



AFRICAN BANK LIMITED
(Registration number 2014/176899/06)
(incorporated with limited liability in the Republic of South Africa)

ZAR25 000 000 000

DOMESTIC MEDIUM TERM NOTE PROGRAMME
SUPPLEMENT TO THE PROGRAMME MEMORANDUM DATED 22 MARCH 2016

African Bank Limited (the “**Issuer**” or the “**Bank**”) established a ZAR25 000 000 000 Domestic Medium Term Note Programme (the “**Programme**”) pursuant to a programme memorandum dated 22 March 2016 (the “**2016 Programme Memorandum**”).

This is a supplement to the 2016 Programme Memorandum (the “**Supplement**”) and is published for the purposes of:

- removing from the 2016 Programme Memorandum outdated business, risk factor and financial information;
- incorporating further information into the 2016 Programme Memorandum by reference (including updated information on the Issuer’s business, risk factors related to the Issuer and the Notes and financial information); and
- updating Condition 17 (*Meetings of Noteholders*) of the Terms and Conditions and related definitions in order to ensure compliance with the latest JSE Debt Listings Requirements and to introduce necessary definitional changes to cater for the Prudential Authority as the relevant regulator of the Bank.

This Supplement has been approved by and registered with the JSE in respect of the Interest Rate Market of the JSE on 5 November 2018 (the “**Supplement Date**”). This Supplement is supplemental to, and should be read in conjunction with the 2016 Programme Memorandum. This Supplement is deemed to be incorporated in, and to form part of the 2016 Programme Memorandum.

Terms defined in the 2016 Programme Memorandum shall bear the same meaning in this Supplement, unless it is clear from the paragraph or section in question that the term so defined has limited application to the relevant paragraph or section of the 2016 Programme Memorandum or unless the context in this Supplement otherwise requires.

In the event of any conflict between the provisions or definitions of the 2016 Programme Memorandum and the provisions or definitions of this Supplement, the provisions or definitions, as the case may be, of this Supplement shall prevail. The remaining provisions of the 2016 Programme Memorandum, particularly the Terms and Conditions, shall apply, subject to any amendments required by this Supplement.

All references to the 2016 Programme Memorandum in the remainder of this Supplement shall mean the 2016 Programme Memorandum as supplemented and amended by this Supplement.

Prior to any decision to invest in the Notes, prospective investors should have regard to the risks described under “Risk Factors” incorporated by reference in the 2016 Programme Memorandum and should seek independent professional advice.

Arranger and Debt Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited
Legal Advisor to the Issuer
Tugendhaft Wapnick Banchetti and Partners

Supplement to the 2016 Programme Memorandum dated 5 November 2018

AMENDMENT OF THE 2016 PROGRAMME MEMORANDUM

- 1) The section of the 2016 Programme Memorandum headed “**General**” is replaced in its entirety with the section headed “**General**” commencing on page 4 of this Supplement.
- 2) The section of the 2016 Programme Memorandum headed “**Documents Incorporated by Reference**” is replaced in its entirety with the section headed “**Documents Incorporated by Reference**” commencing on page 6 of this Supplement.
- 3) All references in the Programme to the “*BESA Guarantee Fund Trust*” is amended to the “*JSE Debt Guarantee Fund Trust*”.
- 4) As at the Supplement Date, the Programme has not been rated by any Rating Agency but the Issuer has received a ‘B+/B’ global scale rating and a ‘zaA-/zaA-2’ national scale rating, with a stable outlook from Standard & Poor’s Global Ratings (“**S&P**”).

The above rating description shall replace all references to the preliminary Global scale foreign currency long-term issuer rating of the Issuer as at 22 March 2016 (being the Programme Date in the 2016 Programme Memorandum) of B+ from S&P. These references appear:

- a) at the end of the first page of the 2016 Programme Memorandum;
 - b) in the third last paragraph in the section headed “**General Description of the Programme**” of the 2016 Programme Memorandum; and
 - c) in the paragraph headed “**Ratings**” in the section of the 2016 Programme Memorandum headed “**Summary of the Programme**”.
- 5) The paragraphs headed “**Issuer**”, “**Paying Agent**” and “**Risk Factors**” in the section of the 2016 Programme Memorandum headed “**Summary of the Programme**” are replaced in their entirety with the following paragraphs.

“Issuer”

African Bank Limited (Registration Number 2014/176899/06), a public company with limited liability duly incorporated in accordance with the company laws of South Africa, registered as a bank in terms of the Banks Act (further details about which are set out in the Business and Risk Information Memorandum and the Officers’ Information Schedule incorporated by reference into the 2016 Programme Memorandum).

“Paying Agent

The Standard Bank of South Africa Limited, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Paying Agent, in which event that other entity shall act as a Paying Agent in respect of that Tranche or Series of Notes.”

“Risk Factors

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out in the Business and Risk Information Memorandum incorporated by reference into this Programme Memorandum (under the section in such Business and Risk Information Memorandum headed "Risk Factors"). In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out in the section of such Business and Risk Information Memorandum headed "Risk Factors" and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular types of Notes and certain market risks.”

- 6) The section of the 2016 Programme Memorandum headed “*Terms and Conditions*” is amended as contemplated in the section of this Supplement headed “*Amendment to the Terms and Conditions*” commencing on page 9 of this Supplement.
- 7) The section of the 2016 Programme Memorandum headed “*General Information*” is replaced in its entirety with the section headed “*General Information*” commencing on page 16 of this Supplement.
- 8) The sections of and annexures to the 2016 Programme Memorandum with the following headings are deleted in their entirety:
 - RISK FACTORS;
 - PRESENTATION OF FINANCIAL AND OTHER INFORMATION;
 - GLOSSARY OF TERMS;
 - CURATORSHIP OF AFRICAN BANK AND SUMMARY OF RESTRUCTURING;
 - CAPITALISATION AND INDEBTEDNESS;
 - SELECTED FINANCIAL AND OTHER INFORMATION;
 - DESCRIPTION AND GOVERNANCE STRUCTURES OF NEW HOLDCO GROUP;
 - DESCRIPTION OF THE ISSUER;
 - THE BANKING SECTOR AND RELEVANT REGULATIONS IN SOUTH AFRICA;
 - ANNEXURE A – FINANCIAL INFORMATION.

GENERAL

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

The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted which would make any statements in the 2016 Programme Memorandum (as amended by this Supplement) false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the 2016 Programme Memorandum (as amended by this Supplement) contains all information required by law and the JSE Debt Listings Requirements.

The Issuer accepts full responsibility for the accuracy of the information contained in the 2016 Programme Memorandum (as amended by this Supplement), the annual financial statements, any Applicable Pricing Supplements, and any annual report (and any amendments or supplements to the aforementioned documents) except as otherwise stated therein.

The 2016 Programme Memorandum (as amended by this Supplement) is to be read in conjunction with all documents which are deemed to be incorporated therein by reference (see the section entitled “**Documents Incorporated by Reference**” in this Supplement). The 2016 Programme Memorandum (as amended by this Supplement) shall be read and construed on the basis that such documents are incorporated into and form part of the 2016 Programme Memorandum (as amended).

The JSE:

- takes no responsibility for the contents of the 2016 Programme Memorandum and this Supplement, the financial statements, any Applicable Pricing Supplements, or any annual report (and any amendments or supplements to the aforementioned documents);
- makes no representation as to the accuracy or completeness of any of the 2016 Programme Memorandum and this Supplement, the financial statements, any Applicable Pricing Supplements, or any annual report (and any amendments or supplements to the aforementioned documents); and
- expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents.

The JSE’s approval of this Supplement and listing of any debt securities under the Programme shall not be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

The Arrangers and the Dealers or any of their respective subsidiaries or holding companies or a subsidiary of their holding company (their “**Affiliates**”), the entity referred to as the Debt Sponsor in the section headed “**Summary of the Programme**”, other professional advisers or the JSE 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 Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE as to the accuracy or completeness of the information contained in the 2016 Programme Memorandum (as amended by this Supplement) or any other information provided by the Issuer. The Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE do not accept any liability in relation to the information contained in the 2016 Programme Memorandum (as amended by this Supplement) or any other information provided by the Issuer in connection with the Programme or any other documents which are deemed to be incorporated herein by reference. (See the section headed “**Documents Incorporated by Reference**”.) However, in circumstances where the Issuer is the Arranger and/or Dealer in question, the responsibility statements and certifications made by the Issuer (in such capacity) in the first and second paragraphs of this sections headed “**General**” remain of full force and effect).

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with the 2016 Programme Memorandum (as amended by this Supplement) or any other information supplied in connection with the Programme or any other information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE.

Neither the 2016 Programme Memorandum (as amended by this Supplement) nor any other information supplied in connection with the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE that any recipient of the 2016 Programme Memorandum (as amended by this Supplement) or any other information supplied in connection with the Programme should subscribe for, or purchase, any Notes.

Each person contemplating the subscription for, or purchase of, any Notes should determine for itself the relevance of the information contained in the 2016 Programme Memorandum (as amended by this Supplement) 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 subscription for, or purchase of, Notes should be based upon any such investigation as it deems necessary. Neither the 2016 Programme Memorandum (as amended by this Supplement), nor any other information supplied in connection with the Programme constitutes an offer to sell or the solicitation of an offer to buy or invitation by or on behalf of the Issuer, the Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE to any person to subscribe for or to purchase any Notes.

The delivery of the Programme Memorandum (as amended by this Supplement) or the offering, sale or delivery of any Note shall not at any time imply that the information contained herein is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same. The Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, inter alia, the most recent financial statements, if any, of the Issuer, when deciding whether or not to subscribe for, or purchase, any Notes.

Neither the 2016 Programme Memorandum (as amended by this Supplement) nor any Applicable Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy or an invitation to subscribe for or purchase any Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or invitation in such jurisdiction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the 2016 Programme Memorandum, this Supplement or any Applicable Pricing Supplement and other offering materially relating to the Notes, see the section of the 2016 Programme Memorandum (as amended by this Supplement) headed “*Subscription and Sale*”.

The distribution of the 2016 Programme Memorandum, this Supplement and any Applicable Pricing Supplement and the issue, sale or offer of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers nor the JSE represents that the 2016 Programme Memorandum (or this Supplement) may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers and the Dealers or their Affiliates, the Debt Sponsor, other professional advisers or the JSE which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of the 2016 Programme Memorandum, this Supplement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Dealers have represented that all offers and sales by them will be made on the same restrictions.

Persons into whose possession the 2016 Programme Memorandum, this Supplement or any Applicable Pricing Supplement or any Notes come are required by the Issuer, the Arrangers and the Dealers and their respective Affiliates, the Debt Sponsor, other professional advisers and the JSE to inform themselves about and observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act, 1933 (as amended) (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S (as defined in the Securities Act) under the Securities Act.

In connection with the issue and distribution of any Tranche of Notes under the Programme, the Dealer, if any, that is specified in the Applicable Pricing Supplement as the stabilising manager (or any person acting for the stabilising manager) may, if specified in that Applicable Pricing Supplement and only if such stabilising is permitted by the JSE Debt Listings Requirements and in accordance with the Financial Markets Act and approved by the JSE, over-allot or effect transactions with a view to supporting and maintaining the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the stabilising manager (or any agent of the stabilising manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all Applicable Laws, regulations and rules.

DOCUMENTS INCORPORATED BY REFERENCE

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

For so long as the 2016 Programme Memorandum remains registered with the JSE, the following documents are deemed to be incorporated by reference into, and form part of, this Programme Memorandum:

- (a) all amendments, restatements and/or supplements to this Programme Memorandum circulated by the Issuer from time to time;
- (b) each Applicable Pricing Supplement relating to any outstanding Tranches of Notes issued under the Programme on or after the Programme Date (and listed on the Interest Rate Market of the JSE);
- (c) in respect of any issue of Notes, the audited annual financial statements and notes and reports thereto, of the Issuer available for the three financial years (ending on 30 September) prior to such issue and in respect of all financial years thereafter, as and when such audited financial statement become available;
- (d) in respect of any issue of Notes, any financial statements of, or financial information relating to, the Issuer which is (i) made available on the Issuer’s website; and (ii) an announcement, notifying Noteholders that such financial statements or financial information is available on the Issuer’s website, is published on SENS (or any other electronic news service stipulated by the JSE Debt Listings Requirements) including but not limited to any unaudited interim financial information and other financial information relating to the Issuer so made available;
- (e) the *pro forma* statements of financial position and profit or loss (together with any notes thereto) for the Issuer for the financial year ended 30 September 2015, prepared and presented assuming an illustrative Transaction Effective Date of:

- 30 September 2015 for the purposes of preparing the statement of financial position; and
- 1 October 2014 for the purposes of preparing the statement of profit or loss,

provided that once the unaudited financial information of the Issuer for the six-month period ended 31 March 2019 is made available on the Issuer’s website as contemplated in (d) above, such *pro forma* information shall no longer be incorporated by reference into the Programme Memorandum;

- (f) the report dated 16 March 2016 by Deloitte & Touché in its capacity as Reporting Accountant on the *pro forma* financial information referred to in (e) above, provided that once the unaudited financial information of the Issuer for the six-month period ended 31 March 2019 is made available on the Issuer’s website as contemplated in (d) above, such report shall no longer be incorporated by reference into the Programme Memorandum;
- (g) any other audited or unaudited financial statements of the Issuer published in the manner required in terms of the JSE Debt Listing Requirements, which do not fall within the ambit of (c), (d) and (e) above;
- (h) all information pertaining to the Issuer and/or the Controlling Company which is relevant to the Programme and/or the Programme Memorandum and which is electronically submitted on SENS (or any other electronic news service stipulated by the JSE Debt Listings Requirements), including, but not limited to the most recent integrated report of African Bank Holdings Limited (“**ABH**”) available from time to time, being the ultimate holding company of the Issuer;
- (i) the constitutional documents of the Issuer, as amended from time to time;
- (j) the most recent Public Pillar 3 Disclosures of the Issuer and ABH in terms of the Banks Act and the Regulations Relating to Banks available from time to time (the “**Pillar 3 Disclosures**”);
- (k) an information memorandum (the “**Business and Risk Information Memorandum**”) containing the following information:
 - a description of the business carried on by the Issuer;
 - a description of the material risk factors applicable to the Issuer and the Notes contemplated in the Programme; and
 - other financial and background information,as amended and updated from time to time;

- (l) the schedule of the application by the Issuer of the King Code on Corporate Governance in South Africa 2016 (the “**King IV Schedule**”); and
- (m) the full names of directors and the company secretary of the Issuer (the “**Officers’ Information Schedule**”).

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

The Issuer will, for so long as the Programme Memorandum remains registered with the JSE, provide (at the Specified Office of the Issuer as set out at the end of this Programme Memorandum) free of charge to any Person, upon request of such Person, a copy of this Programme Memorandum, and any or all of the documents which are incorporated herein by reference (including each Applicable Pricing Supplement relating to any outstanding Tranches of Notes provided same are listed on the Interest Rate Market of the JSE) unless such documents have been modified or superseded, in which case the modified or superseding documentation will be provided. Requests for the documents should be directed to the Issuer at its Specified Office as set out at the end of this Programme Memorandum.

The Programme Memorandum and any amendments or supplements thereto and:

- the documents referred to in paragraphs (a), (b), (e) and (f) above as well as the the Business and Risk Information Memorandum (paragraph (k) above) will be available on the website of the Issuer (www.africanbank.co.za under the “**Investors**” – “**Corporate Information**” “**Debt investor information**” path in such website), provided that the documents referred to in (e) and (f) above will only be available until the date the unaudited financial information of the Issuer for the six-month period ended 31 March 2019 is made available on the Issuer’s website;
- the documents referred to in paragraphs (c), (d) and (g) above will be available on the website of the Issuer (www.africanbank.co.za under the **Investors**” – “**Corporate Information**” “**Financial Reporting**” path in such website);
- the documents referred to in paragraph (h) above will be available on the website of the Issuer (www.africanbank.co.za under the “**Investors**” – “**Regulatory Announcements**” - “**Market Announcements**” path in such website);
- the Pillar 3 Disclosures (paragraph (j) above) will be available on the website of the Issuer (www.africanbank.co.za under the “**Investors**” – “**Regulatory Announcements**” “**Basel Pillar III announcements**” path in such website);
- King IV Schedule (paragraph (l) above) will be available on the website of the Issuer (www.africanbank.co.za under the “**Investors**” – “**Corporate Information**” “**King IV**” path in such website);
- the Officers’ Information Schedule (paragraph (m) above) will be available on the website of the Issuer (www.africanbank.co.za under the “**Investors**” – “**About Us**” “**Our Company**” – “**The Board**” path in such website).

In addition, this Programme Memorandum, any supplements and/or amendments thereto and the Applicable Pricing Supplements relating to any issue of listed Notes will be filed with the JSE. The JSE will publish such documents on its website at www.jse.co.za.

The Issuer will, for so long as the 2016 Programme Memorandum remains registered with the JSE, publish a new Programme Memorandum or a supplement to this Programme Memorandum, as the case may be, if:

- (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 Programme Memorandum, the disclosure of which would reasonably be required by Noteholders and/or potential investors in the Notes; or
- (c) any of the information contained in this Programme Memorandum becomes outdated in a material respect; or
- (d) this Programme Memorandum no longer contains all the materially correct information required by the Applicable Procedures,

provided that, in the circumstances set out in paragraphs (a), (c) and (d) above, no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer’s annual financial statements or interim financial statements of the Issuer if such financial statements are incorporated by reference into this Programme Memorandum and such financial statements are published, as required by the JSE

Debt Listing Requirements, and submitted to the JSE within the time period required in terms of the JSE Debt Listing Requirements. The Issuer's financial statements may include risk factors which may be updated from time to time.

Any such new Programme Memorandum or Programme Memorandum as supplemented, as the case may be, will be deemed to have substituted the previous Programme Memorandum from the date of issue of the new Programme Memorandum or Programme Memorandum as supplemented, as the case may be.

In relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, copies of any notices to Noteholders, including of meetings and any amendments to the Terms and Conditions or amendments to the Rating of a Tranche of Notes and/or to the Programme Memorandum, shall be published on SENS.

“Relevant Regulator” *the Prudential Authority in terms of the Banks Act and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer;”.*

- 5) Condition 17 of the Terms and Conditions section of the 2016 Programme Memorandum is amended by the deletion of the text marked with a strike-through below and the insertion of the text which is underlined below:

“17 MEETINGS OF NOTEHOLDERS

17.1. General

- 17.1.1. *This Condition 17 contains provisions for convening meetings of Relevant Noteholders to consider any matter affecting their rights, including the sanctioning by Extraordinary Resolution of a modification of the Notes.*
- 17.1.2. *To the extent that any provisions of this Condition 17 do not comply fully with the mandatory provisions in sections in the Companies Act that relate to:*
- 17.1.2.1. *notice of meetings;*
- 17.1.2.2. *conduct of meetings; and*
- 17.1.2.3. *meeting quorums and adjournment.*
- (and accordingly, do not constitute amendments to those sections which are permissible in terms of the Companies Act) (“Conflicting Provisions”), then the relevant sections in the Companies Act relating thereto shall prevail over the Conflicting Provisions notwithstanding that the Companies Act refers to meetings of shareholders and not Noteholders.*
- 17.1.3. *A reference in this Condition 17:*
- 17.1.3.1. *to “meeting” or “meetings of Noteholders” is to a meeting of the Relevant Noteholders;*
- 17.1.3.2. *to “Notes” or “relevant Notes” is to all the Notes or Notes of a particular Series or Notes of a particular ranking, as the case may be; and*
- 17.1.3.3. *to “Noteholders” is to Relevant Noteholders.*
- 17.1.4. *Notification of meetings of Noteholders will also be published on SENS according to the requirements of the JSE from time to time.*
- 17.1.5. *Every director, the secretary of and the attorney to the Issuer and every other person authorised in writing by the Issuer, may attend and speak at a meeting of Noteholders, but will not be entitled to vote, other than as a Noteholder or proxy or duly authorised representative of a Noteholder. Save as aforesaid, but without prejudice to the proviso to the definition of “Outstanding” (as defined in the Terms and Conditions), no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requisitioning the convening of such a meeting unless he either produces proof acceptable to the Issuer that he is the Noteholder or is a proxy or a representative as contemplated in Condition 17.12 below.*

17.2. Resolutions of Noteholders

- 17.2.1. *A meeting of Noteholders will have power, in addition to all powers specifically conferred elsewhere in the Terms and Conditions by Extraordinary Resolution of the Relevant Noteholders:*
- 17.2.1.1. *to assent to any modification of the provisions contained in the Terms and Conditions applicable to the relevant Notes which shall be proposed by the Issuer, subject to Condition 18 below;*
- 17.2.1.2. *subject to Applicable Laws, to sanction any scheme or proposal for the exchange or sale of the Notes for, or the conversion of the Notes into or the cancellation of the Notes in consideration of, shares, stocks, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any entity (corporate or otherwise) formed or to be formed, or for*

or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration for cash;

17.2.1.3. *to bind the Relevant Noteholders to any compromise or arrangement, provided that nothing in this Condition 17.2.1 shall limit the Issuer's ability to utilise the statutory provisions of sections 114 or 155 of the Companies Act and, if so, not utilise the contractual provisions of this Condition 17.2.1;*

17.2.1.4. *to give any authority or sanction which, under the provisions of the relevant Notes, is required to be given by Extraordinary Resolution;*

17.2.2. *Unless otherwise specified, resolutions of Noteholders will require an Ordinary Resolution to be passed.*

17.3. **Convening of meetings**

17.3.1. *The Issuer may at any time convene a meeting of Noteholders.*

17.3.2. *Further, the Issuer will convene:*

17.3.2.1. *a meeting of Noteholders upon the requisition in writing of Noteholders holding not less than ten per cent., in Nominal Amount of the relevant Notes for the time being Outstanding;*

17.3.2.2. *a separate meeting of holders of a particular Series of Notes, upon the requisition in writing of Noteholders in that Series holding not less than ten per cent., in Nominal Amount of the Notes of that Series for the time being Outstanding,*

as the case may be (a "requisition notice").

17.3.3. *Whenever the Issuer wishes to convene a meeting, it will forthwith give notice in writing to the Noteholders in the manner prescribed in Condition 16 of the place, day and hour of the meeting, the nature of the business to be transacted at the meeting and the resolutions to be proposed and considered at the meeting. All meeting of Noteholders will be held in South Africa.*

17.3.4. *All meetings of Noteholders shall comply with the mandatory provisions of the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders and not Noteholders) and the JSE Debt Listings Requirements in force from time to time.*

17.4. **Requisition**

17.4.1. *A requisition notice will state the nature of the business for which the meeting is to be held and the resolutions to be proposed and considered at the meeting and will be deposited at the Specified Office of the Issuer.*

17.4.2. *A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.*

17.5. **Convening of meetings by requisitionists**

If the Issuer does not convene a meeting to be held within 30 days of the deposit of a requisition notice, the requisitionists may themselves convene the meeting, but the meeting so convened will be held within 90 days from the date of such deposit and will be convened as nearly as possible in the same manner as that in which meetings may be convened by the Issuer. Whenever the requisitionists are about to so convene any such meeting, requisitionists shall forthwith give notice of the meeting to the Issuer.

17.6. **Notice of meeting**

17.6.1. *Unless the holders of at least ~~90~~100 per cent. of the aggregate Nominal Amount of the relevant Notes Outstanding agree in writing to a shorter period, at least ~~21 days~~' 15 Business Days' written notice (exclusive of the day on which the notice is given and the day on which the meeting is held), specifying the place, day and time of the meeting, the nature of the business for which the meeting is to be held ~~and~~, the full text of any*

resolutions to be proposed and considered at the meeting; and that a proxy may be appointed (as contemplated in Condition 17.12 below), will be given to each Noteholder and to the Issuer if applicable.

17.6.2. *The accidental omission to give such notice to any Noteholder or the non-receipt of any such notice by any Noteholder will not invalidate the proceedings at a meeting.*

17.6.3. *All notices of meetings of Noteholders shall comply with the mandatory provisions of the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders and not Noteholders) and the JSE Debt Listings Requirements in force from time to time.*

17.7. **Quorum**

17.7.1. *A quorum at a meeting shall:*

17.7.1.1. *for the purposes of considering an Extraordinary Resolution contemplated in Condition 17.2.1 above, consist of Noteholders present in person or by proxy and holding in the aggregate not less than the majority of the aggregate Nominal Amount of the relevant Notes Outstanding.*

17.7.1.2. *for the purposes of considering an Ordinary Resolution, consist of Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Nominal Amount of the relevant Notes Outstanding.*

17.7.2. *No business (other than the choosing of a chairperson) will be transacted at a meeting of the Noteholders unless a quorum is present at the time when the meeting proceeds to business.*

17.7.3. *If, within 15 minutes from the time appointed for the meeting, a quorum is not present, the meeting will, if it was convened on the requisition of Noteholders, be dissolved.*

17.7.4. *In every other case, if, within 15 minutes from the time appointed for the meeting, a quorum is not present, and if the Issuer so elects the meeting will stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day. At such adjourned meeting:*

17.7.4.1. *in the case of a meeting (or that part of a meeting) to consider an Extraordinary Resolution as contemplated in Condition 17.2.1 above, one or more Noteholders present in person or by proxy and holding in the aggregate not less than one-third of the aggregate Nominal Amount of the relevant Notes Outstanding will constitute a quorum for the purpose of considering any such resolution; or*

17.7.4.2. *in the case of a meeting (or that part of a meeting) to consider an Ordinary Resolution, the Relevant Noteholders present in person or by proxy will constitute a quorum for the purpose of considering any such resolution.*

17.8. **Chairperson**

The chairperson of the meeting shall be appointed by the Issuer. If the Issuer or the person appointed by the Issuer to preside as chairperson of the meeting is not present within 10 minutes of the time appointed for the holding of the meeting, the Noteholders then present will choose one of their own number to preside as chairperson.

17.9. **Adjournment**

17.9.1. *Subject to the provisions of this Condition 17, the chairperson may, with the consent of, and will on the direction of, the meeting, adjourn the meeting from time to time and from place to place.*

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

17.9.3. *At least 14 days' written notice of the place, day and time of an adjourned meeting will be given by the Issuer to each Noteholder. In the case of a meeting adjourned in terms of*

17.7.4 the notice will state the quorum requirement for such adjourned meeting (being either that contained in 17.7.4.1 or 17.7.4.2 above).

17.9.4. All adjournments of meetings shall comply with the mandatory provisions of the Companies Act (notwithstanding that the Companies Act refers to meetings of shareholders and not Noteholders) and the JSE Debt Listings Requirements in force from time to time.

17.10. How questions are decided

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

17.10.2. In the case of an equality of votes, the chairperson will not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

17.11. Votes

17.11.1. Voting shall only take place on a poll and not on a show of hands. On a poll every Noteholder, present in person or by proxy, will be entitled to that proportion of the total votes which the aggregate Nominal Amount of the relevant Notes Outstanding held by such Noteholder bears to the aggregate Nominal Amount of all of the relevant Notes Outstanding held by Noteholders present in person or by proxy at the meeting.

17.11.2. In relation to joint Noteholders, the vote may be exercised only by that Noteholder whose name appears first on the Register in the event that more than one of such Noteholders is present, in person or by proxy, at the meeting.

17.11.3. The Noteholder in respect of Uncertificated Notes shall vote at any such meeting on behalf of the holders of Beneficial Interests in such Notes in accordance with the instructions from the holders of Beneficial Interests conveyed through the Participants in accordance with the Applicable Procedures.

17.12. Proxies and representatives

17.12.1. Noteholders present either in person or by proxy may vote on a poll. A Noteholder may by an instrument in writing (a "proxy form") signed by the Noteholder (or his duly authorised agent) or, in the case of a juristic person, signed on its behalf by a duly authorised officer of the juristic person, appoint any person (a "proxy" or "proxies") to act on his or its behalf in connection with any meeting or proposed meeting.

17.12.2. A person appointed to act as proxy need not be a Noteholder.

17.12.3. The proxy form will be deposited at the Specified Office of the Issuer or at the Specified Office of the Transfer Agent, as the case may be, ~~not less than 24 hours~~ at any time before the time appointed for holding the meeting or adjourned meeting at which the person named in such proxy proposes to vote.

17.12.4. No proxy form will be valid after the expiration of six months from the date named in it as the date of its execution.

17.12.5. Notwithstanding Condition 17.12.4 above, a proxy form will be valid for any adjourned meeting, unless the contrary is stated thereon. A vote given in accordance with the terms of a proxy form will be valid notwithstanding the previous death or incapacity of the principal or revocation or amendment of the proxy form or of any of the Noteholder's instructions pursuant to which the proxy form was executed or of the authority under which the proxy form was executed or the transfer of Notes in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity, revocation or amendment shall have been received by the Issuer at its Specified Office or the Transfer Agent at its Specified Office, as the case may be, more than, and that the transfer has been given effect to less than, 12 hours before the commencement of the meeting or adjourned meeting at which the proxy is to be used.

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

17.13. **Minutes**

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

17.14. **Written Resolutions**

A resolution in writing (which may consist of two or more elements in the same form each of which is signed by one or more of the Relevant Noteholders) submitted to the Relevant Noteholders, entitled to exercise voting rights in relation to the resolution, and signed by the requisite majority of the Relevant Noteholders, shall be as valid and effective as if it had been passed at a meeting duly convened and constituted.

Where the requisite approval is obtained ~~within 15~~ by the last date determined by the Issuer for submission of its written approval but no later than 20 Business Days from after the date the resolution is submitted to the Relevant Noteholders, such a resolution shall be as valid and effectual as if it had been passed at a meeting (duly convened) of such Relevant Noteholders, provided that notice shall have been given to all Relevant Noteholders in terms of Condition 16, unless all of the Relevant Noteholders consent in writing to the waiver of the required notice contemplated in Condition 16

17.15. **Binding Nature**

Any resolution passed in accordance with the provisions hereof and agreed to by the Issuer shall be binding upon all the Noteholders whether present or not present at such meeting and whether or not voting (or whether or not they signed any written resolution as contemplated in Condition 17.14 above, as the case may be), and all the Noteholders shall be bound to give effect thereto. Notice of passing of any such resolution shall be published in accordance with Condition 16 by the Issuer within 14 days of such result being known provided that the non-publication of such notice shall not invalidate such resolution (and in relation to any Series of Notes listed on the Interest Rate Market of the JSE, announced on SENS within 48 hours of the adoption of such resolution)."

SIGNED at Midrand on this 5 November 2018

For and on behalf of

AFRICAN BANK LIMITED

Name: **Gustav Raubenheimer**

Capacity: Director

Who warrants his authority hereto

Name: **Gavin Charles Jones**

Capacity: Authorised Signatory

Who warrants his authority hereto

SIGNED at Midrand on this 5 November 2018

For and on behalf of

AFRICAN BANK HOLDINGS LIMITED

Name: **Gustav Raubenheimer**

Capacity: Director

Who warrants his/her authority hereto

Name: **Gavin Charles Jones**

Capacity: Authorised Signatory

Who warrants his/her authority hereto

GENERAL INFORMATION

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

Authorisation

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

Approval

Notes intended to qualify as Tier 2 Capital to be issued under the Programme are "debt instruments" as contemplated by section 79(1)(b) of the Banks Act. Accordingly, the Issuer requires the consent of the Prudential Authority in accordance with section 79(1)(b) of the Banks Act and Regulation 38 of the Regulations Relating to Banks, for permission to issue Notes which are intended to qualify as Tier 2 Capital under the Programme. No authorisation is required from the Prudential Authority to issue Senior Notes.

Listing

The Programme Memorandum was first approved by the JSE on 22 March 2016 and the Supplement to the Programme Memorandum was approved on 5 November 2018. Notes to be issued under the Programme, if they are to be listed, will be listed on the Interest Rate Market of the JSE or any other Financial Exchange.

Material Change

After due and careful enquiry, the Issuer hereby confirms that, as at the Supplement Date, there has been no material change in the financial or trading position of the Issuer since the date of the Issuer's recently published unaudited interim financial statements as at and for the six months ended on 31 March 2018 as read with the most recently published audited financial statements of the Issuer for the year ended 30 September 2017. As at the Supplement Date, there has been no involvement by the auditors of the Issuer in making the aforementioned statement.

Litigation

As at the Supplement Date, the Issuer is not engaged (whether as defendant or otherwise) in any legal, arbitration, administration or other proceedings, the results of which has had in the past 12 months or might reasonably be expected to have a material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

An investment in Notes by a Noteholder is subject to the risks detailed in the Business and Risk Information Memorandum incorporated by reference into this Programme Memorandum (under a section in such Business and Risk Information Memorandum headed "**Risk Factors**").

Auditors of the Issuer

PricewaterhouseCoopers Inc., situated at 2 Eglin Road, Sunninghill, 2157, South Africa, is the appointed independent auditor of the Issuer. The audited financial statements of the Issuer have been reported on without qualification for the years ended 30 September 2015, 30 September 2016 and 30 September 2017 by PricewaterhouseCoopers Inc. and are incorporated by reference into the Programme Memorandum.

The appointment of PricewaterhouseCoopers Inc. as independent auditor of the Issuer falls within the responsibilities of the board of directors of the Issuer.

Auditors of Old African Bank

Deloitte & Touché ("**Deloitte**"), situated at The Woodlands, 20 Woodlands Drive, Woodmead, 2196 South Africa, acted as the independent auditor of the financial statements of Residual Debt Services Limited (under Curatorship) (registration number 1975/002526/06), (previously called "*African Bank Limited (under Curatorship)*") prior to 4 April 2016 ("**Old African Bank**") for the financial year ended 30 September 2015. The appointment of the independent auditor of Old African Bank falls within the responsibilities of the Curator, and is separate from the appointment of independent auditors by the

Issuer. Deloitte has acted as the Reporting Accountant in respect of the pro forma financial information of the Issuer incorporated by reference into this Programme Memorandum. (In this regard, “**Curator**” means the person appointed by the Minister of Finance in terms of section 69 of the Banks Act as the curator of Old African Bank being, as at the Supplement Date, Mr. Craig Du Plessis.)

Governing Law

Unless otherwise stated in the Applicable Pricing Supplement, the Notes will be governed by and construed in accordance with the laws of South Africa from time to time.

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