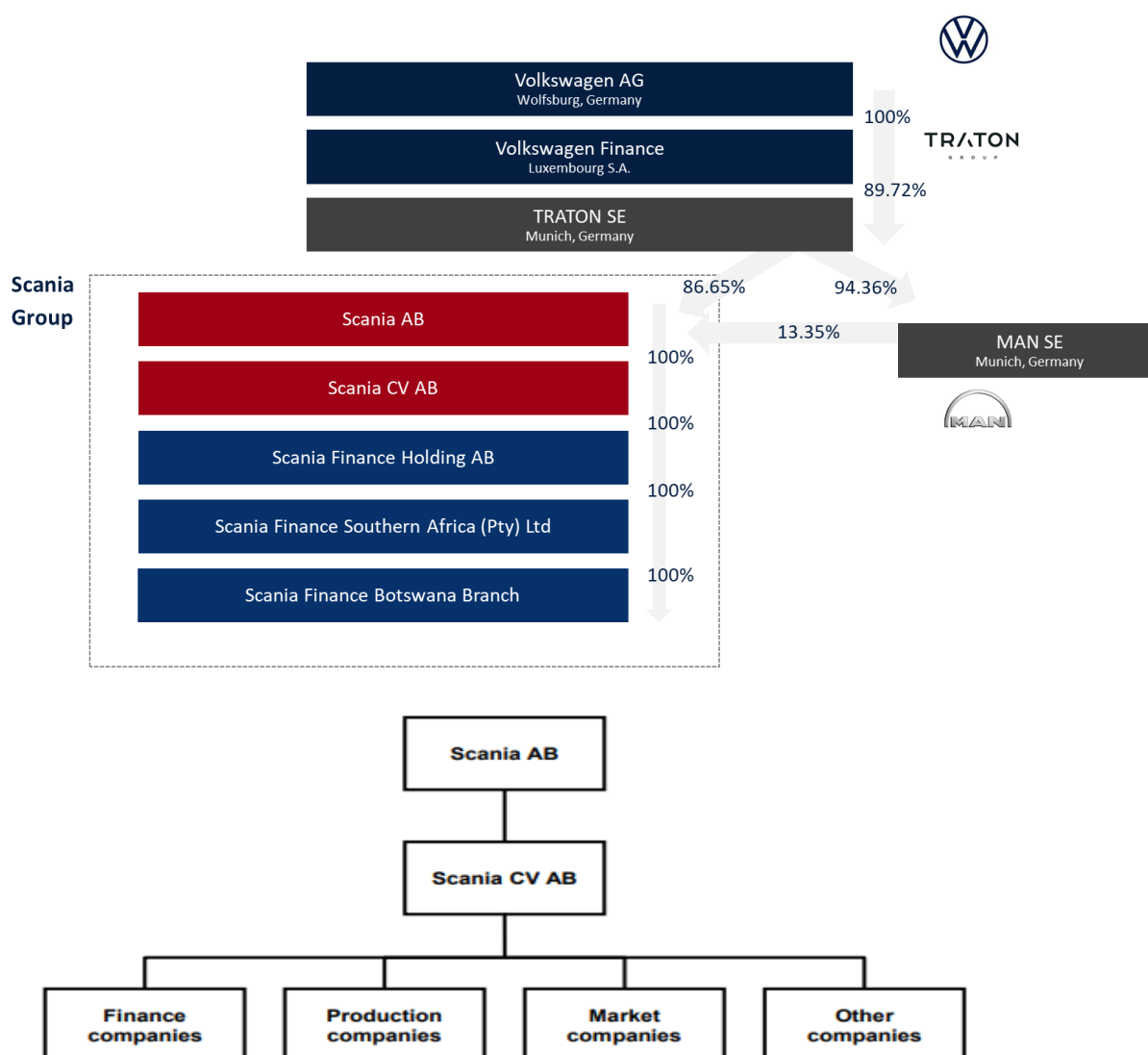
The Scania Group (defined below) develops and manufactures trucks and buses for heavy road transport, and industrial and marine engines. The Scania Group also provides financing, services and service-related products to its customers. The Scania Group's principal production and assembly plants are in Europe and Latin America. The Scania Group is present in more than 100 countries around the world through its sales and service network

The Issuer was opened in 2000 and over the past 20+ years has expanded operations into the numerous countries across the region. As the expansion of the Issuer into Africa to meet the growing demand for sustainable transport solutions, so too has Scania Finance expanded their local operation into the multiple countries. With the Issuer's headquarters based in Johannesburg at the local assembly facility, it has local finance specialists based in the other countries to work closely with its customers to understand their transport business, to ensure the Issuer can offer a finance solutions that best fits their business. As the demand for **Total Operating Efficiency** (defined as Operational efficiency measures the proportion of costs incurred during the economic life cycle of the truck, where lower costs equate with greater efficiency) grows across the region so too does the demand for **Total Cost Ownership** (defined as the complete cost from purchase to disposal including expected costs to be incurred during the lifetime of the product, such as service, repair, insurance, finance, fuel) and to meet this, the Issuer needs to ensure it has the right financial solutions to offer its customers.

### 3. OWNERSHIP AND CONTROL

Scania CV Aktiebolag (Publ) (**Scania CV**) registered in accordance with the laws of Sweden, is owned by a non-operational Swedish Holding Company Scania Aktiebolag (Publ) (**Scania AB**). The group is the Scania brand specific organisation of the TRATON Group, owned indirectly by Volkswagen AG in Germany (the **Scania Group**). Traton SE, with registered office in Munich Germany, indirectly holds 100% of capital in Scania AB.

The organisational structure of Scania Group as at the Programme Date:



#### 4. REVIEW OF OPERATIONS/DESCRIPTION OF BUSINESS

The Issuer's objective is to deliver optimised heavy trucks and buses, engines and services, to provide a high quality total operating framework for its customers, and thereby to be one of the leading companies in its industry based on its core values, its focus on methods and the dedicated people of the Issuer. The Issuer's core values – customer first, respect for the individual and quality – form the basis of its culture, leadership and business success.

Vehicles in the heavy segment are often driven long distances and have a high degree of utilisation. Transport operations in this segment are dependent on appropriately specified and reliable vehicles as well as comprehensive services in order to be profitable.

Customers can select optimised vehicles from the Issuer's modular product system. Modularisation begins and ends with the customer. The starting point is its customers' diverse operations and needs – different tasks, varying climates, good or poor infrastructure, long or short driving distances. The modular product system is the Issuer's answer to customers' demands for different specifications. The number of parts in the Issuer's products is limited due to modularisation, which is cost-effective both for customers and for the Issuer. The Issuer's modular approach to product development embodies knowledge that has been created over a long time and is unique in the industry. It allows the satisfaction of a large number of customer needs with a limited number of components, thus enabling optimisation for each customer while keeping product costs lower than would be possible otherwise.

Forward integration shortens the distance to customers and provides better control over network planning, branding and a larger share of the revenue stream. Through our integrated business, the Issuer is able to work closer with its customers on understanding their business needs and offer a comprehensive solution to ensure and drive in-house efficiencies.

## 5. MANAGEMENT STRATEGY

The Issuer creates value by providing increasingly sustainable transport solutions, creating lasting value for all stakeholders along the life cycle of its products – from customers to the society as a whole.

The Issuer's purpose is to drive the shift towards a sustainable transport system, creating a world of mobility that is better for business, society and the environment. Creating value by driving the shift to a sustainable transport system is our purpose as a company. The Issuer seeks to create value at every stage of its product life cycle, by working to minimise the negative impacts of its operations and products and increase the positive ones. The Issuer's approach to value creation is centred around its business model, which recognises that its success depends on delivering sustained value for its customers. This is underpinned by The Issuer's deeply embedded culture, core values and principles that guide its decisions and actions. It is called "*The Scania Way*".

Business model:

- Increasing customer revenue: The Issuer's high-quality, optimised vehicles and services, supported by vehicle data gathered from connected vehicles, ensure maximum time in operation and thereby boost customer revenue.
- Reducing customer costs: The Issuer influences factors like fuel, repair and maintenance costs, the residual value of the vehicle and the cost and availability of financing.

## 6. BOARD OF DIRECTORS

The members of the board as at the Programme Date:

Name	Qualification	Experience
Patrick Glass Crommert	Bachelor of Business Administration IFL, Executive Management Program IFL, International Executive Program	<ul style="list-style-type: none"> <li>• Various positions at Scania Southern Africa</li> </ul>
Lars Gustav Folke Värnlund	Bachelor of Business Administration	<ul style="list-style-type: none"> <li>• Various positions at Scania Group</li> </ul>
Roger George Hutton	Bachelor of Accounting and Associate Member of Chartered Secretaries	<ul style="list-style-type: none"> <li>• Various positions at the Issuer</li> </ul>

## 7. COMPANY SECRETARY AND REGISTERED OFFICE

Roger Hutton  
18 O'Connor Road  
Aeroton  
Johannesburg  
South Africa  
2190

## 8. CORPORATE GOVERNANCE COMMITTEES

- Board Committee
- Risk Committee
- Compliance Committee
- Pricing and Funding Committee
- Credit Committee
- Finance Committee
- Audit Committee

## 9. RISK MANAGEMENT

The Issuer is exposed to various risks from its use of financial instruments. The board of directors has overall responsibility for the establishment and oversight of the Issuer's risk management framework. The board has established the risk committee which is responsible for developing and monitoring the Issuer's risk management policies. The committee reports quarterly to the board of directors and central risk department (Sweden) on its activities. The Issuer's risk management policies are established to identify and analyse the risks it faces, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Issuer's activities.

The Issuer and its audit committee oversee how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risk faced by the Issuer. The audit committee is assisted in its oversight role by internal audit.

## 10. SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED

### 10.1. Operating Framework of the Issuer

- Legal status
  - A private company with limited liability duly incorporated in accordance with the company laws of South Africa;
  - Registered in Botswana as an external company.
- Auditing Bodies
  - External Auditors PWC
    - Audit financial statements once a year;
    - Audit internal controls systems every year as far as it relates to the Group;
    - Compliance to give an unqualified audit opinion on the financial statements of the Issuer and Botswana branch;
    - The Group Internal Audit, review internal controls and policies in line with the Group policies and Scania Financial Services Policies and VW AG;
    - Internal auditing statements.

### 10.2. Organisation of the Risk Management of the Issuer

- 10.2.1. Risk Management: The role of risk management is to evaluate, respond and monitor risks in the execution of our strategy. It is essential that business growth plans are supported by an effective Risk Management Framework (**RMF**). Risk culture is closely aligned to that of the business. The Risk Function retains independence in analysis and decision-making. The approach to managing risk is outlined in the RMF, which creates the context for setting policies and standards, and establishing the right practices throughout the company. It defines the risk management process and sets out the activities, tools, techniques and organisational arrangements to ensure that material risks can be optimally identified and managed. It also ensures that appropriate responses are in place to protect the company and its stakeholders. The RMF includes those risks taken by the

company that are probable, and material enough to merit establishing specific group-wide control frameworks. These are known as key risks and are grouped into five principal risks. The three lines of defence operating model, which has been defined in the RMF, enables the appropriate assignment of risk management activities between those parties that:

1. Originate and take risk, and implement controls (first line);
2. Oversee and challenge the first line, providing independent risk management activity and support controls (second line); and
3. Provide assurance that risk processes are fit for purpose, and that they are being carried out as intended (third line).

The RMF enables businesses and functions to be organised along the three lines by formalising independence and challenge, whilst promoting collaboration and the flow of information between all areas.

10.2.2. Types of Risks managed locally and supervised by the Issuer:

10.2.2.1. **Market Risks**

- Potential market risk impact the Issuer in Botswana incurring losses due to factors affecting the industry is economic recessions, changes in interest rates and political unrest. To manage these risk and specifically interest rate risk, the company implements the same measurements and controls as in the SA business towards interest rate and the associated sensitivities are reported separately for the Botswana business as in all the company's other businesses.

The risk appetite for mark risk is based on:

- Proposed business strategy;
- Budgeted revenue growth;
- Statistical modelling measures; and
- Risk equated to capital projection under normal and stressed market conditions.

10.2.2.2. **Operational Risks**

- The Issuer monitors potential events that may influence one or more operational objectives of the company where there is a level of uncertainty about one or more of the above aspects. The company recognises that operational risks are inherent within its current business operations or may emerge from new business decisions impacting the business operations or may emerge from changes within the internal or external context of the company. The company monitors and assess the risks on a regular ongoing basis in line with the Groups Risk Management Policy and assessment criteria which is aligned with the adopted international standards within ISO 31000. For each assessment there is an impact assessment matrix covering the assessment Likelihood and Impact Level on the business.

## DESCRIPTION OF SCANIA CV AKTIEBOLAG (PUBL)

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

### 1. OVERVIEW

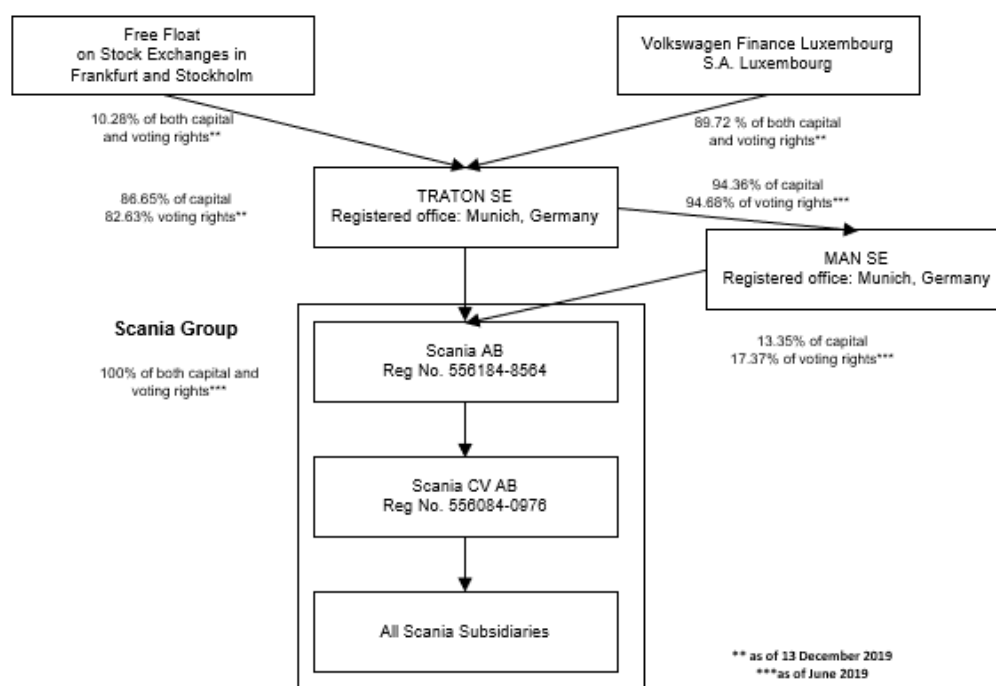
Scania CV Aktiebolag (Publ) (**Scania**) is a world-leading provider of transport solutions, including trucks and buses for heavy transport applications combined with an extensive product-related service offering. Scania offers vehicle financing, insurance, and rental services to enable our customers to focus on their core business. Scania is also a leading provider of industrial and marine engines.

### 2. OWNERSHIP AND CONTROL

The below chart is an illustration of the structure and ownership of Scania CV Aktiebolag (Publ) in Sweden, which in turn is owned by a non-operational Swedish Holding Company Scania Aktiebolag (Publ)

The Scania Group is the Scania brand specific organisation of the TRATON Group, being owned by vast majority indirectly by Volkswagen AG in Germany.

The organisational structure of the Scania Group as at the Programme Date:



### 3. REVIEW OF OPERATIONS/DESCRIPTION OF BUSINESS

The Scania Group's objective is to deliver optimised heavy trucks and buses, engines and services, to provide a high quality total operating framework for its customers, and thereby to be one of the leading companies in its industry based on its core values, its focus on methods and the dedicated people of Scania. Scania's core values – customer first, respect for the individual and quality – form the basis of Scania's culture, leadership and business success.

Vehicles in the heavy segment are often driven long distances and have a high degree of utilisation. Transport operations in this segment are dependent on appropriately specified and reliable vehicles as well as comprehensive services in order to be profitable.

From the Scania Group's modular product system, customers can select optimised vehicles. Modularisation begins and ends with the customer. The starting point is its customers' diverse

operations and needs – different tasks, varying climates, good or poor infrastructure, long or short driving distances. The modular product system is Scania's answer to customers' demands for different specifications. The number of parts in Scania's products is limited due to modularisation, which is cost-effective both for customers and for Scania. The Scania Group's modular approach to product development embodies knowledge that has been created over a long time and is unique in the industry. It allows the satisfaction of a large number of customer needs with a limited number of components, thus enabling optimisation for each customer while keeping product costs lower than would be possible otherwise.

Forward integration shortens the distance to customers and provides better control over network planning, branding and a larger share of the revenue stream. Through our integrated business, Scania is able to work closer with our customers on understanding their business needs and offer a comprehensive solution to ensure and drive in-house efficiencies.

#### 4. BOARD OF DIRECTORS

The members of the board of the Scania CV Aktiebolag (Publ) as at the Programme Date:

Name	Qualification	Experience
Annette Danielski	Bachelor of Business Administration	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors</li> <li>Member of Board of Navistar Inc</li> <li>Supervisory Board of MAN Truck and Bus SE</li> </ul>
Christian Levin	Bachelor of Science in Business and Administration and a Master of Science in Mechanical Engineering.	<ul style="list-style-type: none"> <li>President and CEO</li> <li>Member Board of Directors</li> <li>Member of Executive Board</li> <li>Joined Scania in 1994, employed until 2019. Rejoined Scania in 2021</li> </ul>
Lilian Fossum Biner	Bachelor of Science in Business Administration, BSc.	<ul style="list-style-type: none"> <li>Broad experience from retail and consumer companies</li> <li>Managerial positions Axel Johnson AB and at Electrolux Group</li> </ul>
Gunnar Kilian	Journalist.	<ul style="list-style-type: none"> <li>Various positions, Volkswagen AG</li> <li>Member of the Board of Management, Volkswagen AG, responsible for Human Resources and responsible for the Truck &amp; Bus division</li> </ul>
Julia Kuhn-Piëch	Doctor of Law (Dr iur).	<ul style="list-style-type: none"> <li>Member of Supervisory Board of Traton SE, Audii AG and MAN Truck &amp; Bus SE</li> <li>Self-employed real estate manager</li> </ul>

Nina Macpherson	Master of Laws, LL.M.	<ul style="list-style-type: none"> <li>• CFO, secretary to the Board and member of the Ericsson Executive Team until 2018</li> <li>• Previous positions include in-house legal positions and private practice in corporate and commercial law</li> </ul>
Christian Porsche	Medical Doctor, Dr. med., Doctor of natural sciences, Dr. rer. nat.	<ul style="list-style-type: none"> <li>• Neurologist. Partnership interests for several companies at Porsche Holding GmbH between 2005-2009</li> <li>• Member of the Supervisory Board of MAN Truck &amp; bus SE, Scania AB and MAN SE between 2013-2017</li> </ul>
Mark Philipp Porsche	Master of social and business administration.	<ul style="list-style-type: none"> <li>• Director at various companies, including F.A. Porsche Beteiligungen GmbH in Stuttgart, Prof. Ferdinand Alexander Porsche GmbH in Salzburg, Ferdinand Alexander Porsche GmbH in Grünwald, and Ferdinand Porsche Familien-Holding GmbH</li> <li>• Member of the Executive Board of the Ferdinand Porsche Familien-Privatstiftung foundation in Salzburg since 2014</li> </ul>
Stephanie Porsche-Schröder	Diplom Designer.	<ul style="list-style-type: none"> <li>• Designer at Bosch Siemens Haushaltsgeräte GmbH, Munich (2004-2012).</li> </ul>
Peter Wallenberg Jr	Master of Business Administration, MBA.	<ul style="list-style-type: none"> <li>• Leading positions within the service industry for over 30 years, including CEO for the Grand Hôtel Group</li> <li>• Several board positions in The Wallenberg Foundations</li> </ul>
Mari Carlquist	Employee Representative	<ul style="list-style-type: none"> <li>• Various positions at Scania since 1987</li> <li>• Employee representative, Supervisory Board of TRATON SE.</li> <li>• Member of the Board of Directors since 2020. Previously deputy member since 2015.</li> </ul>

Lisa Lorentzon	Master of Science, MSc.	<ul style="list-style-type: none"> <li>• Representative of PTK at Scania.</li> <li>• Member of the Board of Directors since 2015. Previously deputy member since 2012.</li> </ul>
Mikael Johansson	Employee Representative	<ul style="list-style-type: none"> <li>• Representative of the Swedish Metal Workers' Union at Scania.</li> <li>• Member of the Board of Directors since 2008. Previously deputy member since 2008.</li> </ul>
Michael Lyngsie	Employee Representative	<ul style="list-style-type: none"> <li>• Representative of the Swedish Metal Workers' Union at Scania. Member of the Board of Directors since 2018.</li> <li>• Employee representative, Supervisory Board of TRATON SE.</li> <li>• Various positions at Scania since 1993.</li> </ul>
Bo Luthin	Employee Representative	<ul style="list-style-type: none"> <li>• Representative of the Swedish Metal Workers Unions at Scania. Deputy member of the Board of Directors Since 2020.</li> <li>• Employee Representative, supervisory Board of TRATON SE.</li> <li>• Various positions at Scania since 1985.</li> </ul>
Mikael Svalefors	Employee Representative	<ul style="list-style-type: none"> <li>• Representative of PTK at Scania.</li> <li>• Various positions at Scania since 1982.</li> </ul>

---

## SETTLEMENT, CLEARING AND TRANSFER OF NOTES

---

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

### **Participants**

The CSD maintains accounts for Participants. As at the Programme Date, the Participants which are approved by the CSD, in terms of the Applicable Procedures, as Settlement Agents to perform electronic settlement of funds and scrip are ABSA Bank Limited; Citibank N.A. South Africa Branch; FirstRand Bank Limited Nedbank Limited; The Standard Bank of South Africa Limited; Standard Chartered Bank, Johannesburg Branch and the South African Reserve Bank. Euroclear, Bank S.A./N.V, as operator of the Euroclear System (**Euroclear**), and Clearstream Banking, société anonyme, (Clearstream Luxembourg) (**Clearstream**) as operator of the Euroclear System, and Clearstream will settle off-shore transfers in the Notes through their Participants.

### **Settlement and clearing**

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

While a Tranche of Notes is held in the CSD, the Noteholder will be named in the Register as the holder of the Notes in that Tranche in accordance with the Applicable Procedures. All amounts to be paid in respect of Notes held in the CSD will be paid to the relevant Participants on behalf of the relevant Noteholder pursuant to the Applicable Procedures. All rights to be exercised in respect of Notes held in the CSD will be exercised by the relevant Noteholder.

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

Each of the Persons reflected in the records of the CSD as the holders of Beneficial Interests in Notes shall look solely to the CSD or the relevant Participant, as the case may be, for such Person's share of each payment so made by (or on behalf of) the Issuer to, or for the order of, the CSD.

### **Transfers and exchanges**

Subject to the Applicable Laws and the Applicable Procedures, title to Beneficial Interest held by Noteholders through the CSD will be freely transferable and will pass on transfer thereof by electronic book entry in the securities accounts maintained by the CSD or relevant Participants for such Noteholders.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 15.2 (*Transfer of Notes represented by Individual Certificates*).

### **Records of payments, trust and voting**

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

---

## SUBSCRIPTION AND SALE

---

*Capitalised terms used in this section headed "Subscription and Sale" shall bear the same meanings as those used in the Terms and Conditions, except to the extent that they are separately defined in this*

The Dealer(s) have in terms of the programme agreement dated 17 May 2022 entered into amongst the Issuer, the Arranger, Dealer(s) and Guarantor, as may be amended, supplemented or restated from time to time (the **Programme Agreement**), agreed with the Issuer on a basis upon which it may from time to time agree to subscribe for Notes or procure the subscription of the Notes.

### **Selling restrictions**

#### **South Africa**

The Notes may not 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 other than in South Africa.

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

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

#### *Offers not deemed to be offers to the public*

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

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

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

#### **United States**

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

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

- (a) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except in certain transactions exempt from the registration requirements of the Securities Act;
- (b) it has not offered, sold or delivered any Notes in that Tranche and will not offer, sell or deliver any Notes in that Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 (forty) Days after completion of the distribution, as determined and certified by the Dealer(s) or, in the case of an issue of such Notes on a syndicated basis, the relevant Lead Manager, of all Notes of the Series of which that Tranche of Notes is a part, within the United States or to, or for the account or benefit of, U.S. Persons;

- (c) it will send to each dealer to which it sells any Notes in that Tranche during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. Persons; and
- (d) it, its Affiliates and any Persons acting on its or any of its Affiliates behalf have not engaged and will not engage in any directed selling efforts in the United States (as defined in Regulation S under the Securities Act) with respect to the Notes in that Tranche and it, its Affiliates and any Persons acting on its or any of its Affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S.

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

### **European Economic Area**

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

- (a) if the terms or drawdown prospectus in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus, if not a drawdown prospectus, has subsequently been completed by the terms contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in the drawdown prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (c) at any time to fewer than 150 (one hundred and fifty) natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "*offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended).

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, in relation to any offering of Notes to which Directive 2014/65/EU on markets in financial instruments (as amended, **MiFID II**) applies, that such offering is in accordance with the applicable rules set out in MiFID II (including any applicable national transposition of MiFID II), including that any commission, fee or non-monetary benefit received from the relevant Issuer complies with such rules.

## **United Kingdom**

### **Public Offer Selling Restrictions under the UK Prospectus Regulation**

Prior to the issue of any Tranche of Notes under the Programme, each Dealer who has (or will have) agreed to place that Tranche of Notes will be required to represent and agree that has not made and will not make an offer of any of such Notes to the United Kingdom except that it may make an offer of any of such Notes to the public in the United Kingdom:

- (a) if the final terms or drawdown prospectus in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer referred to in (a) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA and regulations made thereunder.

**Other regulatory restrictions:** Each Dealer has represented and agreed, and each further Dealer appointed under this Programme will be required to represent and agree, that:

- (a) **Financial Promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 (*Financial Promotion*) of the FSMA) received by it in connection with the issue or sale of any Securities in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (b) **General Compliance:** it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### **Selling Restrictions Addressing Additional United Kingdom Securities Laws**

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

- (a) in relation to any of the Notes in that Tranche which have a maturity of less than one year, (i) it is a Person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any of such Notes other than to Persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 (the **FSMA**) by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any of the Notes in that Tranche under circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any of the Notes in that Tranche in, from or otherwise involving the United Kingdom.

**General**

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

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

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

---

## TAXATION

---

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

***The comments below are intended as a general guide to the relevant tax laws of South Africa, as at the Programme Date. South African tax laws are subject to frequent change and accordingly the comments set out below may be subject to change, possibly with retrospective effect. The contents of this section headed "Taxation" do not constitute tax advice and do not purport to describe all of the considerations that may be relevant to a prospective subscriber for or purchaser of any Notes. Prospective subscribers for or purchasers of any Notes should consult their professional tax advisers in this regard. The Issuer makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.***

### **Securities Transfer Tax**

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the Securities Transfer Tax Act, 2007, as amended from time to time (the **STT Act**), because the Notes do not constitute "securities" as defined in the STT Act (i.e. the Notes will not, themselves, constitute a share or depository receipt in a company). Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of holders of the Notes.

### **Value-Added Tax**

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

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes that constitute "*debt securities*" as defined in section 2(2)(iii) of the VAT Act will be subject to VAT at the standard rate (currently 15% (fifteen percent)), except where the recipient is a non-resident as contemplated below.

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

### **Income Tax**

#### *South African resident Noteholders*

Under current South African tax laws, a "*resident*" (as defined in section 1 of the Income Tax Act, 1962 as amended from time to time) (the **Income Tax Act**) is subject to income tax on his/her worldwide income. Accordingly, all Noteholders who are "*residents*" of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned in respect of the Notes.

The tax treatment of resident Noteholders will depend on whether amounts derived in respect of the Notes constitute an amount of a revenue nature or an amount of a capital nature. The Notes can constitute a wide variety of instruments subject to different terms. In addition to the terms of the instrument, the circumstances of the Noteholder could impact the tax treatment of amounts derived in respect of the Notes. The Noteholder could be exempt from tax, may hold the Notes as long-term investments on capital account, or may be trading in the Notes on revenue account. Noteholders are advised to consult their own professional advisers as to the nature of any amount earned pursuant to the Notes, and the tax treatment of the amount.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the nominal amount of a Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity, unless

an election has been made by the Noteholder, which is a company entitled under section 24J(9) of the Income Tax Act to make such election, to treat its Notes as trading stock on a mark-to-market basis. This day-to-day accrual is determined by calculating the yield to maturity (as defined in section 24J of the Income Tax Act) and applying this rate to the outstanding amount for the relevant tax period. If on disposal or on maturity the Noteholder has included in gross income interest that the Noteholder did not actually receive (i.e., an accrual amount), section 24J of the Income Tax Act allows the deduction of an adjusted loss.

To the extent the disposal of the Note gives rise to a gain or a loss, the normal principles are to be applied in determining whether such gain or loss should be subject to income tax in terms of the Income Tax Act. If a Note is disposed of on a speculative basis or as part of a scheme of profit making, the gain should generally be revenue in nature and subject to normal tax. If a Note is held with a capital intention any gain on disposal will likely be subject to the lower capital gains tax (explained in more detail below).

Section 24JB of the Income Tax Act deals with the taxation of financial instruments for certain types of taxpayers ("*covered persons*", as defined in section 24JB of the Income Tax Act). If section 24JB of the Income Tax Act applies to the Noteholders and the Notes, the tax treatment of the acquisition, holding and/or disposal of the Notes will differ from what is set out above. Noteholders should seek advice from their own professional advisors as to whether these provisions may apply to them.

#### *Non-resident Noteholders*

Non-residents of South Africa are subject to income tax on all amounts derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty). Depending on the nature of the amount, different domestic rules regarding the determination of source will be applicable. Regarding the treatment of amounts earned by non-residents of South Africa that are capital in nature, see "*Capital Gains Tax*" below.

Interest as defined in section 24J of the Income Tax Act (see above) is derived from a South African source if that amount:

- (a) is attributable to an amount incurred by a Person that is a South African tax resident, unless the interest is attributable to a foreign permanent establishment of that resident; or
- (b) is received or accrues in respect of the utilisation or application in South Africa by any Person of any funds or credit obtained in terms of any form of "*interest-bearing arrangement*".

The Notes could constitute an "*interest-bearing arrangement*". The Issuer is tax resident in South Africa as at the Programme Date. Accordingly, unless the Notes are attributable to a permanent establishment of the Issuer outside of South Africa, any interest paid to the Noteholders will be from a South African source and subject to South African income tax, unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act, any amount of interest received by or that accrues to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- (a) that Person is a natural person who was physically present in South Africa for a period exceeding 183 Days in aggregate during the twelve month period preceding the date on which the interest is received by, or accrues to, that Person; or
- (b) the debt from which the interest arises is effectively connected to a permanent establishment of that Person in South Africa.

If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from, or reduction of, any South African income tax liability may be available under an applicable double taxation treaty.

In respect of non-resident Noteholders, a liability for South African income tax may arise should the Notes so disposed of be attributable to a South African permanent establishment of such Noteholder, and provided that the proceeds from such a disposal are regarded as being derived from a South African source (subject to domestic exemptions or relief in terms of an applicable double taxation treaty).

Non-resident purchasers are advised to consult their own professional advisers as to the above South African tax implications.

## Capital Gains Tax

### *South African resident Noteholders*

A resident Noteholder that disposes of Notes other than on a speculative basis or as part of a scheme of profit-making would need to determine a capital gain or loss, which would be subject to a lower effective tax rate than income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, an “adjusted gain on transfer or redemption of an instrument”, or an “adjusted loss on transfer or redemption of an instrument”, as contemplated in section 24J of the Act, must be calculated. Any such adjusted gain or loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the adjusted gain or loss will take into account, among other things, the interest which has already accrued or been incurred during the period in which the transfer or redemption occurs. In terms of section 24J(4A) of the Income Tax Act, where an adjusted loss on transfer or redemption includes interest which has previously been included in the income of the holder, that amount will qualify as a deduction from the income of the holder during the year of assessment in which the transfer or redemption takes place and will not give rise to a capital loss.

### *Non-resident Noteholders*

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa, unless the Notes disposed of are effectively connected with a permanent establishment of that person in South Africa.

To the extent that a Note holder constitutes a “covered person”, as defined in section 24JB of the Income Tax Act, and section 24JB applies to the Notes, the Note holder will be taxed in accordance with the provisions of section 24JB of the Income Tax Act.

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

## Taxation of Foreign Exchange Gains and Losses

The Notes may be denominated in a currency other than ZAR (**Foreign Currency Notes**). A South African tax resident who holds Foreign Currency Note and who is (1) a company; (2) a trust carrying on a trade; or (3) a natural person who holds the Notes as trading stock will be required to account for foreign exchange gains and losses on translation and realization of the Foreign Currency Notes in accordance with the provisions of section 24I of the Income Tax Act. Such persons will be required to include in or deduct from their income any translation and realization exchange gains or losses on the Notes.

No taxable foreign exchange gains or losses will arise for such persons where the Notes are attributable to a permanent establishment outside of South Africa and the functional currency of that permanent establishment is denominated in a foreign currency.

No foreign exchange gains or losses on translation and realization of the Notes in accordance with the provisions of section 24I of the Income Tax Act will arise for non-resident holders of the Notes, unless such Notes are attributable to a South African permanent establishment of such non-resident holder.

## Withholding Tax

A final withholding tax on interest which is levied at the rate of 15% and applies to interest payments made from a South African source to foreign persons (i.e. non-residents of South Africa), subject to certain exemptions (see below). The withholding tax on interest becomes payable at the earlier time when that interest is paid or that interest becomes due and payable.

As the Notes will not be listed on a recognised exchange, therefore the interest paid to a foreign person will not be exempt from the withholding tax on interest, unless:

- (a) that foreign person is a natural person who was physically present in South Africa for a period exceeding 183 (one hundred and eighty three) Days in aggregate during the twelve month period preceding the date on which the interest is paid; or

- (b) the debt claim in respect of which that interest is paid is effectively connected with a permanent establishment of that foreign person in South Africa, if that foreign person is registered as a taxpayer in terms of Chapter 3 of the Tax Administration Act, 2011.

A foreign person could also qualify for an exemption from interest withholding tax if the foreign person is an institution listed in section 50D of the Income Tax Act.

South Africa is a party to double taxation treaties that may provide full or partial relief from the withholding tax on interest, provided that certain requirements are met. Noteholders are advised to consult their own professional advisers as to whether any such double taxation treaty may apply to them.

### **Guarantee**

The applicability of the interest withholding tax is limited to the payment of “interest” which is defined in the Income Tax Act to include “interest and similar finance charges”. In the event that the Guarantor makes a payment in respect of the Guarantee, under current South African tax law such payment would not be subject to interest withholding tax. However, to the extent that the Guarantor is required to pay default interest on any Guarantee payments, such interest payments may be subject to a final withholding tax on interest levied at a rate of 15% (which rate may be reduced if a double tax agreement applies and certain formalities are complied with).

### **Definition of Interest**

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

---

## **SOUTH AFRICAN EXCHANGE CONTROL**

---

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

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

### **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 Terms and Conditions may be subject to the Exchange Control Regulations.

#### **Emigrant Capital Account**

Emigrant Capital in an Emigrant’s Capital account 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 Emigrant Capital from an Emigrant’s Capital account 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 Individual Certificates issued to Noteholders who are emigrants from the Common Monetary Area will be endorsed “*non-resident*”. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange Dealer(s) controlling such emigrant’s remaining assets.

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

Any payments of principal due to a Noteholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Noteholder’s Emigrant Capital account, as maintained by an authorised foreign exchange dealer. Interest payments are freely transferable and may be credited to the emigrant’s non-resident Rand account. Capital 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 Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed “*non-resident*”. In the event that a Beneficial Interest in Notes is held by a non-resident of the Common Monetary Area through the CSD, the securities account maintained for such Noteholder by the relevant Participant will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident Noteholder to instruct the non-resident’s nominated or authorised Dealer(s) 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 or Rand from a non-resident Rand account held with an authorised foreign exchange dealer and provided that the relevant Individual Certificate has been endorsed “*non-resident*” or the relevant securities account has been designated as a “*non-resident*” account, as the case may be.

The Issuer is domiciled and incorporated in South Africa and as such is not required to obtain exchange control approval for the issuance of Notes within South Africa.

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

---

## GENERAL INFORMATION

---

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

### **Authorisation**

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

### **Listing**

The Programme Memorandum has not been registered with the JSE. Notes to be issued under the Programme will not be listed on the JSE.

### **Documents Available**

So long as the Programme remains in effect, copies of the documents incorporated under the section headed "*Documents Incorporated by Reference*" will, when published, be available at the registered office of the Issuer as set out at the end of this Programme Memorandum.

### **Material Change**

As at the Programme Date, and after due and careful inquiry, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the Issuer's latest audited financial statements. As at the Programme Date, there has been no involvement by PricewaterhouseCoopers Inc. in making the aforementioned statement.

### **Litigation**

Save as disclosed herein and in the most recent audited financial statements and interim financial statements, neither the Issuer, the Guarantor nor any of their respective consolidated Subsidiaries is or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a material effect on the financial position or the operations of the Issuer and the Guarantor in the previous 12 months, nor are they aware of any such proceedings being threatened or pending.

### **Auditors**

PricewaterhouseCoopers Inc. has acted as the auditor of the financial statements of the Issuer for the financial periods ended 31 December 2018, 2019 and 2020 and in respect of those periods, have issued unmodified audit reports.

### **Compliance**

The Issuer is incorporated in terms of and in compliance with the provisions of, *inter alia*, the Companies Act and is acting in conformity with its Memorandum of Incorporation.

---

**CORPORATE INFORMATION**

---

**ISSUER****SCANIA FINANCE SOUTHERN AFRICA (PROPRIETARY) LIMITED**

(registration number 2000/025215/07)

18 O'Connor Road

Aeroton

Johannesburg South

South Africa

Contact: Roger Hutton

**GUARANTOR****SCANIA CV AKTIEBOLAG (PUBL)**

(registration number: 556084-0976)

Vagnmakarvägen 1

151 32 Södertälje

Sweden

Contact: Nabil Adawi

**ARRANGER AND DEALER****FIRSTRAND BANK LIMITED,**

**acting through its RAND MERCHANT BANK division**

(registration number 1929/001225/06)

1 Merchant Place

Cnr Fredman Drive &, Rivonia Road

Johannesburg

South Africa

Contact: Leigh Buckley

**TRANSFER AGENT, CALCULATION AGENT, PAYING AGENT & ISSUER AGENT****FIRSTRAND BANK LIMITED,**

**acting through its RAND MERCHANT BANK division**

(registration number 1929/001225/06)

1 Merchant Place

Cnr Fredman Drive &, Rivonia Road

Johannesburg

South Africa

Contact: Leigh Buckley

**TRANSACTION LEGAL ADVISERS TO THE ISSUER, GUARANTOR, ARRANGER AND DEALER****Bowman Gilfillan Incorporated**

(registration number 1998/021409/21)

11 Alice Lane

Sandown

Sandton

South Africa

Contact: Casper van Heerden

**AUDITOR TO THE ISSUER****PricewaterhouseCoopers Incorporated**

2 Eglin Road

Sunninghill, 2157

South Africa

Contact: Raj Dhanlall