



# Standard Bank

## WARRANTS

31 October 2012

**THE STANDARD BANK OF SOUTH AFRICA LIMITED  
(REGISTRATION NUMBER 1962/000738/06)  
(the "Issuer")**

### **COMMON TERMS DOCUMENT**

### **FOR THE ISSUANCE OF WARRANTS TO BE LISTED ON THE STOCK EXCHANGE**

**The Issuer has applied for and been granted a listing of the Common Terms Document on the Stock Exchange**

#### **Important Notice**

##### **General**

As provided for under this amended and restated Common Terms Document, which (as at the date hereof) amends, restates, replaces and supersedes the Common Terms Document dated 17 August 2011 ("CT Document"), the Issuer may from time to time issue Warrants of any kind including, but not limited to, Equity Warrants, Debt Instrument Warrants, Index Warrants, Basket Warrants, Commodity Warrants, Commodity Reference Warrants, Currency Reference Warrants, Barrier or Knockout Warrants, Reset Warrants, Share Instalments, Variable Equity Securities and Credit Contingent Variable Equity Securities. Each issue of Warrants will be issued on the terms set out herein which are relevant to such Warrants and on such additional terms as will be set out in the relevant Supplements and/or Conditions Annexures which, with respect to the Warrants that are to be listed on the Stock Exchange, will be delivered to the Stock Exchange on or prior to the date of listing of such Warrants. This document is to be read and construed in conjunction with any amendment or supplement hereto, with any Supplements and/or Conditions Annexures and with all documents which are deemed to be incorporated herein by reference, provided that any such amendment, supplement, Conditions Annexure or Supplement and any such document incorporated herein by reference shall form part of the Information. Application shall be made to the Stock Exchange for Warrants to be issued under this CT Document during the effective period of the CT Document and for the same to be listed on the Stock Exchange. In connection with the listing of Warrants on the Stock Exchange, the Issuer confirms that Warrants which are listed on the Stock Exchange will conform to Section 19 of the JSE Listings Requirements. The Issuer confirms that if at any time after the publication of the Information:

- (a) there is a significant change affecting any matter contained in the Information, which Information's inclusion was required by the relevant Listings Requirements of the relevant Stock Exchange; or
- (b) a significant new matter arises, the inclusion of which would have been so required if it had arisen when the Information was prepared;

the Issuer shall give to the relevant Stock Exchange full details of such change or matter and shall publish supplementary Information as may be required by the Stock Exchange (in a form approved by the Stock Exchange), and shall otherwise comply with the Listing Requirements of the Stock Exchange in that

regard.

**Disclosure of Risks**

Prospective purchasers of any Warrants should ensure that they understand fully the nature of the Warrants and the extent of their exposure to risks and that they consider the suitability of the Warrants as an investment in the light of their own circumstances and financial position. Warrants involve a high degree of risk, including in some instances the risk of their expiring worthless. Potential investors should be prepared to sustain a total loss of the purchase price of their Warrants. See Section 3 “*Risk Factors relating to Warrants*”.

**Nature of Warrants**

The Warrants issued hereunder represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other. Purchasers are reminded that the Warrants constitute obligations of the Issuer only and of no other party. Therefore potential investors should understand that they are relying on the creditworthiness of the Issuer.

**United States Registration**

The Warrants issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended and trading in the Warrants has not been approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act. The Warrants may not be offered, sold or delivered within the United States or to U.S. persons, nor may any U.S. persons at any time trade or maintain a position in the Warrants.

## Table of Contents

	Page
<b>Section 1: Definitions .....</b>	<b>1</b>
<b>Section 2: Introduction .....</b>	<b>7</b>
<b>Section 3: Risk Factors Relating to Warrants .....</b>	<b>13</b>
<b>Section 4: Terms and Conditions of the Warrants .....</b>	<b>18</b>
<b>Section 5: Information on the Issuer.....</b>	<b>37</b>
<b>Section 6: Outstanding Warrants, Taxation and Selling Restrictions .....</b>	<b>42</b>
<b>Section 7: General Information.....</b>	<b>44</b>
<b>Schedule 1: Exercise Notice for Warrants .....</b>	<b>47</b>
<b>Schedule 2: Form of Supplement.....</b>	<b>51</b>

References in this section of the CT Document to the Conditions are to the section of this CT Document headed "Terms and Conditions". All capitalised terms not defined in Section 1 of the CT Document shall bear the same meanings as used in the section headed "Terms and Conditions", except to the extent that they are separately defined in Section 1 of the CT Document or this is clearly inappropriate from the context.

## Section 1 Definitions

This CT Document, including the Conditions, shall be interpreted in accordance with the following definitions:

**“Actual Exercise Date”** means, subject to Condition 5, the date on which a valid and complete Exercise Notice is received or deemed under Condition 5 to be received;

**“American Style Warrants”** means, Warrants which are exercisable on any date during the Exercise Period in accordance with the Conditions;

**“Automatic Exercise”** means the process by which a Warrantholder receives 90% (ninety percent) of the Cash Settlement Amount as provided for in Condition 6.12;

**“Barrier or Knockout Call Warrant”** means, a Call Style Warrant subject to a Barrier or Knockout Level;

**“Barrier or Knockout Put Warrant”** means, a Put Style Warrant subject to a Barrier or Knockout Level;

**“Barrier or Knockout Warrant”** means, either a Call or Put Style Warrant subject to a Barrier or Knockout Level as specified in the Supplement;

**“Barrier or Knockout Level”** means, in relation to any relevant Series, the amount set out in the relevant Supplement, as adjusted, if applicable, in accordance with Condition 15 for Equity Barrier or Knockout Warrants and Condition 16 for Index Barrier or Knockout Warrants;

**“Base Currency”** means Rands;

**“Basket Warrants”** means, a Warrant consisting of a basket of Underlying Securities which Underlying Securities relate to different Companies;

**“Basket of Securities”** means, the securities underlying a Basket Warrant;

**“Business Day”** means, a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) on which the Issuer, the Sponsor and the Stock Exchange are open for business in

Johannesburg;

**“Call Style Warrant”** means, Equity, Commodity, Debt Instrument or Currency Reference Call Warrants entitling the Warrantholder, at the Issuers discretion, to take delivery of the Underlying Security for payment of the Exercise Price or to receive the Cash Settlement Amount;

**“Calculation Agent”** means, unless and until another person is appointed as such under Condition 9.5, SBG Securities Proprietary Limited (Registration No. 1972/008305/07);

**“Cash Settlement Amount”** means, the amount determined as such by the Calculation Agent under Condition 6;

**“Cash Settlement Date”** means, in relation to an Exercise Date, the fifth Business Day after the Valuation Date;

**“Closing Price”** means, in relation to the Underlying Securities, the closing price on each Business Day as published by the Stock Exchange, or if the particular Underlying Security is not listed by the Stock Exchange, the mark to market value of such Underlying Security on each Business Day, or for Commodity Reference Warrants, the closing price as quoted by the source as specified in the Supplement;

**“Closing Price Level”** means, in relation to Index Warrants, (i) the final “Expiry Price” in respect of the Index quoted by the Index Sponsor on the Expiration Date; or (ii) if that price is not published, the “Closing Price” in respect of the Index quoted by the Index Sponsor on the Expiration Date; or (iii) if neither of these prices is published and the Index is a Substituted Index, the final price on the Expiration Date of the Substitute Index published by the person who publishes the Substitute Index; or (iv) if none of these prices is published, the final price of the Index on the Expiration Date as calculated by the Calculation Agent;

**“Commodity Call Warrants”** means, a Commodity Warrant entitling the Warrantholder to take delivery of the Reference Commodity for payment of the Exercise Price or, in the discretion of the Issuer, to receive the Cash Settlement Amount;

**“Commodity Reference Call Warrant”** means, a Commodity Reference Warrant for which the Cash Settlement Amount increases for any increase in the Closing Price of the applicable Reference Commodity above the applicable Commodity Reference Strike Price;

**“Commodity Put Warrant”** means, a Commodity Warrant entitling the Warranholder to deliver the Reference Commodity to the Issuer, and in return to receive the Exercise Price or, in the discretion of the Issuer, to receive the Cash Settlement Amount;

**“Commodity Reference Put Warrant”** means, a Commodity Reference Warrant for which the Cash Settlement Amount increases for any decrease in the Closing Price of the applicable Reference Commodity below the applicable Commodity Reference Strike Price;

**“Commodity Reference Warrants”** means, either Commodity Reference Put or Commodity Reference Call Warrants, settled only by payment of the Cash Settlement Amount, which Cash Settlement Amount is calculated by reference to the Closing Price of a specific Reference Commodity;

**“Commodity Reference Settlement Price”** means, in relation to a group of Commodity Reference Warrants, the Rand value of the Closing Price of the Reference Commodity on the Valuation Date as converted by the Calculation Agent (if required) by way of a Conversion Rate, except that where in the opinion of the Calculation Agent the Closing Price cannot reasonably be determined for the particular Reference Commodity for any reason, the Closing Price shall be the Fair Market Value as determined by the Calculation Agent;

**“Commodity Reference Strike Price”** means, the relevant Rand price in respect of the relevant Reference Commodity as specified in the Supplement;

**“Commodity Warrant”** means, either Commodity Call or Commodity Put Warrants issued over Reference Commodities, settled (at the Issuer’s discretion) either by delivery of the underlying Reference Commodity or by payment of the Cash Settlement Amount;

**“Company”** means, the relevant Company in the

context as specified in the Supplement and **“Companies”** shall be construed accordingly;

**“Companies Act”** means the Companies Act, 2008, as amended or restated from time to time;

**“Conditions”** means, the Terms and Conditions of the Warrants as set out in Section 4 of the CT Document;

**“Conditions Annexure”** means, an annexure attached to this CT Document which contains the description, Conditions and Information of a relevant type of Warrant to be issued under the CT Document;

**“Constituent Shares”** means the underlying Shares in terms of which the value of any particular Index is determined by the Index Sponsor;

**“Controlled Warranholder”** means a Warranholder not appointing its own CSDP, but utilising the services of their Member’s CSDP;

**“Conversion Rate”** means, the relevant currency conversion rate as specified in the Supplement as on the Valuation Date and as determined by the Calculation Agent from the relevant source as specified in the Supplement;

**“Cover Ratio”** means in respect of Currency Reference Warrants, the number of warrants required to purchase one unit of Reference Currency, as specified in the Supplement;

**“Credit Contingent Variable Equity Securities”** means those securities issued upon the terms and in accordance with the relevant Conditions Annexure(s) and Supplement(s);

**“CSDP”** means a depository institution accepted by STRATE as a participant in terms of the Securities Services Act;

**“CT Document”** means, this amended and restated Common Terms Document, which (as at the date hereof) amends, restates, replaces and supersedes the Common Terms Document dated 17 August 2011;

**“Currency Reference Call Warrant”** means, a Currency Reference Warrant for which the Cash Settlement Amount increases for any increase in the Settlement Price above the applicable Currency Reference Strike Price;

**“Currency Reference Put Warrant”** means, a Currency Reference Warrant for which the Cash Settlement Amount increases for any decrease in the Settlement Price below the applicable Currency Reference Strike Price;

**“Currency Reference Warrants”** means, either Currency Reference Put or Currency Reference Call Warrants, settled only by payment of the Cash Settlement Amount which Cash Settlement Amount is calculated by reference to the Settlement Price of a specific Reference Currency Pair on the Exercise Date;

**“Currency Reference Strike Price”** means, pre-determined strike price (Exchange Rate) for the Reference Currency Pair, expressed as the number of units of the Base Currency required to purchase one unit of the Reference Currency, as specified in the Supplement;

**“Debt Instrument”** means, the relevant Debt Instrument as specified in the Supplement over which Warrants are issued in terms of this CT Document;

**“Debt Instrument Series”** means, a Series of Warrants relating to Debt Instruments as specified in the Supplement;

**“Debt Instrument Warrant/s”** means, Warrants (including Barrier or Knockout and Basket Warrants) issued over Debt Instruments as specified in the Supplement;

**“Delivery”** means the electronic transfer of the Warrant by the relevant CSDP in accordance with the rules of STRATE into the Uncertificated Warrant Account of the transferee, and **“Deliver”** shall have an analogous meaning;

**“Equity Series”** means, Warrants relating to Shares as specified in the Supplement;

**“Equity Warrant/s”** means, Put or Call Warrants (including Barrier or Knockout, Reset and Basket Warrants) issued over Shares as specified in the Supplement;

**“European Style Warrants”** means, Warrants which can only be Exercised on the Expiration Date in accordance with the Conditions;

**“Exchange Rate”** (also known as the foreign-exchange rate, forex rate, spot rate, or FX rate)

means, in respect of Currency Reference Warrants, the number of units of the Base Currency required to purchase one unit of the Reference Currency;

**“Exercise Date”** means, in respect of American Style Warrants, the date during the Exercise Period that the Warrant is Exercised or deemed to be exercised in accordance with the Conditions, or in respect of European Style Warrants the Expiration Date;

**“Exercise/d”** means, the process by which the Warranholder receives the Underlying Security in the event of Call Style Warrants, or by which the Warranholder delivers the Underlying Security to the Issuer in the event of Put Style Warrants, or receives the Cash Settlement Amount in respect of either Call Style, Put Style or Index Warrants;

**“Exercise Expenses”** means, all Taxes and Duties and other direct costs and charges (not including the Issuer’s administrative costs) of transferring the Underlying Security to a Warranholder following the exercise of a Group of Warrants in the event of Call Style Warrants, or the Issuer taking delivery of the Underlying Security in the event of Put Style Warrants, or the payment of the Cash Settlement Amount by the Issuer in the event of Put Style, Call Style or Index Warrants;

**“Exercise Notice”** means, a notice in the form or substantially in the form of Schedule 1 to the Conditions, delivered in accordance with the provisions of Condition 5;

**“Exercise Period”** means, in relation to a Series of American Style Warrants, the period commencing on the date specified in the Supplement and ending on the Expiration Date as specified in the Supplement;

**“Exercise Price”** means, in relation to a Series, the amount per Group of Warrants as set out in the relevant Supplement;

**“Expiration Date”** means, in relation to a Series the date as specified in the Supplement;

**“Fair Market Value”** means the value of the Underlying Parcel or Reference Currency Pair as determined by the Calculation Agent. Such value is calculated on the basis of (i) the market conditions on the Valuation Date and (ii) the cost

to the Issuer of unwinding any related underlying hedging arrangements;

**“Group”** means, in relation to a Series of Warrants, subject to certain adjustments in the Conditions, the number specified as such in relation to that Series in the Supplement;

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

**“Index”** means, the relevant Index as specified in the Supplement over which Index Warrants are offered in terms of this CT Document and, unless the context otherwise requires, includes any Substitute Index, the details of which, including without limitation, the date of establishment of the Index, how it is compiled, an explanation of its computation, historical and current data may be obtained from the website of the Index Sponsor;

**“Index Call Warrant”** means an Index Warrant for which, in terms of Condition 5, the Cash Settlement Amount increases with any increase in the Index Level;

**“Index Level”** means, the Level of the Index as published by the person usually responsible for the publishing of such Index or otherwise, such publication as determined by the Issuer;

**“Index Multiplier”** means, the Multiplier used to convert an Index Level to a Rand value as specified in the Supplement;

**“Index Put Warrant”** means an Index Warrant for which in terms of Condition 5, the Cash Settlement Amount increases for any decrease in the Index Level;

**“Index Series”** means, a series of Warrants relating to an Index as specified in the Supplement;

**“Index Sponsor”** means the Index Sponsor specified as such in the Supplement, which calculates the quotation of the Index;

**“Index Warrants”** means, Put or Call Warrants

(including Barrier or Knockout, Reset and Basket Warrants) issued over an Index as specified in the Supplement;

**“Information”** means, the Information contained in this CT Document which is issued in compliance with the listing requirements made by the Stock Exchange for the purpose of giving such information with regard to the Issuer and the Issue of Warrants to be listed on the Stock Exchange by the Issuer during the period that this CT Document is effective, including information contained in any Supplement;

**“Issuer”** means, The Standard Bank of South Africa Limited, Registration Number 1962/000738/06, a public company incorporated in accordance with the laws of the Republic of South Africa on 13 March 1962 in Pretoria;

**“Issue Date”** means, in respect of each Series of Warrants the date as specified in the Supplement;

**“Issue Price”** means, in respect of each Series of Warrants the price as specified in the Supplement;

**“Issuer’s CSDP”** means The Standard Bank of South Africa Limited;

**“JSE”** means the JSE Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to the JSE;

**“Market Disruption Event”** means, any event or circumstances, including, without limitation, any suspension or limitation of trading, affecting any Underlying Securities or Index, which in the opinion of the Calculation Agent, on any Business Day, results or would result in such Underlying Securities or Index being unavailable for purchase, transfer or delivery on an arm’s length basis on the Stock Exchange, or that such Index is not quoted in the usual manner, or the suspension or limitation of trading in any options, futures or other derivatives with respect to the Underlying Securities on the Stock Exchange, or the Closing Price or Closing Price Level not being published by the Stock Exchange and/or quoted in the usual manner. For the purposes of this definition (a) a limitation on the hours and days of trading will not constitute a Market Disruption Event if it results

from an announced change in the regular business hours of the Exchange and market and (b) a material limitation of trading resulting from a fluctuation of prices which exceeds levels permitted by the relevant authority will constitute a Market Disruption Event;

**“Maximum Exercise Number”** means, except on the Expiration Date, the amount of Warrants as specified in the Supplement;

**“Member”** means an entity admitted to membership of the JSE under the JSE rules, as published from time to time;

**“Minimum Exercise Number”** means, except on the Expiration Date, the amount of Warrants as specified in the Supplement;

**“Non-Controlled Warrantholder”** means a Warrantholder appointing its own CSDP and not utilising the CSDP of its Member;

**“Put Style Warrant”** means, Equity, Commodity, Debt Instrument or Currency Reference Put Warrants, entitling the Warrantholder to deliver the Underlying Security to the Issuer, and in return to receive the Exercise Price or, in the discretion of the Issuer, to receive the applicable Cash Settlement Amount;

**“R” “ZAR” or “Rand”** means, Rand, the currency of the Republic of South Africa;

**“Reference Commodity”** means, the relevant commodity as specified in the Supplement;

**“Reference Currency”** means the relevant foreign currency specified in the Supplement;

**“Reference Currency Pair”** means, the Base Currency and Reference Currency pair specified in the Supplement for example USD/ZAR;

**“Register”** means individual sub-registers as maintained by the respective CSDPs for purposes of maintaining a record of interests of Warrantholders (from time to time);

**“Reset Call Warrant”** means, a Call Style Warrant subject to a Reset Date;

**“Reset Date/s”** means, in relation to any relevant Series, the reset date/s as set out in the relevant Supplement;

**“Reset Price”** means, the Exercise Price adjusted in accordance with the terms of the relevant Conditions Annexure and Supplement;

**“Reset Put Warrant”** a Put Style Warrant subject to a Reset Date;

**“Reset Time”** means, in relation to any relevant Series, the time on any Reset Date as set out in the relevant Supplement;

**“Reset Warrant”** means, either a Call or Put Style Warrant subject to Reset Date/s as specified in the Supplement;

**“Securities Account”** means the account maintained by a CSDP for and on behalf of the holder of dematerialised securities in terms of the rules of STRATE, which account reflects the interests of such holder in dematerialised securities, which may include but is not limited to the Uncertificated Warrant Account;

**“Securities Services Act”** means the Securities Services Act, 2004 (as amended), or such other relevant successive legislation;

**“SENS”** means the Securities Exchange News Service or any replacement or equivalent news service of the JSE or Stock Exchange;

**“Series”** means, Warrants relating to an Underlying Security or Index as specified in the relevant Supplement;

**“Settlement Date”** means, in relation to each applicable Exercise Date, the date upon which the Underlying Securities would be settled, if traded through the Trading System on the Valuation Date, or in relation to Index Warrants the fifth Business Day following the Valuation Date;

**“Settlement Disruption Event”** means, an event which in the opinion of the Calculation Agent, is both beyond the reasonable control of the Issuer and which precludes the Issuer from making or taking delivery of the Underlying Securities, as the case may be, as required by the Conditions;

**“Settlement Disruption Period”** means the continuation, for an uninterrupted period of 7 (seven) days, of any Settlement Disruption Event;



**“Settlement Price”** means (i) in relation to a Group of Warrants, means the value of the Underlying Parcel on the Valuation Date determined by the Calculation Agent as the sum of the weighted average traded prices of securities comprising the Underlying Parcel on the Stock Exchange in the ordinary course of business on the Valuation Date, or (ii) in respect of Currency Reference Warrants the price as set out in the Conditions Annexure, except that where in the opinion of the Calculation Agent a price cannot reasonably be determined for any such securities for any reason, the value of that item of property shall be the Fair Market Value as determined by the Calculation Agent;

**“Share”** in relation to an Equity Series means, one ordinary share in the relevant Company as adjusted, if applicable, under Condition 5 and as specified in the Supplement or any other class or type of share as specified in the Supplement;

**“Share Instalments”** mean those Warrants issued upon the terms of and in accordance with the relevant Conditions Annexure(s) and Supplement(s);

**“Sponsor”** means, SBG Securities (Proprietary) Limited (Registration number 1972/008305/07) or such other Sponsor as may be appointed by the Issuer subject to the approval of the JSE, as specified in the Supplement;

**“Stock Exchange”** means either the JSE or the exchange as specified in the Supplement;

**“STRATE”** means Strate Limited (registration number 1998/022242/06), registered as a central securities depository in terms of the Securities Services Act or such additional, alternative or successor central securities depository as may be approved by the Issuer, which operates the electronic share settlement and clearance system as implemented by the JSE;

**“STT”** means securities transfer tax within the meaning of the Securities Transfer Tax Act, 2007;

**“Sub-register”** means the record of Uncertificated Warrants administered and maintained by a CSDP, which forms part of the Register;

**“Substitute Index”** means, in relation to an

Index Warrant an Index replacing the Index over which the Index Warrants have been issued;

**“the Supplement”** means, the relevant supplement or technical supplement prepared in connection with any Issue of Warrants, Share Instalments, Variable Equity Securities or Credit Contingent Variable Equity Securities listed on the Stock Exchange, and any other supplement to the Information, which will comprise supplementary particulars but which shall not form part of the Information, but which shall contain the relevant particulars as described in Schedule 2;

**“Takeover Regulations”** means, the regulations issued in terms of the Companies Act governing takeovers;

**“Taxes and Duties”** means, any applicable levies and/or duties due by reason of the exercise, or the transfer of Underlying Securities to, or to the order of, a Warranholder, including but not limited to, STT;

**“Trading System”** means the SETS trading system operated by the JSE for the trading of equity instruments listed on the JSE or any successor trading system utilised by the JSE for this purpose;

**“Uncertificated Warrant”** means a Warrant issued in uncertificated form and which is electronically transferred by the relevant CSDP;

**“Uncertificated Warrant Account”** means an account kept by, or on behalf of, a CSDP for a Warranholder reflecting the number and/or nominal value of Uncertificated Warrants deposited with the relevant CSDP, and all entries made in respect of such Uncertificated Warrants relating to such Warranholder;

**“Underlying Parcel”** in relation to a Group of Warrants in a Series of Equity, Debt Instrument Commodity, or Commodity Reference Warrants initially one unit of the relevant Underlying Security, or in the event of Basket Warrants the Basket of Securities, subject to adjustment under Condition 15;

**“Underlying Security” / “Security”** means, Shares in the relevant Company as specified in the Supplement, or Debt Instruments as specified in the Supplement, or Reference Commodities as specified in the Supplement, or

Reference Currency as specified in the Supplement, or any other security designated as such in any Supplement;

**“Valuation Date”** means, the first Business Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on that day, in which case the Valuation Date shall be the first succeeding Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event occurring on each of the 5 (five) Business Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date, in which case the 5<sup>th</sup> (fifth) Business Day is the Valuation Date and the Calculation Agent shall determine the value of the Underlying Security or Index;

**“Variable Equity Securities”** means those securities issued upon the terms and in accordance with the relevant Conditions Annexure(s) and Supplement(s);

**“Warrant”** means, one of the securities created and governed by this CT Document, or any further securities, including but not limited to, Share Instalments, Variable Equity Securities and Credit Contingent Variable Equity Securities introduced by way of a Conditions Annexure;

**“Warrantholder”** in relation to a Warrant means, the person whose name is entered in the Register as the holder of that Warrant;

**“Warrantholder’s CSDP”** means either a Warrantholder’s chosen CSDP (for Non-Controlled Warrantholders) or the CSDP of the Warrantholder’s Member (for Controlled Warrantholders).

## **Section 2 Introduction**

### **Characteristics of Warrants**

#### **General**

Warrantholders of American Style Warrants are entitled, but not obliged, by delivering an Exercise Notice and paying the Exercise Price and Exercise Expenses to receive or deliver (as the case may be) an Underlying Parcel (or at the discretion of the Issuer to receive the Cash

Settlement Amount calculated as set out in the Conditions), at any time on or before the Expiration Date.

Warrantholders of European Style Warrants, Variable Equity Securities and Credit Contingent Variable Equity Securities are entitled, but not obliged, by delivering an Exercise Notice and paying in the case of European Style Warrants the Exercise Price and Exercise Expenses, to receive or deliver the Underlying Parcel (or at the discretion of the Issuer to receive the Cash Settlement Amount calculated as set out in the Conditions), on the Expiration Date.

In terms of this CT Document Warrants will be listed on the Stock Exchange. These Warrants are contractual obligations traded on the Stock Exchange. The performance of the Warrants are linked to the value of a particular Underlying Parcel, Index, and/or derivative instrument and/or fixed income instrument.

#### **Put Style Warrants**

Put Style Warrants entitle the Warrantholder at the Issuer’s discretion to receive a Cash Settlement Amount equal to the amount (if any) by which the price of the relevant Underlying Parcel is less than the Exercise Price on the Valuation Date, or to transfer the Underlying Parcel to the Issuer in return for receipt of the Exercise Price.

#### **Call Style Warrants**

Call Style Warrants entitle the Warrantholder at the Issuer’s discretion to receive a Cash Settlement Amount equal to the amount (if any) by which the price of the relevant Underlying Parcel is greater than the Exercise Price on the Valuation Date, or to buy the Underlying Parcel from the Issuer for the Exercise Price.

Warrants are leveraged investments. Warrants can provide exposure to the Underlying Parcel or Index for a fraction of the price of such Underlying Parcel or Index. Variable Equity Securities and Credit Contingent Variable Equity Securities may from time to time offer leveraged exposure to an Underlying Parcel or Index.

The right to purchase the Underlying Parcel at the stated Exercise Price, or to sell the Underlying Parcel at the stated Exercise Price or to receive the Cash Settlement Amount, will

have value on the Expiration Date only if the Underlying Parcel is worth more (in the case of Call Style Warrants) or less (in the case of Put Style Warrants) than the Exercise Price at that date. The higher the price of the Underlying Parcel (in the case of Call Style Warrants), or the lower the price of the Underlying Parcel (in the case of Put Style Warrants) the greater the value will be of the Warrant.

The value of Call Style Warrants tends to rise if the value of the Underlying Parcel increases, and tends to fall if the value of the Underlying Parcel decreases. The value of Put Style Warrants tends to rise if the value of the Underlying Parcel decreases, and tends to fall if the value of the Underlying Parcel increases. Both increases and decreases in the value of the Underlying Parcel are likely to be magnified, in percentage terms, in the Warrant price.

The value of Index Call Warrants will generally increase if the value of the particular Index rises and will decrease if the value of the particular Index falls. The value of Index Put Warrants will generally increase if the value of the particular Index decreases and will decrease if the value of the particular Index increases.

The value of Commodity Call Warrants or Commodity Reference Call Warrants will generally increase if the value of the particular Reference Commodity rises and will decrease if the value of the Reference Commodity decreases. The value of Commodity Put Warrants or Commodity Reference Put Warrants will generally increase if the value of the particular Reference Commodity decreases and will decrease if the value of the particular Reference Commodity increases.

The value of Currency Reference Call Warrants will generally increase if the Exchange Rate increases and will decrease if the Exchange Rate decreases. The value of Currency Reference Put Warrants will generally increase if the Exchange Rate decreases and will decrease if the Exchange Rate increases.

The value of the Variable Equity Security and Credit Contingent Variable Equity Securities will generally increase if the value of the particular Index or Underlying Parcel rises and may be subject to a maximum return and will decrease if the value of the particular Index or Underlying Parcel decreases. It should be noted that on the

Credit Contingent Variable Equity Securities the value can decrease below the initial purchase price of the instrument.

### **Adjustments to the Underlying Parcel, Exercise Price or Reset Price and Barrier or Knockout Level**

The Underlying Parcel is initially one unit in the relevant Underlying Security (except in respect of Basket Warrants where the Underlying Parcel is the Basket of Securities), as specified in the Supplement. Subject to Stock Exchange or other relevant exchanges' as specified in the Supplement, approval, the Underlying Parcel relating to Equity, Basket or Debt Instruments Warrants may be adjusted in certain circumstances, such as a bonus or rights issue, a cash return of capital, a reconstruction of capital, or a call on partly paid Underlying Securities, any sub-division, consolidation or reclassification of Underlying Securities, a repurchase by the Company of Underlying Securities, a cancellation of the listing of the Underlying Securities or any other event having, in the reasonable opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Underlying Securities.

The Exercise Price, Reset Price and Barrier or Knockout Level may also be adjusted in certain circumstances, as set out in Section 4.

### **Adjustments to Indices**

The constituent Underlying Securities and the weightings within an Index Sponsor's Index may be adjusted from time to time by the relevant Index Sponsor. Generally, where this is done in accordance with the current rules applying to an Index, no changes will be made to the Conditions. In the event, however, that there are material changes made to the structure or method of calculation of an Index, an adjustment may be made to the Conditions of the Index Warrants, subject to the approval of the Stock Exchange, so as to reflect, as far as possible, the structure and method of calculation of the Index at the date of this CT Document. The adjustments will be designed with the intention that neither the Warrantholder nor Issuer is disadvantaged in such circumstances. Adjustments are discussed further in Section 4.

## Dividends and Voting Rights

Warrantheolders are not entitled to dividends or rights (including voting rights) in respect of the Underlying Parcel, solely by virtue of their Warrantheolding. However, following the exercise of Warrants, dividends on the relevant Shares to be delivered to the Issuer or Warrantheolder, as the case may be, will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Actual Exercise Date and to be delivered in the same manner as such Shares.

Warrantheolders of Index Warrants are not entitled to dividends or any other rights (including voting rights) in respect of the Constituent Shares.

## Risks

Investing in Warrants involves a significant degree of risk, including the risk in some instances that the entire investment could be lost. Since Warrants provide geared exposure to Underlying Securities or Indices, the risks of investing in Warrants are greater than the risks of investing a similar amount directly in Underlying Securities. Some of the risks involved in investing in Warrants are more fully described in Section 3. The risk of particular Warrants may differ and investors are advised to refer to the relevant Conditions Annexure to ensure that they understand the particular risks involved.

**The attention of investors contemplating investing in Warrants is drawn to section 3 headed “Risk Factors Relating to Warrants” for a discussion of certain factors that should be carefully considered by prospective investors in connection with an investment in Warrants. Potential investors should ensure that they fully understand the risks involved and consult with their own relevant advisers before making any investment decision.**

## Taxation

Purchasing, holding, selling and exercising Warrants may have tax implications for investors. The tax consequences will depend on the particular circumstances of each Warrantheolder. **Potential investors should**

**seek their own independent advice referable to their own circumstances prior to making any investment decision.**

## Delivery of Conditions

This CT Document including the Conditions of the Warrants will be delivered to the Stock Exchange on or prior to the date of the listing of Warrants.

## Delivery of Underlying Parcel

Except for Index Warrants, Currency Reference Warrants and Commodity Reference Warrants, the Warrants will entitle the Warrantheolder, subject to the Issuer’s discretion to pay the Cash Settlement Amount, to receive physical delivery of the Underlying Parcel against payment of the relevant Exercise Price or relevant Reset Price (in the event of Call Style Warrants) or make delivery of the Underlying Parcel to the Issuer against receipt of the Exercise Price or relevant Reset Price (in the event of Put Style Warrants). Index Warrants, Currency Reference Warrants and Commodity Reference Warrants will always be settled by payment of the Cash Settlement Amount in accordance with the Terms and Conditions.

The above rights of delivery are always subject to the Cash Settlement provisions in particular, Section 4 in respect of Warrants generally and as set out in the relevant Conditions Annexure.

## Contents of the CT Document

This CT Document is available only in the English language and may be obtained from the offices of the Issuer, the Issuer’s website ([www.warrants.co.za](http://www.warrants.co.za)), the Sponsor, the Issuer’s CSDP and the Stock Exchange.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the CT Document contains all information required by law and the JSE Listings Requirements.

The Issuer accepts full responsibility for the accuracy of the information contained in this CT Document, Conditions Annexure and Supplement and the annual financial report, the

amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

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

### **Amendment to CT Document**

The Issuer shall have discretion to, at any time, amend the CT Document by way of:

- (a) the introduction of a Conditions Annexure;
- (b) the amendment of the Conditions as provided for in Condition 12.2;
- (c) the updating of the Financial Information contained in Section 5; or
- (d) any other amendments made by the Issuer, provided that such amendments do not materially prejudice the interest of any Warrantholder.

### **Role of Company**

Neither the Companies nor any of their respective affiliates and other professional advisers named herein have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Companies as to the accuracy or completeness of the information contained in this CT Document or any other information provided by the Issuer.

Neither the Companies nor their respective affiliates and other professional advisers accept any liability in relation to the information contained in this CT Document or any other information provided by the Issuer in connection with the CT Document.

The information contained herein or in any Supplement with respect to the Companies, consists of extracts from, or summaries of, information that is publicly available.

### **Information and Representations**

No person has been authorised by the Issuer to give any information or to make any representation not contained in, or consistent with, this CT Document or any other document entered into in relation to the CT Document or any other information supplied by the Issuer in connection with this CT Document and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Companies, the JSE, Strate, each of their agents or employees or other professional advisors.

This CT Document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Warrants or the distribution of this document in any jurisdiction where any such action is required.

This CT Document is to be read and construed with any amendment or supplement thereto (this document, as amended, replaced or supplemented) and in conjunction with any other documents which are deemed to be incorporated herein by reference (see section 21 headed "*Documents Incorporated by Reference*") and, should be read and construed together with the Supplement. This CT Document shall be read and construed on the basis that such documents are incorporated into and are deemed to form part of this CT Document. This CT Document constitutes a placing document under the terms of the listing requirements made by the Stock Exchange for the purpose of providing the Information.

### **Rights of Warrantholders**

The Warrants create rights but, until Exercised, do not impose any obligations on the Warrantholder. In the absence of the warrants being Exercised, any obligation on the Issuer to pay any amount, take delivery or deliver any Underlying Securities to any Warrantholder is

subject to limitations. The Warrants can be Exercised only in the manner set out in the Conditions.

### **Substantial Shareholdings and Take-overs**

Any person who holds Warrants and who is, or may become a substantial Warrantholder of Shares should consider the provisions of Chapter 5 of the Companies Act and the Takeover Regulations thereto.

Warrantholders should note that if an offer is made to acquire all or to acquire substantially all of the Shares or a take-over offer is made otherwise with respect to the Shares, a Warrantholder may be unable to participate in such offer.

The Issuer gives no undertaking, assurance or guarantee with respect thereto. Should compulsory acquisition or anything similar thereto take place, the Warrants will lapse with effect from the date thereof.

### **Placement Size**

There is no obligation upon the Issuer to sell all or any particular number of the Warrants.

### **Role of Stock Exchange**

The Stock Exchange takes no responsibility for the contents of the CT Document, any supplements thereto, or the annual report (as amended or restated from time to time) or the amendments to the annual report, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the CT Document, supplements thereto, or the annual report (as amended and restated from time to time) or the amendments to the annual report.

The Stock Exchange, Strate or any of their respective affiliates and 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 Stock Exchange, Strate or other professional advisers as to the accuracy or completeness of the information contained in this CT Document or

any other information provided by the Issuer. The Stock Exchange, Strate or their respective affiliates and other professional advisers do not accept any liability in relation to the information contained in this CT Document or any other information provided by the Issuer in connection with the CT Document.

Claims against the JSE Guarantee Fund (or any successor fund), established in terms of Section 9 of the Securities Services Act may only be made in respect of trading in Warrants on the JSE and in accordance with the rules of the Guarantee Fund, and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations in terms of its obligations under the Warrants.

### **Registration and Transfer**

Only persons registered in the Register (see Condition 2.2 below) shall be recognised as Warrantholders.

Transfers of Warrants will only be recognised when the proposed transferee of such Warrants is entered into the Register by the Issuer's CSDP or the relevant Warrantholder's CSDP.

### **Limitations on Use of CT Document**

Neither this CT Document nor the Information:

- (i) is intended to provide a basis for any credit or other evaluation; or
- (ii) should be considered as a recommendation by the Issuer that any recipient of this CT Document (or any other information supplied in connection with the Issue, including any Supplement or Conditions Annexure) should purchase any Warrants.

Each investor contemplating purchasing any Warrants should determine for itself the relevance of the information contained in this CT Document and should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and its purchase of the Warrants should be based upon any such investigation as it deems necessary. Neither this CT Document nor any other information supplied in connection with the Issue

of Warrants including any Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Warrants.

The delivery of this CT Document or any Supplement or the offering, sale or delivery of any Warrant does not at any time imply that the Information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Issue of Warrants is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, *inter alia*, the most recently published annual report and accounts of the Issuer when deciding whether or not to purchase any Warrants. The Issuer will however update the CT Document to reflect any material changes to either the Conditions or its financial position.

The distribution of this CT Document and any Supplement and the offering of Warrants may be restricted by law in certain jurisdictions.

Persons into whose possession this CT Document comes are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Warrants and on the distribution of this CT Document and any Supplement and other offering materially relating to the Warrants, see section headed "*Outstanding Warrants, Taxation and Selling Restrictions*".

Neither the Issuer nor any other professional advisers represents that this CT Document may be lawfully distributed, or that any Warrants 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 or other professional advisors which would permit a public offering of any Warrants or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Warrants may be offered or sold, directly or indirectly, and neither this CT Document nor any advertisement or other offering material may be distributed or

published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

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

#### **Liquidity Following Issue**

The Issuer and the Sponsor intend to ensure that a reasonable secondary market for the Warrants is established and maintained. It is however not possible for either the Issuer or Sponsor to predict the price at which Warrants will trade following their issue.

### **Section 3 Risk Factors Relating to Warrants**

An investment in Warrants involves a number of risks, some of which are referred to below. Potential investors should ensure that they understand fully all of the risks prior to making any investment decision. **Potential investors should seek independent financial advice prior to investing in Warrants.**

The Issuer believes that the factors described below, which are not set out in any particular order, represent key risks inherent in investing in the Warrants, but the inability of the Issuer to pay any amount on or in connection with any Warrants may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding of any Warrants are exhaustive.

The information set out below is therefore not intended as advice and does not purport to describe all of the considerations that may be relevant to a prospective investor.

Investors contemplating making an investment in the Warrants should determine their own investment objectives and experience, and any other factors which may be relevant to them in connection with such investment.

It should be noted that the risks detailed below may not be applicable to Variable Equity Securities and Credit Contingent Variable Equity Securities which may in some instances offer a level of capital protection.

Prospective purchasers should be experienced with respect to options and option transactions and should understand the risk of transactions involving the relevant Warrants.

Warrants involve a high degree of risk. Prospective purchasers of Warrants should consider the following risk factors before making an investment decision concerning the Warrants. Purchasers should reach an investment decision only after careful consideration, with their advisers, of the

suitability of Warrants in light of their particular financial circumstances.

Prospective purchasers of Warrants should recognise that their Warrants may lapse or expire worthless and should be prepared to sustain a total loss of the purchase price. Thus, in order to recover and realise a return upon investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of any anticipated change in the value of the Underlying Security, Basket of Securities, Index or Debt Instrument underlying the Warrant.

The value of a Warrant will be subject to continuous change in response to market and economic forces. The factors which may generally affect the pricing of a Warrant include, but are not limited to, such variables as the current value of the Underlying Security, Basket of Securities, Index or Debt Instrument underlying the Warrant and the relationship between the value and the Exercise Price, the current values of related interests (e.g. exchange-traded options or futures related to the Underlying Security), the style of the Warrant (e.g. American call), the individual estimates by market participants of the future volatility of the Underlying Securities, the amount of time remaining until expiration of the Warrant, current interest rates, the effect of supply and demand (including the depth of liquidity) in the market for the Warrants as well as in the markets for the Underlying Securities and for related interests, and other factors generally affecting the prices or volatility of Underlying Securities, Indices or Debt Instruments related interests or securities generally.

#### **Issuer's Credit Rating**

The Warrants represent general, unsecured, unsubordinated contractual obligations of the Issuer which rank *pari passu* in all respects with each other and with other unsecured and unsubordinated obligations of the Issuer.

Purchasers of the Warrants must therefore look solely to the Issuer for performance of its obligations under the relevant Warrants. The value of the Warrants may be affected by investors' appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by rating



services, such as Fitch Ratings Limited (“**Fitch**”). A reduction in the rating accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the value of the Warrants. On the date hereof the Issuer is rated National Long-term AA(zaf)/stable and National Short-term F1+(zaf) by Fitch.

### **Potential Conflicts of Interest**

The Issuer and its affiliates may also engage in trading activities (including hedging activities) related to the Underlying Securities, Debt Instruments, Reference Commodities or Indices and other instruments or derivative products based on or related to the Underlying Securities, Debt Instruments or Indices for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates may also issue other derivative instruments in respect of the Underlying Securities, Debt Instruments or Indices. The introduction of competing products into the marketplace could adversely affect the value of the Warrants.

The Issuer may have interests which may be adverse to those of the Warrantheolders. The Issuer or its affiliates may also act as underwriter in connection with the future offerings of other Underlying Securities related to the relevant Warrants or may act as financial adviser to any Company or in a banking capacity for any Company. Such activities could present certain conflicts of interest, could influence the prices of such Underlying Securities and could adversely affect the value of the Warrants.

### **Maximum Exercise**

The Issuer will have the ability to limit the number of Warrants Exercisable on any date other than the Expiration Date (in the event of American Style Warrants) to the Maximum Exercise Number as specified in the Supplement, and in conjunction with such limitation to limit the number of Warrants Exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being Exercised on any date (other than the Expiration Date) exceeds such Maximum Exercise Number and the Issuer has elected to limit the number of Warrants Exercisable on such date, Warrantheolders may not be able to Exercise on such date all Warrants that they

desire to Exercise. In any such case, the number of Warrants to be Exercised on such date will be reduced until the total number of Warrants Exercised on such date no longer exceeds such maximum. Such Warrants will be selected by the Issuer on the basis of the time at which notices to Exercise the Warrants are received by the Issuer with the earlier of such notices taking priority over those which are received later in time.

Any Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

### **Minimum Exercise**

The Issuer will have the ability to designate a minimum number of Warrants to be Exercised on any date other than the Expiration Date (in the event of American Style Warrants). Warrantheolders must tender at least the Minimum Number of Warrants as specified in the Supplement at any one time in order to Exercise their Warrants.

Thus, Warrantheolders with fewer than the specified Minimum Exercise Number of Warrants will either have to sell their Warrants or purchase additional Warrants to make up a sufficient number, incurring transaction costs in each case, in order to realise a return on their investment, and may incur the risk that the trading price of the Warrant is more than that of the property to be delivered upon Exercise.

In addition, on any date including the Expiration Date Warrants must be Exercised in multiples of the Group as specified in the Supplement.

Upon Exercise, and in the event of Call Style Warrants, Warrants will only entitle Warrantheolders (subject to the provisions concerning the Cash Settlement Amount) to an integral multiple of a whole integer of the number of Underlying Securities. Fractions of Underlying Securities will not be delivered. However, the Calculation Agent may make an adjustment and may pay an amount in Rands in order to compensate the relevant Warrantheolder as specified in the Conditions.

## **Exercise Procedure**

Warrantheolders who wish to Exercise their Warrants should ensure that they follow the proper exercise procedures as set out in Section 4, failing which the Warrants may be Automatically Exercised on the Expiration Date and only entitle the Warrantheolder to 90% (ninety percent) of the Cash Settlement Amount in accordance with Condition 6.11.

## **Potential Adjustment Events and Other Events**

Warrantheolders should note that the Potential Adjustment Events and the Other Events, stipulated in Condition 15, may in certain circumstances lead to a change in the Underlying Parcel, Exercise Price, Reset Price, Index or Index Multiplier or cause the Warrant to lapse, as the case may be.

## **Exercise of Discretion by the Issuer**

Warrantheolders should note that some provisions of the Conditions confer discretions on the Issuer. The exercise or non-exercise of these discretions could adversely affect the value of the Warrants.

Warrantheolders do not have the right to direct the Issuer concerning the exercise of any discretion, although the Issuer may only exercise certain discretions with the consent of the Stock Exchange. The discretions are set out in the Conditions.

## **Change to the Conditions**

The Issuer may in certain circumstances make Changes to the Conditions, as set out, and in accordance with the Conditions.

## **Settlement Risk**

The Warrantheolder shall bear the risk of any failure in any settlement system through which the Underlying Parcel or Cash Settlement Amount are to be settled or paid.

Upon the occurrence of certain events as specified in this CT Document, the Issuer may vary the settlement in respect of the Warrants and may make payment of the Cash Settlement Amount on the Cash Settlement Date to the relevant Warrantheolders in substitution for

delivery or receipt of the Underlying Parcel.

## **Market Disruption**

The occurrence or existence of a Market Disruption Event in respect of the Underlying Securities or Indices shall be determined by the Calculation Agent. Such a determination may have an adverse effect on the value of the relevant Warrants.

In 2008, the financial market conditions resulted in volatility of unprecedented levels, less liquidity or no liquidity, which resulted in the widening of credit spreads and a lack of price transparency in certain markets.

These conditions resulted in the failure of a number of financial institutions in the United States, Europe and Asia, and unprecedented action by governmental authorities and central banks worldwide.

The volatility and market disruption in the global financial markets and the global banking sector has continued into 2012. The global financial markets, in particular, have experienced significant volatility. Doubts continue to be raised about the stability of the European monetary system and the stability of certain European economies, such as Greece, Ireland, Portugal, Spain and Italy, which has had a negative impact on global financial markets. No assurance can be given that measures to support the banking system, if taken to overcome current market disruptions or a more severe crisis, will be sufficient to restore stability in the global banking sector and financial markets in the short term or beyond. Furthermore, the large sovereign debts and/or fiscal deficits of a number of European countries and the United States have raised concerns regarding the financial condition of financial institutions that have direct or indirect exposure to those countries and/or whose counterparties, custodians, customers, service providers or sources of funding have direct or indirect exposure to these countries. A restructuring of sovereign debt issued by one or more Eurozone Member States or a significant decline in the credit rating of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the financial markets in which the Issuer operates and the economic condition of the Issuer and/or its counterparties or

creditors in ways which it is difficult to predict. It is difficult to predict how long these conditions will persist and they may be exacerbated by ongoing volatility in the financial sector and the capital markets or a default by one or more states or financial institutions, which could lead to significant market wide liquidity problems, losses or defaults by other institutions.

While the South African financial system has to date been relatively sheltered from the direct effects of these developments in international markets, there can be no assurance that the Issuer's investments, business, profitability and results of operations will not be adversely affected by a deterioration in the condition of, and uncertainty, volatility or disruption in, the economy and financial markets.

### **Settlement Disruption**

The Calculation Agent may determine that a Settlement Disruption Event has occurred or exists where, in the opinion of the Calculation Agent, as a result of the occurrence of an event beyond the control of the Issuer, the Issuer cannot deliver or take delivery of the Underlying Parcel. Such a determination may have an adverse effect on the value of the relevant Warrants.

### **Time lag after Exercise**

There may be a time lag between the day on which a Warrantholder exercises a Warrant and the day of determination of the applicable amount payable (in the case of Cash Settlement) or the date on which the Issuer delivers or accepts delivery of the Underlying Parcel.

Such amount payable, or the value of the Underlying Parcel may change significantly during such period. Due to market fluctuations, the Cash Settlement Amount can be equal to zero or the value of the Underlying Parcel to be delivered to the Issuer may rise above the Exercise Price or relevant Reset Price, during such a period (in the event of Put Warrants) or the value of the Underlying Parcel to be delivered by the Issuer may fall below the Exercise Price or Reset Price (in the event of Call Style Warrants).

### **Risks of trading in 10-cents Warrants**

Circumstances may arise where a Warrant falls

to 10 cents and below. Usually this occurs where the price of the Underlying Security has fallen far from the Exercise Price, Commodity Reference Strike Price, or Currency Reference Strike Price (as appropriate) of the Warrant. In such instances the delta of the Warrant also falls in many cases to 0.1 and below, meaning that in all probability the Warrant will expire at zero. Where the delta of a Warrant falls to very low deltas, the Issuer may in its sole discretion no longer be an active seller of the Warrant and the Warrant becomes what is known as "Bid only", which means that the Issuer will only be a buyer of the Warrant in the market. In such instances investors are warned to consult the matrix published by the Issuer on its website ([www.warrants.co.za](http://www.warrants.co.za)), which contains the indicative bids and offers for its Warrants, as there may be other sellers in the market at prices which exceed the indicative offer price published on the matrix for such "Bid only" warrants.

### **Exercise Notice**

If an Exercise Notice is received by the Issuer on any Business Day after 4:00pm Johannesburg time, it will not be deemed to be received by the Issuer until the next following Business Day. Any resultant delay may, as above, decrease the quantity of property to be delivered or to be received or the Cash Settlement Amount. If no such Exercise Notice is received before 4:00pm, Johannesburg time on the Expiration Date, the Warrants may be automatically exercised by the Issuer in accordance with the Conditions. In these circumstances only 90% (ninety per cent) of the Cash Settlement Amount will be paid to Warrantholders.

### **Illegality of Issue**

If the Issuer determines that its performance under the Warrants has become unlawful in whole or in part for any reason, the Issuer may terminate the Warrants by paying to each Warrantholder an amount determined by the Calculation Agent to be its Fair Market Value.

### **Barrier or Knockout Events**

Barrier or Knockout Put Warrants of a particular Series will lapse automatically if the price of the Underlying Parcel is greater than or equal to the Barrier or Knockout Level at any time on any

Business Day before the Expiration Date.

Barrier or Knockout Call Warrants of a particular Series will lapse automatically if the price of the Underlying Parcel is less than or equal to the Barrier or Knockout Level at any time on any Business Day before the Expiration Date.

Warrantheolders will not be able to trade the Barrier or Knockout Warrants after they have lapsed.

In all other respects Barrier or Knockout Warrants will be settled in accordance with the Conditions applicable to Equity and Debt Instrument Warrants.

### **Changes to CT Document**

The Issuer may in certain circumstances, and in accordance with the rules of the Stock Exchange, make changes to the provisions of this CT Document, as set out in the Conditions.

## Section 4 Terms and Conditions of the Warrants

### 1. General

1.1 The following Conditions of the Warrants will be incorporated by reference into Warrants issued under the CT Document. The Conditions Annexure and/or Supplement in relation to each issue of Warrants, supplement the following Conditions and may specify other conditions which shall, to the extent so specified in the Conditions Annexure and/or Supplement or to the extent inconsistent with the following Conditions, supplement, replace or modify the following Conditions for the purposes of such Warrants.

The Warrants can only be traded on the JSE in dematerialised form. The rules of the JSE and the rules of STRATE do not allow for Warrants to be traded, settled or cleared on the JSE or through STRATE in certificated form. However, Warrantheolders may request in writing that their Warrants be rematerialised and in this regard Warrantheolders are directed to contact the Issuer for information and procedures relating to the rematerialisation of their Warrants.

### 1.2 *Application to Different Series*

These Conditions apply to all Series of Warrants offered under this CT Document as specified in a Supplement, and these Conditions apply separately to each Series.

### 1.3 *Different Issues*

The Conditions of each Issue (under this CT Document) shall be similar, except for conditions added or modified by any particular Supplement.

## 2. Type, Title and Transfer

### 2.1 *Type*

The Warrants are American or European Style, Call or Put Style Warrants, over specified Securities, Baskets of Securities, specified Indices, Reference

Currencies, Reference Commodities, Debt Instruments or Baskets of Debt Instruments which confer on a Warrantheolder the right, but not the obligation, to require at the Issuer's discretion, delivery of the Underlying Parcel (in the event of Call Style Warrants) or to make delivery of the Underlying Parcel (in the event of Put Style Warrants) or to payment of the Cash Settlement Amount in accordance with these Conditions.

The applicable Supplement will indicate whether the Warrants are American Style Warrants or European Style Warrants and whether the Warrants are Call Style Warrants or Put Style Warrants, all as described below:

- (i) American Style Warrants are exercisable on any Business Day during the Exercise Period in accordance with Condition 5 below;
- (ii) European Style Warrants are only exercisable on the Expiration Date, in accordance with the Exercise Procedure described in Condition 5 below;
- (iii) A Call Style Warrant entitles the Warrantheolder upon Exercise of the Warrants, and at the option of the Issuer, in accordance with the provisions of the Conditions to either:
  - (a) receive the Cash Settlement Amount subject to the payment of the Exercise Price and any Exercise Expenses payable by the Warrantheolder pursuant to the Conditions; or
  - (b) to be delivered the Underlying Parcel subject to the payment of the Exercise Price and any Exercise Expenses by the Warrantheolder pursuant to the Conditions; or
  - (c) in the case of Automatic Exercise on the Expiration Date, receive an amount equal to 90% (ninety percent) of the Cash Settlement Amount subject to the payment of the Exercise Price and any Exercise Expenses payable by the Warrantheolder pursuant to the Conditions;

- (iv) A Put Style Warrant entitles the Warrantheader, upon Exercise of the Warrant, and, at the discretion of the Issuer, to receive either:
  - (a) the Cash Settlement Amount as provided for in the Conditions less any applicable Exercise Expenses; or
  - (b) to deliver to the Issuer the Underlying Parcel upon receipt of the Exercise Price subject to the payment by the Warrantheader of the applicable Exercise Expenses; or
  - (c) in the case of Automatic Exercise on the Expiration Date, receive an amount equal to 90% (ninety percent) of the Cash Settlement Amount less any applicable Exercise Expenses payable by the Warrantheader pursuant to the Conditions;
- (v) An Index Warrant entitles the Warrantheader upon Exercise of the Warrant, to receive:
  - (a) the Cash Settlement Amount as provided for in the Conditions less any applicable Exercise Expenses; or
  - (b) in the case of Automatic Exercise on the Expiration Date, to receive an amount equal to 90% (ninety percent) of the Cash Settlement Amount pursuant to the Conditions less any applicable Exercise Expenses.

## 2.2 *Title to Warrants*

Each person who is at the relevant time shown in the Register as the Warrantheader may be treated by the Issuer as the absolute owner of such Warrant for all purposes.

Save as required by law, neither the Sponsor nor the Issuer's CSDP (as the case may be) are required to take account of any trust (whether express, implied or constructive) to which any Warrant may be alleged to be subject.

## 2.3 *Transfers of Warrants*

Transfer of Warrants must be effected through and by the Warrantheader's CSDP

according to the rules of STRATE and any applicable customary market practices and subject to applicable laws and regulations.

The Warrants will be quoted on the Trading System for the purpose of trading. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5, the lapse or termination of such Warrants in accordance with these Conditions.

## 2.4 *Form of Transfer*

Each transfer of a Warrant must be effected through a CSDP in the usual manner for the transfer of listed dematerialised securities on the JSE and in accordance with the rules of STRATE.

Each transfer of Warrants shall only be effected in minimum numbers equal to the Minimum Exercise Number.

The transfer of Warrants may give rise to an obligation on the part of the transferee to pay Taxes and Duties and the Sponsor, Issuer's CSDP or Warrantheader's CSDP (as the case may be) may refuse to register any transfer until the Sponsor, Issuer's CSDP or Warrantheader's CSDP (as the case may be) is satisfied that the relevant Taxes and Duties have been paid.

## 2.5 *Lapse of Warrants*

A Warrant automatically lapses and ceases to confer any rights on the Warrantheader:

- 2.5.1 upon Exercise of the Warrant by the Warrantheader;
- 2.5.2 at 4:00pm on the Expiration Date, if a valid Exercise Notice is not received by the Issuer before 4:00pm on the Expiration Date (subject to Automatic Exercise in terms of Condition 6.12);
- 2.5.3 at the time the Issuer notifies Warrantheaders of any cancellation of the Warrants under Condition 2.6 or otherwise in accordance with these Conditions;

2.5.4 unless otherwise specified in the Conditions Annexure, in respect of Barrier or Knockout Put Warrants, if at any time during the life of the Barrier or Knockout Put Warrant the price of the Underlying Parcel is greater than or equal to the Barrier or Knockout Level at any time on any Business Day on or before the Expiration Date; or

2.5.5 unless otherwise specified in the Condition Annexure, in the event of Barrier or Knockout Call Warrants, if at any time during the life of the Barrier or Knockout Call Warrant the price of the Underlying Parcel is less than or equal to the Barrier or Knockout Level at any time on any Business Day on or before the Expiration Date.

## 2.6 Notice of Lapse or Expiry

The Issuer will give notice:

2.6.1 of the lapse of the Warrant under Condition 2.5 (except Conditions 2.5.1, 2.5.2, 2.5.4 and 2.5.5 for which no notice will be required) within 5 (five) Business Days after the date on which such lapse occurs; and

2.6.2 of the Expiration Date on a day at least 14 (fourteen) days before the Expiration Date, unless the Warrant has lapsed pursuant to Condition 2.5.

Any failure of the Issuer to give such notice shall not prevent the lapse or expiry of the Warrant.

## 3. Status of the Warrants

The Warrants represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other and all other general, unsecured, unsubordinated contractual obligations of the Issuer from time to time outstanding. The Warrants constitute obligations of the Issuer and of no other person.

The Warrants will not be secured by the Underlying Securities and the Issuer does not accept any responsibility for the maintenance of the listing of the

Underlying Securities or Indices on the Stock Exchange or for the availability of quotations for the Underlying Securities or Indices published by the Stock Exchange.

Recently published information regarding the relevant Company may be obtained from the relevant Company's website.

## 4. Interpretation

### 4.1 Definitions

For the purposes of these Conditions, the terms used shall bear the meanings attributed to them in Section 1 of the CT Document.

### 4.2 General

In this CT Document unless the context indicates a contrary intention:

- (a) a reference to this CT Document or to any deed, agreement, or instrument includes, respectively, this CT Document or that deed, agreement, or instrument as amended, novated, supplemented, varied or replaced from time to time;
- (b) a reference to a clause, Schedule or Annexure is to a clause of, schedule or annexure to this CT Document;
- (c) a reference to any statute, ordinance, code or other law, or to any sections or provisions thereof includes any statutory modification or re-enactment or any statutory provision substituted therefore and all ordinances, by-laws, regulations and other statutory documents issued thereunder;
- (d) the singular includes the plural and *vice versa*;
- (e) the word "person" includes a firm, a body corporate, an unincorporated association and a statutory authority;
- (f) a reference to any party includes a reference to that party's executors, administrators, successors, substitutes and permitted assigns and any person taking by way of novation;

- (g) a reference to anything (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them; and
- (h) where any word or phrase is given a defined meaning any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning.

## 5. Exercise of Warrants

### 5.1 Delivery of Exercise Notice

Subject to Condition 2 and the remainder of Condition 5, the Warrantholder may Exercise Warrants in multiples of the Group on any Business Day during the Exercise Period (in the event of American Style Warrants) or at any time prior to 4:00pm Johannesburg time, on the Expiration Date (in the event of American and European Style Warrants) by delivering to the Sponsor and the Warrantholder's Member (for Controlled Warrantholders) or to the Sponsor and the Warrantholder's CSDP (for Non-Controlled Warrantholders) a duly completed Exercise Notice at the address as specified in Schedule 1, accompanied by the following:

- (a) the Exercise Price in relation to each Specified Number of Warrants to which the Exercise Notice relates;
- (b) the Exercise Expenses in relation to each Specified Number of Warrants to which the Exercise Notice relates; and
- (d) any other documents required to transfer to the Issuer or its nominee the Underlying Securities comprising the Underlying Parcel (in the event of Put Style Warrants) if the Issuer does not elect to settle the Warrants by way of payment of the Cash Settlement Amount.

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to Exercise the Warrants specified therein. After the Delivery of such Exercise Notice, such exercising Warrantholder may not otherwise transfer the Warrants to

which such Exercise Notice relates.

### 5.2 Contents of Exercise Notice

The notice given under Condition 5.1 must:

- (a) set out the number of Warrants being exercised, subject to the Minimum and Maximum Exercise Numbers, if applicable;
- (b) contain an undertaking to pay all Exercise Expenses;
- (c) specify the Warrantholder's CSDP details in South Africa for the registration of the Underlying Parcel into the Warrantholder's name;
- (d) specify the name and number of the Warrantholder's account with its bank or CSDP in South Africa to be credited with the Exercise Price payable by the Issuer in connection with the Exercise of the Warrants (in the event of Put Style Warrants);
- (e) specify the name and number of the Warrantholders account with its bank or CSDP in South Africa to be credited with the Cash Settlement Amount, if applicable (in the event of Put Style, Call Style and Index Warrants);
- (f) warrant that the transferor of the Underlying Parcel has unencumbered title to the Warrants or is entitled to such title and has not sold or otherwise dealt with those Warrants (in the event of Put Style Warrants);and
- (g) otherwise be in the form referred to in Schedule 1 hereto.

### 5.3 Effectiveness of Exercise Notice

An Exercise Notice in relation to a Warrant becomes effective only upon clearance into the Issuer's bank account on or before the Settlement Date of funds for the Exercise Price plus the applicable Exercise Expenses with respect to the exercised Warrants, for transfer by the Warrantholder's CSDP to the Issuer's CSDP of the funds representing the aggregate of the relevant Exercise Price



and Taxes and Duties with respect to the exercised Warrants.

Any Exercise Notice received by any one or more of the Sponsor, the Warranholder's CSDP or the Warranholder's Member on any Exercise Date, which is not duly completed, shall be deemed to be null and void.

#### 5.4 *Time of Receipt*

In relation to American Style Warrants any Exercise Notice which is received by the Issuer after 4:00pm Johannesburg time, on any Business Day during the Exercise Period is deemed to be received on the next Business Day. Any Exercise Notice received after 4:00pm on the Expiration Date shall be subject to the Automatic Exercise Provisions contained in Condition 6.11.

#### 5.5 *Aggregation of Exercise Notices*

Warrants exercised or deemed exercised on the same day by the same Warranholder may be aggregated by the Issuer for the purpose of determining the Underlying Parcel to be delivered to the Warranholder (in the event of all Call Style Warrants) or to the Issuer (in the event of Put Style Warrants), or the Cash Settlement Amount to be paid to any Warranholder (in the event of Put Style, Call Style or Index Warrants).

#### 5.6 *Verification of the Warranholder*

The Warranholder hereby authorises the Sponsor to do all things necessary in order to facilitate verification of the identity of a person exercising the Warrants including, but not limited to, supplying the Warranholders' Identification Number.

#### 5.7 *Underlying Securities to be in Warranholder's Name*

In the event of Put Style Warrants:

- (a) all property comprising the Underlying Parcel to be delivered by the Warranholder, the title to which is in registered form, must be registered in the relevant register in the name of the

Warranholder;

- (b) if any such property is not so registered, the Issuer may in its absolute discretion declare that the Exercise Notice is not valid; and
- (c) if the Issuer treats the Exercise Notice as valid despite some discrepancy between the details of the Warranholder or other person as they appear on the Register and the details of the Warranholder of the property comprising the Underlying Parcel as they appear on the register in relation to such property, any payments made by the Issuer may, at the discretion of the Issuer, be made to the person whose details appear on the relevant register. The Warranholder, or other person agrees to accept the exercise of the Issuer's discretion in these circumstances and agrees not to make any demands or take any action against the Issuer in that regard.

#### 5.8 *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Issuer and shall be conclusive and binding on the Issuer and the relevant Warranholder. Any Exercise Notice so determined to be incomplete or not in proper form will be null and void. If such Exercise Notice is subsequently corrected to the satisfaction of the Issuer it shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to the Issuer. The Issuer shall use its best efforts promptly to notify the relevant Warranholder submitting an Exercise Notice if the Exercise Notice is invalid or incomplete; provided that, in the absence of negligence or wilful misconduct on the Issuer's part, the Issuer shall not be liable to any person with respect to any action taken or omitted to be taken by it in connection with such notification to a Warranholder or such determination.

#### 5.9 *Minimum Exercise Number*

In the event of American Style Warrants, and other than on the Expiration Date, the number of Warrants exercisable by any

Warrantheader on any Actual Exercise Date, as determined by the Calculation Agent, must not be less than the Minimum Exercise Number. Any Exercise Notice which purports to exercise Warrants in an amount less than the Minimum Exercise Number is void and of no effect.

#### 5.10 *Maximum Exercise Number*

In the event of American Style Warrants if the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date not being the Expiration Date, by any Warrantheader or a group of Warrantheaders (whether or not acting in concert) exceeds the Maximum Exercise Number as specified in the Supplement (a number equal to the Maximum Exercise Number being the "Quota"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected by the Issuer on the basis of the time at which Exercise Notices to exercise the Warrants are received by the Issuer with the earlier of such notices taking priority over those which are received later in time, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date.

#### 5.11 *Insufficient Funds*

In the event of Call Style Warrants where an otherwise valid Exercise Notice is received which is accompanied by less than the Exercise Price together with Exercise Expenses, or in the event of Put Style and Index Warrants the otherwise valid Exercise Notice is accompanied by less than the Exercise Expenses, for the number of Warrants specified in the Exercise Notice, the Issuer may (but is not obliged to) treat the Exercise Notice for all purposes as applying to a smaller number of Warrants for Exercise for which sufficient funds are available.

#### 5.12 *Set-off in respect of Cash Settled Warrants*

In respect of Warrants to be settled by payment of a cash amount, the Issuer reserves the right to set-off the applicable Exercise Price plus Taxes and Duties payable by the Warrantheader as provided for in terms of these Conditions, against the Cash Settlement Amount payable by the Issuer to the relevant Warrantheader. Should the Issuer elect to effect such set-off, the relevant Exercise Notice shall not be ineffective due to the failure of a Warrantheader to transfer (or cause to have transferred) the required Exercise Price plus the Taxes and Duties to the Issuer's bank account.

#### 5.13 *Statements from CSDP after Exercise of Uncertificated Warrants*

After Exercise of the relevant Uncertificated Warrants as provided for under this condition 5, the Uncertificated Warrants shall be cancelled, and shall no longer be reflected in the Uncertificated Warrants Account maintained by the Warrantheader's CSDP.

#### 5.14 *Undertaking in respect of the Warrantheader's CSDP*

Each Warrantheader shall be responsible for ensuring that the relevant Warrantheader's CSDP is aware of the Terms and Conditions contained in this CT Document, and the applicable Supplement, and will comply with such terms and perform the functions necessary to permit the Exercise of the Warrants as provided therein.

Controlled Warrantheaders should ensure that their respective Members inform the Member's CSDP of the Terms and Conditions contained in this CT Document and any applicable Supplement, and that such Member's CSDP will comply with such terms and perform the functions necessary to permit the exercise of the Warrants as provided therein.

### 6. **Settlement Following Exercise**

#### 6.1 *Delivery*

Subject to this Condition 6, following receipt of a valid Exercise Notice which has become effective under Condition 5.3, the Issuer must on the Settlement Date or as soon as reasonably practicable thereafter and in any event in accordance with the rules of the Stock Exchange, in accordance with the Exercise Notice and the Issuer's discretion, procure the delivery of the Underlying Parcel to the Warranholder (in the event of Call Style Warrants) or take delivery of the Underlying Parcel from the Warranholder (in the event of Put Style Warrants) or make payment of the Cash Settlement Amount (in respect of Put Style, Call Style or Index Warrants), in respect of each Group of Warrants being the subject of the Exercise Notice.

6.2 *Payment of Exercise Price in the event of Put Style Warrants*

Subject to Condition 6.7 and following receipt of a valid Exercise Notice in accordance with Condition 5, a contract will be created between the Issuer and the Warranholder in terms of which:

- (a) the Warranholder must procure performance of all acts required of a transferor of the Underlying Securities to enable one Underlying Parcel for every Group of Warrants exercised to be transferred to the Issuer or the Issuer's CSDP free from any encumbrance or third party interest of any nature within 10 (ten) Business Days of the Expiration Date and the Issuer must do all things it is reasonably able to do to facilitate such transfer;
- (b) the Warranholder irrevocably authorises the Issuer and any broker acting for the Issuer for the sale or the Issuer's CSDP to do all things required to effect the delivery of the Underlying Parcel to the Issuer or the Issuer's CSDP in accordance with these Conditions;
- (c) following the performance by the Warranholder of its obligations under Condition 6.12(a) and subject to Condition 6.4 and otherwise as provided for under these Conditions, the Sponsor (or the

Issuer's CSDP) will, in respect of Uncertificated Warrants, effect payment to the Warranholder of the Exercise Price 15 (fifteen) Business Days after the Expiration Date unless the Warranholder has not done everything necessary to effect the transfer of the Underlying Parcel to the Issuer by that date and the Issuer elects to treat the contract as still being in existence, in which case the Issuer must make the payment as soon as practicable following the registration in the name of the Issuer of the Underlying Parcel, by way of instructing the Issuer's CSDP to transfer the payment to either the Warranholder's CSDP (for Non-Controlled Warranholders) or the CSDP of the Warranholder's Member (for Controlled Warranholders).

6.3 *Settlement Disruption*

If, in the opinion of the Calculation Agent, delivery of the Underlying Parcel by either the Issuer or the Warranholder, is not reasonably practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then subject to Condition 6.4 such Settlement Date shall be postponed to the first following Business Day in respect of which there is no such Settlement Disruption Event. Should a Settlement Disruption Event continue for the Settlement Disruption Period, the Issuer shall pay to the Warranholder the Cash Settlement Amount in accordance with Condition 6.5 for Call Style Warrants, and in accordance with Condition 6.6, for Put Style Warrants.

6.4 *Cash Settlement Election*

If, in the opinion of the Calculation Agent, delivery of the Underlying Parcel by either the Issuer or the Warranholder is not reasonably practicable by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, the Issuer may elect by notice to a Warranholder to satisfy its obligations in respect of any Group of Warrants by payment of the Cash Settlement Amount prior to the lapse of the Settlement Disruption Period as mentioned in Condition 6.3.

6.5 *Cash Settlement Following Settlement Disruption for Call Style Warrants*

- (a) Where the Cash Settlement Amount is paid in accordance with Condition 6.3:
  - (i) the Issuer must pay, within 3 (three) Business Days following the Settlement Disruption Period, and in any event in accordance with the Stock Exchange rules and the rules of STRATE, to the Warrantholder, the Cash Settlement Amount; and
  - (ii) the obligations of the Issuer to deliver the Underlying Parcel or for the Warrantholder to pay the Exercise Price and Exercise Expenses will be deemed to be discharged upon such payment.

- (b) Where the Issuer has given notice under Condition 6.4:

- (i) the Issuer must by the Cash Settlement Date and in any event in accordance with the Stock Exchange rules and the rules of STRATE, pay to the Warrantholder any Cash Settlement Amount; and
- (ii) the obligations of the Issuer to deliver the Underlying Parcel or for the Warrantholder to pay the Exercise Price and Exercise Expenses will be deemed to be discharged upon such payment.

The payment of all amounts in respect of Uncertificated Warrants shall occur through the relevant CSDPs in accordance with STRATE.

6.6 *Cash Settlement Following Settlement Disruption for Put Style Warrants*

- (a) Where the Cash Settlement Amount is paid in accordance with Condition 6.3:
  - (iii) the Issuer must pay, within 3 (three) Business Days following the Settlement Disruption Period, and in any event in accordance with the Stock Exchange rules and the rules of STRATE, to the Warrantholder the Cash Settlement Amount; and
  - (iv) the obligations of the Issuer to pay the

Exercise Price less Exercise Expenses and for the Warrantholder to deliver the Underlying Parcel will be deemed to be discharged upon such payment.

- (b) Where the Issuer has given a notice under Condition 6.4:
  - (i) the Issuer must by the Cash Settlement Date and in any event in accordance with the Stock Exchange rules and the rules of STRATE, pay to the Warrantholder any Cash Settlement Amount; and
  - (ii) the obligations of the Issuer to pay the Exercise Price less Exercise Expenses or for the Warrantholder to deliver the Underlying Parcel will be deemed to be discharged upon such payment.

The payment of all amounts in respect of Uncertificated Warrants shall occur through the relevant CSDPs in accordance with STRATE.

6.7 *Cash Settlement if No Settlement Disruption*

The Issuer may in its absolute discretion choose not to effect physical delivery of the Underlying Parcel (in the event of Call Style Warrants) or take delivery of the Underlying Parcel (in the event of Put Style Warrants) in accordance with Condition 6.1, and in such case the Issuer must on the Settlement Date or as soon as practicable thereafter and in any event in accordance with the rules of the Stock Exchange, pay to the Warrantholder an amount equal to the Cash Settlement Amount.

6.8 *Cash Settlement Amount in respect of Equity or Debt Instrument Warrants*

The Cash Settlement Amount must be determined by the Calculation Agent as the amount in respect of each Group of Warrants by which the Settlement Price exceeds the Exercise Price (in the event of Call Warrants) or is less than the Exercise Price (in the event of Put Warrants) unless such amount is negative in which case the Cash Settlement Amount is zero.

6.9 *Index Put Warrants Cash Settlement Amount*

The Cash Settlement Amount in respect of a series of Index Put Warrants must be determined by the Calculation Agent in terms of the following formula:

$$\text{CSA} = (\text{EP} - \text{CIL}) \times \text{IM}$$

Where:

CSA = the Cash Settlement Amount, provided that where CSA is determined to be a negative number, CSA will equal zero;

CIL = Closing Index Level;

EP = the Exercise Price in respect of that Series, and

IM = the Index Multiplier.

6.10 *Index Call Warrants Cash Settlement Amount*

The Cash Settlement Amount in respect of a series of Index Call Warrants must be determined by the Calculation Agent in terms of the following formula:

$$\text{CSA} = (\text{CIL} - \text{EP}) \times \text{IM}$$

Where:

CSA = the Cash Settlement Amount, provided that where CSA is determined to be a negative number, CSA will equal zero;

CIL = Closing Index Level;

EP = the Exercise Price in respect of that Series, and

IM = the Index Multiplier.

6.11 *Payments*

Any cash, which a Warrantholder is entitled to receive in terms of these Conditions, shall, subject to these Conditions, be paid to the Warrantholder or the Warrantholder's CSDP (in the event of Non-Controlled Warrantholders) or the CSDP of the Warrantholder's Member (for Controlled Warrantholders) on the Cash Settlement Date by the Issuer or the Issuer's CSDP, or at the Issuer's discretion, by the Sponsor on behalf of the

Issuer. Any such payment shall be effected by initiating a bank or telegraphic transfer (in accordance with the rules of STRATE if applicable), as determined by the Sponsor or the Issuer's CSDP, to the account referred to in the Exercise Notice after deduction of any unpaid portion of the Exercise Expenses.

6.12 *Cash Settlement for Automatic Exercise*

If by 4:00pm on the Expiration Date:

- (a) no valid Exercise Notice has been given, by the Warrantholder to the Issuer, in relation to a Warrant and the Warrant has not lapsed in terms of Condition 2.5.2; and
- (b) the Cash Settlement Amount is greater than twenty Rand (R20.00);

then the Issuer shall pay the Warrantholder on the Cash Settlement Date or as soon as reasonably practicable thereafter and in any event in accordance with the rules of the Stock Exchange, an amount limited to 90% (ninety percent) (or a different percentage if so stated in the Supplement) of the Cash Settlement Amount. Such payment shall be deemed to be a full discharge of the Issuer's obligations pursuant to the Warrants.

6.13 *Settlement of Basket Warrants*

The settlement procedures applicable to Basket Warrants will be similar to those procedures applicable to Call and Put Style Warrants as contained in this Condition 6, provided that references to delivery or receipt of the Underlying Parcel, shall (for the purposes of Basket Warrants) be construed as references to the Basket of Securities.

The aggregate value of each Underlying Security constituting the Basket of Securities, shall for the purposes of the settlement procedures relating to Basket Warrants represent the Settlement Price.

6.14 *Settlement of Commodity Reference Warrants*

6.14.1 *Payment of Cash Settlement*

	<i>Amount</i>				Business Day in respect of which there is no such Settlement Disruption Event. Should a Settlement Disruption Event continue for the Settlement Disruption Period, the Issuer shall pay to the Warrantholder the Fair Market Value of the Commodity Reference Warrants.
	Both Commodity Reference Call Warrants and Commodity Reference Put Warrants shall only be settled by payment of the Cash Settlement Amount (if any) on the Cash Settlement Date, as calculated by the Calculation Agent.				
6.14.2	<i>Cash Settlement of Commodity Reference Put Warrants</i>	6.15	<i>Settlement of Currency Reference Warrants</i>		
	The Cash Settlement Amount for Commodity Reference Put Warrants must be determined by the Calculation Agent as the amount in respect of each Group of Commodity Reference Put Warrants by which the applicable Commodity Reference Strike Price exceeds the applicable Commodity Reference Settlement Price, unless such amount is negative in which case the Cash Settlement Amount is zero.	6.15.1	<i>Payment of Cash Settlement Amount</i>		Both Currency Reference Call Warrants and Currency Reference Put Warrants shall only be settled by payment of the Cash Settlement Amount (if any) on the Cash Settlement Date, as calculated by the Calculation Agent.
		6.15.2	<i>Cash Settlement of Currency Reference Put Warrants</i>		
6.14.3	<i>Cash Settlement of Commodity Reference Call Warrants</i>				The Cash Settlement Amount for each Currency Reference Put Warrant must be determined by the Calculation Agent as the amount in respect of each Group of Currency Reference Put Warrants by which the applicable Currency Reference Strike Price exceeds the applicable Settlement Price, unless such amount is negative in which case the Cash Settlement Amount is zero in terms of the following formula:
	The Cash Settlement Amount for Commodity Reference Call Warrants must be determined by the Calculation Agent as the amount in respect of each Group of Commodity Reference Call Warrants by which the applicable Commodity Reference Settlement Price exceeds the applicable Commodity Reference Strike Price, unless such amount is negative in which case the Cash Settlement Amount is zero.				$\frac{(\text{Currency Reference Strike Price} - \text{Settlement Price})}{\text{Cover Ratio}}$
6.14.4	<i>Settlement Disruption in respect of Commodity Reference Warrants</i>	6.15.3	<i>Cash Settlement of Currency Reference Call Warrants</i>		
	If, in the opinion of the Calculation Agent, payment of the Cash Settlement Amount in respect of any Commodity Reference Warrants is not reasonably practical by reason of a Settlement Disruption Event having occurred and continuing on any Settlement Date, then such Settlement Date is postponed until the first following				The Cash Settlement Amount for each Currency Reference Call Warrant must be determined by the Calculation Agent as the amount in respect of each Group of Currency Reference Call Warrants by which the applicable Settlement Price exceeds the applicable Currency

Reference Strike Price, unless such amount is negative in which case the Cash Settlement Amount is zero in terms of the following formula:

$$\frac{(\text{Settlement Price} - \text{CurrencyReferenceStrikePrice})}{\text{CoverRatio}}$$

## 7. **Illegality**

### 7.1 *Illegality of Performance*

If the Issuer, upon advice from its independent external legal counsel, determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may, subject to approval being received from the relevant Stock Exchange, cancel the Warrants by giving notice of this to Warrantheolders.

### 7.2 *Compensation for Cancellation*

If the Issuer cancels Warrants under Condition 7.1 then the Issuer must, if and to the extent permitted by applicable law, pay an amount to each Warrantheolder in respect of each Warrant held which amount shall be the Fair Market Value of a Warrant notwithstanding such illegality, less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, to the extent received in cleared funds by the Issuer, a refund of the Exercise Price, all as determined by the Calculation Agent.

## 8. **Purchases**

The Issuer may, but is not obligated to, and to the extent permitted by applicable law, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

## 9. **The Issuer, the Calculation Agent, the Issuer's CSDP and Determinations**

### 9.1 *Registered Office of Issuer*

The registered office of the Issuer is the

address set out at the end of these Conditions or any other address of which notice is given to Warrantheolders.

## 9.2 *Amendments*

These Conditions may be amended by the Issuer without the consent of the Warrantheolders, with the approval of the Stock Exchange, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein in any manner which the Issuer may deem necessary or desirable provided that such amendment is not materially prejudicial to the interests of the Warrantheolders.

## 9.3 *Determinations of Calculation Agent*

Where the Calculation Agent is required to opine on, or make a determination with respect to any matter, it shall do so in a fair and commercially reasonable manner and such opinions and determinations (save in the case of manifest error) shall be binding on the Issuer and the Warrantheolders.

## 9.4 *Obligations of Calculation Agent, Issuer's CSDP and Sponsor*

The Calculation Agent, the Issuer's CSDP and the Sponsor act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantheolders and any Sponsors or Calculation Agents determinations and/or calculations in respect of the Warrants shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Warrantheolders.

## 9.5 *Delegation of Functions*

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate provided that such delegation is not materially prejudicial to the interests of the Warrantheolder.

## 9.6 *Maintenance of Register*

The relevant CSDPs will maintain the Register as provided for under STRATE.

9.7 *Appointment of Warrantheader's CSDP*

Non-Controlled Warrantheaders should, prior to trading or exercising their Warrants, appoint a CSDP for purposes of registering the Warrants in the Sub-Register. In respect of Controlled Warrantheaders, the CSDP chosen by the Warrantheader's Member shall register the Warrants in the Sub-Register.

9.8 *Role of Issuer's CSDP*

Except where the Register is closed, the Issuer must procure that the Issuer's CSDP enters or causes to be entered in the Register the name and address of each Warrantheader, the number of Warrants held by that Warrantheader, the date of acquisition and the Actual Exercise Date of each of those Warrants and any other particulars which it thinks proper.

Any proposed transfers during a period when the Register is closed shall be registered only after the end of the closed period.

9.9 *Identity of Transferee*

Before any proposed transfer is registered the Sponsor may require such evidence, as it deems appropriate, as to the identity and title of the transferor and the proposed transferee.

9.10 *Cost of Transfers*

Transfers in the Register shall be effected by the CSDP without cost to the Warrantheader upon receipt by the CSDP of a valid instruction authorising the CSDP to transfer the Warrants in accordance with the rules of STRATE, and upon receipt of payment of any applicable Taxes and Duties.

9.11 *Register (Uncertificated Warrants)*

The aggregate of all the Sub-Registers of the relevant CSDPs shall constitute the Register in respect of Uncertificated

Warrants. The working and terms governing the Register shall be determined by the rules of STRATE.

9.12 *Situs of Property*

Except where otherwise provided by law, the property in the Warrant is, for all purposes, situated at the place where the Register is for the time being situated and not elsewhere. For purposes of Uncertificated Warrants, the Register shall be deemed to be situated at the registered office of STRATE.

9.13 *Change in Calculation Agent or Sponsor*

The Issuer reserves the right at any time to vary or terminate the appointment of the Issuer's CSDP or the Calculation Agent, and to appoint further or additional or replacement CSDPs or Calculation Agents, provided that no termination or appointment of any CSDP or Calculation Agent shall become effective until a replacement Issuer's CSDP or Calculation Agent, as the case may be, shall have been appointed and provided that, so long as any of the Warrants are listed on the Stock Exchange, it shall have a Calculation Agent appointed, and in addition, there shall be a Sponsor in the Republic of South Africa. Notice of any such termination of appointment will be given to Warrantheaders in accordance with Condition 10 below.

10. **Notices**

10.1 All notices to Warrantheaders shall be valid if delivered to the addresses as per the Register or if published on SENS. Any notice to Warrantheaders is deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first of such publications.

10.2 Notwithstanding Condition 10.1 above, any notice to be given to any Warrantheader pursuant to these Conditions may be given in writing to the Warrantheader's registered address or to any fax number nominated by the Warrantheader. Any notice posted to a



Warrantheader's registered address shall be deemed to have been received by the Warrantheader within 14 (fourteen) days after it was posted and any notice transmitted to a Warrantheader's selected fax number shall be deemed to have been received by the Warrantheader upon transmission thereof.

- 10.3 Any notice to be given to the Issuer (including legal process but excluding any Exercise Notice) shall be valid if it is delivered to it at the Issuer's office from time to time in the Republic of South Africa as reflected on the last page of this CT Document. Any such notice or legal process shall be deemed to have been given on the date of delivery thereof. Any Exercise Notice shall be given only in accordance with the Exercise Procedure set out in Conditions 5 and 6 above.

#### 11. **Taxation and Expenses**

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be paid, being withheld or deducted.

#### 12. **Further Issues and Amendments to an Existing Series**

##### 12.1 *Further Issues of Warrants*

The Issuer shall be at liberty (subject to approval by the Stock Exchange) from time to time without the consent of Warrantheaders to create and issue further Warrants of a particular Series, provided that such further Warrants should carry rights identical in all respect to the outstanding Warrants, so as to be consolidated with and form a single Series with the outstanding Warrants of a particular Series.

##### 12.2 *Amendment of these Conditions*

The Issuer may with the consent of at least 75% (seventy five percent) of those

Warrantheaders of any particular Series under any particular Issue, excluding the votes of the Issuer and its affiliates, who attend any meeting of Warrantheaders convened by the Issuer in the Republic of South Africa, and subject to approval by the JSE, amend or supplement or substitute any of these Conditions provided that such amendment, supplementation or substitution is not prejudicial to the interests of the Warrantheaders and provided that such amendment, supplementation or substitution will only be applicable to that particular Series under that particular Issue. For this purpose, each Warrantheader shall be entitled to one vote for each one Warrant held by such Warrantheader. Warrantheaders who have delivered an Exercise Notice shall, as regards the Warrants exercised, not be entitled to attend or vote at any such meeting.

The Issuer and any affiliate of the Issuer which is a Warrantheader shall, as regards such Warrants, not be precluded from attending such meeting but shall not be entitled to vote. Any such amendment, supplementation or substitution shall take effect as determined by such meeting but no earlier than the Business Day immediately following the date of such meeting. If no such date is specified by the meeting, it shall take effect on the Business Day immediately following the date of such meeting. Any such amendment, supplementation or substitution shall not take effect as regards Warrants in respect of which an Exercise Notice has been delivered.

#### 13. **Prescription**

- (a) Claims of any kind against the Issuer in connection with the Warrants for, *inter alia*, payment of any amount or, if applicable, receipt or delivery of any Underlying Securities in respect of the Warrants, will be prescribed 3 (three) years after the earlier of:
- (i) the due date thereof resulting from (a) the exercise of the Warrants by the Warrantheader or (b) the early repayment, lapse or termination of the Warrants; or

- (ii) the Expiration Date.

#### 14. **Governing Law and Jurisdiction**

The Warrants shall be governed by and be construed in accordance with the laws of the Republic of South Africa and each of the Issuer, the Calculation Agent, the Issuer's CSDP and the Sponsor and each Warrantholder submits to the exclusive jurisdiction of the High Court of the Republic of South Africa (South Gauteng, High Court Johannesburg) or any successor thereto in connection with any matters arising from any of the Warrants. The address of the Issuer, as stipulated in this CT Document, shall constitute the address for service of process of all legal documentation.

#### 15. **Adjustments**

##### 15.1 *Potential Adjustment Events*

A "Potential Adjustment Event" means in relation to Shares any of the following:

- (a) a subdivision, consolidation or reclassification of the Underlying Securities (excluding a Merger Event, but including any unbundling or de-merger) or a free distribution or dividend of any Underlying Securities to existing Warrantholders by way of bonus, capitalisation or similar issue; or
- (b) a distribution or dividend to existing Warrantholders of the Underlying Securities of (a) Shares; or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company or equally or proportionately with such payments to Warrantholders of Shares; or (c) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer; or
- (c) a call in respect of Underlying Securities that are not fully paid; or
- (d) a repurchase of Underlying Securities whether out of profits or capital and

whether the consideration for such repurchase is cash, securities or otherwise; or

- (e) any unbundling of Underlying Securities by the Company to its shareholders, other than securities directly relating to the Shares and special dividends relating to such securities, and also excluding the payment of any special dividend derived from the same by the Company of such unbundled Securities; or
- (f) a cancellation of the listing of the Underlying Securities on the Stock Exchange; or
- (g) any other similar event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Underlying Securities.

##### 15.2 *Effect of Potential Adjustment Event*

Following the declaration of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Underlying Securities and, if so, will, subject to approval of the Stock Exchange:

- (i) make the corresponding adjustment, if any, to be made to the Underlying Parcel, the Exercise Price, Reset Price, Barrier or Knockout Level or any of the terms of these Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative effect; and
- (ii) determine the effective date of that adjustment, or
- (iii) terminate the Warrants and pay the Fair Market Value.

The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Securities traded on that options exchange.

#### 16. **Adjustments to Index**

- (a) No adjustment or other change shall be made to the Index pursuant to this Condition 16 (whatever it will be after amendments) except with the approval of the Stock Exchange.
- (b) If a relevant Index is (i) not calculated and announced by the agreed sponsor but is calculated and announced by a successor to the sponsor (the “**Successor Sponsor**”) acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then the Index so calculated and announced by the Successor Sponsor or the successor index, as the case may be, will be deemed to be the Index.
- (c) If (i) on or prior to any Valuation Date the sponsor or (if applicable) the Successor Sponsor makes a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock, contracts or commodities and other routine events), or (ii) on any Valuation Date the sponsor or (if applicable) the Successor Sponsor fails to calculate and announce a relevant Index, then the Calculation Agent shall calculate that Index on that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to that change or failure, but using only those securities/commodities that comprised that Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Exchange).
- (d) The Issuer shall, as soon as practicable after receipt of any written request to do so, advise a Warrantholder of any determination made by it pursuant to (b) or (c) above, as at the date of receipt of such request. The Issuer shall make available for inspection by Warrantholders copies of any such determinations.

#### 16.1 *Notice of Adjustment*

Upon the occurrence of any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Warrantholders setting out the adjustment to the Underlying Parcel, the Exercise Price, Barrier or Knockout Level, Reset Price, Cash Settlement or any other of the Conditions and giving brief details of the Potential Adjustment Event.

#### 16.2 *Other Events*

In this Condition 16:

- (a) “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency, commencement of business rescue proceedings, or any analogous proceeding affecting a Company:
  - (i) all the Underlying Securities are required to be transferred to a trustee, liquidator or other similar official; or
  - (ii) Warrantholders become legally prohibited from transferring them;
- (b) “**Merger Date**” means, in respect of a Merger Event, the date upon which all Warrantholders of Underlying Securities (other than, in the case of a take-over offer, Underlying Securities owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Underlying Securities.
- (c) “**Merger Event**” means any:
  - (i) reclassification or change of the Underlying Securities that results in a transfer of or an irrevocable commitment to transfer all outstanding Underlying Securities;
  - (ii) consolidation, amalgamation or merger of a Company with or into another entity (other than a consolidation, amalgamation or merger in which such Company is the continuing entity and which does not result in any such reclassification or change of all outstanding Underlying Securities); or

- (iii) other take-over offer for the Underlying Securities that results in a transfer of or an irrevocable commitment to transfer all the Underlying Securities (other than the Underlying Securities owned or controlled by the offeror), in each case if the Merger Date is on or before the relevant Actual Exercise Date;
- (d) "**Nationalisation**" means that all the Underlying Securities or all the assets or substantially all the assets of the entity or entities to which such underlying asset relates or which has a material impact on the price of the underlying asset, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
- (e) "**Political Event**" means waiver, deferral, restructuring, rescheduling, standstill, moratorium, nationalisation, confiscation, civil war or insurrection relating to the Republic of South Africa;
- (f) "**Delisting**" means the removing of the Company from the official list of the Stock Exchange;
- (g) "**Suspension**" means the suspension of trading of Warrants on the Stock Exchange or the suspension of any Underlying Securities from official quotation on the Stock Exchange.

### 16.3 *Effect of Other Events*

If a Merger Event, Political Event, Nationalisation, Insolvency, Delisting, Suspension or:

- (a) the South African Government or the Financial Surveillance Department of the South African Reserve Bank fails to exchange, or approve the exchange, or permit the exchange, of South African currency for any currency in which any payment of any amounts is to be made to any Warrantheolders; or
- (b) other action is taken by the South African Government or the Financial Surveillance Department of the South African Reserve Bank that has the effect of prohibiting or

preventing the exchange or transfer of funds outside of the Republic of South Africa by non-residents (together "**FX Disruption Event**");

occurs in relation to the Underlying Securities, the Calculation Agent may, but is not obliged to:

- (i) determine the appropriate adjustment, if any, to be made to the Underlying Parcel or to the Cash Settlement Amount or to these Conditions to account for the Merger Event, Nationalisation, Insolvency, Political Event, FX Disruption Event, Delisting or Suspension, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or cancel the Warrants by giving notice to Warrantheolders. If the Warrants are so cancelled the Calculation Agent will pay an amount to each Warrantheolder in respect of each Warrant held by him which amount shall be the Fair Market Value of a Warrant, calculated as at the date on which the relevant event occurs, taking into account the Merger Event, Nationalisation, Insolvency, Political Event, FX Disruption Event, Delisting or Suspension, as the case may be, less the cost to the Issuer of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its opinion. Payments will be made in such manner as shall be notified to the Warrantheolders.

### 16.4 *Notice of Other Events*

Upon the occurrence of a Merger Event, Nationalisation, Insolvency, Political Event, FX Disruption Event, Delisting or Suspension the Calculation Agent shall give notice, as contemplated in Condition 10, as soon as practicable to the Warrantheolders stating the occurrence of the Merger Event, Nationalisation, Insolvency, Political Event, FX Disruption Event, Delisting or Suspension as the

case may be, giving details thereof and the adjustments to be made to the Underlying Parcel, the Exercise Price or the Conditions and other action to be taken in relation thereto.

**17. Force Majeure**

- (a) The Issuer shall have the right to terminate its obligations under the Warrants if, in the opinion of either the Issuer or the Calculation Agent, the performance of such obligations has become impossible or impracticable in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.
- (b) If the Issuer terminates its obligations under the Warrants pursuant to Condition 17(a), the Issuer shall pay or cause to be paid to each Warrantheader in respect of each Warrant or Series of Warrants, as the case may be, held by it an amount determined by the Calculation Agent as representing the Fair Market Value of a Warrant or Series of Warrants, as the case may be, on the date immediately preceding the date on which such right of termination arose. Payment shall be made as soon as practicable in such manner as shall be notified to the Warrantheaders in accordance with Condition 10 above.

**18. Changes in Stock Exchange**

If the Stock Exchange on which the Underlying Securities are listed is changed, or the Index ceases to be published on the Stock Exchange (or any successor Index under Condition 16) makes any material change to the formula for or the method of calculating the Index in a way which materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes to the constituent Securities and capitalisation or other routine event), the Issuer may take any of the following actions:

- (a) continue to honour its obligations in respect of the Warrants in accordance with the Conditions; or
- (b) subject to the approval of the Stock Exchange terminate its obligations under the Warrants and pay the Fair Market Value of the Warrants as at the date on which the Stock Exchange Event occurs as determined by the Calculation Agent, taking into account prevailing market conditions, less the cost to the Issuer of unwinding any underlying related hedging arrangements. Payment in terms of this Condition 18 shall be made as soon as practicable in such manner as shall be notified to the Warrantheaders in accordance with the Conditions. For the purposes of this Condition 18 “**Stock Exchange Event**” means any (i) reclassification or change of the stock exchange on which the Underlying Securities are listed that results in a transfer of the Underlying Securities to a different stock exchange or a reclassification of the Underlying Securities, or (ii) consolidation, amalgamation or merger of the stock exchange on which the Shares are listed with or into another stock exchange.

**19. Waiver**

A failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, remedy, power or privilege of the Issuer under these Conditions shall not in any way preclude or operate as a waiver of any further exercise or enforcement thereof or the exercise or enforcement of any other right, remedy, power or privilege under these Conditions or provided by law.

**20. Whole Agreement**

- (a) These Conditions together with any Conditions Annexure and/or Supplement set out the entire agreement and understanding between the Issuer and the Warrantheaders and supersedes all prior agreements, written or oral, in connection with the subject matter hereof.

- (b) Subject to these Conditions any Conditions Annexure and Supplement, no addition to, variation or consensual cancellation of these Conditions shall be of any force and effect unless reduced to writing and signed by or on behalf of the Issuer and Warrantholders.

## 21. Documents Incorporated by Reference

The following documents shall be deemed to be incorporated in, and form a part of, this CT Document (but shall not be part of the Information):

- (a) all amendments and supplements to this CT Document prepared by the Issuer from time to time;
- (b) in respect of any issue of Warrants under the CT Document, the audited consolidated annual financial statements (including, where applicable, the audited consolidated interim financial statements), together with such statements, reports and the notes attached to or intended to be read with such financial statements of the Issuer for the 2 (two) financial years prior to the date of such issue as well as for each financial year thereafter ending on the last day of each financial year, currently 31 December in respect of the Issuer;
- (c) each annual report prepared by the Issuer;
- (d) any Supplements or Conditions Annexures to this CT Document circulated by the Issuer from time to time; and
- (e) all information pertaining to the Issuer which is relevant to this CT Document which is electronically submitted, after the 31 December financial year end, by the SENS established by the JSE.

Any statement contained in this CT Document or in any of the documents incorporated by reference in and forming part of this CT Document shall be deemed to be modified or superseded for the purpose of this CT Document (but not the Information) to the extent that a statement contained herein or in any other

subsequently filed or published document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement (whether expressly, by implication or otherwise). Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this CT Document.

The Sponsor will provide, without charge, to each person to whom a copy of this CT Document has been delivered upon written request of such person, a copy of any or all the documents which are incorporated herein by reference. Written requests for such documents should be directed to the Sponsor.

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

- (a) a material change in the condition (financial or otherwise) of the Issuer occurs; or
- (b) a material event has occurred which affects any matter contained in this CT Document, the disclosure of which would reasonably be required by Warrantholders and/or potential investors in the Warrants; or
- (c) any of the information contained in this CT Document becomes outdated in a material respect; or
- (d) this CT Document no longer contains all the materially correct information required by the applicable procedures,

provided that, in the circumstances set out in paragraphs (c) and (d) above, no new CT Document or supplement to this CT Document, as the case may be, is required in respect of the Issuer's consolidated annual financial statements if such consolidated annual financial statements are incorporated by reference into this CT Document and such consolidated annual financial statements are published, as required by the Companies Act, and submitted to the JSE and published on the Issuer's website

[www.standardbank.co.za](http://www.standardbank.co.za) within 6 (six) months after the financial year end of the Issuer.

## **Section 5**

### **Information on the Issuer**

#### **The Standard Bank of South Africa Limited Incorporated in the Republic of in South Africa Registration No. 1962/000738/06**

The Standard Bank of South Africa Limited (“**Standard Bank**”) is a leading South African banking and financial services company ranked by profits, assets and market capitalisation. It is a wholly owned subsidiary of The Standard Bank Group Limited.

Operations began in 1862 in Port Elizabeth as the Standard Bank of British South Africa, a London registered company and, until 1987 was part of the Standard Chartered Group.

Standard Bank provides a full range of personal, corporate, merchant and commercial banking services through a network of over 1 000 points of representation throughout South Africa.

Standard Bank’s operations are divided broadly into retail and wholesale arms. The retail market is served by divisions covering respectively the personal and small business markets the mid sized business markets and rural areas and towns.

In the wholesale market, Corporate and Investment Banking, provides treasury, banking, structured finance, property, corporate finance, merger and acquisition, investment and international banking.

The Standard Bank’s world-wide representation, broad range of services and more than a century’s experience of South African and African business, reflect its dominant position as the continent’s leading and most respected banking institution.

#### **Documents incorporated by reference**

The two most recently published annual report and audited consolidated financial statements of the Issuer shall be deemed to be incorporated in, and to form part of this CT Document. Copies of such documents may be obtained free of charge from the registered office of the Issuer.



**Financial review of The Standard Bank of South Africa Limited  
Statements of financial position as at 31 December 2011**

	2011	2010
<b>Assets</b>		
Cash and balances with the central bank	20 865	18 181
Derivative assets	93 445	105 181
Trading assets	24 440	13 453
Pledged assets	3 737	2 035
Financial Investments	79 815	79 388
Loans and advances	593 597	517 507
Current taxation asset	170	184
Deferred taxation asset	108	265
Other assets	10 269	5 216
Interests in group companies, associates and joint ventures	66 940	67 034
Goodwill and other intangible assets	6 433	4 372
Property and equipment	8 306	7 885
<b>Total assets</b>	<b>908 125</b>	<b>820 701</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>53 757</b>	<b>47 614</b>
Equity attributable to the ordinary shareholder	53 757	47 614
Ordinary share capital	60	60
Ordinary share premium	27 230	25 230
Reserves	26 467	22 324
<b>Liabilities</b>	<b>854 368</b>	<b>773 087</b>
Derivative liabilities	98 727	102 461
Trading liabilities	13 581	8 069
Deposit and current accounts	674 147	592 930
Current tax liability	954	2 099
Deferred tax liability	710	-

Other liabilities	13 253	9 936
Subordinated debt	16 095	15 683
Liabilities to group companies	36 901	41 909
<b>Total equity and liabilities</b>	<b>908 125</b>	<b>820 701</b>

Copies of the Annual Financial Statement are available on [www.standardbank.co.za](http://www.standardbank.co.za)

**Income Statement - The Standard Bank of South Africa Limited for the year ended 31 December 2011**

	2011 Rm	2010 Rm
<b>Net interest income</b>	21 161	20 127
Interest income	48 731	50 414
Interest expense	27 570	30 287
Non-interest revenue	18 082	17 528
Net fee and commission revenue	13 779	12 858
Fee and commission revenue	16 537	15 362
Fee and commission expense	2 758	2 504
Trading revenue	3 077	2 699
Other revenue	1 226	1 971
<b>Total Income</b>	<b>39 243</b>	<b>37 655</b>
Credit impairment charges	4 584	6 291
<b>Income after credit impairment charges</b>	<b>34 659</b>	<b>31 364</b>
Operating expenses	21 293	20 915
Staff costs	11 169	10 920
Restructuring costs		302
Other operating expenses	10 124	9 693

<b>Net Income before goodwill impairment</b>	<b>13 366</b>	
Goodwill impairment	<b>39</b>	
<b>Net income before associates and joint ventures</b>	<b>13 327</b>	
Share of profits / (losses) from associates and joint ventures	<b>(26)</b>	
<b>Net income before indirect taxation</b>	<b>13 301</b>	<b>10 449</b>
Indirect taxation	<b>745</b>	<b>856</b>
<b>Profit before direct taxation</b>	<b>12 556</b>	<b>9 593</b>
Direct taxation	<b>3 035</b>	<b>1 982</b>
<b>Profit attributable to ordinary shareholder</b>	<b>9 521</b>	<b>7 611</b>

Copies of the Annual Financial Statement are available on [www.standardbank.co.za](http://www.standardbank.co.za)

## **Board of Directors**

The names of the Directors of the Standard Bank of South Africa Limited as at 30 May 2012 are as follows:

<b>PHASWANA, Tshamano Mohau Frederik</b>	(Chairman)
<b>TSHABALALA, Simpiwe Kenneth</b>	(Chief Executive)
<b>BAND, Douglas Denoon Balharrie</b>	
<b>DUNNE, Richard Matthew Wingfield</b>	
<b>GCABASHE, Thulani Sikhulu</b>	
<b>KALYAN, Koosum Parsotam</b>	
<b>MACOZOMA, Sakumzi Justice</b>	
<b>MAREE, John Helenius *</b>	
<b>MOROKA, Kgomotso Ditsebe (Adv)</b>	
<b>NISSEN, Andrew Christoffel</b>	
<b>RAMAPHOSA, Matamela Cyril</b>	
<b>RIDLEY, Simon Peter *</b>	
<b>RUCK, Myles John Denniss</b>	
<b>LORD SMITH of KELVIN, Kt<sup>#</sup></b>	
<b>WOODS, Edward Malcolm</b>	

\* Executive Director

# British

## **Auditors**

The Auditors of The Standard Bank of South Africa Limited are PricewaterhouseCoopers Inc and KPMG Inc.

## Section 6

### Outstanding Warrants, Taxation and Selling Restrictions

The Issuer has a number of outstanding Warrant Issues listed on the Stock Exchange. Prospective purchasers should direct themselves, *inter alia*, to the financial information set out in the financial statements of the Issuer when assessing the credit risk of the Issuer.

#### Taxation

Purchasing, selling and holding Warrants may have tax consequences for Warrantheolders, including the possibility of income tax being payable on profits from trading Warrants. There may also be different tax consequences that may apply to different Warrants, for example dividends received by Warrantheolders by means of a cession of dividends (as applicable to Share Instalments) may have normal income tax generally (for companies and close corporations) or dividends tax (generally for individuals) consequences depending on whether the dividends are ceded to companies, as defined in the Income Tax Act, 1962, or to recipients other than companies and potential investors should accordingly consult with their own tax advisors to ensure that such tax consequences are understood.

Purchasers of Warrants are not required to pay STT, as Warrants do not constitute securities within the meaning of the Securities Transfer Tax Act. However purchasers of Warrants may be required to pay other charges in addition to the issue price of the Warrant in accordance with the laws and practices of the Republic of South Africa and/or STT in the event that the underlying security is delivered to the Warrantheolder.

**Potential purchasers of Warrants who are in any doubt about their tax position on purchase, ownership, transfer, exercise or non-exercise of any Warrant should consult their own tax advisers.**

#### Offering and Sale

##### *South Africa*

Prior to the issue of any Warrants under the CT Document, the Issuer and/or Sponsor who has (or will have) agreed to place such Warrants will be required to represent and agree that it will not solicit any offers for subscription for or sale of the Warrants, and will itself not sell the Warrants in South Africa, if such sale would be in contravention of the Companies Act, the Banks Act, 1990 the South African Exchange Control Regulations (“**Exchange Control Regulations**”) and/or any other applicable laws and regulations of South Africa in force from time to time.

##### *United States*

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

##### *General*

Prior to the issue of any Warrants under the CT Document, the Issuer and/or Sponsor who has (or will have) agreed to place such Warrants 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 Warrants or has in its possession or distributes the CT Document and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Warrants 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;

- (b) it will comply with such other or additional restrictions as the Issuer and such Sponsor agree and as are set out in the applicable Supplement.

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

## **Section 7**

### **General Information**

#### **1 Authorisation**

The Issue of Warrants under this CT Document has been duly authorised by the Issuer and Stock Exchange.

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of South Africa as at the date of this CT Document have been given for the issue of Warrants and for the Issuer to undertake and perform its obligations under this CT Document and the Warrants.

#### **2 Listing**

Transactions will normally be effected for settlement as provided for by STRATE from time to time. Should any system replace the Stock Exchange's current settlement system transactions shall be effected in terms of the procedures of that system.

Maintenance of the listing will be subject to Stock Exchange consent in respect of which fees may be payable to the Stock Exchange from time to time.

The CT Document has been submitted for approval by the JSE and for the listing of the Warrants on the JSE. Warrants to be issued under the CT Document may be listed on the JSE or any other financial exchange.

#### **3 Documents Available**

3.1 From the date hereof and so long as Warrants are outstanding, copies of the following documents will, when published, be available from the registered offices of the Issuer and the Sponsor as set out at the end of this CT Document:

- (a) all amendments and supplements to this CT Document prepared by the Issuer from time to time;
- (b) in respect of any issue of Warrants under the CT Document, the audited annual financial statements (including, where applicable, the audited interim financial statements), together with such statements, reports and the notes attached to or intended to be read with such financial statements thereto, of the Issuer for its 2 (two) financial years prior to the date of such issue;
- (c) each relevant Supplement and/or Conditions Annexures relating to any Warrants issued under the CT Document;
- (d) a copy of the most current credit ratings of the Issuer; and
- (e) all information pertaining to the Issuer which is relevant to the CT Document which is electronically submitted by SENS established by the JSE, to SENS subscribers, if required. This CT Document will be available on the JSE website, [www.jse.co.za](http://www.jse.co.za), and the audited annual financial statements of the Issuer and this CT Document are also available on the Issuer's website, [www.warrants.co.za](http://www.warrants.co.za).

#### **4 Use of Proceeds**

This Issuer intends to use the proceeds from the sale of the Warrants for general corporate purposes, or as may otherwise be described in the relevant Supplement.

## 5 **Trading and Registration**

Warrants must be traded *via* the SETS System of the Stock Exchange, provided that should a subsequent trading system replace the SETS System, the Warrants shall be traded *via* and in terms of that System. The Register is maintained by the relevant CSDPs for Uncertificated Warrants.

## 6 **Exchange Controls**

The contents of this section headed “Exchange Control” is intended as a general guide to the position under the Exchange Control Regulations as at the date of the CT Document and do not constitute exchange control advice and do not purport to describe all the considerations that may be relevant to prospective Warranholders. Prospective Warranholders are responsible for compliance with the Exchange Control Regulations and should consult their professional advisers in this regard.

### **Non-South African resident Warranholders and emigrants from the Common Monetary Area**

The issue of the relevant Warrants and the performance by the Issuer and the Warranholder of its obligations under the Warrants may be subject to the Exchange Control Regulations particularly where Warrants have been inward listed.

#### **Blocked Rand**

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

#### **Emigrants from the Common Monetary Area**

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

Any proceeds arising from fractional entitlement due on exercise, where applicable, to a Warranholder who is an emigrant from the Common Monetary Area will be deposited into such emigrant Warranholder’s Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

#### **Non-residents of the Common Monetary Area**

Certificates issued to Warranholders who are not resident in the Common Monetary Area will be endorsed “non-resident”.

It will be incumbent on any Warranholder, who is a non-resident of the Common Monetary Area and is entitled to proceeds arising as a result of any fractional entitlement due on exercise, where applicable, to instruct the non-resident’s nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of Warrants are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Warrants are acquired with foreign currency introduced into South Africa and provided that the relevant Certificate has been endorsed “*non-resident*”.



### **Exchange Control – Issuer**

The Issuer will have obtained approval from the Exchange Control Department of the Financial Surveillance Department of the South African Reserve Bank prior to the issue of the relevant Warrants.

For the purposes of paragraph 6 “**Common Monetary Area**” includes the Republic of South Africa, Swaziland, Lesotho and Namibia.

### **7 Auditors**

The auditors of the Issuer are KPMG Inc and PriceWaterhouseCoopers Inc and have acted as the auditors of the financial statements of the Issuer for the financial year ended 31 December 2011, 2010 and 2009 and, in respect of those years, have issued unqualified audit reports.

The consolidated annual audited financial statements of the Issuer are audited in accordance with IFRS and the Companies Act.

### **9 Material Change**

Save as disclosed in this CT Document and/or as disclosed on SENS by the Issuer, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer’s latest audited financial statements.

### **10 Litigation**

Save as disclosed in this CT Document the Issuer is not nor has it been involved in any legal or arbitration proceedings (including, any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the financial position of the Issuer.

**Schedule 1: Exercise Notice for Warrants**

To: Standard Bank Equity Derivatives,  
 4<sup>th</sup> Floor,  
 2 Exchange Square,  
 Maude Street cnr Gwen Lane, Sandton, 2196  
 P.O. Box 61309  
 Marshalltown, 2107  
 Attention Standard Bank Warrants

Copy To: **[Warrantholder's CSDP]**

Dear Sirs,

**The Standard Bank of South Africa**

**Uncovered/Covered [Call Style Warrant/Put Style Warrant/Basket Warrant/Barrier/Knockout/Reset Warrant/Index Put Warrant/Index Call Warrant / Commodity/Commodity Reference Warrant / Currency Reference Warrant or Share Instalments] over [insert Underlying Security, Index, Commodity / Reference Commodity / Reference Currency] of [insert name of Company if applicable].**

I am/We are currently the registered Warrantholder/s of the following Warrants as evidenced hereunder, which I/we hereby wishes to exercise in accordance with the Terms and Conditions.

Company or Index or Commodity or Reference Commodity or Reference Currency to which Warrants being exercised relate	Number of Warrants being exercised	Certificate Number	Number of Warrants covered by enclosed Certificate
Total			

I/We hereby provide the following information which the Issuer may rely upon:

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

Telephone Number and Contact Person: \_\_\_\_\_ Fax Number: \_\_\_\_\_

CSDP Securities Account into which Underlying Parcel may be transferred, or from which Underlying Parcel may be transferred: Where the Issuer has elected to settle by way of delivery of Underlying Parcel: \_\_\_\_\_

Account Holder: \_\_\_\_\_

Name of Warrantholder's CSDP: \_\_\_\_\_

Branch: \_\_\_\_\_

Branch Number: \_\_\_\_\_

CSDP Account Number: \_\_\_\_\_

Bank Account or CSDP cash account in South Africa to which any cash amount due in respect of the Warrants (subject of the deduction of any Taxes and Duties payable) may be paid (such account may not be located in the United States): \_\_\_\_\_

Account Holder: \_\_\_\_\_

Name of Bank Warrantholder's CSDP: \_\_\_\_\_

---

Branch:

---

Branch Number:

---

Account Number:

---

### **In respect of Call and Put Style Warrants over Underlying Securities**

I/We have instructed my CSDP to transfer to your bank account (documentary evidence is attached) funds representing the applicable Exercise Price (in the event of Call Style Warrants) and Taxes and Duties with respect to the exercised Warrants and undertake to pay any further or additional Exercise Expenses. I acknowledge that all risk of settlement, will lie with and vest in myself as Warranholder.

### **In respect of Call Style Warrants over Underlying Securities or Share Instalments**

[I/we\*] (the "Warranholder") warrant that:

- (a) the Warranholder has obtained all consents which may be required by law in respect of the Warranholder to enable the Warranholder to take transfer of good title to the Underlying Parcel from the Issuer as required under the Conditions;
- (b) the transferee of the Underlying Parcel has unencumbered title to the Warrants or is entitled to such title and has not sold or otherwise dealt with those Warrants.

### **In respect of Put Style Warrants over Underlying Securities only**

[I/we\*] the "Warranholder") warrant that:

- (a) the Warranholder has obtained all consents which may be required by law in respect of the Warranholder to enable the Warranholder to procure transfer of good tile in the Underlying Parcel to the Issuer as required under the Conditions;
- (b) the transferor of the Underlying Parcel has unencumbered title to the Warrants or is entitled to such title and has not sold or otherwise dealt with those Warrants.

Please accept this Exercise Notice as my/our authority to instruct the relevant CSDP (in the case of Uncertificated Warrants) to debit from the Register the number of Warrants specified above.

[I/We\*] acknowledge that this Exercise Notice is not valid unless it is accompanied by the above required documents, provided that the Warrant has not lapsed in terms of Condition 2.5 prior to such Exercise Notice being given.

All capitalised terms in this Exercise Notice shall have ascribed to them the meanings in Section 1 of this CT Document.

Finally, I/we certify that no Warranholder in respect of the exercised Warrants is a U.S. person. For the purposes of this Exercise Notice a "U.S. person" means (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; or (v) any entity organised principally for passive investment, 10 per cent or more of the beneficial interests in which are held by persons described in (i) to (iv) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vi) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933 or in regulations adopted under the United States Commodity Exchange Act.

Yours faithfully,

[Name of Signatory]

Duly authorised for and on behalf of the Warranholder(s)

Enc: CSDP Confirmation

## Schedule 2: Form of Supplement

The Supplement relating to each issue of Warrants may contain (without limitation) such of the following particulars as is applicable in respect of such Warrants:

1. The type of Warrant, which may be Index Warrants, Equity Warrants, Debt Instrument Warrants, Barrier or Knockout Warrants, Reset Warrants, Basket Warrants, Commodity, Commodity Reference Warrants, Currency Reference Warrant, Share Instalments, Variable Equity Securities, Credit Contingent Variable Equity Securities or any other type of Warrants the Issuer may introduce to the CT Document by way of Conditions Annexures;
2. Whether the Warrants are American, European Style Warrants;
3. Whether the Warrants are Call or Put Style Warrants;
4. The number of Warrants being issued;
5. The Exercise Price per Warrant;
6. The Expiration Date for each Warrant;
7. Details of the Calculation Agent if different from the CT Document;
8. Details of Index Sponsor;
9. Any other special conditions and modifications to the Conditions in respect of the Warrants;
10. Details of any additional selling restrictions;
11. The series number of the Warrants;
12. The relevant long code and short code;
13. Name of the Company in relation to the Underlying Securities;
14. In case of European Style Warrants, whether the Warrants are exercised automatically or with the delivery of an Exercise Notice as provided in the CT Document;
15. Number of Shares to which one Group of Warrants relates (the "Quantity");
16. Issue date of the Warrants;
17. Exercise Period (in the case of American Style Warrants);
18. Minimum Exercise Number (or an integral multiple thereof) for American Style Warrants of each tranche;
19. Maximum Exercise Number for American Style Warrants for each tranche, if applicable (except for Warrants exercised on the Expiration Date);
20. Name of the Stock Exchange or market on which the Underlying Securities are traded;
21. Any other information relating to any particular issue of Warrants under this CT Document, which the Issuer may regard as relevant for inclusion;

22. The applicable Reference Commodity over which either Commodity or Commodity Reference Warrants will be issued;
23. The applicable currency Conversion Rate together with the applicable source of such Conversion Rate;
24. The applicable Commodity Reference Strike Price or Currency Reference Strike Price;
25. The applicable Reference Currency Pair in respect of Currency Reference Warrants.

**REGISTERED OFFICE OF THE ISSUER**

The Standard Bank of South Africa Limited  
9<sup>th</sup> Floor, 5 Simmonds Street  
Johannesburg 2001

**CORPORATE ADVISER**

The Standard Bank of South Africa Limited  
Corporate and Investment Banking  
4<sup>th</sup> Floor, 3 Simmonds Street  
Johannesburg 2001

**AUDITORS OF THE ISSUER**

PriceWaterhouseCoopers Inc  
2 Elgin Road  
Sunninghill 2157

KPMG Inc  
85 Empire Road  
Parktown 2193

**SPONSOR**

SBG Securities Proprietary Limited  
4<sup>th</sup> Floor, 3 Simmonds Street  
Johannesburg 2001

**LEGAL ADVISER**

Edward Nathan Sonnenbergs  
1 North Wharf Square  
Loop Street, Foreshore  
Cape Town 8001