



ANGLO AMERICAN SA FINANCE LIMITED

(Incorporated in the Republic of South Africa, Registration number 2003/015144/06)

Unconditionally and irrevocably guaranteed, by

ANGLO AMERICAN PLC

(incorporated with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138)

This Programme Memorandum will be made available in English only

ZAR 20,000,000,000.00

Anglo American SA Finance Limited Domestic Medium Term Note Programme

On or about 14 November 2007, the Issuer established a ZAR20,000,000,000 Domestic Medium Term Note Programme (the "**Programme**"), in terms of which it issued Notes in the currency agreed between the Issuer and the Relevant Dealers (as defined below). The Issuer updated the Programme in terms of a Programme Memorandum dated 27 March 2009 and a Supplement to the Programme Memorandum dated 9 May 2011 and issued a restated Programme Memorandum dated 7 March 2012 and issued a restated Programme Memorandum dated 20 May 2013 and issued a restated Programme Memorandum dated 25 March 2014 and issued a restated Programme Memorandum dated 14 May 2015 and issued a restated Programme Memorandum dated 22 April 2016 and issued a restated Supplement dated 22 March 2017 (collectively, the "**Previous Programme Memorandum**"). The Issuer now wishes to update certain information in the Previous Programme Memorandum as described herein. This Programme Memorandum (the "**Programme Memorandum**") supersedes and replaces the relevant sections of the Previous Programme Memorandum with effect from the date hereof.

Under this updated ZAR20,000,000,000.00 Anglo American SA Finance Limited Domestic Medium Term Note Programme Anglo American SA Finance Limited (the "**Issuer**") may from time to time issue notes (the "**Notes**"), denominated in any currency agreed by the Issuer and the Relevant Dealer(s) (as defined below) and further subject to all applicable laws and, in the case of Notes to be listed on the JSE Limited or its successor (the "**JSE**") (subject to the rules of the JSE or any such successor, as the case may be) or on such other or further financial exchange(s) as may be determined by the Issuer and the Relevant Dealer(s), subject to all laws. All Notes issued under the Programme shall be subject to the terms and conditions (the "**Terms and Conditions**") contained in this Programme Memorandum. The aggregate Nominal Amount (as defined in the Terms and Conditions) of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in the Terms and Conditions) of Notes will be set forth in an applicable pricing supplement in respect of such Tranche (the "**Applicable Pricing Supplement**").

Save as set out herein, the Notes will not be subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed ZAR20,000,000,000.00 (or its equivalent in other currencies calculated as described herein).

Anglo American plc (the "**Guarantor**") has irrevocably and unconditionally guaranteed to holders of Notes ("**Noteholders**") the due and punctual performance by the Issuer of all of its payment obligations under the Notes.

Application has been made for this Programme Memorandum to be registered on the JSE. The Programme provides that Notes may be listed on the JSE (subject to all applicable rules and procedures of the JSE, as the case may be) or on such other or further financial exchange(s) as may be determined by the Issuer and the Relevant Dealer(s), subject to all applicable laws. The Applicable Pricing Supplement will be delivered to the JSE and the Central Depository (as defined in the Terms and Conditions), or such other or further financial exchange as maybe determined by the Issuer and the Relevant Dealer(s), subject to all applicable laws before the date of issue of such Notes and the Notes may then be traded by or through members of the JSE or such other or further financial exchange(s), from the date specified in the Applicable Pricing Supplement. The Issuer may determine that a particular tranche of Notes will not be listed on the JSE or any other financial exchange(s) and in that case, no Applicable Pricing Supplement will be delivered to the JSE or such other or further financial exchange(s).

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section entitled "Summary of the Terms and Conditions of the Programme and the Notes" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Programme Memorandum to the "**Relevant Dealer**" shall, in the case of Notes being (or intended to be) placed by more than one Dealer, be to all Dealers agreeing to place such Notes.

This Programme Memorandum will only apply to Notes issued under the Programme.

Arranger and Debt Sponsor

The Standard Bank of South Africa Limited

Dealers

Absa Capital, a division of Absa Bank Limited

Deutsche Bank AG (Johannesburg Branch)

FirstRand Bank Limited

Investec Bank Limited
Nedbank Capital, a division of Nedbank Limited
The Standard Bank of South Africa Limited

Programme Memorandum dated 8 May 2018

Each of the Issuer and the Guarantor certify that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Programme Memorandum contains all information required by Applicable Law and , in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements.

Each of the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Programme Memorandum and the annual financial statements and/or any pricing supplements and/or the annual report of the Issuer or the Guarantor and any amendments or supplements to the aforementioned documents, except as otherwise stated therein. The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE takes no responsibility for the contents of this Programme Memorandum and the annual financial statements and/or any pricing supplements and/or the annual report of the Issuer or the Guarantor and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of this Programme Memorandum, the annual financial statements and/or any pricing supplements and/or the annual report of the Issuer or the Guarantor 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 the registration of the Programme Memorandum and listing of the debt securities is not to 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. None of the Issuer, the JSE, the Debt Sponsor, the Arranger or the Dealers makes any representation or warranties as to the settlement procedures of the Central Depository or the JSE or any other relevant stock exchange.

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

The Arranger, the Dealers or any of their respective affiliates, or the JSE, as the case may be, 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 Arranger, Dealers and any of their affiliates, or the JSE, as the case may be, and other professional advisers named herein as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by either of the Issuer or the Guarantor. The Arranger, the Dealers or any of their respective affiliates, or the JSE, as the case may be, and other professional advisers named herein do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer or the Guarantor in connection with the Notes and the Programme. The statements made in this paragraph are without prejudice to the respective responsibilities of each of the Issuer and the Guarantor.

No person has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Programme Memorandum or any other document entered into in relation to the Programme or any other information supplied by the Issuer or the Guarantor in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger, the Dealers or other professional advisers named herein.

Neither this Programme Memorandum nor any other information supplied in connection with the Notes or the Programme is intended to provide a basis for any credit or other evaluation, or should be considered as a recommendation by the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Programme Memorandum or any other information supplied in connection with the Notes should purchase any Notes.

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

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

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

No one of the Issuer, the Guarantor, the Arranger, the Dealers, or the JSE, as the case may be, and other professional advisers named herein represents that this Programme Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, in

compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Arranger, the Dealers, or the JSE, as the case may be, or other professional advisers 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 neither this Programme Memorandum 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 and the Dealers have represented that all offers and sales by them will be made on the same terms.

The Price/Yield and amount of Notes to be issued under this Programme will be determined by the Issuer, the Arranger and relevant Dealer(s) at the time of issue in accordance with the prevailing market conditions.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"). Notes 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.

All references in this document to "Rands", "ZAR", "South African Rand", "R" and "cent" refer to the currency of the Republic of South Africa, to "U.S.\$" to the currency of the United States of America and to "Euro" or "€" to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the treaty establishing the European Community, as amended

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DOCUMENTS INCORPORATED BY REFERENCE

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

The following documents shall be deemed to be incorporated in, and to form part of, the Programme Memorandum and will be made available for inspection by investors at the registered office of the Issuer for as long as the Programme Memorandum remains registered with the JSE:

- (a) all amendments and supplements to the Programme Memorandum prepared from time to time in accordance with the terms of the Programme Agreement dated 27 March 2009 (the "Programme Agreement");
- (b) in respect of any issue of Notes under the Programme, the audited financial statements, and the notes thereto, of the Issuer for the financial periods ended 31 December 2015, 31 December 2016 and 31 December 2017, the audited annual financial statements, and notes thereto, of the Issuer in respect of further financial years, as and when same become available;
- (c) in respect of any issue of Notes under the Programme, the Guarantor's audited annual financial statements, and the notes thereto, included in the annual report of the Guarantor for the financial periods ended 31 December 2015, 31 December 2016 and 31 December 2017, the Guarantors audited annual financial statements, and notes thereto, included in the annual report of the Guarantor in respect of further financial years, as and when same become available;
- (d) in respect of any issue of Notes under the Programme, the unaudited interim results of the Guarantor and the Issuer, for the six months ended 30 June 2017, as well as for the first six months of each financial year of the Guarantor and the Issuer thereafter, currently ending on 30 June;
- (e) the Guarantee executed by the Guarantor in favour of the Noteholders;
- (f) the Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (g) the Corporate Governance Statement of the Guarantor, as incorporated in the "Governance Section" of its annual report to shareholders which can be viewed on the Guarantor's website (www.angloamerican.com) i.e. <http://www.angloamerican.com/investors/annual-reporting>. As a multinational Group, Anglo American complies with the UK Corporate Governance Code, a copy of which can be obtained from:
<https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-April-2016.pdf>
Anglo American SA Finance is a wholly owned subsidiary of Anglo American plc and aligns its corporate governance with its parent. As a consequence of this alignment, Anglo American SA Finance substantially adheres to the principles of the King IV Code of Corporate Governance relevant to its structure;
- (h) the Issuer's King IV Application Register, as amended from time to time which can be viewed on the Guarantor's website (www.angloamerican.com) i.e. <http://www.angloamerican.com/investors/fixed-income-investors/aasaf-investor-downloads>;
- (i) all information pertaining to the Issuer which is relevant to the Programme and/or the Programme Memorandum which is electronically disseminated on the JSE Stock Exchange News Service ("SENS") to SENS subscribers, if required since the effective date of the JSE Debt Listing Requirements; and
- (j) the constitutional documents of the Issuer, as amended from time to time.

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

The Issuer will provide, at its registered office, the details of which are set out at the end of the Programme Memorandum, without charge, to any member of the public, upon request and for as long as any Notes are issued and outstanding under the Programme, a copy of the Programme Memorandum as well as any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded, as well as the most recently obtained monthly beneficial disclosure report made available by the relevant Participant(s) to the Central Depository. Requests for such documents should be directed to the Issuer at its registered office as set out at the end of the Programme Memorandum.

The Programme Memorandum, any amendments or supplements thereto and all Applicable Pricing Supplements will also be made available on the website of the JSE (www.jse.co.za). The audited annual financial statements, the annual report to shareholders and unaudited interim financial statements of the Guarantor are available on the Guarantor's website (www.angloamerican.com) and the Programme Memorandum, any amendments or supplements thereto and all Applicable Pricing Supplements and the audited annual financial statements of the Issuer referred to above and the Guarantee are available on the Guarantor's website (www.angloamerican.com).

GENERAL DESCRIPTION OF THE PROGRAMME

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

Under the Programme, the Issuer may from time to time issue Notes denominated in the currency specified in the Applicable Pricing Supplement. The applicable terms of any Notes will be set out in the Terms and Conditions incorporated by reference into the Notes, as modified and supplemented by the Applicable Pricing Supplement relating to the Notes and any supplement to this Programme Memorandum.

This Programme Memorandum and any supplement will only be valid for listing Notes on the JSE (subject to all applicable rules and procedures of the JSE) and/or on such other or further financial exchange(s) as may be determined by the Issuer and the Relevant Dealer(s), subject to all applicable laws or unlisted notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed ZAR20,000,000,000.00 or its equivalent in other currencies. For the purpose of calculating the South African Rand equivalent of the aggregate amount of Notes issued under the Programme from time to time:

- (a) the South African Rand equivalent of Notes denominated in another Specified Currency (as detailed in the Applicable Pricing Supplement in the Terms and Conditions) shall be determined as of the date of agreement to issue such Notes (the "**Agreement Date**") on the basis of the spot rate for the sale of the South African Rand against the purchase of such Specified Currency in the South African foreign exchange market quoted by any leading bank selected by the Issuer on the Agreement Date;
- (b) the South African Rand equivalent of Index-Linked Notes (each as defined in the Terms and Conditions) shall be calculated in the manner specified in (a) above by reference to the original nominal amount of such Notes;
- (c) the South African Rand equivalent of Zero Coupon Notes (as defined in the Terms and Conditions) and other Notes issued at a discount or premium shall be calculated in the manner specified in (a) above by reference to the net subscription proceeds received by the Issuer for the relevant issue; and

In the event that the Issuer issues unlisted Notes, or any Notes are listed on any exchange other than the JSE, the Issuer shall, no later than the last day of the month of such issue, inform the JSE in writing of the nominal amount and scheduled maturity date in respect of such Notes.

From time to time the Issuer and the Guarantor may wish to increase the maximum aggregate nominal amount of the Notes that may be issued under the Programme. Subject to the requirements of the JSE and/or any such other financial exchange(s) or exchanges on which Notes may be listed and subject to applicable law, the Issuer and the Guarantor may, without the consent of Noteholders, increase the maximum aggregate nominal amount of the Notes that may be issued under the Programme by delivering a notice thereof to Noteholders and the relevant exchange on which Notes are listed in accordance with Condition 20 of the Terms and Conditions. Upon such notice being given, all references in this Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the aggregate nominal amount of the Notes, shall be and shall be deemed to be references to the increased maximum aggregate nominal amount.

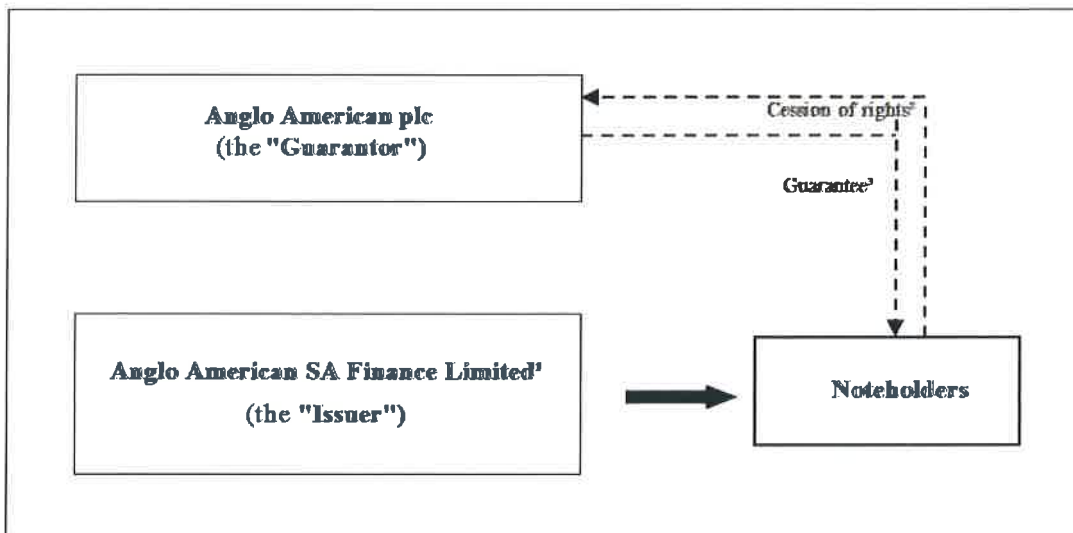
Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the JSE in accordance with the rules of the BESA Guarantee Fund Trust if listed on the Interest Rate Market or the JSE Guarantee Fund if listed on the Main Board of the JSE, and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations under the Notes. The holders of Notes that are not listed on the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust. Unlisted Notes are not regulated by the JSE.

To the extent that Notes may be listed on the JSE, the JSE's approval of the listing the Notes is not to be taken in any way as an indication of the merits of the Issuer or any Notes. The JSE has not verified the accuracy and truth of the contents of this Programme Memorandum and to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

OVERVIEW OF KEY ASPECTS OF THE PROGRAMME

Words used in this section headed "Overview of Key Aspects of the Programme" shall have the same meanings as defined in the Terms and Conditions below unless otherwise defined in this section or such meaning is clearly inappropriate from the context.

The following is a brief overview of certain key aspects of the Programme and is more fully described in this Programme Memorandum. The overview and the rationale therefore does not purport to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Programme Memorandum, the Applicable Pricing Supplement in relation to any particular Tranche of Notes issued under the Programme and such other documents referred to herein. The contents of this Section shall not form part of the Terms and Conditions and may not be utilised in interpreting the Terms and Conditions –



- (1) The Issuer will issue Notes from time to time under the Programme and the proceeds from any such issue of Notes will be used by the Issuer, being a finance company, for its general corporate purposes.
- (2) The Guarantor will, under the Guarantee, irrevocably and unconditionally guarantee the payment obligations of the Issuer under the Notes to the Noteholders, on the terms and conditions contained in the Guarantee. The obligations of the Guarantor to the Noteholders under the Guarantee shall constitute unconditional and unsecured principal obligations and will rank (save for certain obligations required to be preferred by law) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor.
- (3) The Guarantor desires to ensure that its own lenders are not structurally subordinated to the Noteholders and, therefore, should an Event of Default occur, Noteholders are required to enforce their claims for payment against the Guarantor under the Guarantee (as opposed to the Issuer under the Notes).
As a result thereof:
 - (i) Noteholders will, upon the occurrence of an Event of Default, cede their rights to claim payment from the Issuer in respect of such Event of Default under the Notes to the Guarantor;
 - (ii) Noteholders' rights to make claim, petition and enforce their respective rights against the Issuer in respect of such an Event of Default under the Notes are, as a result, restricted; and
 - (iii) in consideration for such cession, the Guarantor, in addition, undertakes, in terms of the Guarantee to pay the Noteholders an amount equal to the amount that would have been payable by the Issuer to the Noteholders in respect of the Ceded Claims (namely the Early Redemption Amount and such other amounts payable by the Issuer in respect of the Notes).

SUMMARY OF THE TERMS AND CONDITIONS OF THE PROGRAMME AND THE NOTES

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

Issuer	Anglo American SA Finance Limited (Registration number 2003/015144/06) a public company duly established in accordance with the laws of South Africa duly incorporated on 1 July 2003 as a company with limited liability and with its principal place of business at 44 Main Street, Johannesburg;
Guarantor	Anglo American plc (incorporated with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138) with its principal place of business at 20 Carlton House Terrace, London, SW1Y 5AN;
Arranger	The Standard Bank of South Africa Limited;
Dealers	SBSA, Absa, Deutsche, FirstRand, Investec, Nedbank, or such other person specified in the Applicable Pricing Supplement as Dealer;
Paying Agent	Anglo American SA Finance Limited, or such other person specified in the Applicable Pricing Supplement as Paying Agent;
Description of Programme	ZAR20,000,000.00 Domestic Medium Term Note Programme;
Initial Programme Amount	Up to ZAR20,000,000,000.00 (or its equivalent in other currencies calculated on the Agreement Date as described herein) outstanding at any time. The maximum aggregate nominal amount permitted to be outstanding at any time under the Programme may be increased from time to time, in accordance with the terms of the Programme Agreement;
Emigrant Remaining Assets	Emigrant Remaining Assets may be used to purchase Notes, subject to the Exchange Control Regulations;
Calculation Agent	In relation to any Tranche of Notes, such person specified in the Applicable Pricing Supplement as the Calculation Agent;
Central Depository	Strate Proprietary Limited (Registration number 1998/022242/07), registered as a Central Securities Depository or its nominee, a central securities depository operating in terms of the Financial Markets Act or such additional, alternative or successor central securities depository as may be agreed between the Issuer, the Relevant Dealer(s) and the JSE;
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see section entitled "Subscription and Sale");
Clearing and Settlement	Notes Listed on the Interest Rate Market of the JSE will be cleared and settled in accordance with the rules of the JSE and the Central Depository provided that in the event that such Notes are listed on other exchange(s), the rules of such exchange(s) will apply with regards to the clearing and settling of Notes. Notes listed on the Interest Rate Market of the JSE have been accepted for clearance through the Central Depository, which forms part of the JSE clearing system that is managed by the Central Depository and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer. As at the date of this Programme Memorandum, the Settlement Agents are Citibank N.A., Johannesburg Branch, FirstRand Bank Limited, (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Société Générale, Johannesburg Branch and the South African Reserve Bank. Euroclear Bank S.A.N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme (Clearstream Luxembourg) ("Clearstream") may hold Notes through their Settlement Agent;
Currency	South African Rand ("ZAR");
Cross-Default	The terms of the Notes will contain a cross-default provision as further described in Condition 18.1.3;
Denomination	Notes will be issued in such denominations as may be agreed by the Issuer and the Relevant Dealer(s), and as indicated in the Applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulator (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, as defined in the Applicable Pricing Supplement;
Distribution	Notes may be distributed by way of private placement or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the Relevant Dealer(s) and reflected in the Applicable Pricing

	Supplement;								
Form of Notes	Notes will be issued in the form of Registered Notes, Order Notes or Bearer Notes as described in the section entitled " <i>Form of Notes</i> ". In the case of Registered Notes which are listed on the JSE (subject to all applicable rules and procedures of the JSE), each Tranche of Notes will initially be issued as an Uncertificated Note. Beneficial Interests will not be exchangeable for Individual Certificates except in the circumstances described in this Programme Memorandum. Individual Certificates will be issued in respect of Bearer Notes or Order Notes. Bearer Notes or Order Notes, other than Zero Coupon Notes, will have Coupons and (if indicated in the Applicable Pricing Supplement), Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes will have Receipts attached to the Certificate on issue;								
Governing Law	The Notes will be governed by and construed in accordance with the laws of the Republic of South Africa in force from time to time;								
Guarantee	The guarantee dated 27 March 2009 executed by the Guarantor in favour of the Noteholders, the form of which is contained in the Programme Memorandum, as such guarantee may be amended, superseded and/or amended from time to time;								
Interest Period(s)/Interest Payments Date(s)	Such period(s) or date(s) as specified in the Applicable Pricing Supplement;								
Issue and Transfer Taxes	No stamp duty, uncertificated securities tax or any similar tax is payable in respect of the issue or transfer of interest-bearing Notes under current South African law;								
Issue Price	Notes may be issued on a fully-paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement;								
Listing and Trading	This Programme has been approved and registered by the JSE. Application may be made for this Programme to be registered on such other or further financial exchange(s) as may be determined by the Issuer and the Relevant Dealer(s), subject to all applicable laws). Notes issued under the Programme may be listed on the JSE (or such other or further exchange or exchanges as may be selected by the Issuer in relation to such issue). Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE. The Applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed and, if so, on which exchange;								
Maturities of Notes	In respect of Notes listed on the Interest Rate Market of the JSE, such maturity (ies) that are acceptable to the JSE (subject to all applicable rules and procedures of the JSE, as the case may be) and the Central Depository (or such other or further exchange or exchanges as may be selected by the Issuer in relation to such issue) and, for all Notes, such maturities that are specified in the Applicable Pricing Supplement. The Notes are not subject to any minimum or maximum maturity;								
Negative Pledge	Condition 8 of the Terms and Conditions provides for a negative pledge in favour of the Noteholders;								
Notes	Notes may comprise – <table> <tr> <td>Fixed Rate Notes</td><td>Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Relevant Dealer(s);</td></tr> <tr> <td>Floating Rate Notes</td><td> <p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the Relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement;</p> </td></tr> <tr> <td>Zero Coupon Notes</td><td>Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified);</td></tr> <tr> <td>Index-Linked Notes</td><td>Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and</td></tr> </table>	Fixed Rate Notes	Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Relevant Dealer(s);	Floating Rate Notes	<p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the Relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement;</p>	Zero Coupon Notes	Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified);	Index-Linked Notes	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and
Fixed Rate Notes	Fixed Rate interest will be payable in arrears on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s), as indicated in the Applicable Pricing Supplement and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the Relevant Dealer(s);								
Floating Rate Notes	<p>Floating Rate Notes will bear interest calculated at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer(s).</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the Relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement;</p>								
Zero Coupon Notes	Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear interest (except in the case of late payment as specified);								
Index-Linked Notes	Payments (whether in respect of interest on Indexed Interest Notes or in respect of principal on Indexed Redemption Amount Notes and								

	whether at maturity or otherwise) will be calculated by reference to
Instalment Notes	in respect of which the Applicable Pricing such index and/or formula as the Issuer and the Relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement;
Mixed Rate Notes	which will bear interest over respective periods at the rates applicable for any combination of Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Index-Linked Notes, each as specified in the Applicable Pricing Supplement;
Instalment Notes	in respect of which the Applicable Pricing Supplement will set out the dates on which, and the amounts in which, such Notes may be redeemed;
Exchangeable Notes	which may be redeemed by the Issuer in cash or by the delivery of securities as specified in the Applicable Pricing Supplement; and
Other Notes	Terms applicable to any other type of Notes that are approved by the JSE, as the case may be, and the Central Depository, or such other or further exchange or exchanges as may be selected by the Issuer in relation to an issue of Notes listed Notes on the Interest Rate Market of the JSE, or as agreed between the Issuer and the Relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement;
Noteholders	The holders of the Registered Notes (as recorded in the Register) and/or Bearers of Bearer Notes and/or the Payees of the Order Notes;
Redemption	<p>The Applicable Pricing Supplement relating to a Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or, the Noteholders, upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the Applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement;</p> <p>The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the Applicable Pricing Supplement;</p>
Selling Restrictions	There are restrictions on the sale of Notes and the distribution of offering materials in various jurisdictions. See the section entitled " <i>Subscription and Sale</i> " and such restrictions as may be imposed in the Applicable Pricing Supplement;
Status of Notes	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking <i>pari passu</i> amongst themselves and (save for certain obligations required to be preferred by law) at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer;
Method of Transfer	The method of transfer is by registration for transfer of Notes to occur through the Register and by electronic book entry in the securities accounts of Participants or the Central Depository, as the case may be, for transfers of Beneficial Interests in the Notes, in all cases subject to the restrictions described in this Programme Memorandum. The Notes will fully paid up on the Issue Date and freely transferable.
Taxation	Withholding tax on interest in respect of certain debt instruments (which could include any Notes issued) may be applicable to certain persons, who are regarded as non-resident for tax purposes in South Africa. The withholding or deduction for or on account of taxes (tax) will be levied in South Africa, subject to certain exceptions as provided in Condition 13. at a rate of 15%, but could be reduced by relevant double taxation treaties. There are exemptions, which include interest paid in respect of any debt listed on a recognised exchange. The JSE Limited would qualify as such an exchange. In the event that withholding tax or such other deduction is required by law, then the Issuer will be obliged to pay additional amounts in relation thereto, subject to customary exceptions, as described in Condition 13; and
Transfer Agent	In relation to any Tranche of Notes, Link Market Services or such other person specified in the Applicable Pricing Supplement as the Transfer Agent will act as transfer agent and will maintain the Register.

FORM OF THE NOTES

Capitalized terms used in this section entitled "Form of Notes" shall bear the same meaning as used in the Terms and Conditions, except to the extent that they are separately defined in the section or this is clearly inappropriate from the context.

Notes may be issued in registered, bearer or order form, as specified in the Applicable Pricing Supplement.

Each Tranche of Notes may be listed on the JSE or on such other or further exchange(s) as may be determined by the Issuer and the Dealer(s) and subject to any applicable laws. Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the JSE.

Each Tranche of Notes (whether listed or unlisted) will be issued in the form of registered Notes in accordance with the Terms and Conditions and represented by (i) Individual Certificates, or (ii) no Certificate, if issued in uncertificated form in terms of section 33 of the Financial Markets Act.

Notes issued in uncertificated form

If the Notes are to be listed on the JSE, the Issuer will, subject to applicable laws, issue such Notes in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

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

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Depository will apply to Notes issued in uncertificated form.

In terms of section 50 of the Companies Act, read with the Financial Markets Act and the rules of the Central Depository, the Issuer will (i) record in the Register, the total number, and where applicable, the nominal value of the Notes issued by it in uncertificated form, and (ii) the Central Depository and Central Depository Participants will administer and maintain the company's uncertificated securities register, which will form part of the Register.

Beneficial Interests

The Central Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures

Accordingly, and except where the contrary is provided in the Terms and Conditions, all amounts to be paid and all rights to be exercised in respect of the Notes issued in uncertificated form, may be exercised only by the Central Depository for the holders of Beneficial Interests in such Notes, in accordance with the Applicable Procedures.

The Central Depository maintains central securities accounts only for Participants. As at the this Programme Date, the Participants are Citibank N.A., Johannesburg Branch, FirstRand Bank Limited, (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Société Générale, Johannesburg Branch and the South African Reserve Bank.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Depository only through their Participants.

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

Transfers of Beneficial Interests in the Central Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Depository system occur through electronic book entry in the Participants' central security accounts with the Central Depository. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the Applicable Procedures.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Individual Certificates

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register.

Notes represented by Individual Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition

10 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

BEARER AND ORDER NOTES

Notes issued in bearer form ("**Bearer Notes**") or in order form ("**Order Notes**") and which are interest bearing shall, if indicated in the Applicable Pricing Supplement, have interest coupons ("**Coupons**") and, if indicated in the Applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Notes repayable in instalments shall have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue.

Title to Bearer Notes and/or Receipts, Coupons and Talons attached on issue to the Individual Certificate in respect of such Bearer Notes will pass by delivery of such Certificate, Receipt, Coupon or Talon (as the case may be). Title to Order Notes and/or any Receipts, Coupons and Talons attached on issue to the Individual Certificate in respect of such Order Note, will pass by way of endorsement and delivery of such Certificate, Receipt, Coupon or Talon (as the case may be).

PRO FORMA PRICING SUPPLEMENT

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



ANGLO AMERICAN SA FINANCE LIMITED

(Incorporated in the Republic of South Africa with limited liability under Registration number 2003/015144/06)

Unconditionally and irrevocably guaranteed by

ANGLO AMERICAN PLC

(incorporated with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Under its ZAR20,000,000,000.00 Anglo American SA Finance Limited Domestic

Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 14 May 2015. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in the Programme Memorandum. This Applicable Pricing Supplement contains the final terms of the Notes and this Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

The maximum aggregate nominal amount of all the Notes from time to time outstanding under the Programme does not exceed ZAR20,000,000,000.00, subject to increase as described in this Programme Memorandum.

Each of the Issuer and the Guarantor certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement in the Programme Memorandum false or misleading, and that all reasonable enquiries to ascertain such facts have been made as well as that the Programme Memorandum contains all information required by Applicable Law and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, and the JSE Listings Requirements. The Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in the Programme Memorandum and the annual financial statements and/or any pricing supplements and/or the annual report, and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the JSE is not to be taken as an indication of the merits of the Issuer or the Notes. The JSE takes no responsibility for the contents of this Programme Memorandum and the annual financial statements and/or any Applicable Pricing Supplement and/or the annual report of the Issuer or the Guarantor and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of this Programme Memorandum, the annual financial statements and/or this Applicable Pricing Supplement, and/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 the registration of the Programme Memorandum and listing of the debt securities is not to 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.

DESCRIPTION OF THE NOTES

1.	Issuer	Anglo American SA Finance Limited
2.	Guarantor	Anglo American plc
3.	Status of Notes	[Secured/Unsecured]
4.	Series Number	[]
5.	Tranche Number	[]
6.	Nominal Amount	[]
7.	Interest	[Interest bearing/Non-interest bearing]
8.	Interest/Payment Basis	[Fixed Rate/Floating Rate/Zero Coupon/Index-Linked Notes/Dual Currency Notes/ Instalment Notes/other]

9.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	[interest details including date for conversion]
10.	Form of Notes	[Registered/Bearer/Order] Notes
11.	Issue Date	[]
12.	Business Centre	[]
13.	Additional Business Centre	[]
14.	Specified Denomination	[]
15.	Issue Price	[]
16.	Interest Commencement Date	[]
17.	Maturity Date	[]
18.	Specified Currency	[]
19.	Applicable Business Day Convention	[Floating Rate Business Day/Following Business Day/Modified Following Business Day/Modified Following Business Day Adjusted/Preceding Business Day/other convention – interest details]
20.	Final Redemption Amount	[]
21.	Last Date to Register	[]
22.	Books Closed Period(s)	The Register will be closed from [] to [] and from [] to [] (all dates inclusive) in each year until the Maturity Date
FIXED RATE NOTES		
23.	(a) Rate of Interest	[] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]
	(b) Fixed Interest Payment Date(s)	[] in each year up to and including the Maturity Date/other
	(c) Initial Broken Amount	[]
	(d) Final Broken Amount	[]
	(e) Any other terms relating to the particular method of calculating interest	[]
FLOATING RATE NOTES		
24.	(a) Floating Interest Payment Date(s)	[]
	(b) Interest Period(s)	[]
	(c) Rate of Interest	[]
	(d) Definition of Business Day (if different from that set out in Condition 1)	[]
	(e) Minimum Rate of Interest	[] per cent, per annum
	(f) Maximum Rate of Interest	[] per cent, per annum
	(g) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision)	[]
25.	Manner in which the Rate of Interest is to be determined	[ISDA Determination/Screen Rate Determination/other – interest details]
26.	Margin	[...] basis points to be added to/subtracted from the relevant (ISDA Rate/Reference Rate)]
27.	If ISDA Determination	
	(a) Floating Rate	[]
	(b) Floating Rate Option	[]
	(c) Designated Maturity	[]
	(d) Reset Date(s)	[]

	(e) ISDA Definitions to apply	[]
28.	If Screen Determination	
	(a) Reference Rate (including relevant period by reference to which the Rate of interest is to be calculated)	[]
	(b) Interest Determination Date(s)	[]
	(c) Relevant Screen Page and Reference Code	[]
29.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, interest basis for determining Rate of Interest/Margin/Fallback provisions	[]
	ZERO COUPON NOTES	
30.	(a) Implied Yield	[]
	(b) Reference Price	[]
	(c) Any other formula or basis for determining amount(s) payable	[]
	INSTALMENT NOTES	
31.	Instalment Dates	[]
32.	Instalment Amounts (expressed as a percentage of the aggregate Nominal Amount of the Notes)	[]
	MIXED RATE NOTES	
33.	Period(s) during which the interest rate for the Mixed Rate Notes will be (as applicable) that for -	
	(a) Fixed Rate Notes	[]
	(b) Floating Rate Notes	[]
	(c) Indexed Notes	[]
	(d) Dual Currency Notes	[]
	(e) Other Notes	[]
34.	The interest rate and other pertinent details are set out under the headings relating to the applicable forms of Notes	
	INDEX-LINKED NOTES	
35.	(a) Type of Index-Linked Notes	[Indexed Interest Notes/Indexed Redemption Amount Notes]
	(b) Index/Formula by reference to which Interest Rate/Interest Amount is to be determined	[]
	(c) Manner in which the Interest Rate/Interest Amount is to be determined	[]
	(d) Interest Period(s)	[]
	(e) Interest Payment Date(s)	[]
	(f) Provisions where calculation by reference to Index and/or Formula is impossible or impracticable	[]
	(g) Definition of Business Day (if different from that set out in Condition 1)	
	(h) Minimum Rate of Interest	[] per cent, per annum
	(i) Maximum Rate of Interest	[] per cent, per annum
	(j) Other terms relating to the method of calculating interest (e.g. Day Count Fraction, rounding up provision)	[]
	DUAL CURRENCY NOTES	
36.	(a) Type of Dual Currency Notes	[Dual Currency Interest Notes/Dual Currency Redemption

		Amount Notes]
	(b) Rate of Exchange/Method of calculating Rate of Exchange	[]
	(c) Provisions applicable where calculation by reference or Rate of Exchange if impossible or impracticable	[]
	(d) Person at whose option Specified Currency(ies) is/are payable	[]
	EXCHANGEABLE NOTES	
37.	(a) Mandatory Exchange applicable?	[Yes/No]
	(b) Noteholders' Exchange Right applicable?	[Yes/No]
	(c) Exchange Securities	[]
	(d) Manner of determining Exchange Price	[]
	(e) Exchange Period	[]
	(f) Other	[]
	OTHER NOTES	
38.	Relevant description and any additional Terms and Conditions relating to such Notes	[]
	PROVISIONS REGARDING REDEMPTION / MATURITY	
39.	Issuer's Optional Redemption: if yes -	[Yes/No]
	(a) Optional Redemption Date(s)	[]
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	[]
	(c) Minimum period of notice (if different from Condition 12.3)	[]
	(d) If redeemable in part:	[]
	Minimum Redemption Amount(s)	[]
	Maximum Redemption Amount(s)	[]
	(e) Other terms applicable on Redemption	
40.	Redemption at the Option of the Noteholders: if yes -	[Yes/No]
	(a) Optional Redemption Date(s)	[]
	(b) Optional Redemption Amount(s)	[]
	(c) Minimum period of notice (if different from Condition 12.4)	[]
	(d) If redeemable in part -	[]
	Minimum Redemption Amount(s)	[]
	Maximum Redemption Amount(s)	[]
	(e) Other terms applicable on Redemption	[]
	(f) Attach <i>pro forma</i> put notice(s)	
41.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). If yes –	[Yes/No]
	Amount payable	[]
	GENERAL	
42.	Financial Exchange	[]
43.	Calculation agent	[]
44.	Paying Agent	[]
45.	Specified office of the Paying Agent	[]

46.	Transfer Agent	Link Market Services Address: 11 Diagonal Street Johannesburg, 2001 South Africa Telephone Number : [] Fax Number : []
47.	Provisions relating to stabilization	[]
48.	Stabilising manager	[]
49.	Additional selling restrictions	[]
50.	ISIN	[]
51.	Stock Code	[]
52.	Method of distribution	[]
53.	If syndicated, names of Managers	[]
54.	If non-syndicated, name of Dealer	[]
55.	Credit Rating assigned to Notes (if any)	[]
56.	Rating Agency	[]
57.	Date of Issue of Rating	[], to be reviewed annually
58.	Receipts attached? If yes, number of Receipts attached	[Yes/No]
59.	Coupons attached? If yes, number of Coupons attached	[Yes/No]
60.	Talons attached? If yes, number of Talons attached	[Yes/No]
61.	Stripping of Receipts and/or Coupons prohibited as provided in condition 16.4	[Yes/No]
62.	Governing law (if the laws of South Africa are not applicable)	[The Laws of England and Wales in respect of the Guarantee only]
63.	Other Banking Jurisdiction	[]
64.	Other provisions	[]
65.	Debt Sponsor	[]

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

Paragraph 3(5)(c)

The auditor of the Issuer is [•].

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has not issued any commercial paper / has issued commercial paper to the value of ZAR[•]; and
- (b) the Issuer estimates to issue commercial paper with a nominal value of ZAR[•] during its current financial year, ending [•].

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

Paragraph 3(5)(g)

The Notes issued will be [listed/unlisted], as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for [•].

Paragraph 3(5)(i)

The Notes are guaranteed in terms of the Guarantee by the Guarantor, but are otherwise unsecured.

Paragraph 3(5)(j)

[•], the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 published in Government Gazette number 16167 of 14 December 1994).

Application [is hereby]/[will not be] made to list this issue of Notes [on[date]] pursuant to the Anglo American SA Finance Limited Programme. The Programme was registered with the JSE on [•]..

SIGNED at _____ this _____ day of _____ 20____.

For and on behalf of
ANGLO AMERICAN SA FINANCE LIMITED
(AS ISSUER)

SIGNED at _____ this _____ day of _____ 20____.

Signature:

[•]

Name:

[•]

Designation:

Address: [•]
Tel: [•]

Signature:

[•]

Name:

[•]

Designation:

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions to be issued by the Issuer which will be incorporated by reference into each Note. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement will be attached to each Note.

Before the Issuer issues any Tranche of Notes, the Issuer shall complete, sign and deliver to the JSE (subject to all applicable rules and procedures of the JSE, as the case may be) and the Central Depository a pricing supplement based on the pro forma Applicable Pricing Supplement (as defined below) included in the Programme Memorandum setting out details of such Notes. The Issuer may determine that particular Notes will not be listed on the JSE or any other exchange(s) and in that case, no Applicable Pricing Supplement will be delivered to the JSE and/or such other exchange(s).

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

Words and expressions used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1 INTERPRETATION

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

"AASAF"	Anglo American SA Finance Limited (Registration Number 2003/015144/06) of 44 Main Street, Johannesburg, 2001, a wholly owned subsidiary of the Guarantor;
"Absa"	Absa Capital, a division of Absa Bank Limited, registration number 1986/004794/06;
"Agency Agreement"	the amended and restated Agency Agreement to be entered into between the Issuer, the Paying Agent, the Calculation Agent and the Transfer Agent, unless such agents are appointed in terms of a separate agreement with the Issuer or the Issuer itself acts in any of the aforementioned capacities, as such agreement may be further amended, superseded and/or restated from time to time;
"Anglo American"	Anglo American plc (incorporated with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138);
"Anglo American Group"	the Anglo American group of companies, comprising of Anglo American and each Subsidiary of Anglo American from time to time whose financial results are consolidated with the financial results of Anglo American in accordance with IFRS;
"Applicable Law"	in relation to a person, all and any: statutes and subordinate legislation; regulations, ordinances and directives; by-laws; codes of practice, circulars, guidance notices, judgements and decisions of any competent authority; and other similar provisions, from time to time,
"Applicable Pricing Supplement"	the Pricing Supplement relating to each Tranche of Notes;
"Applicable Procedures"	the rules and operating procedures for the time being of the Central Depository, the Settlement Agents and the JSE, as the case may be;
"Bearer"	the bearer of a Certificate in respect of a Bearer Note or of a Receipt or Coupon attached to such Certificate on issue;
"Bearer Note"	a Note payable to the Bearer thereof, transferable by way of delivery in accordance with Condition 16.2 and the term "Bearer Note" shall include the rights to payment of any interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate in respect of such Bearer Note;
"Beneficial Interest"	the undivided share of a co-owner of the Notes held in uncertificated form, as provided in section 37 of the Financial Markets Act;
"BESA Guarantee Fund Trust"	the Guarantee Fund Trust established and operated by the JSE as a separate guarantee fund, in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act or any successor fund;
"Books Closed Period"	the period, as specified in the Applicable Pricing Supplement, commencing after the Last Date to Register, during which transfer of the Notes will not be registered, or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;
"Business Day"	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg or any Additional Business Centre specified in the Applicable Pricing Supplement, save that if the Specified Currency is not ZAR,

	<i>"Business Day"</i> shall mean a day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the Specified Currency and in each (if any) Additional Business Centre;
"Calculation Agent"	in relation to any Tranche of Notes, such person specified in the Applicable Pricing Supplement as the Calculation Agent;
"Central Depository"	Strate Proprietary Limited (Registration number 1998/022242/07), or its nominee (being the Central Depository's Nominee), a central securities depository, operating in terms of the Financial Markets Act, or any additional or alternate depository approved by the Issuer, the Relevant Dealer(s) and the JSE;
"Central Depository's Nominee"	any wholly owned subsidiary (as defined in the Companies Act) of the Central Depository approved by the Registrar (as defined in the Financial Markets Act) for purposes of, and as contemplated in, the Financial Markets Act and any reference to "Central Depository's Nominee" shall, whenever the context permits, be deemed to include a reference to its successor operating in terms of the Financial Markets Act;
"Certificate"	an Individual Certificate;
"Companies Act"	the Companies Act 2008 (Act 71 of 2008) (as amended);
"Coupon"	an interest coupon evidencing title to an interest payment in respect of an interest bearing Note which is a Bearer Note or an Order Note, attached to the Certificate in respect of such interest bearing Note and any reference to a Coupon shall, unless the context otherwise requires, be deemed to include a reference to a Talon;
"Currency"	South African Rand;
"Currency Converted"	an amount converted to ZAR on the basis of the spot rate at such time for the sale of such ZAR amount against the purchase of the relevant amount stated in any non-ZAR currency or unit of account in the Johannesburg inter-bank foreign exchange markets, as quoted to the Issuer by the Relevant Dealer(s);
"Dealers"	SBSA, Absa, Deutsche, FirstRand, Investec, Nedbank or any Dealer, as may be appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;
"Deutsche"	Deutsche Bank AG (Johannesburg Branch), registration number 1998/003298/10;
"Early Redemption Amount"	the amount, as set out in Condition 12.5, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 12.2 and/or Condition 18;
"Endorsement"	an <i>"indorsement"</i> , <i>mutatis mutandis</i> , within the meaning of the Bills of Exchange Act, 1964;
"Endorsement in Blank"	an Endorsement which specifies no named Payee;
"Event of Default"	an event of default by the Issuer as set out in Condition 18;
"Exchangeable Notes"	Notes which may be redeemed by the Issuer in the manner indicated in the Applicable Pricing Supplement by the delivery to the Noteholders of cash or of so many of the Exchange Securities as is determined in accordance with the Applicable Pricing Supplement;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961 issued pursuant to the Currency and Exchanges Act, 1933;
"Exchange Period"	in respect of Exchangeable Notes to which the Noteholders' Exchange Right applies (as indicated in the Applicable Pricing Supplement), the period indicated in the Applicable Pricing Supplement during which such right may be exercised;
"Exchange Price"	the amount determined in accordance with the manner described in the Applicable Pricing Supplement, according to which the number of Exchange Securities which may be delivered in redemption of an Exchangeable Note will be determined;
"Exchange Securities"	the securities indicated in the Applicable Pricing Supplement which may be delivered by the Issuer in redemption of Exchangeable Notes to the value of the Exchange Price;
"Extraordinary Resolution"	a resolution passed at a meeting (duly convened) of the Noteholders or Noteholders of the relevant Series of Notes, as the case may be, by a majority consisting of not less than 66⅔% (sixty-six and two-thirds per cent) of the value of a class of notes or all the Holders of notes outstanding voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66⅔% (sixty-six and two-thirds per cent) of the votes given on such poll;
"Final Redemption Amount"	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Maturity Date;
"Financial Markets Act"	the Financial Markets Act (Act No.19 of 2012), as amended or replaced from time to time;
"FirstRand"	FirstRand Bank Limited, registration number 1929/001225/06 (acting through its

	Rand Merchant Bank Division);
"Fixed Interest Period"	the period from (and including) an Interest Payment Date to (but excluding) the following Interest Payment Date; provided that the first interest period shall be from (and including) the Interest Commencement Date to (but excluding) the next Interest Payment Date;
"Fixed Rate Notes"	Notes which will bear interest at the Fixed Rate of Interest, as indicated in the Applicable Pricing Supplement;
"Floating Rate Notes"	Notes which will bear interest at a floating rate as indicated in the Applicable Pricing Supplement and more fully described in Condition 9.2;
"Guarantee"	the Guarantee described in Condition 6;
"Guarantor"	Anglo American;
"IFRS"	means the International Financial Reporting Standard as amended from time to time;
"Implied Yield"	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
"Indexed Interest Notes"	Notes in respect of which the Interest Amount is calculated by reference to such index and/or formula as indicated in the Applicable Pricing Supplement;
"Index-Linked Notes"	an Indexed Interest Note and/or an Indexed Redemption Amount Note, as applicable;
"Indexed Redemption Amount Notes"	Notes in respect of which the Final Redemption Amount is calculated by reference to an index and/or a formula as may be indicated in the Applicable Pricing Supplement;
"Individual Certificate"	<ul style="list-style-type: none"> (a) in respect of Registered Notes, a Note in the definitive registered form of a single Certificate; (b) in respect of Bearer Notes, a Note in the definitive bearer form of a single Certificate together with Coupons and/or Receipts, if applicable; (c) in respect of Order Notes, a Note in the definitive order form of a single Certificate together with Coupons and/or Receipts, if applicable;
"Instalment Amount"	the amount expressed as a percentage of the Nominal Amount of an Instalment Note, being an instalment of principal (other than the final instalment) on an Instalment Note;
"Instalment Notes"	Notes issued at the same date but redeemed in Instalment Amounts by the Issuer on an amortised basis on different Instalment Dates, as indicated in the Applicable Pricing Supplement;
"Interest Amount"	the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes, Floating Rate Notes and Indexed Notes, as determined in accordance with Condition 9.1 or 9.2, as the case may be;
"Interest Commencement Date"	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
"Interest Payment Date"	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
"Interest Period"	such period(s) as specified in the Applicable Pricing Supplement;
"Interest Rate"	the rate or rates of interest applicable to Notes other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;
"Interest Rate Market of the JSE"	the separate platform or sub-market of the JSE designated as the "Interest Rate Market" and on which debt securities (as defined in the JSE Debt Listings Requirements) may be listed, subject to all Applicable Laws;
"Investec"	Investec Bank Limited, registration number 1969/004763/06;
"ISDA"	the International Swaps and Derivatives Association Inc.;
"ISDA Definitions"	the ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
"Issuer"	AASAF, as specified in the Applicable Pricing Supplement;
"JSE"	JSE Limited, registration number 2005/022939/06, a licensed financial exchange in terms of the Financial Markets Act or any exchange which operates as a successor exchange to the JSE;
"JSE Debt Listings Requirements"	means the debt listings requirements dated October 2017 promulgated by the JSE, as amended from time to time;
"Last Day to Register"	with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further

	transfers or entries until the Payment Day;
"Link Market Services"	Link Market Services South Africa (Proprietary) Limited (Registration number 2000/007239/07), a private company duly incorporated in the Republic of South Africa;
"Mandatory Exchange"	if indicated in the Applicable Pricing Supplement, the obligation of the Issuer to redeem Exchangeable Notes on the Maturity Date by delivery of Exchange Securities to the relevant Noteholders of Exchangeable Notes;
"Maturity Date"	the date, as specified in the Applicable Pricing Supplement, on which the Notes mature;
"Mixed Rate Notes"	Notes which will bear interest over respective periods at differing Interest Rates applicable to any combination of Fixed Rate Notes, Floating Rate Notes or Indexed Notes, each as indicated in the Applicable Pricing Supplement and as more fully described in Condition 9.3;
"NACA"	nominal annual compounded annually;
"NACM"	nominal annual compounded monthly;
"NACQ"	nominal annual compounded quarterly;
"NACS"	nominal annual compounded semi-annually;
"National Treasury"	National Treasury headed by the Minister of Finance, consisting of the national department or departments responsible for financial and fiscal matters in the Republic of South Africa;
"Nedbank"	Nedbank Capital, a division of Nedbank Limited, registration number 1951/000009/06;
"Nominal Amount"	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;
"Noteholders"	the holders of the Registered Notes (as recorded in the Register) and/or the Bearers of the Bearer Notes and/or the Payees of the Order Notes;
"Noteholders' Exchange Right"	if indicated as applicable in the Applicable Pricing Supplement, the right of Noteholders of Exchangeable Notes to elect to receive delivery of the Exchange Securities in lieu of cash from the Issuer upon redemption of such Notes;
"Notes"	the debt securities issued or to be issued by the Issuer under the Programme subject to the Terms and Conditions
"Order Note"	a Note payable to the Payee thereon, transferable by way of Endorsement and delivery in accordance with Condition 16.3 and the term "Order Note" shall include the rights to interest or principal represented by a Coupon or Receipt (if any) attached on issue to the Certificate in respect of such Order Note;
"Outstanding"	<p>in relation to the Notes, all the Notes issued, other than –</p> <ul style="list-style-type: none"> (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefore (including all interest (if any) accrued thereon to the date of such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates; (c) those which have been purchased and cancelled as provided in Condition 12; (d) those which have become prescribed under Condition 17; <p>Provided that for each of the following purposes, namely –</p> <ul style="list-style-type: none"> (i) the right to attend and vote at any meeting of the Noteholders; and (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 21 and 22, <p>all:</p> <ul style="list-style-type: none"> (iii) Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled shall (unless and until ceasing to be so held); (iv) Receipts and Coupons, <p>shall be deemed not to be Outstanding;</p>
"Participant"	a person that holds in custody and administers securities or an interest in securities or an interest in securities and that has been accepted by the Central Depository as a participant in terms of the Financial Markets Act;
"Payee"	a person reflected (either as the subscriber or by way of Endorsement) as the payee on a Certificate in respect of an Order Note or a Receipt or Coupon attached thereto on issue and to whom such Certificate, Receipt or Coupon (as the case may be) has been delivered;

"Paying Agent"	the Issuer, 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 Paying Agent in respect of that Tranche or Series of Notes;
"Payment Day"	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
"Prime Rate"	the publicly quoted basic rate of interest (percent, per annum, compounded monthly in arrear and calculated on a 365-day year irrespective of whether or not the year is a leap year) from time to time published by any of the Reference Banks as being their prime rate as certified by any manager of such bank whose authority, appointment and designation need not be proved;
"Programme"	the ZAR20,000,000,000 Anglo American SA Finance Limited Domestic Medium Term Note Programme under which the Issuer may from time to time issue Notes;
"Programme Date"	the date of the Programme Memorandum;
"Programme Memorandum"	the Programme Memorandum relating to the Notes prepared in connection with the Programme, as revised, supplemented, amended or updated from time to time by the Issuer;
"Rate of Interest"	the rate of interest as specified in the Applicable Pricing Supplement;
"Redemption Date"	the date upon which the Notes are redeemed by the Issuer, whether by way of early redemption or at maturity in terms of Condition 12.1, as the case may be;
"Receipt"	a receipt evidencing title to payment of an Instalment Amount payable on an Instalment Note which is a Bearer Note or Order Note, attached upon issue to the Certificate in respect of such Instalment Note;
"Reference Banks"	four leading banks in the South African inter-bank market selected by the Calculation Agent;
"Register"	the register of securities maintained by the Transfer Agent, including the Issuer's uncertificated securities register administered and maintained by a participant or central securities depository, in accordance with the Companies Act, the Financial Markets Act and the rules of the Central Depository;
"Registered Note"	a Note issued in registered form and transferable in accordance with Condition 16.1;
"Relevant Date"	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the holders of Beneficial Interests, (i) such monies are available for payment to the holders of Beneficial Interests and (ii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
"Relevant Debt"	any present or future indebtedness which is in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are, with the consent of the person issuing the same, for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market and having an original maturity of more than one year from its date of issue;
"Representative"	a person duly authorised to act on behalf of a Noteholder, the Calculation Agent, the Transfer Agent and the Paying Agent who may be regarded by the Issuer (acting in good faith) as being duly authorised based upon the tacit or express representation thereof by such Representative, in the absence of express notice to the contrary from such Noteholder, Calculation Agent, Paying Agent or Transfer Agent, as the case may be;
"SBSA"	The Standard Bank of South Africa Limited, registration number 1962/000738/06, acting through its Corporate and Investment Banking division;
"Security"	any mortgage, charge, pledge, lien or other form of encumbrances or security interest;
"Series"	a Tranche of Notes together with any further Tranche or Tranches of Notes which are – <ul style="list-style-type: none"> (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"Settlement Agent"	a Participant, approved by the JSE in terms of the rules of the JSE to perform electronic settlement of both funds and scrip on behalf of market participants;
"Specified Office"	in relation to each of the Issuer, the Calculation Agent and the Transfer Agent, the address of the office specified in respect of such entity in the Applicable Pricing Supplement, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders in accordance with the Terms and Conditions, as the case may be;
"Subsidiary"	a subsidiary company as defined in Section 1(3) of the Companies Act;
"Talon"	a talon entitling the holder to receive further Coupons in relation to an interest bearing Bearer Note or Order Note, if indicated in the Applicable Pricing Supplement, attached to the Certificate in respect of such interest bearing Note;

"Terms and Conditions"	the terms and conditions incorporated in this section entitled <i>"Terms and Conditions of the Notes"</i> and in accordance with which the Notes will be issued;
"Tranche"	in relation to any particular Series, all Notes which are identical in all respects (including as to listing);
"Transfer Agent"	Link Market Services, unless the Issuer elects to appoint, in relation to a particular Tranche or Series of Notes, another entity as Transfer Agent in accordance with the terms of the Agency Agreement, in which event that other entity shall act as an Transfer Agent in respect of that Tranche or Series of Notes;
"Transfer Form"	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
"Uncertificated Notes"	a Note which is uncertificated as contemplated in Section 33 of the Financial Markets Act;
"Wholly Owned Subsidiary"	a wholly-owned subsidiary as defined in Section 1(5) of the Companies Act;
"ZAR"	the lawful currency of the Republic of South Africa, being South African Rand, or any successor currency;
"ZAR-JIBAR-SAFEX"	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) which appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
"Zero Coupon Notes"	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

2 ISSUE

- 2.1 Notes are issued by the Issuer in Series and each Series may comprise one or more Tranches. Each Tranche will be the subject of an Applicable Pricing Supplement.
- 2.2 The Noteholders are deemed to have knowledge of, and are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.
- 2.3 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes. Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.

3 FORM AND DENOMINATION

3.1 General

- 3.1.1 All payments in relation to the Notes will be made in ZAR.
- 3.1.2 Any Note may be an Instalment Note or an Exchangeable Note.
- 3.1.3 Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Interest Note, an Indexed Redemption Amount Note, a Mixed Rate Note or a combination of any of the foregoing or such other types of Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.
- 3.1.4 Notes will be issued in such denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement. Listed and/or unlisted Notes may be issued under the Programme.
- 3.1.5 In the event that the Notes are not listed on the JSE, Noteholders of Notes listed on another exchange and of unlisted Notes will have no recourse against the BESA Guarantee Fund Trust.

3.2 Registered Notes

Each Tranche of Registered Notes listed on the JSE (subject to all applicable rules and procedures of the JSE, as the case may be) or on such other or further financial exchange(s) upon which the Notes are listed will be issued as an Uncertificated Note. An owner of a Beneficial Interest in the Notes held in uncertificated form shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 14.2. Registered Notes which are not listed will be evidenced by Individual Certificates. If unlisted Notes are cleared and settled through the Central Depository, then the same terms and conditions relating to the clearance and settlement of Registered Notes shall apply thereto.

3.3 Bearer Notes and Order Notes

Individual Certificates will be issued in respect of Bearer Notes or Order Notes. Bearer Notes or Order Notes, other than Zero Coupon Notes, will have Coupons and (if indicated in the Applicable Pricing Supplement), Talons attached to the Certificate on issue. Instalment Notes which are Bearer Notes or Order Notes will have Receipts attached to the Certificate on issue.

4 TITLE

4.1 Registered Notes

- 4.1.1 Subject to the provisions set out below, title to the Registered Notes will pass upon registration of transfer in the Register in accordance with Condition 16.1.
- 4.1.2 The Issuer may deem and treat the person reflected in the Register as the holder of any Note as the absolute owner of the Note (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Note held in uncertificated form, without prejudice to the provisions set out in the next succeeding paragraph.
- 4.1.3 For so long as any of the Notes are held in uncertificated and held by the Central Depository or its nominee, each holder of a Beneficial Interest (in which regard any certificate or other document issued by a Participant, as to the nominal

amount of such Beneficial Interest in Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest), shall be treated by the Issuer as the Noteholder of such nominal amount of such Notes (represented by such Beneficial Interest) for all purposes, other than with respect to the payment of principal or interest on the Notes. For the purposes of the payment of principal or interest on the Notes, the registered holder of the Notes reflected in the Register shall be treated by the Issuer as the holder of such Notes in accordance with and subject to these Conditions.

- 4.1.4 Should an Event of Default occur, then for the purposes of pursuing a remedy against the Issuer pursuant to Condition 18, the holder of a Beneficial Interest shall be deemed to be in the same position as a holder of an Individual Certificate whose name was entered in the Register.

4.2 **Bearer Notes**

- 4.2.1 Title to Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will pass by delivery of the Certificate in respect of such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 16.2. The Issuer, the Transfer Agent and the Paying Agent may deem and treat the Bearer of any such Certificate, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

- 4.2.2 Title to Bearer Notes is subject to the Bearer obtaining an exemption from the National Treasury in respect of the prohibition on dealing in Bearer Securities as detailed in Regulation 15 of the Exchange Control Regulations.

4.3 **Order Notes**

Title to Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) will initially pass by Endorsement and delivery of the Certificate in respect of such Note or of the Receipt and/or Coupon relating thereto, as the case may be, in accordance with Condition 16.3. Any Certificate in respect of an Order Note or such Receipt or Coupon upon which the last Endorsement is an Endorsement in Blank shall be treated as a Bearer Note, for so long as it is not subject to further Endorsement. The Issuer and the Transfer Agent may deem and treat the person who from the face of the Certificate, Receipt or Coupon relating to an Order Note appears to be the Payee thereto as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or notice of any previous loss or theft thereof) for all purposes and payment to such person or their Representative shall discharge the Issuer from all liability to the Payee in relation to such Certificate, Receipt or Coupon, as the case may be, even if such Endorsement has been forged or made without authority. Provided the Issuer pays any amount due upon presentation and surrender of a Certificate in respect of an Order Note, or any Receipt or Coupon attached thereto on issue, in good faith, it shall not be incumbent upon the Issuer or the Transfer Agent to determine or prove that the Endorsement of the Payee making such Endorsement was made by or under the authority of the person whose Endorsement it purports to be.

5 **STATUS OF NOTES**

The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by Applicable Law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

6 **GUARANTEE AND UNDERTAKINGS**

- 6.1.1 The Issuer has procured that the payment obligations of the Issuer under the Notes are guaranteed by the Guarantor on the terms and conditions as contained in the Guarantee, as described in the section of the Programme Memorandum entitled "*Terms and Conditions of the Guarantee*".
- 6.1.2 The Guarantor, in addition, undertakes, pursuant to the terms of the Guarantee to pay the Noteholders an amount equal to the amount that would have been payable by the Issuer to the Noteholders in respect of the Ceded Claims, as defined in Condition 7.1.1 below (namely the Early Redemption Amount and such other amounts payable by the Issuer in respect of the Notes).

7 **DEEMED CESSION AND EFFECT THEREOF**

7.1 **Deemed Cession**

- 7.1.1 In the event that any of the circumstances described in Condition 18 arise which amount to an Event of Default and only upon the occurrence of such circumstances, each of the Noteholders shall be deemed to have irrevocably ceded, assigned and transferred on an out-and-out basis (the "**Cession**") all of that Noteholder's rights, title and interest in and to the claims for payment in regard to such Event of Default, to the Guarantor under and in terms of the Notes (the "**Ceded Claim**"). The Guarantor undertakes to accept the Cession of any and all Ceded Claims.
- 7.1.2 By virtue of a Noteholder subscribing for and/or holding a Note it shall be deemed to have agreed to the Cession by it of its Ceded Claims upon the occurrence of the events contemplated in Condition 7.1.1 above, and in return, a Noteholder shall be entitled to receive from the Guarantor and the Guarantor shall pay to the Noteholder, in terms of the Guarantee, the Early Redemption Amount and any such other amounts payable by the Issuer in respect of the Notes.
- 7.1.3 Notwithstanding the provisions of Conditions 7.1.1 and 7.1.2 above, should the Event of Default contemplated in Condition 18.1.9 occur or the Guarantee be found by any court of competent jurisdiction not to have become of force and effect, then save for the provisions of this Condition 7.1.3, the remaining provisions of this Condition 7.1 will be unenforceable against the Noteholders.

7.2 **Effect**

- 7.2.1 With effect from the date that the circumstances described in Condition 7.1.1 arise (and only upon the occurrence of such circumstances) the Noteholder, as cedent, shall:
- (i) no longer be entitled to enforce its claim for payment in regard to such Event of Default against the Issuer, but will, subject to the provisions of this Condition 7, only be entitled to claim payment from the Guarantor directly under the Guarantee; and
 - (ii) not be entitled, due to the divestiture of its rights to claim payment in regard to such Event of Default under the

Notes, to lodge such claim against the Issuer, whether in competition with the Guarantor or otherwise, in the event of the liquidation, winding up or judicial management of the Issuer, and shall rely exclusively on the Guarantee to meet any valid claim it has in relation to the Notes.

8 **NEGATIVE PLEDGE**

- 8.1 So long as any of the Notes remain Outstanding, neither the Issuer nor the Guarantor will create or permit to subsist any Security upon the whole or any part of its undertakings or assets, present or future to secure any Relevant Debt, or any guarantee or indemnity in respect of any Relevant Debt unless, at the same time, or prior thereto, the Issuer's obligations under the Notes, the Receipts and the Coupons either:
- 8.1.1 are secured equally and rateably therewith; or
- 8.1.2 have the benefit of such other Security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.
- 8.2 The Issuer shall be entitled but not obliged, to form, or procure the formation of, a trust or trusts or appoint, or procure the appointment of, an agent or agents to hold any such rights of security for the benefit or on behalf of such Noteholders.

9 **INTEREST**

9.1 **Interest on Fixed Rate Notes**

- 9.1.1 Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a six-monthly basis, on Interest Payment Dates. Each Fixed Rate Note bears interest on its outstanding Nominal from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Rate of Interest so specified payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Maturity Date.
- 9.1.2 The first payment of interest will be made on the Fixed Interest Payment Date next following the Interest Commencement Date.
- 9.1.3 Except if otherwise specified in the Applicable Pricing Supplement, the amount of interest payable in respect of any six-month period shall amount to the Rate of Interest divided by two and multiplying the product by the Nominal Amount, provided that:
- 9.1.3.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement;
- 9.1.3.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

9.2 **Interest on Floating Rate Notes and Indexed Interest Notes**

9.2.1 *Interest Payment Dates*

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

9.2.2 *Rate of Interest*

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

9.2.3 *Minimum and/or Maximum Rate of Interest*

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

9.2.4 *Determination of Rate of Interest and Calculation of Interest Amount*

The Calculation Agent, in the case of Floating Rate Notes and Indexed Interest Notes will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the Interest Amount payable in respect of each Floating Rate Note and Indexed Interest Note in respect of each Specified Denomination for the relevant Interest Period, and the Calculation Agent shall notify the Issuer of the Rate of Interest and the Interest Amount for the relevant Interest Period as soon as practicable after determining or calculating the same but in any event no later than the 4 (four) Business Days thereafter. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest Sub-unit of the relevant Specified Currency, half a Sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period:

- (a) if "1/1" is specified, 1;
- (b) if "Actual/365", "Act/365", "Actual/Actual" or "Act/Act" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of: (i) the actual number of days in that portion

of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or

- (c) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; or
- (d) if "**Actual/365 Sterling**" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365, in the case of an Interest Payment Date falling in a leap year, 366; or
- (e) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the Applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- (f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless: (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) that last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
- (g) if "**30E/360**" or "**Eurobond Basis**" is specified in the Applicable Pricing Supplement, the number of days in the Interest Period in respect of which payment is being made divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the Interest Payment Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (h) such other calculation method as is specified in the Applicable Pricing Supplement

9.2.5

Interest Determination, Screen Rate Determination including Fallback Provisions

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

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

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

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

- (a) if the Relevant Screen Page is available:
 - (i) the offered quotation (if only one quotation appears on the screen page); or
 - (ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11h00 (or as otherwise specified in the Applicable Pricing Supplement) (Johannesburg time) on the Interest Determination Date in question plus or minus (as indicated in the Applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or
- (b) if the Relevant Screen Page is not available or if, in the case of (i) above, no such offered quotation appears or, in the case of (ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Calculation Agent shall request the principal Johannesburg office of each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11h00 (Johannesburg time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent; or
- (c) if the Rate of Interest cannot be determined by applying the provisions of (a) and (b) above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately 11h00 (Johannesburg time) on the relevant Interest

Determination Date, deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate to prime banks in the Johannesburg inter-bank market plus or minus (as appropriate) the Margin (if any). If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest for the relevant Interest Period will be determined by the Calculation Agent as the arithmetic mean (rounded as provided above) of the rates for deposits in an amount approximately equal to the nominal amount of the Notes of the relevant Series, for a period equal to that which would have been used for the Reference Rate, quoted at approximately 11h00 (Johannesburg time) on the relevant Interest Determination Date, by the Reference Banks plus or minus (as appropriate) the Margin (if any). If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

9.2.6 *Notification of Rate of Interest and Interest Amount*

The Issuer will cause the Rate of Interest for each Interest Period and the relevant Interest Payment Date to be notified to the Noteholders (in the manner set out in Condition 20), the Issuer and the Central Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE, as soon as possible after their determination but in any event no later than the fourth Business Day thereafter. The Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, the Central Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE and to the Noteholders in accordance with Condition 20.

The Issuer will, in relation to each Tranche of Notes, at least 3 Business Days before each Interest Payment Date, cause the aggregate Interest Amount payable for the relevant Interest Period in respect of such Tranche of Notes to be notified to the Noteholders (in the manner set out in Condition 20), the Issuer and the Central Depository and, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, to the JSE.

9.2.7 *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this sub-paragraph 9.2, by the Calculation Agent shall (in the absence of willful deceit, bad faith, manifest error or proven error) be binding on the Issuer and all Noteholders and in the absence as aforesaid no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

9.3 **Mixed Rate Notes**

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

9.4 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue at the same Rate of Interest until the date on which all amounts due in respect of such Note have actually been paid, or, in respect of Notes held in uncertificated form, the date on which the full amount of the moneys payable has been received by the Central Depository and notice to that effect has been given to Noteholders in accordance with the Applicable Procedures and Condition 20.

9.5 **Business Day Convention**

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

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

10 PAYMENTS

10.1 Registered Notes/Uncertificated Notes

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

Payments of interest in respect of Uncertificated Notes will be made to the holders of Beneficial Interests in accordance with the Applicable Procedures, and the Issuer will be discharged by proper payment to the registered holder of the Uncertificated Notes in respect of each amount so paid. Each of the persons shown in the records of the Central Depository and the Participants, as the case may be, shall look solely to the Central Depository or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such Uncertificated Note(s).

10.2 Bearer Notes

Payments of interest in respect of Bearer Notes will be made to the Bearer only against presentation and surrender by the Bearer or its Representative of the relevant Coupon or (in respect of interest bearing Bearer Notes issued without Coupons) only against presentation by the Bearer or its Representative of the relevant Certificate. Payments of Instalment Amounts in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Bearer Notes will be made to the Bearer only following presentation and surrender by the Bearer or its Representative of the Certificate in respect of such Bearer Notes. Upon surrender as aforesaid, the Bearer or its Representative shall be required to nominate in writing to the Paying Agent a bank account within the Republic of South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within the Republic of South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

Payments of interest in respect of Bearer Notes shall be made in accordance with Condition 10.4 only following surrender of the relevant Coupon to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Bearer Notes shall be made by the Issuer in accordance with Condition 10.4 only following surrender of the relevant Receipt to the Issuer. No payment in respect of the final redemption of a Bearer Note shall be made until the later of:

10.2.1 the Relevant Date; and

10.2.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons relating to Bearer Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

10.3 Order Notes

Payments of interest in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the relevant Coupon. Payments of Instalment Amounts in respect of Order Notes will be made to the Noteholder only following presentation and surrender by the Payee or its Representative of the relevant Receipt. Payments of the final instalment of principal in respect of Order Notes will be made to the Payee only following presentation and surrender by the Payee or its Representative of the Certificate in respect of such Order Notes. Upon presentation and/or surrender as aforesaid, the Payee or its Representative shall be required to nominate in writing to the Paying Agent a bank account within the Republic of South Africa (or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement) into which the relevant payment must be made and provide details of its address (being an address within the Republic of South Africa or any Other Banking Jurisdiction specified in the Applicable Pricing Supplement).

Payments of interest in respect of Order Notes shall be made in accordance with Condition 10.4 only following surrender of the relevant Coupon to the Paying Agent.

Payments of Instalment Amounts in respect of Instalment Notes which are Order Notes shall be made by the Issuer in accordance with Condition 10.4 only following surrender of the relevant Receipt to the Issuer. No payment in respect of the final redemption of an Order Note shall be made until the later of:

10.3.1 the Relevant Date; and

10.3.2 the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Paying Agent.

Upon final redemption as aforesaid, all unmatured Coupons relating to Order Notes (whether or not surrendered with the relevant Certificate) shall become void and no payment shall be made thereafter in respect of them.

10.4 Method of Payment

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

If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, Government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "*not transferable*" (or by such number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to:

10.4.1 the address of the Noteholder of Registered Notes as set forth in the Register or, in the case of joint Noteholders of Registered Notes, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note;

10.4.2 the address nominated by the Bearer or the Payee in respect of Bearer Notes or Order Notes, as the case may be, upon

surrender in accordance with Condition 10.2 or 10.3, as the case may be.

Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders of Registered Notes, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer, nor any Guarantor, nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 10.4.

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

Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 13.

Holders of Uncertificated Notes shall not be required to present and/or surrender any documents of title to the Paying Agent; however, they may be required to present such other documentation as the Participant or Paying Agent (to the extent that the Participant is not the Paying Agent in terms of the Applicable Pricing Supplement) may prescribe under its then prevailing rules.

10.5 **Payment Day**

If the date for payment of any amount in respect of any Note is not a Business Day; then:

10.5.1 if a Business Day Convention is not specified in the Applicable Pricing Supplement, such date for payment shall be the following Business Day; or

10.5.2 if a Business Day Convention is specified in the Applicable Pricing Supplement, such date for payment shall be adjusted according to such Business Day Convention.

In respect of Floating Rate Notes, interest shall accrue to and be paid on the relevant date of payment. In respect of Fixed Rate Notes, the holder of such Note will not be entitled to further interest or other payment in respect of any delayed payment.

If the date for payment of any amount in respect of any Notes is not a Business Day and is not subject to any adjustment in accordance with a Business Day Convention, the holder thereof shall not be entitled to any further interest or other payment in respect of such delay.

10.6 **Interpretation of Principal and Interest**

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

10.6.1 any additional amounts which may be payable with respect to principal under Condition 13;

10.6.2 the Final Redemption Amount of the Notes or the Early Redemption Amount of the Notes, as the case may be;

10.6.3 the Optional Redemption Amount(s) (if any) of the Notes;

10.6.4 in relation to Instalment Notes, the Instalment Amounts;

10.6.5 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 12.5.3); and

10.6.6 any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes, but excluding for the avoidance of doubt, interest.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 13.

11 **EXCHANGE OF TALONS**

On or after the Interest Payment Date on which the final Coupon (comprising the Coupon attached to the relevant Certificate relating to the latest Interest Payment Date in respect of that Series of Coupons) matures, but not later than the date for prescription (in accordance with Condition 16.1) of the Talons which may be exchanged for the respective Coupons, the Talon (if any) attached to the relevant Certificate upon issue, may be surrendered at the specified office of the Issuer in exchange for further Coupons, including (if such further Coupons do not include Coupons to, and including, the final date for the payment of interest due in respect of the Notes to which they pertain) a further Talon, subject to the provisions of Condition 16.1. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon issued relative to such Talon matures.

12 **REDEMPTION AND PURCHASE**

12.1 **At Maturity**

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

12.2 **Redemption for Tax Reasons**

Notes may be redeemed at the option of the Issuer, at any time (in the case of Notes other than Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes having an Interest Rate then determined on a floating or indexed basis) or on any Interest Payment Date (in the case of Floating Rate Notes, Indexed Interest Notes or Mixed Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders prior to such redemption, in accordance with Condition 20 (which notice shall be irrevocable), if the Issuer, immediately prior to the giving of such notice, is of the reasonable opinion that:

12.2.1 as a result of any change in, or amendment to, the laws or regulations of the Republic of South Africa or any political sub-division of, or any authority in, or of, the Republic of South Africa having power to tax, or any change or amendment which becomes effective after the relevant Issue Date, the Issuer is or would be required to pay additional amounts as provided or referred to in Condition 13;

12.2.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay

such additional amounts were a payment in respect of the Notes then due;

12.2.3 Notes may be redeemed by the Issuer in accordance with this Condition 12.2 in whole or in part:

12.2.4 notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 13; and

12.2.5 *mutatis mutandis* in the manner described in Condition 12.3, provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Maximum Redemption Amount therein shall be disregarded for such purposes.

Notes redeemed for tax reasons pursuant to this Condition 12.2 will be redeemed at their Early Redemption Amount referred to in Condition 12.5, together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.

12.3 **Redemption at the Option of the Issuer**

If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 20, redeem all or some of the Notes (to which such applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

If redeemable in part, any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or the Maximum Redemption Amount, both as indicated in the Applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the rules of Central Depository, the Settlement Agents and the JSE, in the case of Redeemed Notes held in uncertificated form, and in each case not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes (which shall include, in the case of Redeemed Notes which are Bearer Notes or Order Notes, the Receipts and/or Coupons) will be published in accordance with Condition 20 not less than 30 days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Individual Certificates outstanding bears to the aggregate Nominal Amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes held in uncertificated form shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Notes held in uncertificated form will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 20 at least 10 days prior to the Selection Date.

Holders of Redeemed Notes shall surrender the Individual Certificates, together with Receipts and Coupons, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates, Receipts and Coupons are redeemed, the Transfer Agent shall deliver new Individual Certificates. Receipts and Coupons to such Noteholders in respect of the balance of the Notes.

12.4 **Redemption at the Option of the Noteholders**

If Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such Noteholders may exercise such option in respect of such Notes represented by Individual Certificates by delivering to the Transfer Agent, in accordance with Condition 20, a duly executed notice ("**Put Notice**"), at least 30 days but not more than 60 days, prior to the Optional Redemption Date.

For redemption in part, the redemption amount specified in such Put Notice in respect of any such Note must be of a principal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Maximum Redemption Amount, each as indicated in the Applicable Pricing Supplement.

The redemption of Notes issued in uncertificated form, shall take place in accordance with the Applicable Procedures.

The Issuer shall proceed to redeem the Notes in respect of which such option has been exercised in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

In the event that the redeeming Noteholder is the holder of an Individual Certificate, then such Noteholder shall (attached to the Put Notice) deliver the Individual Certificate, together with Receipts and/or Coupons, if any, to the Transfer Agent for cancellation. A holder of an Individual Certificate shall in that holder's Put Notice specify a bank account into which the redemption payment amount is to be paid.

The delivery of Put Notices shall be required to take place during normal office hours of the Issuer and Transfer Agent. Put Notices shall be available from the specified offices of the Transfer Agent.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where after giving the notice but prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 18.

The Issuer shall have no liability to remedy any defects in any Put Notice or bring any such defects to the attention of any Noteholder.

12.5 **Early Redemption Amounts**

For the purpose of the Condition 12.2 and Condition 18, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

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

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

12.6 **Instalment Notes**

Instalment Notes will be redeemed at the Instalment Amounts and on the Instalment Dates. In the case of early redemption in accordance with Conditions 12.2 or 18, the Early Redemption Amount will be determined pursuant to Condition 12.5.

12.7 **Exchangeable Notes**

If the Notes are Exchangeable Notes, they will be redeemed, whether at maturity, early redemption or otherwise in the manner indicated in the Applicable Pricing Supplement. Exchangeable Notes in respect of which Mandatory Exchange is indicated in the Applicable Pricing Supplement as applying, or upon the exercise by the Noteholder of the Noteholder's Exchange Right (if applicable), will be redeemed by the Issuer delivering to each Noteholder so many of the Exchange Securities as are required in accordance with the Exchange Price. The delivery by the Issuer of the Exchange Securities in the manner set out in the Applicable Pricing Supplement shall constitute the in specie redemption in full of such Notes.

12.8 **Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes (including all unmatured Coupons and Receipts) at any price in the open market or otherwise. Such Notes may, subject to applicable law, be held, resold, or, at the option of the Issuer surrendered to the Transfer Agent for cancellation.

12.9 **Cancellation**

All Notes which have been redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled shall be forwarded to the Issuer and cannot be re-issued or resold. Where only a portion of Notes represented by a Certificate are cancelled, the Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes. If any Note is purchased and cancelled without all unmatured Coupons appertaining thereto, the Issuer shall make payment in respect of any such missing Coupon in accordance with Condition 10 as if the relevant Note had remained outstanding for the period to which such Coupon relates.

12.10 **Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 12 or upon its becoming due and repayable as provided in Condition 18 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 12.5.3 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid and (ii) 5 days after the date on which the full amount of the moneys payable has been received by the Central Depository, and notice to that effect has been given to the Noteholder in accordance with Condition 20.

13 **TAXATION**

As at the date of issue of this Programme Memorandum, all payments of principal or interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges ("taxes") of whatever nature imposed or levied by or in or on behalf of the Republic of South Africa or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

The payment of any taxes by the Issuer as an agent or representative tax payer for a Noteholder shall not constitute a withholding or deduction for the purposes of this Condition 13.

In the event of any withholding or deduction in respect of taxes being levied or imposed in the Republic of South Africa on interest or principal payments on Debt Instruments (as defined below), the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the Noteholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, as the case may be, in the absence of such withholding or deduction except that no such additional amounts shall be payable with respect to any Note:

- 13.1 held by or on behalf of a Noteholder, who is liable for such taxes in respect of such Note by reason of it having some connection with the Republic of South Africa other than the mere holding of such Note or the receipt of principal or interest in respect thereof; or
- 13.2 held by or on behalf of a Noteholder which would not be liable or subject to the withholding or deduction by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- 13.3 where such withholding or deduction is in respect of taxes levied or imposed on interest or principal payments only by virtue

- 13.4 of the inclusion of such payments in the Taxable Income or Taxable Gains (each as defined below) of any Noteholder; or where (in the case of any payment of principal or interest which is conditional on surrender of the relevant Certificate in accordance with these Terms and Conditions) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Noteholder would have been entitled to an additional amount on presenting the Certificate for payment on such thirtieth day; or
- 13.5 if such withholding or deduction arises through the exercise by revenue authorities of special powers in respect of tax defaulters; or
- 13.6 where the Noteholder is entitled to claim a tax reduction, credit or similar benefit in respect of such withholding or deduction in terms of the Noteholder's domestic tax laws or applicable double tax treaty.

For the purposes of this Condition 13:

"Debt Instrument" means any **"instrument"** as defined in section 24J(1) of the Income Tax Act; **"Taxable Income"** means any **"taxable income"** as defined in section 1 of the Income Tax Act;

"Taxable Gain" means any **"taxable capital gain"** as defined in paragraph 1 of Schedule 8 to the Income Tax Act; and

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

14 CERTIFICATES

- 14.1 Listed Registered Notes will initially be issued in the form of an Uncertificated Note.
- 14.2 A Beneficial Interest in Notes will be exchangeable for an Individual Certificate if: (i) a written request for Notes in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 14 days prior to the requested date of such exchange (ii) the Applicable Procedures for obtaining such a Certificate from the Transfer Agent are followed and (iii) an equivalent number of Notes are transferred in accordance with the provisions of Condition 16 to the holders of Beneficial Interests in accordance with the Applicable Procedures. .
- 14.3 A Noteholder shall be entitled to receive a Certificate evidencing the Notes transferred to that Noteholder within 7 days after registration of that transfer in accordance with Condition 16 (and which will apply *mutatis mutandis* to such Certificate), provided that joint Noteholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.
- 14.4 Noteholder shall be entitled to receive a Certificate in respect of a Registered Note which is not listed, or an Order Note or a Bearer Note within 7 days of becoming entitled thereto, provided that joint Noteholders will be entitled to receive only one Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.
- 14.5 If a Certificate, Receipt or Coupon is worn out or defaced then, within 14 days of its presentation to the Transfer Agent, the Transfer Agent shall cancel that Certificate, Receipt or Coupon and issue a new Certificate, Receipt or Coupon in its place.
- 14.6 If a Certificate, Receipt or Coupon is lost or destroyed then upon proof thereof to the satisfaction of the Transfer Agent, a new Certificate, Receipt or Coupon in lieu thereof may be issued to the person entitled to that lost or destroyed Certificate, Receipt or Coupon, provided that the Noteholder shall provide the Transfer Agent and the Issuer with an indemnity and pay any out-of-pocket expenses incurred in connection with the indemnity. The person providing the indemnity and the form of the indemnity shall be to the satisfaction of the Issuer. The new Certificate, Receipt or Coupon shall be issued within 14 days from the date that the conditions for issuing such Certificate Receipt or Coupon have been fulfilled.
- 14.7 An entry as to the issue of a new Certificate, Receipt or Coupon and indemnity (if any) shall be made in the Register (in respect of Registered Notes) upon the date of issue of the new Certificate. Receipt or Coupon.
- 14.8 Certificates, Receipts and Coupons to be provided by the Issuer to Noteholders shall be collected by the Noteholders from the Transfer Agent.
- 14.9 Certificates, Receipts and Coupons shall be provided where relevant by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Certificates Receipt or Coupon and/or the transfer of Notes may be levied by other persons. such as a Settlement Agent, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

15 REGISTER

- 15.1 The Register of Noteholders:
 - 15.1.1 shall be kept at the office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
 - 15.1.2 shall contain the names, addresses and bank account numbers of the registered Noteholders;
 - 15.1.3 shall show the total Nominal Amount of the Notes held by Noteholders;
 - 15.1.4 shall show the dates upon which each of the Noteholders was registered as such;
 - 15.1.5 shall show whether the Notes are Registered Notes, Bearer Notes or Order Notes;
 - 15.1.6 shall show the serial numbers of the Certificates and the dates of issue thereof;
 - 15.1.7 shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorized in writing by a Noteholder;
 - 15.1.8 shall be closed during the Books Closed Period.
- 15.2 The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 15.3 Except as provided for in these Conditions or as required by law, in respect of Registered Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

- 15.4 Except as provided for in these Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate may be subject.
- 16 **TRANSFER OF NOTES**
- 16.1 **Registered Notes**
- Beneficial Interests in Notes may be transferred in accordance with the Applicable Procedures through the Central Depository. In order for any transfer of Registered Notes to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Registered Note:
- 16.1.1 must be in writing and in the usual form or in such other form approved by the Transfer Agent;
 - 16.1.2 must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder or transferee;
 - 16.1.3 shall only be in respect of the Specified Denomination of the Note or integral multiples thereof, and consequently the Issuer will not recognise any fraction of the Specified Denomination; and
 - 16.1.4 must be delivered to the Transfer Agent together with the Certificate in question for cancellation (if only part of the Notes represented by a Certificate is transferred, a new Certificate for the balance will be issued to the transferor and the cancelled Certificate will be retained by the Transfer Agent).
- The transferor of any Notes represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- No transfer will be registered whilst the Register is closed.
- If a transfer is registered then the transfer form and cancelled Certificate will be retained by the Transfer Agent.
- In the event of a partial redemption of Notes under Condition 12.3, the Transfer Agent shall not be required, in terms of Condition 12.3, to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).
- 16.2 **Transfer of Bearer Notes**
- Bearer Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the delivery of the Certificate in respect of such Bearer Note or the relevant Receipt or Coupon relating thereto, as the case may be. Where the last Endorsement on a Certificate in respect of an Order Note or a Receipt or Coupon relating thereto is an Endorsement in Blank, then such Certificate, Receipt or Coupon, as the case may be, shall be treated as being in respect of a Bearer Note.
- 16.3 **Transfer of Order Notes**
- Order Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may be transferred by the Endorsement of the Certificate in respect of such Order Note or Receipt or Coupon relating thereto, as the case may be, by the old Payee and the delivery of such Certificate, Receipt or Coupon to the new Payee.
- 16.4 **Prohibition on stripping**
- Where so specified in the Applicable Pricing Supplement, Notes which are issued with Receipts and/or Coupons attached and which are redeemable at the option of the Issuer and/or Noteholders shall be issued subject to the condition that the relevant Notes (including rights to Instalment Amounts and/or interest thereon, as applicable) may only be transferred to a single transferee at a time and accordingly that the various rights in respect of such Notes may not be stripped and transferred to various transferees at different times.
- 17 **PRESCRIPTION**
- The Notes, Receipts and Coupons will become void unless presented for payment of principal within a period of three years after the Relevant Date, save that claims against the Issuer under any Certificate, Receipt or Coupon constituting a *"bill of exchange or other negotiable instrument"* in accordance with Section 11 of the Prescription Act, 1969 will prescribe within a period of six years after the Relevant Date.
- 18 **EVENTS OF DEFAULT**
- 18.1 In respect of the Programme, an Event of Default in respect of a Series of Notes shall occur if any of the following events (each an **"Event of Default"**) shall occur and remain continuing:
- 18.1.1 if default is made in the payment of any Nominal Amount or any interest due in respect of the Notes in that Series or any of them and the default continues for a period of 7 (seven) days in the case of the Nominal Amount and 14 (fourteen) days in the case of interest after receiving written notice from any Noteholder in that Series demanding such payment; or
 - 18.1.2 if the Issuer or the Guarantor fails to perform or observe any of its other obligations or undertakings under or in respect of any of the Notes in that Series or the Guarantee respectively and such failure continues for a period of 30 (thirty) calendar days after receipt by the Issuer or the Guarantor, as the case may be, of notice requiring same to be remedied; or
 - 18.1.3 if the Issuer or the Guarantor is unable to pay its debts as they fall due or threatens to stop payment of its debts (by reason of financial difficulties), commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors generally; or
 - 18.1.4 (i) any other present or future indebtedness of the Issuer or the Guarantor for or in respect of moneys borrowed becomes due and payable prior to its stated maturity by reason of any event of default (howsoever described) or (ii) any such indebtedness is not paid when due or if later, as the case may be, at the end of any applicable grace period, or (iii) the Issuer or the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any monies borrowed or raised, except to the extent in any instance that the existence or

enforceability of the relevant obligation is being disputed in good faith by it by appropriate proceedings; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 18.1.4 have occurred and is continuing equals or exceeds U.S.\$100,000,000 (or its equivalent in any other currency or currencies); or

- 18.1.5 any action, condition or thing, including the obtaining of any consent, licence, approval or authorisation now or in future necessary to enable the Issuer to comply with its respective obligations under the Notes or the Guarantor to comply with its obligations under the Guarantee is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to be in full force and effect, resulting in the Issuer or the Guarantor being unable to perform any of their respective payments or other obligations in terms of the Notes and the Issuer and/or the Guarantor, as the case may be, fails to remedy such circumstances (if capable of remedy) within 90 (ninety) Business Days of receiving written notice from the Noteholders demanding such remedy; or
- 18.1.6 if:
 - 18.1.6.1 the Guarantor ceases to be part of the Anglo American Group; and
 - 18.1.6.2 a majority, consisting of not less than 50.1% of the votes of the holders of any Series of Notes given on a poll, request the redemption of the Notes of their Series at a duly convened meeting of Noteholders of that Series; and
 - 18.1.6.3 the Issuer fails to redeem the Notes of a Series within 60 days of the passing of a resolution by the holders of the Notes of that Series in favour of the redemption of the Notes of that Series.

If the Issuer has not convened a meeting of the Noteholders of each Series within 60 days of the occurrence of the event referred to in Condition 18.1.6.1, the Noteholders of any Series may convene such meeting.

Notes redeemed pursuant to this Condition 18.1.6 will be redeemed at their Early Redemption Amount referred to in Condition 12.5, together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption.

- 18.1.7 if any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor over all or a substantial part of its property or assets for an amount at the relevant time in excess of U.S.\$100,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, manager or other similar person) unless such enforcement is discharged within 60 (sixty) days or is the subject of a *bona fide* dispute; or
- 18.1.8 if the Issuer or the Guarantor takes any corporate action for its winding-up, dissolution, administration or re-organisation or if a receiver, liquidator, administrative receiver or similar officer is appointed in respect of it or of all or a substantial part of its revenues and assets, except for the purpose of and followed by a solvent reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- 18.1.9 the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect.

If any one or more of the Events of Default referred to in Condition 18.1 shall have occurred and be continuing, then any Noteholder in that Series may, by written notice to the Issuer at the registered office of the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 12.5), together with accrued interest (if any) to the date of repayment, or as specified in the Applicable Pricing Supplement, provided that no such action may be taken by a holder of Notes if the Issuer withholds or refuses to make any such payment in order to comply with any law or regulation of the Republic of South Africa or to comply with any order of a court of competent jurisdiction.

For the purposes of Conditions 18.1.4 and 18.1.7, any indebtedness which is in a currency other than South African Rand shall be translated into South African Rand at the spot rate for the sale of South African Rand against the purchase of the relevant currency quoted by SBSA on the date of such Event of Default.

18.2 Notification of Event of Default

If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders, the JSE and the Guarantor in writing.

19 CALCULATION AGENT AND OTHER AGENTS

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

20 NOTICES

- 20.1 Subject to Condition 20.2, all notices (including all demands or requests under the Terms and Conditions) to the Noteholders will be valid if mailed by registered post or delivered by hand to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa. Each such notice will be deemed to have been given on the seventh day of first publication or delivery by hand or on the 14th day after the day on which it is mailed, as the case may be.
- 20.2 For so long as the Notes are held in their entirety by the Central Depository, notice as contemplated in Condition 20.1 shall be by way of delivery by the Issuer of the relevant notice to the Central Depository for communication to the holders of Beneficial Interests.
- 20.3 Where any provision of the Terms and Conditions requires notice to be given to the Noteholders of any matter other than a meeting of Noteholders, such notice will be given mutatis mutandis as set out in Condition 20.1 and Condition 20.2, respectively, subject to compliance with any other time periods prescribed in the provision concerned.
- 20.4 All notices (including all communications, demands and/or requests under the Terms and Conditions) to be given by or on behalf

of any Noteholder to the Issuer or the Transfer Agent, as the case may be, will be in writing and given by delivering the notice, by hand or by registered post, together with a certified copy of the relevant Certificate, to the Specified Office of the Issuer or the Specified Office of the Transfer Agent, as the case may be, and marked for the attention of the chief executive officer. Any notice to the Issuer or the Transfer Agent, as the case may be, will be deemed to have been received by the Issuer or the Transfer Agent, as the case may be, on the second Business Day after being delivered by hand to the Specified Office of the Issuer or the Transfer Agent, as the case may be, or on the 14th day after the day on which it is mailed by registered post to the Specified Office of the Issuer or the Transfer Agent, as the case may be.

- 20.5 Whilst any of the Notes are held in uncertificated form, notices to be given by any holder of a Beneficial Interest to the Issuer shall be given by such holder through such holder's Participant in accordance with the Applicable Procedures.
- 20.6 In relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, copies of any notices to Noteholders, delivered as set out above, including of meetings and any amendments to the Terms and Conditions, shall be published on SENS.

21 AMENDMENT OF THESE TERMS AND CONDITIONS

- 21.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 21, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer and the Noteholders.
- 21.2 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer. The Issuer may effect, without the consent of the relevant Noteholders, any modification of the Terms and Conditions which is of a technical nature or is made to correct a manifest error or to comply with mandatory provisions of the Applicable Law, provided that the consent of the JSE shall be required where such Notes are listed on the Interest Rate Market of the JSE. Any such modification shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders in accordance with Condition 20 as soon as practicable thereafter.
- 21.3 The Issuer may, with the prior sanction of an Extraordinary Resolution of all Noteholders or Noteholders of a Series of Notes, as the case may be, or with the prior written consent of Noteholders holding not less than 66²/₃% (sixty-six and two-thirds per cent.) in Nominal Amount of all the Notes or Notes of the Series of Notes, as the case may be, outstanding from time to time, amend these Terms and Conditions or the Terms and Conditions of the Guarantee, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders or Noteholders of a Series of Notes, as the case may be, in terms of Condition 20 and, in the case of any Tranche of Notes listed on the Interest Rate Market of the JSE, the Issuer shall first obtain formal approval from the JSE on the notice to Noteholders incorporating such proposed amendments, in compliance with the JSE Debt Listings Requirements prior to delivery of such notice to Noteholders.

22 MEETINGS OF NOTEHOLDERS

- 22.1 The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes upon at least 15 Business Days' prior written notice to such Noteholders. This notice is required to be given in terms of Condition 20. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in the Republic of South Africa.
- 22.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 22.3 Noteholders holding not less than 10% (ten per cent) in Nominal Amount of the outstanding Notes or Notes of the Series of Notes, as the case may be, shall be able to request the Issuer to convene a meeting of all Noteholders or Noteholders of a Series of Notes, as the case may be. Should the Issuer fail to requisition such a meeting within 10 days of such a request being received by the Issuer, the Noteholders requesting such a meeting may convene such meeting.
- 22.4 A Noteholder may by an instrument in writing (a "**form of proxy**") signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "**proxy**") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 22.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a "**representative**") in connection with any meeting or proposed meeting of the Noteholders.
- 22.6 Any proxy or representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the notes shall be deemed for such purposes not to be the holder.
- 22.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 22. Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 10 days of the requisition, then the chairman of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in person, by representative or by proxy.
- 22.8 At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Nominal Amount of Notes or Series of Notes, as the case may be for the time being outstanding shall form a quorum for the transaction of business. On a poll, each Noteholder present in person or by proxy at the meeting shall have the number of votes equal to the number of Notes, by denomination, held by the Noteholder.
- 22.9 If within half an hour (or such longer period as those present may agree) after the time appointed for such meeting, the said quorum as referred to in Condition 22.8 above is not present, the meeting will stand adjourned to the same day of the next week (or if that day is not a business day, the following business day) at the same time and place. Written notice of such adjourned meeting (incorporating an agenda) shall be given to all Noteholders or Noteholders of the Series of Notes, as the case may be not less than 72 (seventy-two) hours before such adjourned meeting is to be held.
- 22.10 At such adjourned meeting, provided that one or more Noteholders in person, by representative or by proxy are present, such Noteholders shall form the quorum for the transaction of business.

23 FURTHER ISSUES

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

24 **GOVERNING LAW**

The Notes and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of South Africa in force from time to time.

USE OF PROCEEDS

The proceeds from each issue of Notes will be applied by the Issuer as operating capital and its general corporate purposes as specified in the Applicable Pricing Supplement.

FORM OF GUARANTEE

Date: 27 March 2009

AMENDED AND RESTATED DEED OF GUARANTEE AND UNDERTAKING

ANGLO AMERICAN plc, incorporated with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138), with its registered address at 20 Carlton House Terrace, London SW1Y 5AN, England (the "Guarantor") hereby irrevocably and unconditionally guarantees (as primary obligor and not merely as surety) to the holders of notes (the "Noteholders") issued by Anglo American SA Finance Limited (Registration number 2003/015144/06) (the "Issuer") under the ZAR20,000,000,000.00 Anglo American SA Finance Limited Domestic Medium Term Note Programme established by the Issuer (as updated by the amended and restated programme memorandum dated 27 March 2009 (the "Programme Memorandum") issued in connection with the Programme) ("Programme"), the due and punctual payment by the Issuer of all amounts payable by the Issuer on all notes (the "Notes") issued under the Programme in accordance with the terms and conditions of the Notes issued by the Issuer as set out in the Programme Memorandum, which may be further amended, restated and/or supplemented from time to time (the "Terms and Conditions").

- 1.1 Terms used but not defined herein have the meanings set forth in the Terms and Conditions.
- 1.2 All payments made under this Guarantee shall be made mutatis mutandis in accordance with Conditions 6 and 10 of the Terms and Conditions.
- 1.3 In the event that any of the circumstances described in Condition 18 of the Terms and Conditions arise which amount to an Event of Default (as defined in the Terms and Conditions) and only upon the occurrence of such circumstances, each of the Noteholders shall be deemed to have irrevocably ceded, assigned and transferred on an out-and-out basis (the "Cession") all of that Noteholder's rights, title and interest in and to the claims for payment in regard to such Event of Default, to the Guarantor under and in terms of the Notes (the "Ceded Claim"). The Guarantor undertakes to accept the Cession of any and all Ceded Claims.
- 1.4 Upon the occurrence of the events contemplated in 1.3 above, a Noteholder shall be entitled to receive from the Guarantor and the Guarantor shall pay to that Noteholder, in terms of this Guarantee, the Early Redemption Amount and any such other amounts payable by the Issuer in respect of the Notes.
- 1.5 Notwithstanding the provisions of paragraphs 1.3 and 1.4 above, should the Event of Default contemplated in Condition 18.1.9 occur or this Guarantee be found by any court of competent jurisdiction not to have become of force and effect, then save for the provisions of this paragraph 1.5, the provisions of paragraphs 1.3 and 1.4 above will be unenforceable as against the Noteholders.
- 1.6 With effect from the date that the circumstances described in Condition 18 of the Terms and Conditions arise (and only upon the occurrence of such circumstances) the Noteholder, as cedent, shall:
 - 1.6.1 no longer be entitled to enforce its claim for payment in regard to such Event of Default against the Issuer, but will only be entitled to claim payment from the Guarantor directly under this Guarantee; and
 - 1.6.2 not be entitled, due to the divestiture of its rights to claim payment in regard to such Event of Default under the Notes, to lodge such claim against the Issuer, whether in competition with the Guarantor or otherwise, in the event of the liquidation, winding up or judicial management of the Issuer, and shall rely exclusively on this Guarantee to meet any valid claim it has in relation to the Notes.
- 1.7 The Guarantor, as cessionary, shall be entitled to enforce the Ceded Claim against the Issuer and be entitled to lodge any claim against the Issuer in the event of the liquidation, winding up or judicial management of the Issuer.
- 1.8 This Guarantee shall continue to have effect in relation to any payment, or any part thereof, of principal and/or interest on any Note that is rescinded or must otherwise be returned by the Paying Agent or any Noteholder if such rescission or return of payment has been compelled by law as the result of the insolvency of any of the Issuer or any other person or if such rescission or return of payment is a result of any law, regulation or decree applicable to the Issuer or such persons.
- 1.9 So long as any of the Notes remain Outstanding, the Guarantor undertakes to comply with the Terms and Conditions insofar as the Terms and Conditions applies to it.
- 1.10 Any admission made by the Issuer in respect of the Notes shall be binding on the Guarantor
- 1.11 Any demand made under this Guarantee by any Noteholder after an Event of Default has occurred shall be made in writing.

- 1.12 Payment to the Paying Agent of the amount guaranteed under this Guarantee shall:
- 1.12.1 be made by the Guarantor to the Paying Agent not later than 14 (fourteen) Business Days after receipt of a demand; and
- 1.12.2 fully discharge the Guarantor of its applicable obligations to each Noteholder under this Guarantee.
- 1.13 The Guarantor shall procure that the Paying Agent is instructed, in each instance, to make payment to the Noteholder, of any and all amounts due to them in respect of which the Guarantor has made payment to the Paying Agent within no less than 14 (fourteen) Business Days of receipt thereof.
- 1.14 The obligations of the Guarantor hereunder shall not be affected by:
- 1.14.1 any legal limitation, disability, incapacity or other circumstances relating to the Issuer;
- 1.14.2 any legal limitation, disability, incapacity or other circumstances relating to any other person, whether or not known to the Issuer or such other person;
- 1.14.3 illegality or unenforceability of any and all of the obligations of the Issuer under the Programme;
- 1.14.4 any act, thing or omission or means whatever whereby the Guarantor's liability under this Guarantee would not have been discharged if it had been the principal debtor; or
- 1.14.5 any change in the constitution of or any amalgamation or reconstruction of the Issuer.
- 1.15 Each notice, demand or other communication under this Guarantee shall be in writing delivered personally or by recognised courier and be deemed to have been given:
- 1.15.1 on the date of delivery; and
- 1.15.2 be sent to the Guarantor at:
- Anglo American plc
- 20 Carlton House Terrace
- London SW1Y 5AN
- England
- Attention: Company Secretary
- 1.16 The Guarantor chooses the above address as its address for service for all purposes under this Guarantee, whether in respect of court process, notices or other documents or communications of whatsoever nature.
- 1.17 This Guarantee is, and all rights and obligations (including non-contractual obligations) relating to this Guarantee are, governed by, and shall be construed in accordance with, the laws of England and Wales.
- 1.18 This Guarantee will be deposited with, and be held by, SBSA until the later of:
- 1.18.1 the date on which the Programme is terminated by the Issuer; and
- 1.18.2 the date on which all of the obligations of the Issuer and the Guarantor under or in respect of the Notes and this Guarantee have been discharged in full.
- 1.19 The Guarantor acknowledges and agrees that each Noteholder shall be entitled to require SBSA to produce a certified copy of this Guarantee on request.
- 1.20 The Guarantor accepts responsibility for the information and undertakings contained in the Programme Memorandum and agrees to be bound to the Programme Memorandum, in each case, insofar as they relate to the Guarantor. To the best of the knowledge of the Guarantor, the information contained in the Programme Memorandum is true and accurate in all material respects, does not contain any untrue statement of material fact and, is not misleading.
- 1.21 The Guarantor waives any right to require a proceeding first against the Issuer or to receive any notice with respect to the indebtedness of the Issuer.
- 1.22 The Guarantor acknowledges that this Guarantee is a continuing guarantee and shall not be discharged except by complete performance of its obligations in terms of this Guarantee.

- 1.23 As long as the Notes remain Outstanding, the Guarantor shall not create or permit to subsist any Security upon the whole or any part of its undertakings or assets, present or future to secure any Relevant Debt, or any guarantee or indemnity in respect of any Relevant Debt unless, at the same time, or prior thereto, the Issuer's obligations under the Notes, the Receipts and the Coupons either:
- 1.23.1 are secured equally and rateably therewith; or
- 1.23.2 have the benefit of such other Security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution of the Noteholders.
- 1.24 The obligations of the Guarantor under this Guarantee constitute unconditional and unsecured principal obligations of the Guarantor and will rank (subject to any obligations preferred by law) *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor.
- 1.25 The Noteholders may elect to exercise their right to claim under this Guarantee from the Guarantor individually or collectively as a group. Where the Noteholders' wish to proceed to enforce their claims against the Guarantor collectively the following procedure will be required to be followed:
- 1.25.1 a resolution of the Noteholders to the effect that the Noteholders elect to collectively exercise their right under this Guarantee is passed with the affirmative support of no less than 10% (ten per cent.) of the votes of the Noteholders present in person or by proxy at the Noteholders meeting and provided that such meeting is convened upon 10 (ten) days' written notice and that a quorum constituted by no less than 10% (ten per cent.) of the total number of Noteholders and the total value of the Notes in issue is present or represented by proxy at such meeting; and
- 1.25.2 at such meeting the Noteholders shall further nominate such a representative of the Noteholders by way of a vote of the Noteholders carried with the support of no less than 10% (ten per cent.) of the votes of the Noteholders present in person or by proxy at the Noteholders meeting (the "**Representative**").
- 1.26 The Representative shall be empowered to communicate, meet with and engage with the Guarantor in relation to any matter relating to this Guarantee and payments due thereunder, and to further initiate legal claims against the Guarantor on behalf of the Noteholder.
- 1.27 Provided that the Representative's appointment is made strictly in accordance with the provisions of this Guarantee, the Guarantor irrevocably undertakes to accept the Representative as a duly appointed representative of the Noteholders and not to challenge his/her/its/their *locus standi* in any legal claim made against the Guarantor. The Guarantor shall further settle any and all reasonable legal and other costs (the "**Costs**") of the Representative in prosecuting a claim against the Guarantor under this Guarantee in the event that the Noteholders are substantially successful in pursuing such claims. The Costs shall include costs and expenses relating to travel, accommodation and all reasonably incurred and properly documented legal costs.
- 1.28 The provisions of this Guarantee providing for rights in favour of the Noteholders and/or the Representative constitute a stipulation in favour of the Noteholders and/or the Representative, who shall be entitled to accept such rights on written notice to the Guarantor.

IN WITNESS WHEREOF THIS DEED HAS BEEN DELIVERED ON THE DATE FIRST STATED ABOVE

EXECUTED AND DELIVERED as a DEED by ANGLO AMERICAN PLC

Signature of Director

Signature of Director or Secretary

RISK FACTORS

Each Issuer and the Guarantor believe that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of any of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the issuers' ability to fulfil their obligations under notes issued under the programme and the guarantor's ability to fulfil its obligations under the guarantee in respect of such notes.

Unless otherwise specified by reference to Anglo American or Anglo American Capital, the risks apply in the context of the Group (as defined in "Description of Anglo American plc and the Anglo American Group"), and are also applicable to each of Anglo American plc and Anglo American Capital plc.

In this context, the following specific risks have been identified:

The business, results of operations, cash flows and financial condition of the Group have been and may continue to be adversely affected by commodity and diamond price fluctuations and weaker economic conditions.

Commodity and diamond prices are determined principally by international markets and global supply and demand dynamics. Fluctuations in commodity and diamond prices have given rise, and may continue to give rise, to commodity price risk across the Group. Historically, such prices have been subject to substantial variation.

Volatility or falls in commodity and diamond prices may have an adverse effect on the Group's operating results, cash flows and financial condition and could prevent the Group from completing certain transactions that are important to the business and which may have an adverse effect on its financial position. For example, this may lead to an inability of the Group to sell assets at the values or within the timelines expected, complete planned acquisitions or create joint ventures.

Adverse and volatile economic conditions, coupled with a negative price environment, can also limit the Group's visibility in terms of anticipated revenues and costs, and can affect the Group's ability to approve, finance or implement planned projects and repay debt. In addition, rating agencies and industry analysts are likely to take such conditions into account when assessing the business and creditworthiness of the Group, and any adverse determinations, including ratings downgrades, may make it more difficult or expensive for the Group to raise capital in the future and may adversely affect the market price of the Notes. Furthermore, certain of the Group's financings contain financial and operational covenants. The Group's ability to comply with such covenants may come under greater pressure in a volatile economic environment and may therefore restrict the Group's financial flexibility.

If global economic growth weakens in the medium to long term, the ability of the Group to grow or maintain revenues in future years may be adversely affected, the Group may not be able to compete for new, complex projects that require significant capital investment and, at certain long-term price levels for a given commodity and certain of the Group's extractive operations with respect to that commodity may not be economic. The Group may have to suspend certain operations in order to reduce or stop production for a period of time. Such developments could have a materially adverse effect on the Group's business, operational results, cash flows and financial condition.

Slower levels of growth in Chinese demand for commodities may negatively impact pricing.

China is an important driver of global demand and pricing for commodities worldwide. Slower levels of GDP growth in China, in combination with a number of other factors, could have a negative impact on commodity prices generally, which would have a negative impact on the Group's business and revenues. These factors include slower or flattened economic growth, unsuccessful economic reforms, reduced urbanisation or industrialisation, government policies that affect commodities markets and a slowing expansion of the middle class. Slowing demand for commodities from China, whether caused by these factors or otherwise, could

have a material adverse effect on the Group's business, operational results, cash flows financial condition and the Group's competitive position.

Unplanned and unexpected operational issues may affect delivery of the Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") improvement targets.

In order to support the Group's financial repositioning strategy, net cost and volume improvements are targeted. Risks to delivery include unplanned or unexpected operational issues, lack of joint venture partner support, limited and stretched resources to manage complex and multi-disciplinary projects and inability to deliver savings through technology and innovation. Failure to deliver the Group's EBITDA improvement targets could adversely affect the Group's cash flow levels, reduce investor confidence and adversely affect the Group's business.

The Group may be adversely affected by currency exchange rate fluctuations and interest rate movements.

Because of the global nature of the Group's business, it is exposed to currency risk principally where transactions are not conducted in U.S. dollars or where assets and liabilities are not U.S. dollar-denominated. The majority of the Group's sales revenue is denominated in U.S. dollars, while the majority of its operating costs are influenced by the currencies of the countries where the Group's operations are located and by the currencies in which the costs of imported equipment and services are denominated. The South African rand, Chilean peso, Brazilian real, Australian dollar, Canadian dollar, Sterling and U.S. dollar are the most important currencies influencing the Group's operating costs and asset valuations. Because the Group's policy is generally not to hedge such exposures, fluctuations in the exchange rates of these currencies may adversely affect the Group's operating results, cash flows or financial condition to a material extent.

The Group's policy is to borrow funds at floating rates of interest given the link with economic output, interest rates and therefore the expected correlation, over the longer term, with commodity prices. The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its debt. Strategic hedging using fixed rate debt may also be undertaken from time to time. However, if the Group is subjected to volatile interest rate fluctuations, its operating results, cash flows, competitive position and financial condition could be materially and adversely affected.

Inflation may have an adverse effect on the Group's results of operations and cash flows.

Because the Group cannot control the market price at which commodities it produces are sold, it may be unable to pass through increased costs of production to its customers. As a result, it is possible that significantly higher future inflation in the countries in which the Group operates may increase future operational costs without a corresponding increase in the U.S. dollar price of the commodities it produces, or a concurrent depreciation of the local currency against the U.S. dollar.

Cost inflation in the mining sector is more apparent during periods of high commodity prices because demand for mining-related products and services can tend to exceed supply during such periods, although such inflation can occur at any point in the commodity cycle and, in the past, the Group has also experienced cost inflation during periods of decreasing commodity prices. A lag in the reduction of input costs relative to declining commodity prices will have a similar negative effect on the Group's operations. Any such increased costs or delays in cost reductions may adversely affect the Group's profit margins, cash flows and results of operations, and such effects could be material.

The business of the Group may be adversely affected by liquidity and counterparty risk.

The Group is exposed to liquidity risk arising from the need to finance its ongoing operations and growth as well as refinance its debt maturities as they fall due. Global credit markets have been severely constrained in the past, and the ability of the Group to obtain funding has been and may in the future be significantly reduced. Furthermore, the cost of obtaining funding has increased significantly.

Any future potential credit rating downgrade may have a negative impact on its ability to obtain funding and may further increase the cost of financing or require the Group to agree to more onerous financing terms and may adversely affect the value of the Notes.

If the Group is unable to obtain sufficient funding, either due to banking and capital market conditions generally, or due to factors specific to its business, the Group may not have sufficient cash to meet ongoing financing needs and other requirements, which in turn could materially and adversely affect the financial condition of the Group and could result in a loss of all or part of investors' investment in the Notes.

In order to meet its debt service obligations, including payments of interest and principal on the Notes, the Group will need to use proceeds from operating cash flows or disposals of assets, or use alternative funding sources such as its revolving credit bank facility. There can be no assurance, however, that such cash flows or proceeds will be sufficient or that refinancing will be available on commercially viable terms. Any failure to meet the Group's debt service obligations or to obtain refinancing on commercially viable

terms, would have a material adverse effect on the Group's financial condition and could result in a loss of all or part of investors' investment in the Notes.

In addition, the Group is exposed to counterparty risk from customers and financial institutions that could result in financial losses should those counterparties become unable to meet their obligations to the Group. Furthermore, the Treasury operations of the Group's joint ventures and associates are independently managed and may expose the Group to liquidity, counterparty and other financial risks.

Should the Group's counterparties be unable to meet their obligations to the Group, or should the treasury operations of the Group's joint ventures or associates incur losses, the Group's operating results, cash flows, competitive position and financial condition could be materially and adversely affected.

The Group is subject to risks associated with litigation and regulatory proceedings.

As with most large corporations, the Group is involved from time to time as a party to various lawsuits, arbitrations, regulatory proceedings or other disputes. Litigation, arbitration and other such legal proceedings involve inherent uncertainties and, as a result, the Group faces risks associated with adverse judgments or outcomes in these matters. Even in cases where the Group may ultimately prevail on the merits of any dispute, it may face significant costs defending its rights, lose certain rights or benefits during the pendency of any proceeding or suffer reputational damage as a result of its involvement. The Group is currently engaged in a number of legal and regulatory proceedings in various jurisdictions, including as described under "*Description of Anglo American plc and the Anglo American Group – Litigation and Related Matters*".

There can be no assurance as to the outcome of any litigation, arbitration or other legal proceeding, and the adverse determination of material litigation could have a materially adverse effect on the Group's business, operational results, cash flows and financial condition.

Safety, health and environmental exposures and related regulations may expose the Group to additional litigation, compliance costs, interruptions to operations, unforeseen environmental remediation expenses and loss of reputation.

Mining is a hazardous industry and is highly regulated by safety, health and environmental laws and regulations. Working conditions including aspects such as weather, altitude and temperature can add to the inherent dangers of mining, whether underground or in open pit mines. Failure to provide a safe and healthy working environment or an environmentally acceptable one in accordance with the relevant applicable legislation may result in government authorities forcing closure of mines on a temporary or permanent basis or refusing mining right applications.

Inability to deliver a sustained improvement in safety performance may result from management interventions and training initiatives failing to translate into behavioural change by all employees and contractors. Non-compliance with critical controls is a common failure in safety incidents which can lead to loss of life, workplace injuries and safety-related stoppages, all of which immediately impact production and in the long term, threaten the Group's licence to operate. As a consequence, the Group could face civil or criminal fines and penalties, liability to employees and third parties for injury, illness or death, statutory liability for environmental remediation, and other financial consequences, which may be significant. The Group is currently subject to ongoing litigation relating to some of these areas of risk, and may face additional litigation in the future.

The mining process, including blasting and processing ore bodies, can generate environmental impacts including dust and noise and may require the storage of waste materials (including in liquid form). Risk in the form of dust, noise or leakage of polluting substances from site operations or uncontrolled breaches of mine residue facilities such as tailings dams have the potential of generating harm to the Group's employees, communities and the environment near the Group's operations. Potential impacts include fines and penalties, statutory liability for environmental remediation and other financial consequences that may be significant. Governments may force closure of mines on a temporary or permanent basis or refuse future mining right applications.

The Group could also suffer impairment of its reputation, industrial action or difficulty in recruiting and retaining skilled employees. Any future changes in laws, regulations or community expectations governing the Group's operations could result in increased compliance and remediation costs.

Any of the foregoing developments could have a materially adverse effect on the Group's results of operations, cash flows or financial condition.

Climate change as well as existing and proposed legislation and regulations on greenhouse gas emissions may adversely affect certain of the Group's operations.

The Group is a significant user of energy and is also a major coal producer and exporter. The Group's operations are exposed to changes in climate and the need to comply with changes in the regulatory environment aimed at reducing the effect of climate change. Various regulatory measures aimed at reducing greenhouse gas emissions and improving energy efficiency may affect the Group's operations and customer demand for its products over time. Policy developments at an international, regional, national and

sub-national level, and emissions trading systems, such as the Emissions Trading System of the European Union, have implications on the profitability of the Group where the Group's greenhouse gas-intensive and energy-intensive assets are concerned.

Potential impacts from climate change for Group assets depend on the circumstances at individual sites but increased rainfall, flooding, water shortages and higher average temperatures may increase costs, reduce production levels or impact the results of operations.

Uncertainty and instability in the mining industry or other applicable regulation, legislation or tax regimes in any country in which the Group operates could adversely affect the Group's business.

The Group's businesses may be affected by political, regulatory or legal developments in any of the countries and jurisdictions in which the Group operates. These may include changes to fiscal regimes or other regulatory regimes that may result in restrictions on the export of currency, expropriation of assets, imposition of royalties or new taxes and requirements for local ownership or beneficiation. Political instability can also result in civil unrest or nullification of existing agreements, mining permits or leases which may adversely affect the Group's operations or results of operations. Uncertainty over future business conditions can lead to a lack of confidence in making investment decisions, which can influence future financial performance. The Group may in the future incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new conditions to the Group's mining rights, including, among others, the requirements relating to equity ownership by black South Africans as a result of changes to legislation and the proposed amendments to the Mining Charter in South Africa (referred to as "MCIII"). Due to the lack of clarity and significant uncertainties in both details and implementation timeline of MCIII, combined with the legal processes currently being implemented (such as the Chamber of Mines' application to the South African High Court for a Judicial Review of MCIII, (the "Judicial Review"), which was scheduled to commence on 21 February 2018, however following the election of a new president of the Republic of South Africa on 15 February 2018, the Chamber of Mines and the Government of South Africa agreed to postpone the Judicial Review pending a reconsideration of MCIII by all the relevant stakeholders), there is significant uncertainty as to when and how MCIII will impact the Group. For a description of MCIII and its current status, see "*Description of Anglo American plc and the Anglo American Group – Recent Developments*".

If MCIII is implemented as originally drafted the Group may in the future incur significant costs as a result of changes in the interpretation of existing laws and guidelines or the imposition of new requirements relating to Black Economic Empowerment ("BEE") in South Africa. Increased costs can also be incurred as a result of additional regulations or resource taxes, while the ability to execute strategic initiatives that reduce costs or divest assets may also be restricted.

Any of these risks may materially and adversely affect the Group's results of operations, cash flows and financial condition or deprive the Group of the economic benefits of ownership of its assets.

Regulatory, political, economic and social conditions in the countries in which the Group's business operates could adversely affect the Group's business.

The Group's business is affected by political, economic, regulatory and social conditions in the countries and jurisdictions in which the Group operates. The Group is exposed to various risks resulting from developments and changes to fiscal regimes or other legal or regulatory regimes that may result in restrictions on the export of currency, expropriation of assets, nationalisation, political instability, corruption, terrorism, the imposition of royalties or new taxes, failure to effect or renew agreements with host governments and requirements for local ownership or beneficiation. Furthermore, tax laws and regulations in countries in which the Group operates may be subject to change, varying or adverse interpretation or inconsistent enforcement in a manner that is adverse to the Group. The Group has been and will continue to be subject to the risk of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. The Organisation for Economic Co-operation and Development and other government agencies in jurisdictions in which the Group operates have increasingly focused on issues related to the taxation of multinational corporations, including base erosion and profit shifting. The Group could also be exposed to significant fines and penalties and to enforcement measures, including, but not limited to, tax assessments, despite its best efforts at compliance. In response to tax assessments or similar tax deficiency notices in particular jurisdictions, the Group may be required to pay the full amount of the tax assessed (including stated penalties and interest charges) or post security for such amounts notwithstanding that the Group may contest the assessment and related amounts.

Actual or potential developments and changes may undermine investor confidence, which may hamper investment and thereby reduce economic growth, and otherwise may adversely affect the economic or other conditions under which the Group operates in ways that could have a materially negative effect on the Group's business.

The Group's operations and development projects could be adversely affected by shortages of, as well as lead times to deliver, certain key inputs.

The inability to obtain, in a timely manner, strategic consumables, raw materials, mining and processing equipment could lead to lower output volumes and could have an adverse impact on the Group's results of operations, development projects and financial

condition. During periods of strong demand for commodities, increased demand for such supplies may result in periods when supplies are not always available or cause costs to increase above normal inflation rates. Any interruption to the Group's supplies or increase in the Group's costs would adversely affect the Group's operating results and cash flows, and such effects could be material.

The Group may be unable to obtain, renew or amend or extend required licences, permits and other authorisations and/or such licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration.

The Group currently conducts, and will in the future be required to conduct, its operations (including prospecting and exploration activities) pursuant to licences, permits and other authorisations. Any delay and/or refusal by relevant government authorities in the obtaining or renewing of a licence, permit or other authorisation may require a delay in the Group's investment or development of a resource which may adversely affect the Group's production output and revenues and may have a material adverse effect on the Group's results of operations, cash flows and financial condition. In addition, the Group's existing licences, permits and other authorisations may be suspended, terminated or revoked if the Group fails to comply with the relevant requirements. In particular, the operations at and expansion of Minas Rio are dependent on the Group acquiring and maintaining environmental licences. The Step 3 installation licence was acquired in January 2018 but various risks remain to that operation achieving full nameplate capacity, including delays in acquiring the Step 3 operating licence. In South Africa, from time to time the Group may receive notices from the regulators regarding compliance with the requirements of the applicable legislation and the terms of its mining rights. While there are processes enabling the holder of the right to respond to, and ultimately appeal, any alleged breach, the right may be suspended or cancelled should such holder be deemed not to be in compliance with the relevant requirements. In such circumstances the Group may still have recourse to the South African courts on administrative justice grounds. There is also the continuing need to manage community issues at all operations and projects within the Group. This may delay completion of the civil works associated with a mine's development, while delays in obtaining licences would cause operational constraints. The licencing process is often complex, with multiple stakeholders involved in the approval process at federal, state and local community levels. If the Group fails to fulfil the specific terms of any of its licences, permits and other authorisations or if the Group operates its business in a manner that violates applicable law, government regulations may impose fines or suspend or terminate the licence, permit or other authorisation, any of which could have a material adverse effect on the Group's results of operations, cash flows and financial condition.

The use of mining contractors at certain of the Group's operations may expose those operations to delays or suspensions in mining activities.

Mining contractors are used at a number of the Group's operations to perform various operational tasks, including carrying out mining activities and delivering ore to processing plants. In periods of high commodity prices, demand for contractors may exceed supply resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs also can occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, because the Group does not have the same control over contractors as it does over employees, there is a risk that contractors will not operate in accordance with the Group's safety standards or other policies. To the extent that any of the foregoing risks materialise, the Group's operating results and cash flows could be adversely affected, perhaps materially.

The Group may have fewer reserves or resources than its estimates indicate.

The Group's Mineral Resources and Ore Reserves estimates are stated as at 31 December 2017 and are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the Group's estimates may result in material changes to the Group's reserve estimates in the future, and such changes may have a materially adverse impact on the financial condition and prospects of the Group.

Failure to discover new reserves, enhance existing reserves or adequately develop new projects could adversely affect the Group's business.

Exploration and development are costly, speculative and often unproductive, but are necessary for the Group's business. Failure to discover new reserves, to maintain the Group's existing mineral rights, to enhance existing reserves or to extract resources from such reserves in sufficient amounts and in a timely manner could materially and adversely affect the Group's results of operations, cash flows, financial condition and prospects. In addition, the Group may not be able to recover the funds it spends on identifying new mining opportunities through the Group's exploration programme.

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of the Group's facilities and may adversely affect the economics of new mining projects, the expansion of existing operations and, consequently, the Group's results of operations, cash flows and financial condition, and such effects could be material.

Damage to or breakdown of a physical asset, including due to fire, explosion, natural catastrophe or terrorism may adversely affect the Group's operating results and result in loss of revenue, loss of cash flow or other losses.

Damage to or breakdown of a physical asset, including as a result of fire, explosion, natural catastrophe or terrorism, can result in a loss of assets and subsequent financial losses. The Group's operations and development projects are exposed to natural risks such as earthquakes and extreme weather conditions. Other catastrophic risks faced by the Group include failure of mine pit slopes, breaches, tailing dam walls, fire and explosion in underground mines or in buildings, plant and equipment and sudden and unexpected failure of mineshafts. The occurrence of one or more of these events could potentially lead to multiple fatalities and injuries, long term environmental damage, significant reputational damage and loss of licence to operate. The financial impact associated with clean-up costs and legal liability claims could be substantial. The Group's insurance with respect to catastrophic event risk may not be sufficient to cover its financial loss flowing from an event, and insurance is not available or is unavailable on economically viable terms for many risks the Group may face. The occurrence of events for which the Group is not insured, or for which the Group's insurance is insufficient, may materially and adversely affect the Group's revenues, operating results, cash flows and financial condition.

The Group's operations and development projects could be adversely affected by shortages of appropriately skilled employees as the Group competes with mining and other companies to recruit, develop and retain such employees.

The ability of the Group to recruit, develop and retain personnel with appropriate skills is affected by global competition for skilled labour, particularly in periods of high commodity prices when demand for such personnel typically increases. Any failure to retain skilled employees or to recruit new staff may lead to increased costs, interruptions to existing operations and delay of new projects.

Labour disruptions could have an adverse effect on the Group's results of operations, cash flows and financial condition.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of the Group's operations, development projects or suppliers of critical goods and services or in any of the geographic regions in which the Group operates. In key countries where the Group operates, the majority of employees are members of trade unions, especially in South Africa and South America. Labour disruptions may be used not only for reasons specific to the Group's business, but also to advocate labour, political or social goals. Any labour disruptions could increase operational costs and decrease revenues, and if such disruptions are material, they could adversely affect, possibly significantly, the Group's results of operations, cash flows and financial condition.

Failure to prevent acts of fraud, bribery, corruption or anti-competitive behaviour could adversely affect the Group's business.

Potential impacts of violations of laws governing fraud, bribery, corruption, money laundering and trade sanctions or anti-competitive behaviour include prosecution, fines, penalties and reputational damage. The Group may suffer financial loss if it is the victim of a fraudulent act. The Group has introduced a Code of Conduct and developed training, compliance and audit programs to address the risks of contravening laws on bribery, corruption, sanctions, anti-competitive behaviour and other matters of legal compliance; however, as indicated by indices prepared by independent non-governmental organisations, the Group operates in countries where the risk of corruption is high, and certain industries in which the Group operates have in the past faced prosecution for anti-competitive behaviour.

Failure to meet production, construction, delivery and cost targets can adversely affect both operational performance and the Group's ability to implement projects in a timely and efficient manner, resulting in increased costs.

Failure to meet production targets can result in increased unit costs, and such increases may be especially pronounced at operations with higher levels of fixed costs. Unit costs may exceed forecasts, adversely affecting performance and results of operations. Results of operations can be affected by a range of technical and engineering factors. In addition, failure to meet project delivery times and costs could have a negative effect on operational performance and lead to increased costs or reductions in revenue and profitability. Such increases could materially and adversely affect the economics of a project, and consequently the Group's results of operations, cash flows and financial condition.

Substitution of commodities mined by the Group could adversely affect sales volumes and revenue.

Reduced demand for products mined by the Group through substitution due to technological developments, for example alternatives being developed to the use of platinum group metals in catalytic converters, or substitution of supply through recycling could have an adverse effect on the Group's results of operations, cash flows and financial condition.

Technological developments are resulting in the production of manufactured synthetic gem stones. These may be fraudulently sold into the diamond pipeline (undisclosed) or marketed and sold as synthetics (disclosed). Manufacturing and distribution sources for the latter increasing. Increased competition from synthetics may lead to potential loss of rough diamond sales leading to a negative impact on revenue, cash flow, profitability and value.

Restrictions in the Group's ability to access necessary infrastructure services, including utilities and transportation, may adversely affect the Group's operations.

Inadequate supply of the critical infrastructure elements for mining activity could result in reduced production or sales volumes or impact the Group's development projects, which could have a negative effect on the Group's financial performance. Prioritisation, restrictions on supply or disruptions in the supply of essential utility services, such as water and electricity, can reduce or halt the Group's production for the duration of the restriction or disruption and, when unexpected, may cause loss of life or damage to the Group's mining equipment or facilities, which may in turn affect the Group's ability to recommence operations on a timely basis. Adequate provision of transportation services, in particular rail services and timely port access, are critical to getting the Group's products to market and disruptions to such services may affect the operations of the Group. The Group is largely dependent on third party providers of utility and transportation services including rail, port and shipping services, and their provision of services, maintenance of networks and expansion and contingency plans are outside the Group's control.

In certain instances, the Group's growth plans are reliant on third party rail providers expanding their carrying capacity.

In South Africa, there is a risk that the electricity supply may not be able to meet the country's demands, leading to unplanned outages and failure of the national grid. The Group is a significant consumer of power owing to the extent of its operations in South Africa. The risk is created through the lack of investment in generating capacity and a maintenance backlog in some generating facilities leading to unplanned outages. Unplanned and short-notice power supply outages can lead to production shortfalls, with a negative effect on revenue, costs and productivity. There are potential safety implications, particularly for underground mines and process activities. Loss of critical computing systems can interrupt normal business activities.

However, any such events are likely to adversely affect the Group's production volumes and may increase its costs, which would in turn adversely affect the Group's results of operations and cash flows, and such effects could be material.

Failure to manage relationships with local communities, government and non-governmental organisations or recognise and respond to changing social expectations could adversely affect the Group's future growth potential.

The Group operates in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to projects or operations. The Group's operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, government and non-governmental organisations may negatively affect the Group's reputation, as well as the Group's ability to bring projects into production, which could in turn affect the Group's revenues, results of operations and cash flows, potentially in a material manner.

Failure to recognise and respond to changing stakeholder expectations and global trends regarding issues such as the environment, corruption, human rights and diversity/inclusion matters could affect our growth opportunities and the Group's future revenues and cash flows.

The Group faces certain risks from the high infection rates of HIV/AIDS that may adversely affect the Group's business and the communities in which the Group operates.

The Group recognises that the HIV/AIDS epidemic in sub-Saharan Africa is a significant threat to economic growth and development in that region and affects its business. In addition to the costs associated with the provision of anti-retroviral therapy to employees and their dependents and occupational health services (both of which will increase if the incidence of HIV/AIDS spreads), there is a risk that the recruitment and retention of the skilled personnel needed to maintain and grow the Group's business in southern Africa (and other regions where HIV/AIDS is a major social issue) will not be possible. If this occurs, the Group's business would be adversely affected.

The Group's non-controlled assets may not comply with the Group's standards.

Some of the Group's operations are controlled and managed by joint venture partners, associates or by other companies. Management of non-controlled assets may not comply with the Group's standards, for example, on safety, health and environmental matters or on financial or other controls and procedures. This may lead to higher costs and lower production and adversely affect the Group's results of operations, cash flows, financial condition or reputation.

The Group's business may be adversely affected by attacks from third parties on the Group's information systems.

The Group maintains and relies on information technology infrastructure, applications and communications networks to support its business activities. These systems may be subject to security breaches or other incidents that may result in the loss, disclosure or corruption of sensitive or proprietary information, including information relating to acquisitions and divestments, strategic decision-making, investment market communications or commercially sensitive information relating to major contracts. Security breaches may also result in misappropriation of funds, fraud, disruptions to the Group's business operations, environmental damage, increased health and safety risks to people, poor product quality, loss of intellectual property, legal or regulatory breaches and liability or

reputational damage. Damage is also possible to equipment that is critical to mining or processing of ore, resulting in interruption to production and possible financial loss.

This risk arises from criminal activity aimed at causing disruption or attempts by third parties to access sensitive information. The pace of technological development makes it challenging to prevent increasingly sophisticated methods of attacking information technology systems.

Investor activism may result in an inability to execute strategy should investors seek to influence management to take an alternative direction.

Any larger, influential shareholder, or shareholders, may exert pressure on management to take a direction they assert is more conducive to realising higher returns. This pressure may cover the Group's portfolio composition, commodity choices or geographical locations in which the Group operates or plans to operate in, any of which may have an adverse impact on the Group's results or financial condition.

Certain factors may affect the Group's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on the Group's balance sheet.

The Group reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the Group prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward commodity prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

If any of these uncertainties occur, either alone or in combination, it could require management to recognise an impairment, which could materially and adversely affect the Group's results of operations or financial condition.

Inaccurate assumptions in respect of critical accounting judgments could adversely affect financial results.

In the course of preparing financial statements, the Group's management necessarily makes judgments and estimates that can have a significant impact on the Group's financial statements. The most critical of these relate to impairment and impairment reversals of assets, taxation, contingent liabilities, joint arrangements, estimation of ore reserves, assessment of fair value, restoration, rehabilitation and environmental costs, retirement benefits and deferred stripping. The use of inaccurate assumptions in calculations for any of these estimates could have a significant impact on the Group's results of operations and financial condition. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either of the Issuers or the Group will be unable to comply with their respective obligations as a company with securities admitted to the Official List.

The Group is exposed to certain tax risks

The Group is subject to corporate and other tax rules in the jurisdictions in which it operates. Changes in tax rates, tax relief and tax laws, changes in practice or interpretation of the law by the relevant tax authorities, increasing challenges by relevant tax authorities, or any failure to manage tax risks adequately could result in increased charges, financial loss, penalties and reputational damage, which may have a negative impact on the Group's financial condition and results of operation. In addition, tax enforcement has become a higher priority for many tax authorities in jurisdictions in which the Group operates, which has led to an increase in tax audits, enquiries and challenges, or the testing through litigation of the boundaries of the correct interpretation of legislation. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws and the Group may have disagreements with tax authorities which could result in a material restatement to the tax position.

The holding company structure of the Group means that the claims of creditors of subsidiaries of Anglo American will generally have priority over claims on the guarantee obligations.

Anglo American is a holding company and derives the majority of its operating income and cash flow from its subsidiaries. It must rely upon distributions from its subsidiaries to generate funds necessary to meet its obligations, including any payments under the Guarantee in respect of Notes issued by AASAF. The Notes and the obligations of Anglo American under the Guarantee will constitute (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer or, as the case may be, the Guarantor, and will rank *pari passu* with all their other future unsecured and unsubordinated obligations. These obligations will also be structurally subordinated to the holders of secured and unsecured debt and other creditors of subsidiaries of Anglo American.

AASAF is a finance vehicle, with no independent business operations.

AASAF is a finance vehicle, the primary business of which is the raising of money for the purpose of on-lending to other members of the Group. Accordingly, substantially all the assets of AASAF are loans and advances made to other members of the Group. The ability of Anglo American to satisfy its obligations in respect of the Notes depends upon payments being made to it by other members of the Group in respect of loans and advances made by it.

Factors which are material for the purpose of assessing the market risks associated with notes issued under the programme

The Notes may not be a suitable investment for all investors

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

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

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuers may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

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

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Variable rate Notes with a multiplier or other leverage factor

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

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Modification, waivers and substitution

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

Change of law

The conditions of the Notes are based on South African law in effect as at the date of this Programme Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to South African law or other Applicable Law or administrative practice after the Programme Date or after the date of any Applicable Pricing Supplement and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples: definitive Notes

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

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

Risks related to the market generally

Set out below is a brief description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

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

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

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

Refer to the Corporate Governance Statement of the Guarantor, as incorporated in the "Governance" section of its annual report to shareholders, and the Applicable Pricing Supplement, for more detail on the risks faced by the Guarantor. The most recent annual report is available on the Guarantor's website (www.angloamerican.com) i.e. <http://www.angloamerican.com/investors/annual-reporting>

DESCRIPTION OF ANGLO AMERICAN PLC (THE "GUARANTOR") AND THE ANGLO AMERICAN GROUP

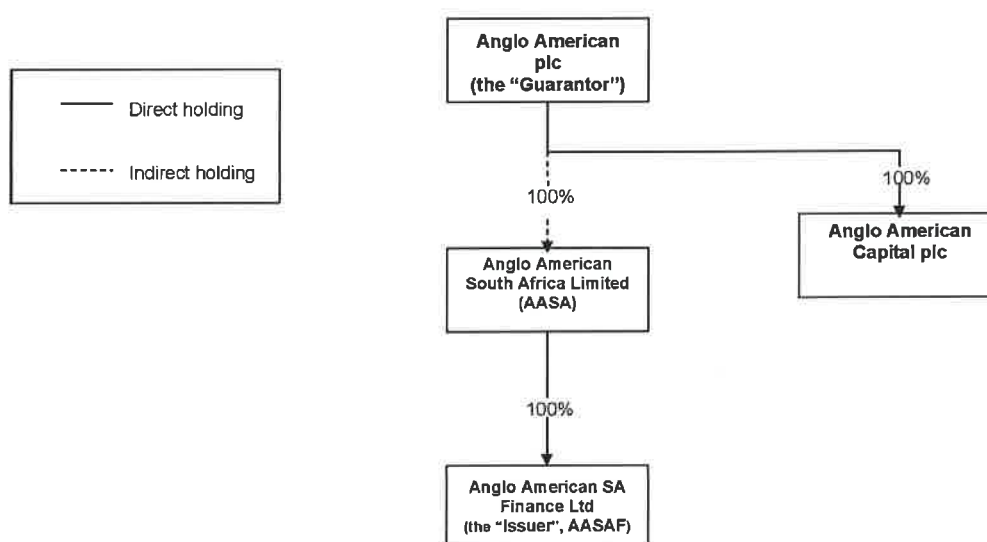
1. INTRODUCTION AND BACKGROUND

Anglo American plc ("**Anglo American**") was incorporated on 14 May 1998 with limited liability under the Companies Act 1985 and registered in England and Wales under the registered number 03564138 and is the holding company of the group of companies comprising Anglo American and its subsidiaries (the "**Group**"), which was created in 1999 from the combination of Anglo American Corporation of South Africa Limited and Minorco S.A. Anglo American's principal and registered office is located at 20 Carlton House Terrace, London SW1Y 5AN, England and the telephone number of its registered office is: +44 20 7968 8888.

2. OWNERSHIP AND CONTROL

Anglo American is a public company with its primary listing on the London Stock Exchange and secondary listings on the Johannesburg, the Swiss, the Botswana and the Namibian Stock Exchanges.

The Group is structured as follows:



3. DESCRIPTION OF BUSINESS

Anglo American is one of the world's largest mining companies. Anglo American's portfolio of mining businesses spans bulk commodities - iron ore and manganese, metallurgical coal and thermal coal; base metals and minerals – copper and nickel; and platinum and diamonds – in which it is a global leader.

The principal Anglo American business segments are:

Diamonds. This business segment has mining operations in Botswana, South Africa, Namibia and Canada through its 85 per cent. interest in De Beers. The remaining interest is held by the Government of the Republic of Botswana. De Beers is the world's leading diamond business, producing approximately one third of the world's rough diamonds by value.

Platinum. Anglo American's subsidiary, Anglo American Platinum Limited ("**Platinum**"), is listed on the Johannesburg Stock Exchange and located in South Africa. It is the world's leading primary producer of platinum by production volume. At 31 December 2017, the Group held a 78.0 per cent interest in Platinum.

Copper. The Group has interests in four copper operations in Chile. The Group has a 50.1 per cent. interest in Anglo American Sur, which includes the Los Bronces and El Soldado mines as well as the Chagres smelter. The Group also has a 44 per cent. interest in

the Collahuasi mine. The mines also produce associated by-products such as molybdenum and silver. In addition, the Group has an 81.9 per cent. interest in the greenfield Quellaveco project in Peru.

Bulk commodities and other minerals made up of:

Iron Ore and Manganese. This business segment's iron ore operations are represented in South Africa by a controlling interest of 69.7 per cent. in Kumba Iron Ore Limited ("**Kumba**"), a company listed on the Johannesburg Stock Exchange, and in Brazil by a 100 per cent. interest in Anglo American Minério de Ferro Brasil SA ("**Minas-Rio**") and a 50 per cent. interest in Ferroport Logística Comercial Exportadora SA (formerly referred to as LLX Minas-Rio), which owns the iron ore facility at the port of Açú. Its manganese operations (manganese ore mining and alloy production) are represented in South Africa by a 40 per cent. shareholding in Samancor Holdings, in Australia by a 40 per cent. shareholding in each of the Australian based operations Groote Eylandt Mining Company ("**GEMCO**") and Tasmanian Electro Metallurgical Company ("**TEMCO**"), and in Singapore by a 40 per cent. shareholding in Samancor Marketing Pte. Ltd. The Group's investments in manganese operations are collectively known as "Samancor".

Nickel. This segment comprises two 100 per cent. owned ferronickel operations, Codemin and Barro Alto in Brazil.

Coal. This business segment has operations in South Africa, Colombia, Australia and Canada.

- **South Africa.** The segment wholly owns and operates six mines in South Africa and has a 50 per cent. interest in the Mafube colliery, and Phola washing plant and a 73 per cent. interest in two mines, Kriel and the Zibulo colliery, a multi-product operation which produces thermal coal for both export and Eskom, the state-owned power utility. The balance of ownership interests in the Kriel and Zibulo collieries are held by Inyosi Coal, a broad-based black economic empowerment entity. This business segment also has a 23.2 per cent. interest in the Richards Bay Coal Terminal through which South African export thermal coal is routed.
- **Colombia.** Anglo American, BHP Billiton and Glencore each own a one-third shareholding in Carbones del Cerrejón LLC, Cerrejón Zona Norte SA and CMC - Coal Marketing Company Limited (collectively known as "**Cerrejón**"). Cerrejón is the country's largest thermal coal exporter and owns and operates its own rail and deep water port facilities. Cerrejón sells into the export thermal and pulverized coal injection markets.
- **Australia.** In Australia, the Group operates six mines, one wholly owned and five in which the Group has a majority interest. All of the mines are located towards the east coast of Australia, with four of the mines located in Queensland's Bowen Basin and two of the mines in the Hunter Valley, New South Wales, Australia (one that has been closed and is in the process of being rehabilitated and one on care and maintenance). The Group also holds a minority interest in another mine in Queensland, which it does not operate.
- **Canada.** The coal segment includes the wholly owned Peace River Coal Inc. ("**PRC**"), comprising the Trend metallurgical coal mine and various exploration leases in British Columbia. In September 2014, the Group announced that it had decided, in view of the subdued hard coking coal price environment, to place PRC on care and maintenance to preserve the long term future of the operation.
- **Corporate and other.** This segment comprises the Other Mining and Industrial business unit, which is not considered to be individually significant to the Group, together with unallocated corporate costs and exploration costs. Exploration costs represent the cost of the Group's exploration activities across all segments.

4. BOARD OF DIRECTORS

The Directors of Anglo American plc and their functions and principal directorships outside the Anglo American Group are as follows:

Name	Title	Principal activities outside the Anglo American Group
Mark Cutifani	Executive Director, Chief Executive	A member of various university advisory councils and Chair of the International Council on Mining and Metals.
Stephen Pearce	Executive Director, Finance	N/A
Tony O'Neill	Executive Director, Technical	N/A
Stuart Chambers	Non-Executive Director, Chairman	Chairman and a Non-Executive Director of Travis Perkins plc.
Sir Philip Hampton	Senior Independent Non-Executive Director	Chairman of GlaxoSmithKline.

Ian Ashby	Non-Executive Director	Chairman of Petropavlovsk plc and a Non-Executive Director of Nevsun Resources Ltd and Alderon Iron Ore Corporation.
Nolitha Fakude	Non-Executive Director	Deputy chairperson of South African Airways, Non-Executive Director of the JSE Limited and African Oxygen Limited and a trustee of the Women's Development Bank.
Dr Byron Grote	Non-Executive Director	Non-Executive Director of Standard Chartered, Tesco plc and Akzo Nobel.
Dr Mphu Ramatlapeng	Non-Executive Director	Executive Vice President of HIV/AIDS and Tuberculosis programs for the Clinton Health Access Initiative, and Vice Chair of the Global Fund to Fight AIDS, TB and Malaria.
Jim Rutherford	Non-Executive Director	Chairman of Dalradian Resources Inc. and the Queen's University Belfast Foundation Board.
Anne Stevens	Non-Executive Director	Chief Executive of GKN plc; and a Non-Executive Director of XL Catlin.
Jack Thompson	Non-Executive Director	N/A

The business address of each of the above is 20 Carlton House Terrace, London SW1Y 5AN.

As disclosed above, Stuart Chambers is Chairman and a Non-Executive Director of Travis Perkins plc; Sir Philip Hampton is Chairman of GlaxoSmithKline; Ian Ashby is Chairman of Petropavlovsk plc and a Non-Executive Director of Nevsun Resources Ltd and Alderon Iron Ore Corporation; Nolitha Fakude is Deputy chairperson of South African Airways, Non-Executive Director of the JSE Limited and African Oxygen Limited and a trustee of the Women's Development Bank; Byron Grote is a Non-Executive director of Standard Chartered plc and Tesco plc and Vice Chairman of the Supervisory Board of Akzo Nobel; Jim Rutherford is Chairman of Dalradian Resources Inc; and Anne Stevens is Chief Executive of GKN plc and a Non-Executive Director of XL Catlin. From time to time any such role may give rise to an actual or potential conflict of interest between such directors' duties to Anglo American and their duties arising from such other roles.

Anglo American's policy requires that if a director becomes aware that they have a direct or indirect interest in an existing or proposed transaction involving Anglo American, the director is required to notify the Board at the next Board meeting or by written declaration and is required to continuously update any changes in his/her interests.

Save as disclosed in the two preceding paragraphs, there are no potential conflicts of interest between the duties of each Director to Anglo American and his/her private interests or other duties.

In accordance with Anglo American's Articles of Association and relevant legislation, a quorum of the Board, which does not include the director with the potential conflict of interest, can authorise potential conflicts of interest and such authorisations can be limited in scope and are reviewed on an annual basis.

DESCRIPTION OF ANGLO AMERICAN SA FINANCE LIMITED (THE "ISSUER")

1 DETAILS AND BUSINESS OF THE ISSUER

Anglo American SA Finance Limited is a public company incorporated in South Africa and governed by the Companies Act 71 of 2008, as amended. The Issuer is a wholly owned subsidiary of Anglo American South Africa Limited ("AASA"), a public company incorporated in South Africa. AASA is a wholly owned subsidiary of Anglo American plc, which is incorporated in the United Kingdom. The Issuer is the finance company for the Anglo American South African Group of companies. The current statutory documents of the Issuer are available for inspection, upon request, at its registered office.

2 MANAGEMENT AND SECRETARY OF THE ISSUER

The directors of Anglo American SA Finance Limited and their principal functions outside Anglo American SA Finance Limited are as follows:

Name	Title	Principal functions outside AASAF
Christina Goosen	Director	Head of Tax: Africa
Nicholas John Mason-Gordon	Director	Treasurer: Anglo American South Africa Limited
Saleh Mayet	Director, Chairman	Head of Finance: Anglo American South Africa Limited
Colleen Catherine Elliott	Director	Head of HR: South Africa, Reward
Ian French	Director	Corporate Finance Lead

Anglo Operations Proprietary Limited is the Company Secretary of the Issuer, the registered office of the Company Secretary is:
44 Main Street, Johannesburg, 2001.

3 REGISTERED OFFICE

44 Main Street, Johannesburg, 2001
Telephone number: +27(0) 11 638 9111

4 AUDITORS

Deloitte & Touche

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section headed "Settlement, Clearing and Transfer of Notes" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Notes held in the Central Depository

Clearing systems

Each Tranche of Notes which is listed on the JSE and issued in uncertificated form, will be cleared through the Central Depository which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such Tranche of Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the Terms and Conditions. Each such Tranche of Notes will be settled through Participants who will comply with the electronic settlement procedures prescribed by the JSE and the Central Depository. The Notes may be accepted for clearance through any additional clearing system as may be agreed between the JSE, the Issuer and the Dealer(s).

A Tranche of unlisted Notes may also be held in the Central Depository. With respect to Notes not listed on the JSE, the placement of such unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades in such Tranche of Notes to take place in accordance with the electronic settlement procedures of the JSE and the Central Depository.

Participants

As at the Programme Date, the Participants which are approved by the JSE, in terms of the rules of the JSE, as settlement agents to perform electronic settlement of funds and scrip are the Citibank N.A., Johannesburg Branch, FirstRand Bank Limited, (RMB Custody and Trustee Services), Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Société Générale, Johannesburg Branch and the South African Reserve Bank. Euroclear Bank S.A./N.V., as operator of the Euroclear System and Clearstream Banking société anonyme will settle offshore transfers through their South African Participant.

Settlement and clearing

Notes issued in uncertificated form

The Issuer will, subject to Applicable Laws, issue Notes that are to be listed on the JSE in uncertificated form. Unlisted Notes may also be issued in uncertificated form.

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

All transactions in uncertificated securities as contemplated in the Financial Markets Act will be cleared and settled in accordance with the Applicable Procedures. All the provisions relating to Beneficial Interests in the Notes held in the Central Depository will apply to Notes issued in uncertificated form.

Beneficial Interests

The Central Depository will hold each Tranche of Notes issued in uncertificated form, subject to the Financial Markets Act and the Applicable Procedures.

Accordingly, and except where the contrary is provided in the Terms and Conditions, all rights to be exercised in respect of the Notes held in uncertificated form, and may be exercised only by the Central Depository for the holders of Beneficial Interests in such Notes, in accordance with the Applicable Procedures..

The Central Depository maintains central securities accounts only for Participants.

The Participants are in turn required to maintain securities accounts for their clients. The clients of Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of Beneficial Interests or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Depository only through their Participants.

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

Payments of interest and principal in respect of Notes held in uncertificated form, in the Central Depository, will be made to the holders of Beneficial Interests in accordance with the Applicable Procedures.

Each of the persons shown in the records of the Central Depository and the relevant Participant, as the case may be, as the holders of Beneficial Interests will look solely to the Central Depository or the relevant Participant, as the case may be, for such person's share of such payment so made by (or on behalf of) the Issuer to, or to the order of, the registered holder of such Notes.

The Issuer will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests, or for maintaining, supervising or reviewing any records relating to such Beneficial Interests.

Transfers and exchanges

Transfers of Beneficial Interests in the Central Depository to and from clients of the Participants occur by electronic book entry in the central securities accounts of the clients of the Participants. Transfers among Participants of Notes held in the Central Depository system occur through electronic book entry in the Participants' central security accounts with the Central Depository. Beneficial Interests may be transferred only in accordance with the Terms and Conditions and the rules and operating procedures for the time being of the Central Depository, Participants and the JSE.

The Issuer shall regard the Register as the conclusive record of title to the Notes.

Beneficial Interests may be exchanged for Notes represented by Individual Certificates in accordance with Condition 14.2.

Individual Certificates

The Notes represented by Individual Certificates will be registered in the name of the individual Noteholders in the Register of Noteholders.

Notes represented by Individual Certificates may be transferred only in accordance with the Terms and Conditions.

Payments of interest and principal in respect of Notes represented by Individual Certificates will be made in accordance with Condition 9 to the person reflected as the registered holder of such Individual Certificates in the Register at 17h00 (Johannesburg time) on the Last Day to Register, and the Issuer will be discharged by proper payment to or to the order of the registered holder of the Certificate in respect of each amount so paid.

BESA Guarantee Fund Trust

Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of listed Notes on the JSE in accordance with the rules of the BESA Guarantee Fund Trust if listed on the Interest Rate Market or the JSE Guarantee Fund if listed on the Main Board of the JSE, and can in no way relate to trading on another licensed or recognised exchange or to a default by the Issuer of its obligations under the Notes. The holders of Notes that are not listed on the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust.

Notes listed on any exchange other than (or in addition to) the JSE

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

SUBSCRIPTION AND SALE

Words used in this section headed "Subscription and Sale" shall bear the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

The Notes will be distributed by one or more of the dealers and/or any person appointed as dealer by the Issuer in terms of the Programme Agreement dated 27 March 2009 relating to the Programme and as may be supplemented and/or amended and/or restated from time to time (the "**Programme Agreement**"). Such persons are referred to in this section titled "*Subscription and Sale*" as "**Dealers**"

1 REPUBLIC OF SOUTH AFRICA

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that it will not offer or solicit any offers for subscription or sale of the Notes in that Tranche of Notes, and will itself not sell Notes, in South Africa except, in accordance with the Companies Act, the Banks Act, 1990, the Exchange Control Regulations and/or any other applicable laws or regulations of South Africa in force from time to time. In particular, without limitation, the Programme Memorandum does not, nor is it intended to, constitute a registered prospectus (as that term is defined in the Companies Act) and each Dealer for that Tranche of Notes will be required to represent and agree that it will not make "an offer to the public" (as that term is defined in the Companies Act) of any of the Notes (whether for subscription or sale). Notes will not be offered for subscription to any single addressee acting as principal for an amount of less than R1 000 000.

2 UNITED STATES OF AMERICA

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

Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

(i) the Notes in that Tranche have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of or benefit of, U.S. persons except pursuant to an exemption from, or in transaction not subject to, the registration requirements of the Securities Act.

(ii) it has not offered, sold or delivered any Notes in that Tranche, and will not solicit offers for the subscription for, offer, or sell or deliver, any Notes within the United States or to, or for except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to an available exemption from the account or benefit of, US registration requirements of the Securities Act; and;

3 (iii) it, its affiliates and any persons, acting on its or any of its affiliates' behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes in that Tranche and it, its affiliates and any persons acting on its or any of its affiliates' behalf have complied and will comply with the offering restrictions requirements of Regulation S. UNITED KINGDOM In Prior to the issue of any Tranche of Notes under the Programme by the Issuer, each Dealer for that Tranche of Notes will be required to represent and agree that:

(i) No deposit-taking: in relation to any Securities in that Tranche which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes in that Tranche other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of such Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(ii) Financial promotion: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(iii) General compliance: it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

3 EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the prospectus directive (each, a "**Relevant Member State**"), each of the Issuer and Dealer(s) has represented and agreed that with effect from and including the date on which the prospectus directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive, or pursuant to any applicable national law of any Relevant Member State.

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

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

4 GENERAL

Prior to the issue of any Tranche of Notes under the Programme, each Dealer for that Tranche of Notes will be required to represent and agree that it will (to the best of its knowledge and belief,) comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, subscribes or procures subscriptions for, offers, or sells Notes.

in that Tranche or has in its possession or distributes the Programme Memorandum and will obtain any consent, approval or permission required by it for the purchase, subscription, offer or sale by it of Notes in that Tranche under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers or sales.

Each Dealer for a Tranche of Notes will be required to represent and agree that it will comply with such other or additional restrictions in relation to that Tranche of Notes as the Issuer and such Dealer agree and as are set out in the Applicable Pricing Supplement.

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

SOUTH AFRICAN TAXATION

Words used in this section shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

The information contained below is intended to be a general guide to the relevant tax laws of South Africa as at the date of this Programme Memorandum and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to the prospective purchaser of Notes. Prospective purchasers of Notes should contact their own professional advisors in regard to the purchase of Notes and the tax implications thereof. Accordingly, the Issuer makes no representation and gives no warranty or undertaking, express or implied and accepts no responsibility for the accuracy or completeness of the information contained which below sets out guidelines on the current position regarding South African taxation for taxpayers who hold Notes as capital assets. Traders in the Notes should consult their own advisors.

Residents

A natural person is a "resident" of South Africa for tax purposes if (i) he is ordinarily resident in South Africa, or (ii) he is not ordinarily resident in South Africa but is physically present in South Africa for certain periods specified in the Income Tax Act, 1962.

A juristic person is a resident of South Africa for tax purposes if it is incorporated, established or formed in South Africa or if it has its place of effective management in South Africa.

South African tax residents are subject to SA Tax on their worldwide income. A non-resident is subject to SA Tax only in respect of income derived from a South African source.

The Issuer

The Issuer is a South African tax resident and is accordingly subject to SA Tax.

1. Securities Transfer Tax

No securities transfer tax will be payable, in terms of the South African Securities Transfer Tax Act, 2007, in respect of either the issue of the Notes or on the subsequent transfer of the Notes on the basis that the Notes will not comprise a "security" as defined in section 1 of the Securities Transfer Tax Act

2. Withholding Tax

Section 50B of the Income Tax Act, 1962 (the "Income Tax Act") imposes a withholding tax on interest payments to persons who are not regarded as resident in South Africa for tax purposes, where the interest is sourced in South Africa. The withholding tax is levied at a rate of 15%, but could be reduced by relevant double taxation treaties.

Withholding tax on interest in respect of certain debt instruments (which include any Notes issued under the Programme) may thus be applicable to persons who are regarded as non-residents for tax purposes in South Africa. There are exemptions, which include interest paid in respect of debt listed on a recognised exchange. The JSE Limited would qualify as such an exchange. Should this exemption be repealed, non-resident Noteholders may rely on the relief afforded in terms of relevant double taxation agreements. In the event that such withholding or deduction is required by law, the Issuer will be obliged to pay additional amounts in relation thereto, subject to exceptions, as described in Condition 13.

Under current taxation law in South Africa, all payments made under the notes to resident Noteholders will be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges.

3. Income Tax

3.1 Nature of any original issue discount or premium

Any original issue discount to the face value of the Notes will be treated as interest for tax purposes and will be deemed to accrue to the Noteholder on a day-to-day basis until maturity or until such time as such Noteholder disposes of its beneficial interest in the Note. The amount to be included in the Noteholder's gross income is normally calculated on a yield to maturity basis.

Any original issue premium will be added to the face value of the Notes to determine the initial amount that will be used to determine the interest that is deemed, under Section 24J of the Income Tax Act, 1962, to have been incurred or to have accrued in respect of the Notes.

3.2 Position in respect of the current tax year

Under current taxation law in South Africa:

- (a) a person ordinarily resident in South Africa will, subject to available exemptions and deductions, be taxed on their worldwide income; and
- (b) a person not ordinarily resident in South Africa is exempt from tax in South Africa on any interest received or accrued on the Notes, unless that person:
 - (i) was a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate in the tax year; or
 - (ii) at any time during this tax year carried on business through a permanent establishment in South Africa.

Interest received by Noteholders who are tax resident in South Africa will be included in gross income on a yield-to-maturity basis in accordance with the terms of section 24J of the Income Tax Act.

Interest is deemed to be from a source in South Africa where the interest incurred is attributable to an amount incurred by a person that is tax resident in South Africa. Such interest is included in gross income of the recipient and may or may not be subject to exemption.

4. Capital gains

Any disposal of the Notes by a Noteholder who is resident in South Africa prior to their redemption may be subject to Capital Gains Tax, where applicable.

Capital gains are taxable at normal tax rates, but in the case of a natural person only 40% of the gain is taxable, and in the case of companies and trusts, 80% of the capital gain is taxable.

Noteholders who are not tax resident in South Africa will generally not be subject to capital gains tax (if any) on the disposal of the Notes unless the Notes are assets of a permanent establishment or in respect of immovable property or an interest or right of whatever nature in or to immovable property situated in South Africa. In the event that the Notes comprise an interest in immovable property any purchaser of a Note from a person who is regarded as a non-resident for tax purposes, may be subject to a withholding obligation in respect of the purchase consideration payable by the seller in terms of section 35A of the Income Tax Act. The amount to be withheld is determined with reference to a percentage depending on the juristic nature of the seller and may be subject to certain exemptions.

SOUTH AFRICAN EXCHANGE CONTROL

Words used in this section shall have the same meanings as defined in the section entitled "Terms and Conditions" above, unless they are defined in this section or this is clearly inappropriate from the context.

The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of, or subscriber for, Notes. Prospective subscribers for Notes that are non-South African residents or emigrants from the Common Monetary Area are urged to seek further professional advice in regard to the purchase of, or subscription for Notes. The Issuer has obtained all necessary Exchange Control approvals.

Emigrants from the Common Monetary Area

In terms of the Exchange Control Regulations, Emigrants from the Common Monetary Area may subscribe for or purchase the Notes using the Emigrant's Remaining Assets provided prior approval is sought and obtained from the South African Reserve Bank via the Authorised Dealer under whose control the Emigrant's Remaining Assets are held, or from the Authorised Dealer itself in terms of the Authorised Dealer Manual.

Provided that the Exchange Control approval, mentioned above, has been obtained, the following shall apply:

- (a) In the event that a Beneficial Interest in Notes is held by an Emigrant from the Common Monetary Area through the Central Depository and its relevant Settlement Agents, the securities account of such Emigrant will be designated as an "emigrant" account.
- (b) Any Individual Certificates issued to Noteholders in respect of Notes in materialised form will be restrictively endorsed "non-resident". Such restrictively endorsed Individual Certificates shall be deposited with the Authorised Dealer controlling such Emigrant's Remaining Assets.
- (c) Any payments of principal, such as sale or redemption proceeds, due to an Emigrant Noteholder in respect of Notes subscribed for or purchased with an Emigrant's Remaining Assets must be deposited into such Emigrant's Capital Account with the Authorised Dealer controlling such Emigrant's Remaining Assets. These amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations by the Authorised Dealer under whose control the Emigrant's Remaining Assets are held.
- (d) Only interest earned or any discount obtained, as against that purchased, from the date of designation as an emigrant, subject to certain conditions, is eligible for transfer abroad or may be placed to the credit of a Non-Resident Account by the Authorised Dealer under whose control the Emigrant's Remaining Assets are held.

Non-residents of the Common Monetary Area

In terms of the Exchange Control Regulations, Non-residents of the Common Monetary Area may not invest in the Notes unless prior approval is sought and obtained from the South African Reserve Bank via the Authorised Dealer concerned, or from the Authorised Dealer itself in terms of the Authorised Dealer Manual.

Provided that the exchange control approval, mentioned above, has been obtained, the following shall apply:

- (a) Any Individual Certificates issued to Noteholders who are not resident in the Common Monetary Area will be endorsed "non-resident".
- (b) In the event that a Beneficial Interest in Notes is held by a Non-resident of the Common Monetary Area through the Central Depository and its relevant Settlement Agents, the securities account of such Noteholder will be designated as a "non-resident" account.

It will be incumbent on any such Non-resident to instruct the Non-resident's nominated Authorised Dealer as to how any funds due to such Non-resident in respect of Notes are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant Notes are acquired with foreign currency introduced into South Africa or with Rand from a Non-resident account and provided that the relevant Individual Certificates or securities account, as the case may be, is designated "non-resident".

For the purposes of these paragraphs:

"Authorised Dealer" means, in relation to any transaction in respect of gold, a person authorised by the Treasury to deal in gold and, in relation to any transaction in respect of foreign exchange, a person authorised by the Treasury to deal in foreign exchange.

"Authorised Dealer Manual" means the Currency and Exchanges Manual for Authorised Dealers issued by South African Reserve Bank under the powers delegated by the Minister of Finance

"Common Monetary Area" means South Africa, Lesotho, Namibia and Swaziland.

"Emigrant" means a South African resident who is leaving or has left the Republic to take up permanent residence in any country outside the Common Monetary Area.

"Emigrant Capital Account" means the account of an emigrant from the Common Monetary Area, which account holds the Emigrant's Remaining Assets to which exchange control restrictions have been applied.

"Emigrant's Remaining Assets" means funds which are held in an Emigrant Capital Account and controlled by an Authorised Dealer in terms of the Exchange Control Regulations.

"Non-Resident" means a person (i.e. a natural person or legal entity) whose normal place of residence, domicile or registration is outside the Common Monetary Area.

GENERAL INFORMATION

AUTHORISATION

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

The Issuer is established and resident in South Africa and as such is not required to obtain exchange control approval for the registration of the Programme with the JSE. If exchange control approval is required for the issue of any Tranche of Notes, such exchange control approval will be obtained prior to the issue of such Tranche of Notes.

LISTING

The Programme has been approved by the JSE. Notes to be issued under the Programme will be listed on the JSE (subject to all applicable rules and procedures of the JSE, as the case may be) or on such other or further financial exchange(s) as may be determined by the Issuer and the Relevant Dealer(s), subject to all applicable laws. Unlisted Notes may be issued under the Programme. Unlisted Notes are not regulated by the JSE.

CLEARING SYSTEMS

The Notes have been accepted for clearance through the Central Depository, which forms part of the JSE clearing system that is managed by Strate Limited and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer.

SETTLEMENT AGENTS

As at the date of this Programme Memorandum, the Settlement Agents are Citibank N.A., Johannesburg Branch,, FirstRand Bank Limited, (RMB Custody and Trustee Services),, Nedbank Limited, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch, Société Générale, Johannesburg Branch and the South African Reserve Bank.

SETTLEMENT, TRANSFER AND CLEARING

Notes will be issued, cleared and transferred in accordance with the procedures and rules set out by the JSE and the Central Depository. Notes will be settled through Settlement Agents who will comply with the electronic settlement procedures. The Central Depository will maintain securities accounts for the Participants who, in turn, will maintain securities accounts for investors in the Notes.

The Participants will be responsible for the settlement of scrip and payment transfers through the Central Depository and the South African Reserve Bank. Individual Certificates will only be issued to Noteholders in terms of the procedures set out in Condition 14. Transfer of Notes shall be undertaken in accordance with the rules of the Central Depository as well as the Terms and Conditions, save for the transfer of Individual Certificates which shall take place in accordance with the procedures set out in Condition 16.

The Participants and the Transfer Agent shall not be required to recognise any notice of any trust nor recognise the right of any other person other than the beneficial holder of Notes.

No transfer of Notes will be made in the Register unless the prescribed transfer form and the Individual Certificate (if any) has been properly lodged with the Transfer Agent.

MATERIAL CHANGE

After due and careful enquiry the Issuer confirms that the following material changes to its financial and trading position have occurred since its latest audited financial statements dated 31 December 2017:

- Operating profit has increased by more than 10% during the first two months of 2018 when compared to the first two months of 2017;
- Underlying earnings have increased by more than 10% during the first two months of 2018 when compared to the first two months of 2017;

There has been no involvement by Deloitte & Touche in making the aforementioned statement.

LITIGATION AND RELATED MATTERS

As with most large corporations, the Group is involved from time to time as a party to various lawsuits, arbitrations, regulatory proceedings or other disputes. Litigation, arbitration and other such legal proceedings involve inherent uncertainties and, as a result, the Group faces risks associated with adverse judgments or outcomes in these matters. Even in cases where the Group may ultimately prevail on the merits of any dispute, it may face significant costs defending its rights, lose certain rights or benefits during the pendency of any proceeding or suffer reputational damage as a result of its involvement. The Group is currently engaged in a number of legal and regulatory proceedings in various jurisdictions, including as described below.

Proceedings in South Africa

Class action litigation

Anglo American South Africa (“AASA”) is named as one of 32 respondents in a consolidated class certification application (the “class action litigation”) filed in the South Gauteng High Court (Johannesburg) on behalf of former mineworkers (or their dependants or survivors) who allegedly contracted silicosis or tuberculosis as a result of having worked for various gold mining companies including some in which AASA was a shareholder and to which AASA provided various technical and administrative services. The South Gauteng High Court certified two classes of claimants: those who have silicosis or who died from silicosis and those with tuberculosis or who died from tuberculosis. AASA and the other respondents appealed the ruling which was set down for hearing in the Supreme Court of Appeal in March 2018. The appeal was subsequently postponed indefinitely based on the progress made in the settlement negotiations with the claimants’ representatives.

AASA, African Rainbow Minerals, AngloGold Ashanti, Gold Fields, Harmony Gold and Sibanye Stillwater, all of whom are respondents in the class action litigation, formed a Working Group in 2014 to address issues relating to compensation for occupational lung disease in the gold mining industry in South Africa. The Working Group was subsequently extended in 2015 to include African Rainbow Minerals. The Working Group has been engaging all stakeholders, including government, organized labour, other mining companies and legal representatives of claimants who filed legal suits against the companies. These engagements have sought a comprehensive solution to address legacy compensation issues and future legal frameworks that is fair to past and current employees and enables companies to continue to be competitive over the long term.

As a consequence of the status of negotiations between the Working Group and affected stakeholders, a charge of \$101 million was recognised at 30 June 2017 within non-operating special items (\$101 million after tax), representing management’s best estimate of the cost to the Group of a settlement of the class action litigation and related costs. On 3 May 2017, AASA and the five other Working Group companies and the claimants’ lawyers concluded a settlement agreement of the class action litigation. The settlement is without admission of liability and the amount of \$101 million, which was recognised at 30 June 2017, still applies.

The settlement is subject to certain suspensive conditions, including the agreement being approved by the High Court in South Africa, in terms of the class certification judgment delivered by the South Gauteng High Court in May 2016. Once the High Court approval of the settlement and certain other conditions precedent are concluded, AASA and the other Working Group companies will withdraw their appeal in the Supreme Court of Appeal of the Johannesburg High Court’s class certification judgment.

Other settled litigation

AASA was also a defendant in approximately 4,400 separate lawsuits filed in the North Gauteng High Court (Pretoria), which were referred to arbitration. These 4,400 claims (approximately 1,200 of which were separately instituted against AngloGold Ashanti) were settled by AASA and AngloGold Ashanti in 2016, without admission of liability for an amount which is not material to AASA.

RECENT DEVELOPMENTS

Union mine (Platinum)

On 1 February 2018, the Group completed the sale of its interests in the Union platinum mine and Masa Chrome Company Proprietary Limited (Platinum) to a subsidiary of Siyanda Resources Proprietary Limited for consideration comprising upfront cash of R400 million (\$34 million) and deferred consideration based on the operation’s free cash flow generation over a ten year period.

The fair value of the Union mine and its associated Mineral Resources is expected to be recovered principally through the sale. An impairment of \$197 million (\$113 million after tax and non-controlling interests) has been recorded to bring the operation’s carrying value into line with its fair value less costs of disposal. The impairment charge has been recorded principally against property, plant and equipment.

Thabazimbi (Iron Ore)

Sishen Iron Ore Company Proprietary Limited (“SIOC”) and ArcelorMittal South Africa Limited (“AMSA”) concluded an agreement to transfer Thabazimbi mine (the “Mine”) to AMSA in November 2016.

Until 2014, Thabazimbi was a captive mine owned and run by SIOC, but supplying ore exclusively to and funded by AMSA. As a result, AMSA is accountable for 96 per cent. of the Mine’s current rehabilitation liability, with SIOC responsible for the site’s management and the remaining liability. The transfer would simplify this arrangement by making AMSA solely responsible for Thabazimbi’s closure and rehabilitation.

Mining activities at Thabazimbi ceased in September 2015 and the remaining plant operations ceased on 31 March 2016. The identified assets and liabilities of the Mine will be transferred at a purchase consideration of R1 plus the assumed liabilities.

The transfer of the mine is dependent on certain conditions being met, most notably the cession of the Thabazimbi mining rights in terms of section 11 of the MPRDA. On fulfilment of these conditions, the employees, assets and liabilities will transfer to AMSA. If the conditions are not satisfied by the date agreed to by the parties (or any agreed extension thereto), the agreement will lapse. In the meantime, closure of the mine is proceeding according to plan.

Dartbrook (Coal)

On 30 May 2017, Anglo American announced the completion of the sale of its 83.33 per cent interest in the Dartbrook coal mine ("**Dartbrook**") located in the Hunter Valley, New South Wales, Australia, to Australian Pacific Coal Limited following the announcement of the sale and purchase agreement in December 2015.

Dartbrook consists of an underground thermal coal mine and associated processing infrastructure that has been on care and maintenance since 2006.

Drayton (Coal)

On 26 February 2018, Anglo American announced that it had completed the sale of its 88.17 per cent. interest in the Drayton thermal coal mine and Drayton South project (together, "**Drayton**"), located in New South Wales, Australia, to Malabar Coal Limited following the announcement of the sale and purchase agreement in May 2017. The terms of the transaction remain confidential.

The transaction will be effected via a sale of shares in the subsidiary companies holding Anglo American's interest in Drayton. The transaction remains subject to several conditions precedent and its terms are confidential.

Anglo American ceased mining activities at the Drayton mine during 2016.

Eskom-tied domestic thermal coal operations in SA (Coal)

In April 2017, Anglo American announced the sale of its Eskom-tied domestic thermal coal operations in South Africa to a wholly owned subsidiary of Seriti Resources Holdings Proprietary Limited ("**Seriti**"), a company majority owned by HDSAs and led by a management team with extensive experience of operating and developing large coal mines in South Africa.

The Eskom-tied domestic thermal coal operations consist of the New Vaal, New Denmark and Kriel collieries, as well as four closed collieries (the "**Operations**"). The transaction will result in Seriti becoming the second largest provider of thermal coal to Eskom, supplying almost a quarter of Eskom's current annual coal requirements.

On 1 March 2018, Anglo American announced the completion of the sale of the Operations to Seriti. The consideration payable for the Operations as at 1 January 2017 is ZAR2.3 billion (approximately US\$164 million).

New Largo (Coal)

In January 2018, Anglo American announced the sale, by its 73 per cent-held subsidiary Anglo American Inyosi Coal (Proprietary) Limited, of the New Largo thermal coal project and Old New Largo closed colliery in South Africa (together, "**New Largo**") to New Largo Coal Proprietary Limited (the "**Purchaser**"), which is owned by Seriti Resources Proprietary Limited and Coalzar Proprietary Limited, two companies majority owned and controlled by historically disadvantaged South Africans, and the Industrial Development Corporation SOC Limited.

The consideration payable for New Largo is ZAR850 million (approximately US\$71 million). The consideration will be payable in cash by the Purchaser upon closing of the transaction.

Project Commissioning

Gahcho Kué Project (Diamonds)

On 2 March 2017, Anglo American announced that De Beers' Gahcho Kué mine, the world's largest new diamond mine in the last 13 years, officially began commercial production. The mine, a joint venture with De Beers Group (51 per cent.) and Mountain Province Diamonds (49 per cent.), is expected to produce approximately 54 million carats of rough diamonds over its lifetime.

Grosvenor Project (Coal)

On 12 May 2016, Coal Australia announced the commissioning of its Grosvenor metallurgical coal longwall operation in the Bowen Basin of Queensland, Australia. The Grosvenor project, which was approved for development at the end of 2011, delivered its first coal from its underground longwall seven months ahead of schedule and more than US\$100 million below budget.

Other developments

Bond buy-back

On 28 March 2017, Anglo American announced the successful completion of a bond buy-back programme launched on 20 March 2017, consisting of Euro and Sterling denominated bonds with maturities ranging from April 2018 to June 2019. The Group used \$1.27 billion of cash to retire \$1.25 billion of contractual repayment obligations (including derivatives hedging the bonds).

On 13 September 2017, Anglo American announced the successful completion of a bond buy-back programme launched on 6 September 2017, consisting of US dollar denominated bonds with maturities ranging from May 2020 to September 2020. The Group used \$0.74 billion of cash to retire \$0.72 billion of contractual repayment obligations (including derivatives hedging the bonds).

On 21 September 2017, Anglo American announced the successful completion of a bond buy-back programme launched on 13 September 2017, consisting of Euro denominated bonds with maturities ranging from September 2018 to November 2020. The Group used \$1.18 billion of cash to retire \$1.15 billion of contractual repayment obligations (including derivatives hedging the bonds).

On 9 March 2018 Anglo American used \$0.80 billion of cash to redeem in full its outstanding \$750 million 9.375 per cent. US bond due April 2019.

On 15 March 2018, Anglo American announced the successful completion of a bond buy-back programme launched on 7 March 2018, consisting of Euro denominated bonds with maturities ranging from June 2019 to April 2021. The Group used \$0.78 billion of cash to retire \$0.76 billion of contractual repayment obligations (including derivatives hedging the bonds).

Kumba

In December 2013, South Africa's Constitutional Court ruled that SIOC held a 78.6 per cent. undivided share of the Sishen mining right and that, based on the provisions of the MPRDA, only SIOC can apply for, and be granted, the residual 21.4 per cent. share of the mining right at the Sishen mine. The grant of the mining right was subject to such conditions considered by the Minister of Mineral Resources (the "**Minister**") to be appropriate. SIOC applied for the residual right in early 2014.

In 2015, SIOC received notice from the Department of Mineral Resources ("**DMR**") that the Director General of the DMR had consented to the amendment of SIOC's mining right in respect of the Sishen mine, by the inclusion of the residual 21.4 per cent. undivided share of the mining right for the Sishen mine, subject to certain conditions (which are described by the DMR as "proposals"). The conditions were not capable of being accepted by SIOC as SIOC believed the MPRDA did not provide for the imposition of such conditions, they were not practically implementable and they lacked sufficient detail by which to provide the company with legal certainty. SIOC submitted an internal appeal in terms of section 96 of the MPRDA to the Minister, which set out the basis of its objections to the proposals.

Kumba announced in October 2016 that the DMR had, after taking all the relevant considerations into account, granted the residual 21.4 per cent. undivided share of the mining right for the Sishen mine to Kumba's subsidiary, SIOC following the completion of an internal appeal process, as prescribed by section 96 of the MPRDA. As a result of the grant of the residual 21.4 per cent. undivided share, SIOC is now the sole and exclusive holder of the right to mine iron ore and quartzite at the Sishen mine. This residual mining right will be incorporated into the 78.6 per cent. Sishen mining right that SIOC successfully converted in 2009.

The consent to amend SIOC's mining right, by the inclusion of the residual 21.4 per cent. undivided share, is subject to various conditions. The conditions, where applicable, will ultimately form part of the conditions to the Sishen mining right. These include the requirement for the continuation of the existing Export Parity Price ("**EPP**") based supply agreement between SIOC and AMSA in its role as a strategic South African steel producer, as well as SIOC's continued support of skills development, research and development and initiatives to enable preferential procurement.

On 3 February 2017, it was announced that the South African Revenue Services and SIOC had agreed on a R2.5 billion (approximately \$185 million) settlement of a tax matter relating to the period covering 2006 to 2015 inclusive. The settlement was paid in full on 17 March 2017, with appropriate adjustments made for current advance payments held on account.

Kumba's early repayment of debt facilities

On 26 January 2017, the directors of Kumba approved an early settlement of the term facility of R4.5 billion (approximately \$0.3 billion), effectively reducing Kumba's committed debt facilities from R16.5 billion (approximately \$1.2 billion) to R12 billion (approximately \$0.9 billion).

El Soldado

In February 2017, El Soldado suspended mining operations due to permitting approval negotiations. Following a review, the National Director of the National Service of Geology and Mining, Sernageomin, approved the update of the mining plan permit for El Soldado. Based on this update, El Soldado has now restarted operations.

Resumption of Dividend

On 27 July 2017, Anglo American announced that dividend payments were to be resumed following a reduction in net debt, establishing a pay-out policy at a targeted level of 40 per cent. of underlying earnings.

South African Mining Charter

On 15 June 2017, the Minister of Mineral Resources in South Africa (the “**Minister**”) published, without meaningful participation by the mining industry (and in a departure from past practice), the “Broad-Based Black Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry, 2017” in the government gazette (generally referred to as “**MCIII**”). While Anglo American and the South African Chamber of Mines contend that MCIII is not enforceable law, it is important to note that MCIII differs significantly from the Mining Charter provided for in section 100(2) of the Mineral and Petroleum Resources Development Act, 2003 (the “**MPRDA**”) and the subsequently gazetted “Amendment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry” (generally referred to as “**MC2**”) in the following respects, among others:

1. holders of mining and prospecting rights have only 12 months to meet most of the new targets of MCIII, and the penalty for not meeting such timelines are stated by MCIII to include criminal sanctions, suspension of operations and/or suspension or withdrawal of the mining right. The Group does not believe any of these penalties to be authorised in the MPRDA;
2. an ownership target of 30 per cent. of the equity of mining companies to be held by black people (who are South Africans) must be achieved and maintained, and black partners must directly and actively control their share of equity interest in the mining company, which must include participation in the transportation, as well as trading and marketing, of a proportionate share of production;
3. a holder of a new mining right must pay a minimum of 1 per cent. of its annual turnover in any given financial year to its black shareholders, prior to and over and above any distributions to the shareholders of the company (subject only to the solvency and liquidity requirements as set out in the South African Companies Act);
4. black owned companies must be given a “preferential” option to purchase any mining assets sold by a mining rights holder;
5. mining companies must achieve the following minimum black men and black women demographic representation: 50 per cent. at executive management (board) level (25 per cent. of which must be black women), 60 per cent. at senior management level (30 per cent. of which must be black women), 75 per cent. at middle management level (38 per cent. of which must be black women), 88 per cent. at junior management level (44 per cent. of which must be black women) and 60 per cent. of the company's core and critical skills employees; and
6. new procurement targets have been set which increase over a three-year transitional period until in the third year: (a) at least 70 per cent. of all mining goods procurement spend must be in respect of South African manufactured goods procured from a combination of black owned companies, black owned companies controlled by women or youth and “**BEE**” legislation compliant manufacturing companies (BEE Level 4 and 26 per cent. black owned) and 80 per cent. of all mining services must be procured from South African based companies and apportioned between black owned companies and black owned companies controlled by women or youth.

The Chamber of Mines, with the Group's support, has indicated that it will challenge MCIII on several grounds, including its position that the MPRDA only authorises the development of the Mining Charter, and the development of MC2 and MCIII is outside the scope of the authority of the Minister and that MCIII is unsustainably commercially onerous. Further, the Chamber of Mines contends that while MCIII purports to be enforceable law, the MPRDA does not authorise the enforcement of any charter and the Constitution of South Africa reserves the power to enact law to its legislature and the power to make regulations to officials duly authorised to do so under legislation enacted by the legislature. The Chamber of Mines had applied to the South African High Court for an interdict (which was scheduled to be heard on 14 and 15 September 2017) preventing the implementation of MCIII until the dispute was resolved. In the days leading up to hearing of the interdict application, and in order to avoid the hearing of that application, the Minister entered into an agreement with the Chamber of Mines in terms of which he and his department will take no action intended to give effect to MCIII until such time as the Chamber of Mines' application for a judicial review of MCIII is determined by the High Court. The application was scheduled to commence on 21 February 2018, however following the election of a new president of the Republic of South Africa on 15 February 2018, the Chamber of Mines and the Government of South Africa agreed to postpone the Judicial Review pending a reconsideration of MCIII by all the relevant stakeholders.

Minas-Rio Suspension for Pipeline Checks

On 3 April 2018, Anglo American announced the suspension of its Minas-Rio iron ore operation in Brazil, with effect Thursday 29 March, in order to conduct a full inspection of the pipeline that carries iron ore, in slurry form, from the mine to the export terminal.

Minas-Rio took the decision to suspend the operation following a minor leak that was identified in the pipeline at approximately 7pm on 29 March. This leak of non-hazardous iron ore slurry was stopped within eight minutes and caused no disruption to local water supply. It occurred in close proximity to a similar leak on 12 March, near a pumping station. There were no injuries.

Specialised technical equipment will now be used to identify any other areas of potential weakness within the pipeline. Due to the length of the pipeline and the priority of ensuring the protection of the natural environment, the current expectation is that it will take approximately 90 days for the full inspection to be completed during which time operations at Minas-Rio will remain suspended.

Minas-Rio is working closely with its employees and unions and all the relevant authorities in Brazil, both locally and nationally, and Anglo American's Marketing business is engaging with its customers in relation to product delivery schedules.

Anglo American is progressing with a full inspection of its pipeline at the Minas-Rio iron ore operation, which is expected to take approximately 90 days to complete. The inspection includes an internal scan of every section of the pipeline and will then be followed by a detailed analysis of the data and an assessment of required remedial action. Mining operations will then resume once any repair work is completed, the pipeline has been tested and the regulatory authorities have provided their consent to the resumption of pipeline operations.

On this basis, the current expectation is that the operation will begin to ramp up in Q4 2018, resulting in a \$300 - 400 million reduction in Anglo American's EBITDA for 2018.

SIGNED at Johannesburg on this 8th day of May 2018

For and on behalf of

ANGLO AMERICAN SA FINANCE LIMITED

(AS ISSUER)

N. NASON-GORDON
Signature:

C. Goosen
Signature:

N. NASON-GORDON
Name:

C. GOOSEN
Name:

DIRECTOR
Designation:

DIRECTOR.
Designation:

Address: 44 Main Street, Johannesburg, 2001

Tel: 011 638 9111

CORPORATE INFORMATION

ISSUER

Anglo American SA Finance Limited
44 Main Street
Johannesburg, 2001
PO Box 61587 Marshalltown, 2107
South Africa
Contact: Company Secretary

GUARANTOR

Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN
England
Contact: Company Secretary

ARRANGER, DEALER AND DEBT SPONSOR

The Standard Bank of South Africa Limited
3rd Floor, East Wing
30 Baker Street
Rosebank
Johannesburg
2196
South Africa
Contact: Ms Megan Mc Donald

LEGAL ADVISERS TO THE ARRANGER AND DEALERS

Cliffe Dekker Hofmeyr Inc
1 Protea Place
Sandown, 2196
Private Bag X40 Benmore, 2010
South Africa
Contact: Ms J King

LEGAL ADVISERS TO THE ISSUER

Webber Wentzel
90 Rivonia Road,
Sandton, Johannesburg, 2196
PO Box 61771, Marshalltown,
Johannesburg, 2107, South Africa
Contact: Ms K Couzyn

LEGAL ADVISERS TO THE GUARANTOR (as to English Law)

Linklaters LLP
1 Silk Street
London
EC2Y 8HQ, United Kingdom
Contact: Mr M Sullivan

AUDITORS TO THE ISSUER

Deloitte & Touche
Deloitte Place
The Woodlands Drive
Woodmead, Gauteng
Private Bag X6 Gallo Manor, 2052
South Africa
Contact: Mr G Krog

TRANSFER AGENT

Link Market Services
13th Floor, Rennie House,
19 Ameshoff Street, Braamfontein,
Johannesburg, 2001
PO Box 4844 Johannesburg, 2000
South Africa
Contact: Mr B Botha

PAYING AGENT

Anglo American SA Finance Limited
44 Main Street
Johannesburg, 2001
PO Box 61587 Marshalltown, 2107
South Africa
Contact: Company Secretary