



INVESTEC plc

(incorporated with limited liability in England and Wales with registered number 03633621)

£1,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Investec plc (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed £1,000,000,000 (or the equivalent in other currencies at the date of issue).

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC amended by Directive 2008/1/EC, Directive 2010/73/EU and Directive 2010/78/EU (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these, see "*Risk Factors*" below.

The Issuer has been assigned a long-term credit rating of Baa1 by Moody's Investors Service Limited ("**Moody's**"). Moody's is a credit rating agency established and operating in the European Union ("**EU**") and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Notes in bearer form for U.S. tax purposes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes that are in bearer form for U.S. tax purposes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**"). However, the Notes are being offered and sold outside the United States to non U.S. persons in reliance on Regulation S.

Arranger and Dealer

Investec Bank plc

Dated: 28 July 2017

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

Responsibility for information in the Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

None of the Dealer, the Agents or the Trustee has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. None of the Dealer, the Agents or the Trustee accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealer, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealer, the Agents or the Trustee.

Risk warnings relating to the Base Prospectus

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or the Dealer, the Agents or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each person (an "investor") contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Dealer, the Agents or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any 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 Dealer, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Prospective investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealer, the Agents and the Trustee do not represent that this Base Prospectus 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 assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealer, the Agents or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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. Persons into whose possession this Base Prospectus or any Notes may come must

inform themselves about, and observe, any restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Guernsey and South Africa (see "*Subscription and Sale*").

IMPORTANT – EEA RETAIL INVESTORS - If the relevant Final Terms for a Tranche of Notes issued under this Programme includes a legend entitled "Prohibition of Sales to EEA Retail Investors", such Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Interpretation

All references herein to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references herein to "euro" and "€" are 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 from time to time by the Treaty on European Union and all references herein to "U.S.\$" and "U.S. dollars" are to United States dollars.

Other than as expressly defined in any other section of this Base Prospectus, terms defined in the Conditions, and the "*Summary of Provisions Relating to the Notes while in Global Form*" have the same meanings in all other sections of this Base Prospectus.

This Base Prospectus may only be used for the purposes for which it has been published.

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RISK FACTORS

Prospective investors in the Notes should read the entire Base Prospectus, including all documents incorporated by reference herein, and the Final Terms.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference) and reach their own views prior to making any investment decision.

1. **Risks related to the Issuer**

(a) ***Risks relating to the macro-environment in which Investec operates***

Market risks, business and general macro-economic conditions and fluctuations as well as volatility in the global financial markets could adversely affect Investec's business in many ways,

Investec is subject to risks arising from general macro-economic conditions in the countries in which it operates, including in particular the UK, Europe, Asia and Australia, as well as global economic conditions.

During the global financial crisis that started in mid-2008, the UK economy experienced a significant degree of turbulence and periods of recession, adversely affecting, among other things, market interest rates, levels of unemployment, the cost and availability of credit and the liquidity of the financial markets. Whilst economic indicators in the UK had started to improve, the outlook is currently very uncertain given the outcome of the referendum for the UK to leave the European Union. Since a significant portion of Investec's operating profit is derived from clients based in the UK, it is particularly exposed to the condition of the UK economy, including house prices, interest rates, levels of unemployment and consequential fluctuations in individual clients' disposable income and corporate clients' profits.

In recent years economic conditions in the other countries in which Investec operates have been negatively impacted by a number of global macroeconomic trends, including ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the potential exit of member states from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the global economy and by financial institutions in particular, and have placed strains on funding markets at times when many financial institutions had material funding needs. Any further adverse developments in the global economy could have an adverse impact on its business, results of operations, financial condition and prospects.

Within Investec's Wealth & Investment and Asset Management businesses, adverse market conditions would likely lead to a decline in the volume and value of stockbroking transactions that it executes for its clients and therefore would have a negative impact on its operating income. In addition, because the portfolio management fees that Investec charges are in many cases based on the value of those portfolios, adverse market conditions, the market downturn or any other factor, including underperformance against benchmarks and reputational damage, that reduces the value

of clients' portfolios or increases the amount of withdrawals would reduce the amount of revenue received from Investec's asset and investment management businesses and adversely affect its results of operations.

Revenues from the Specialist Banking business are also sensitive to market volatility. Deterioration in the financial markets and general economic activity has in the past affected, and will continue to affect levels of private client activity. Investec's investment banking and corporate banking income is directly related to the number and size of the transactions in which it participates and general corporate and institutional activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its results of operations. Moreover, some of the Specialist Banking income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments and, as such, revenues, returns and profitability may fluctuate, impacting Investec's results of operations. As a result of the foregoing factors, market volatility may have a material adverse effect on Investec's business results of operations, financial condition and prospects.

Investec also maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that Investec will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect investor sentiment. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in Investec incurring losses.

Social, political and economic risks outside Investec's control may adversely affect its business and results of operations

Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the performance and demand for Investec's products and services. Investec's businesses, results of operations and financial condition could be materially adversely affected by changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which Investec operates. Among others, the actions of such governments in relation to employee relations, salaries, the setting of interest rates, or in relation to exerting controls on prices, exchange rates or local and foreign investment, may adversely affect Investec's business and results of operations.

The result of the referendum held in the UK on 23 June 2016 was in favour of the UK leaving the European Union. The outcome of this referendum has led to some economic and political uncertainty and consequent market volatility. Such conditions may continue for some time and the consequences of the referendum and other subsequent political developments may affect the fiscal, monetary and regulatory landscape to which Investec is subject.

The response of governments and regulators to instability in the global financial markets may not be effective

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions

in which Investec operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact Investec's business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of role-players in the financial markets space can have unintended effects on the environment within which such role-players operate. There can be no guarantee that the governments and regulators in the jurisdictions in which Investec operates will not make policy decisions to implement reforms which increase the burdens faced by Investec in relation to compliance and reporting. This could increase the costs Investec has to devote to compliance and reporting and, in turn, could have a negative effect on Investec's financial condition and results of operations.

Government support of the finance and banking industry may have a disproportionate effect on some and an unintended effect on other participants in that industry

The actions of some governments, providing support to certain participants in the finance and banking industry (whether explicitly or implicitly), have had and will continue to have a fundamental effect on the finance and banking industry. Whether such actions have had a positive effect on the industry as a whole and/or the wider economy, there is a risk that those participants in the industry who have not received such government support, including Investec, may have been and may continue to be disadvantaged. For example, it is possible that those banks which have not received the support of governments may be perceived by potential clients as lacking stability. Such a perception may lead to a loss of clients by smaller participants in the industry, including Investec, if clients, for example, take deposits to an institution perceived to be more secure. If this were to occur, Investec's results of operations, financial condition and prospects may be adversely affected.

Failing infrastructure systems may negatively impact the economy generally and the business and results of operations of Investec

Events such as electricity supply failures, the shut-down of transport systems due to inclement weather (such as snow, flash floods, cyclones or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most role-players, including Investec, to do business. The regular occurrence of such events or timing of the occurrence of such events could have an adverse effect on Investec's operations.

Terrorist acts and other acts of war could have a negative impact on the business and results of operations of Investec

Terrorist acts, other acts of war or hostility and responses to those acts may create economic and political uncertainties, which could have a negative impact on global economic conditions generally and may directly affect the countries in which Investec operates, and more specifically the business and results of operations of Investec in ways that cannot be predicted.

Fluctuations in exchange rates could have an adverse impact on Investec's results of operations

A proportion of Investec's operations are conducted by Investec entities outside the United Kingdom. The results of operations and the financial position of Investec's individual companies are reported in the local currencies of the countries in which they are domiciled, including Euro, U.S. Dollars and Australian Dollars. These results are then translated into pounds sterling at the applicable foreign currency exchange rates for inclusion in Investec's consolidated financial statements. Investec is also subject to currency risk in respect of its trading activities, which it conducts through its Specialist Banking business, both in relation to client flows and balance sheet management.

Exchange rates between local currencies and pounds sterling have fluctuated, during recent periods. These fluctuations could have an adverse impact on Investec's results of operations.

Investec faces risks associated with interest rate levels and volatility.

Interest rates, which are impacted by factors outside of Investec's control, including the fiscal and monetary policies of the UK government and central bank, as well as UK and international political and economic conditions, affect its results of operations, profitability and return on capital in three principal areas: margins and income, cost and availability of funding and impairment levels.

In recent years, the UK has experienced historically low, sustained interest rates which has resulted in relatively low spreads being realised by Investec between the rate it pays on customer deposits and the rate received on the loans, reducing net interest income and net interest margin. Low interest rates may also reduce incentives for consumers to save and, therefore, could reduce Investec's customer deposits, its principal source of funding. Investec's business and financial performance and net interest income and margin may continue to be adversely affected by the continued low interest rate environment.

Increases in interest rates could also adversely affect Investec. In an increasing interest rate environment, it may be more exposed to re-pricing of its liabilities than competitors with higher levels of term deposits. In the event of sudden large or frequent increases in interest rates, it also may not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact Investec's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for Investec. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on Investec's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on Investec's profitability.

If Investec is unable to manage its exposure to interest rate volatility, whether through hedging, product pricing or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

Investec faces risks related to volatility in the value of UK real estate.

UK house prices influence the value of Investec's mortgage portfolio. A decline in house prices in the UK could lead to a reduction in the recovery value of real estate assets held as collateral in the event of a customer default, and could lead to higher impairment losses, which could reduce Investec's capital and profitability as well as its ability to engage in lending and other income-generating activities. A significant increase in house prices over a short period of time could also have a negative impact on Investec by reducing the affordability of homes for buyers, which could lead to a reduction in demand for new mortgages. Sustained volatility in house prices could also discourage potential homebuyers from committing to a purchase, thereby limiting Investec's ability to grow its mortgage portfolio.

In addition, Investec's mortgage portfolio is concentrated in London and surrounding areas. Investec has benefited from the fact that in London, prime residential property has been regarded as a preferred outlet for international capital, and residential property price growth has been largely sustained in recent years, in part due to continued growth in the buy-to-let market. Residential property prices in the South East of England generally also have been more resilient to macroeconomic pressures compared to other regions of the UK. However, there can be no assurance that real estate price growth will continue in these areas.

The UK government's intervention into the housing market, both directly through buyer assistance schemes and indirectly through the provision of liquidity to the banking sector under the Bank of England and HM Treasury's Funding for Lending scheme ("FLS"), may also contribute to volatility in house prices. This could occur, for example, as a result of any sudden end to buyer assistance schemes in the future, which could lead to a decrease in house prices, or due to their continuation, which would maintain excess funding liquidity in the mortgage market which has supported a low mortgage interest rate environment, and which could lead to inflation in house prices. The impact of these and any other initiatives on the UK housing market and other regulatory changes or UK Government programmes is difficult to predict. Volatility in the UK housing market occurring as a result of these changes, or for any other reason, could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

(b) ***Risks relating to Investec***

Risks relating to Investec's Wealth & Investment and Asset Management businesses

Poor investment performance relative to competitors and applicable benchmarks or a deterioration in Investec's Wealth & Investment and Asset Management services could lead to a loss of assets under management and a decline in operating profit.

The success of relevant investment strategies ("**investment performance**") is an important factor for the maintenance and growth of assets under management across the Investec's Wealth & Investment and Asset Management businesses. If Investec's Wealth & Investment and Asset Management businesses were to experience poor investment performance over a prolonged period, affected clients (or clients generally) might decide to reduce their investments or withdraw funds altogether in favour of better performing services or competing investment managers, which would lead to a direct reduction in the level of Investec's assets under management and, as a result, lower fee and commission income. Furthermore, during a period of significant poor investment performance, Investec's reputation and brand, which have in part been built around its strong investment performance, may deteriorate. As a result, its ability to attract funds from existing and new clients might diminish, particularly given the competitive nature of the wealth and asset management markets.

In addition to investment performance, the directors believe that the quality of the services it delivers and the relationships it develops with clients are among the key factors for the maintenance and growth of its assets under management. Investec's investment managers are central to its relationships with its clients and play a key role in enabling Investec's Wealth & Investment business to earn the long-term trust of its client base. However, client complaints regarding dissatisfaction with the services they receive from their investment managers or Investec generally, including in relation to general administration of their investments, could ultimately lead to the withdrawal of client investments and a reduction in the Bank's assets under management.

The occurrence of any of the foregoing could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Investec's Wealth & Investment and Asset Management businesses may lose clients or may experience withdrawals of assets under management at short or no notice, which

would result in the loss of assets under management and lower fee and commission income.

The Bank's arrangements with its Wealth & Investment and Asset Management clients are generally terminable without cause and at any time without notice. Clients may decide to withdraw a portion or all of the assets managed by Investec, or transfer their investments to another provider of wealth and asset management services, for various reasons. A reduction in the value of assets under management would lead to an immediate impact on Investec's fee and commission income and therefore on operating profit. Significant withdrawals of assets under management or transfers of client assets could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Changes in distribution trends, in particular in relation to financial advisers, may have a material adverse effect on Investec's Wealth & Investment business.

Financial intermediaries are one of the distribution channels for the Wealth & Investment business. In particular, it relies on independent financial advisers, who may retain responsibility for specific aspects of the overall service provided to the client, such as the recording of "know your customer" information and the suitability of the investment mandate. Although Investec has undertaken various steps to expand and deepen its financial adviser relationships and networks, there can be no assurance that its efforts will be successful. In particular, many of Investec's competitors are working to expand and deepen their own financial adviser relationships and networks. As competition expands among wealth management firms for business from financial adviser introductions, Investec may be unable to maintain its key financial adviser relationships or grow the amount of new business it generates from financial adviser introductions.

Changes in distribution trends may also lead to the emergence of new competitors. For example, the increasing popularity of internet investing systems and platforms in recent years has led to the growth of investment managers offering simplified investment management services to the mass affluent investor market, often targeting self-directed investors. In recent years, this trend towards self-directed investments in certain segments of the market has intensified. In many cases, investment managers have focused their services on the development of low-cost, simplified investment models in order to target this segment of the investor market. Although Investec is investing in a digital distribution channel, as internet platforms and similar distribution channels become more prevalent, there can be no assurance that its clients will not transfer their investments to these types of investment management firms, or that it will be able to successfully compete with them for new clients.

A loss of Investec's relationships with particular intermediaries, or the emergence of competitors through new or developing distribution channels, could result in a reduction its assets under management and could have a material adverse effect on its business, results of operations, financial condition and prospects.

The wealth management and asset management industries in which Investec operates are intensely competitive.

Within the Wealth & Investment business, Investec's principal competitors are international and UK based wealth management firms, for example Rathbones, Brewin Dolphin, Cazenove, Quilter Cheviot, Smith & Williamson and Charles Stanley, along with certain private banks. It also competes with trust and fiduciary companies. Some of these competitors have proprietary products and distribution channels that make it more difficult for Investec to compete with them. In addition, the wealth management industry has experienced periods of significant consolidation as numerous wealth management firms have either been acquired by other financial services firms or ceased operations. Furthermore, a number of entrants, including commercial banks and foreign entities, have made investments in and acquired wealth management firms.

Investec's principal competitors in its Asset Management business are Aberdeen Asset Management, Henderson Global Investors and Schroders Investment Management.

If clients and potential clients decide to use the services of competitors, this could result in growth in assets under management slowing or in net client outflows. Any of the foregoing factors could have a material adverse effect on the Bank's business, results of operations, financial condition and prospects.

Risks relating to the Specialist Banking business

Investec is subject to risks concerning customer and counterparty credit quality.

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable to unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Bank has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received;
- Trading transactions, giving risk to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

Investec's credit risk arises primarily in relation to its Specialist Banking business, through which it offers products such as private client mortgages and specialised lending to high income professionals and high net worth individuals and a range of lending products to corporate clients, including corporate loans, asset based lending, fund finance, asset finance, acquisition finance, power and infrastructure finance, resource finance and corporate debt securities. Within its Wealth & Investment business, Investec is subject to relatively limited settlement risk which can arise due to undertaking transactions in an agency capacity on behalf of clients.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, Investec makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. Investec may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite Investec having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on Investec's business, results of operations, financial condition and prospects.

Concentration of credit risk could increase Investec's potential for significant losses.

Investec is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While Investec's loan book remains well diversified, geographical concentration in its loan book may pose risks. In the event of a disruption to the credit markets in the geographies in which Investec operates (particularly the UK) or the emergence of adverse economic conditions in any of those geographies, including in relation to interest rates and unemployment levels, this concentration of credit risk could cause Investec to experience greater losses than its competitors. While Investec regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

Investec is subject to liquidity risk, which may impair its ability to fund its operations.

Liquidity risk is the risk that Investec has insufficient capacity to fund increases in its assets, or that it is unable to meet its payment obligations as they fall due, including in periods of stress, without incurring unacceptable losses. This includes repaying depositors and repayments of wholesale debt. This risk is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events. Liquidity risk can be further broken down into:

- Funding liquidity, which relates to the risk that Investec will be unable to meet current and/or future cash flow or collateral requirements in the normal course of its business and periods of stress, without adversely affecting its financial position or reputation; and
- Market liquidity, which relates to the risk that Investec may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

Sources of liquidity risk include:

- Unforeseen withdrawals of deposits;
- Restricted access to new funding with appropriate maturity and interest rate characteristics;
- Inability to liquidate a marketable asset in a timely manner with minimal risk of capital loss;
- Increased demand for loans in the absence of corresponding funding inflows of appropriate maturity; and
- Contingent obligations

Investec relies on its private client base as the principal source of stable and well diversified funding for its risk assets. Its primary source of funding is customer deposits. Growth in its lending activities will therefore depend in part on the availability of customer deposit funding on acceptable terms, for which there may be increased competition, which is dependent on a variety of factors outside Investec's control. These factors include general macro-economic conditions and market volatility and confidence of retail depositors in the economy. Increases in the cost of customer deposit funding will adversely affect its net interest margin and a lack of availability of customer deposit funding could have a material adverse effect on Investec's growth.

While Investec does not currently rely heavily on wholesale funding (i.e. borrowing from other banks and financial institutions), it may need to access wholesale markets where there is a residual funding requirement over and above funds held from customer deposits. If the wholesale funding markets were to be fully or partially closed, it is likely

that wholesale funding would prove more difficult to obtain on commercial terms, which could have a material adverse effect on Investec's growth. Significant curtailments of central bank liquidity to the financial markets in connection with other market stresses might also have a material adverse effect on Investec's financial position depending on its liquidity position at that time.

The Capital Requirements Directive IV 2013/36/EU (as implemented in the UK through applicable regulatory rules which will be set out in the PRA Rulebook and other PRA publications) and the Capital Requirements Regulation (EU) No 575/2013 ("**CRR**" and together "**CRD IV**") requires Investec to meet targets set for the Basel III liquidity related ratios. These include the liquidity coverage ratio ("**LCR**"), which requires banks to have sufficient high quality liquid assets to withstand a 30-day stressed funding scenario, and the net stable funding ratio ("**NSFR**"), which is a long-term structural ratio designed to address liquidity mismatches. As at 31 March 2017, the Investec's LCR ratio is in excess of the PRA regulatory requirements and the NSFR ratio is within the CRD IV requirements that will apply from 1 January 2018.. Any failure to manage its liquidity position or to meet the LCR and NSFR requirements could have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Investec may have insufficient capital in the future and may be unable to secure additional financing when it is required.

The prudential regulatory capital and liquidity requirements applicable to banks have increased significantly over the last decade, largely in response to the financial crisis that commenced in 2008 but also as a result of continuing work undertaken by regulatory bodies in the financial sector subject to certain global and national mandates. These prudential requirements are likely to increase further in the short term, not least in connection with ongoing implementation issues, and it is possible that further regulatory changes may be implemented in this area in any event.

The prudential regulatory capital and liquidity requirements to which Investec is subject are primarily set out in CRD IV. The manner in which CRD IV requirements are implemented may change, including as a result of binding regulatory or implementing technical standards or guidance developed by the European Banking Authority (the "**EBA**") being adopted by the European Commission (the "**EC**"). In addition, in November 2016 the EC proposed a number of revisions to CRDIV, in line with developments in the global standards of the Basel Committee on Banking Supervision. The new rules are expected to apply to Investec two years after the date of their entry in the Official Journal. Investec continues to be subject to substantial and changing prudential regulations, including requirements to maintain adequate capital resources and to satisfy specified capital ratios.

Investec sets its internal target amount of capital and liquidity based on an assessment of its risk profile, market expectations and regulatory requirements in relation to both capital and liquidity. Investec may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risks described in this document. If, for example, market expectations as to capital levels increase, driven by, for example, the capital levels or targets among peer banks, or if new regulatory requirements are introduced, Investec may experience pressure to increase its capital ratios.

As at 31 March 2017, the Issuer's common equity tier 1 capital ratio was 10.9% and its total capital adequacy ratio was 14.6%. These ratios incorporate the deduction of foreseeable dividends as required by the CRR and EBA technical standards. Excluding this deduction, the common equity tier 1 ratio would be 0.45% higher. Investec intends to continue to hold capital in excess of regulatory requirements to ensure that it remains well capitalised in a vastly changing banking environment. If Investec fails to meet its minimum regulatory capital or liquidity requirements, it may be subject to administrative actions or sanctions. In addition, a shortage of capital or liquidity could affect Investec's ability to pay liabilities as they fall due, pay future dividends and distributions, and could affect the implementation of its business strategy, impacting future growth potential. If,

in response to any capital shortage, Investec raises additional capital through the issuance of share capital or capital instruments, shareholders may experience a dilution of their holdings or reduced profitability and returns. Any inability of Investec to maintain its regulatory capital or liquidity requirements, or any legislative changes that limit its ability to manage its capital effectively may have a material adverse effect on Investec's business, results of operations, financial condition and prospects.

Investec's business performance could be affected if its capital resources and liquidity are not managed effectively

Investec's capital and liquidity is critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. Investec mitigates capital and liquidity risk by careful management of its balance sheet through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying its funding sources. Investec is required by regulators in jurisdictions in which it undertakes regulated activities, to maintain adequate capital and liquidity. The maintenance of adequate capital and liquidity is also necessary for Investec's financial flexibility in the face of any turbulence and uncertainty in the global economy.

Extreme and unanticipated market circumstances may cause exceptional changes in Investec's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liability, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit Investec's ability effectively to manage its capital resources could have a material adverse impact on Investec's profitability and results. If such exceptional changes persist, Investec may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance its businesses or services, take advantage of business opportunities or respond to competitive pressures.

The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.

The Issuer is a holding company that currently has no significant assets other than its investment in its principal subsidiaries, namely Investec Bank plc and Investec Asset Management Ltd. As a holder of ordinary shares in such subsidiaries, the Issuer's right to participate in the assets of any of them if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders (if any), except in the limited circumstance where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of other of the subsidiary's creditors and/or preference shareholders against such subsidiary. Accordingly, if any of the Issuer's subsidiaries were to be wound up, liquidated or dissolved, (i) the holders of the Notes would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of its creditors, including holders (which may include the Issuer) of preference shares and any other Tier 1 capital instruments, before the Issuer, to the extent it is as an ordinary shareholder such subsidiary, would be entitled to receive any distributions from such subsidiary.

Investec's borrowing costs and access to the debt capital markets depend significantly on its credit ratings

Rating agencies, which determine Investec's own credit ratings and thereby influence Investec's cost of funds, take into consideration management effectiveness and the success of Investec's risk management processes. Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry or have altered the credit ratings of Investec or

instruments issued by Investec specifically. A reduction in Investec's long- or short-term credit ratings could increase its borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Any further changes in the credit ratings of Investec could negatively impact the volume and pricing of Investec's funding, which could in turn have a material adverse effect on its business, results of operations, financial condition and prospects.

Certain financial instruments are recorded at fair value under relevant accounting rules. To determine fair value, Investec uses financial models which require it to make certain assumptions and judgements and estimates which may change over time

Under IFRS, Investec is required to carry certain financial instruments on its balance sheet at fair value, including, among others, trading assets (which include certain retained interests in loans that have been securitised), available-for-sale securities and derivatives. Generally, in order to establish the fair value of these instruments, Investec relies on quoted market prices or internal valuation models that utilise observable market data. In certain circumstances and over the last year in particular, however, the ability of Investec and other financial institutions to establish fair values has been influenced by the lack of readily available observable market prices and data and the fact that the availability or reliability of such information has diminished due to market conditions. Furthermore, in common with other financial institutions, Investec's processes and procedures governing internal valuation models are complex and require Investec to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent Investec's assumptions, judgements or estimates change over time in response to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on Investec's balance sheet could have a material adverse effect on Investec's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets classified as held-to-maturity are carried at cost (less provisions for permanent impairment) while trading assets are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon the purpose for which they are held and different financial institutions may classify the same instrument differently. In addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments.

Accordingly, Investec's carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments.

Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on Investec's financial condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which Investec believes it could ultimately be realised.

Investec may be vulnerable to the failure of its operating systems and breaches of its security systems

Investec relies on the proper functioning of its information and operating systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business continuity planning. Any significant degradation, failure or lack of capacity of Investec's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations, financial condition and prospects or could give rise to adverse regulatory and reputational consequences for Investec's business.

The secure transmission of confidential information is a critical element of Investec's operations. Investec's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, Investec is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. For example, Investec is exposed to potential losses due to breaches of its terms of business by its customers (e.g., through the use of a false identity to open an account) or by customers engaging in fraudulent activities, including the improper use of legitimate customer accounts. There also can be no assurance that the Investec's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt its operations. Investec cannot be certain that its existing security measures will prevent security breaches, including break-ins, viruses or disruptions. Persons that circumvent the security measures could use Investec or its clients' confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

Investec's future success will depend in part on its ability to respond to changing technologies and demands of the market place. Investec's failure to upgrade its information and communications systems on a time or cost-effective basis could have a material adverse effect on its business, financial condition, results of operations and prospects and could damage its relationships with its clients and counterparties.

Investec may be adversely affected if its reputation is harmed

Investec is subject to the risk of loss due to customer or staff misconduct. Investec's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to Investec.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. Investec's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from Investec, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. Investec has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

Investec's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures

Investec has devoted significant resources to developing its risk management policies and procedures, particularly in connection with credit, liquidity, market and other banking risks, and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of Investec's methods of

managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which Investec operates, its clients or other matters that are publicly available or otherwise accessible by Investec. This information may not be accurate in all cases, complete, up-to-date or properly evaluated. Any failure of Investec's risk management techniques may have a material adverse effect on its results of operations and financial condition.

Operational risk may disrupt Investec's business or result in regulatory action

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of Investec's suppliers or counterparties. Although Investec has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by Investec. Notwithstanding anything contained in this risk factor, it should not be taken as implying that Investec will be unable to comply with its regulatory obligations. Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on Investec's results of operations, reputation and financial condition.

The financial services industry in which Investec operates is intensely competitive

The financial services industry is intensely competitive and Investec faces substantial competition in all aspects of its Specialist Banking business. Given that its activities are focused on niche areas within the banking industry, the Specialist Banking business does not have any peers that have a directly comparable business model. However, it faces competition within these areas from large high street banks such as HSBC, Barclays, NatWest, Santander, RBS and Lloyds, as well as providers of private banking for the ultra-high net worth market, including Goldman Sachs, Macquarie, Coutts, JPMorgan, Cater Allen, Credit Suisse and UBS. These banks may have greater resources, broader product offerings and more extensive distribution networks than Investec. Investec also faces competition in the UK from new entrants to the market, including from banking businesses developed by large non-financial companies, such as Tesco and Virgin Money, or from new entrants such as Aldermore and MetroBank. Increasing pressure faced by Investec from these banks, as well as mainstream banks returning to the market, has adversely affected its margins. If Investec is unable to manage this competition, its ability to retain its clients and continue to attract deposits may be compromised, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

Investec may be unable to recruit, retain and motivate key personnel

The group's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by Investec for a substantial period of time and have developed with the business. In addition, while the group is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the group's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the group's business. Investec's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers.

Investec may be exposed to pension risk.

Pension risk arises from obligations arising from defined benefit pension schemes, where Investec is required to fund any deficit in the schemes. There are two defined benefit pension schemes within Investec and both are closed to new business. Pension risk arises if the net present value of future cash outflows is greater than the current value of the asset pool set aside to cover those payments. The primary sources of pension risk include:

- A mismatch in the duration of the assets relative to the liabilities of the pension schemes;
- Market-driven asset price volatility; and
- Increased life expectancy of individuals leading to increased liabilities.

As a result of these factors, Investec faces the risk that the funding position of the schemes will deteriorate to such an extent that it would may be required to make additional contributions above what is already planned to cover its pension obligations. Any failure by Investec to manage its pension deficit could have a material adverse effect on its business, results of operations, financial condition and prospects.

Investec is subject to conduct risk, including the risk that it treats its customers unfairly and delivers inappropriate outcomes and the risk of conducting itself negatively in the market.

Investec is exposed to conduct risk, including retail conduct risk and wholesale conduct risk. Retail conduct risk is the risk that Investec treats its customers unfairly and delivers inappropriate outcomes. Wholesale conduct risk is the risk of conducting itself negatively in the market. Certain aspects of Investec's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner. If Investec fails to comply with any relevant laws or regulations, it may suffer reputational damage and may become subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities.

Changes in laws or regulations may also vastly change the requirements applicable to Investec in a short period of time and/or without transitional arrangements. In particular, in the UK, the FCA released on 10 June 2014 a new policy statement PS14/9: Review of the client assets regime for investment business (the "**Policy Statement**"), which makes changes to the rules in the Client Assets sourcebook ("**CASS**") which came into effect in three stages over the 18 months following the release. The changes to the CASS regime included revisions to client money rules for investment firms and substantial amendments to the custody rules. These changes have resulted in additional costs for Investec in order to achieve compliance with the new regime. The introduction of the Foreign Account Tax Compliance Act ("**FATCA**") by the US Internal Revenue Service in 2010 has also resulted in additional costs for Investec. If Investec is unable to manage any of the foregoing risks, its business, results of operations, financial condition and prospects could be materially adversely affected.

(c) ***Risks relating to Investec's fiscal, legal and regulatory compliance***

Legal and regulatory risks are substantial in Investec's businesses

Substantial legal liability or a significant regulatory action against Investec could have a material adverse effect or cause significant reputational harm to Investec, which, in turn, could seriously harm Investec's business prospects and have an adverse effect on its results of operations and financial condition.

Legal liability

Investec faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading

statements made in connection with the sale of securities and other transactions, potential liability for advice Investec provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. Investec also faces the possibility that counterparties in complex or risky trading transactions will claim that Investec improperly failed to inform them of the risks or that they were not authorised or permitted to enter into these transactions with Investec and that their obligations to Investec are not enforceable.

In those parts of Investec's business that are focused on the provision of portfolio management and stockbroking services, Investec is exposed to claims that it has recommended investments that are inconsistent with a client's investment objectives or that it has engaged in unauthorised or excessive trading, including in connection with split capital investment trusts. Investec is also exposed to claims from dissatisfied customers as part of the increased trend of performance-related litigation, for example, in association with its operations relating to the provision of wealth management advice. Investec may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on Investec's results of operations and financial condition.

These issues require Investec to deal appropriately with, inter alia, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to Investec, with an increase in the number of litigation claims and the amount of damages asserted against Investec, or subject Investec to regulatory enforcement actions, fines, penalties or reputational damage.

Future changes in the legal and regulatory environment may mean that the DLC structure will no longer be viable

The Investec Group's DLC structure (as more fully described under "*Information about the Issuer*") has been developed on the basis of existing law and policies of regulatory authorities in the UK and South Africa. Changes to the laws or policies (including changes in tax law or policy) related to the DLC structure may result in the DLC structure no longer being viable, which may affect the ability of Investec's operations to continue in their current form and may affect Investec's results in the future.

Applicable Bank Resolution Powers

The Issuer, as the parent company of a UK bank (Investec Bank plc), is subject to the Banking Act 2009 (the "**Banking Act**") which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the Prudential Regulatory Authority and the United Kingdom Financial Conduct Authority (each a "**relevant Authority**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. The Banking Act implements the provisions of Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include Notes issued by the Issuer under the Programme), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of

the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

The powers granted to the relevant Authority include (but are not limited to) a "write-down and conversion of capital instruments" power and a "bail-in" power.

The write-down and conversion of capital instruments power may be used where the relevant Authority has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments is required (however the use of the write-down power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down effected using this power must reflect the insolvency priority of the written-down claims – thus common equity must be written off in full before subordinated debt is affected. Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard.

The bail-in power gives the relevant Authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be amounts payable under the Notes) into another security, including ordinary shares of the surviving entity, if any. The Banking Act requires the relevant Authority to apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant Authority must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims (which may include the Notes).

Although the exercise of bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the relevant Authority would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Notes). Moreover, as the relevant Authority may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities.

As well as a "write-down and conversion of capital instruments" power and a "bail-in" power, the powers of the relevant Authority under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The European Commission has published a proposal for two Directives amending the BRRD, including amendments to ensure that certain additional instruments could be written down or converted into equity where the resolution group entity (which itself is

not a resolution entity) that issues them reaches the point of non-viability, as well as amendments to give the relevant Authority the power to suspend payments including when this is needed for the effective application of one or more resolution tools. The proposed Directives have not yet been adopted so the final text of the Directives may still change.

The exercise by the relevant Authority of any of the above powers under the Banking Act (including especially the bail-in power) could lead to the holders of the Notes losing some or all of their investment. Moreover, trading behaviour in relation to the securities of the Issuer (including the Notes), including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, the Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Notes, the market value of an investment in the Notes and/or the Issuer's ability to satisfy its obligations under the Notes.

Although the BRRD also makes provisions for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant Authority has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Notes will benefit from such support even if it were provided.

Financial Services Compensation Scheme

The UK Financial Services Compensation Scheme ("FSCS"), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable, or is likely to be unable, to pay claims against it.

The FSCS raises annual levies from participating members to meet its management expenses and compensation costs. Individual participating members make payments based on their level of participation (in the case of deposits, the proportion that their protected deposits represent of total protected deposits) at 31 December of the year preceding the scheme year.

Following the default of a number of deposit takers in 2008, the FSCS borrowed from HM Treasury to fund the compensation costs for customers of those firms. Although the majority of this loan is expected to be repaid from funds the FSCS receives from asset sales, surplus cash flow or other recoveries in relation to the assets of the firms that defaulted, any shortfall will be funded by deposit-taking participants of the FSCS.

Investec Bank plc is a participating member of the FSCS and the bank accrues for its share of levies that will be raised by the FSCS. The accrual is based on the annual invoice from the FSCS which currently includes the capital repayments for the loan based on the level of the bank's market participation in the relevant periods. Interest will continue to accrue to the FSCS on the HM Treasury loan and will form part of future FSCS levies.

At the date of this Base Prospectus, it is not possible to estimate whether there will ultimately be additional levies on the industry, the level of Investec's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

Other regulatory risks

Investec is subject to extensive regulation by governmental and other regulatory organisations in the jurisdictions in which it operates around the world, including, in particular, the FCA in the UK.

In addition, Investec is subject to extensive and increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which it operates. The requirements imposed by Investec's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with Investec.

In addition, new laws are introduced and existing laws are amended from time to time, including tax, consumer protection, privacy and other legislation, which affect the environment in which Investec operates. Governmental policies and regulatory changes in the other areas which could affect Investec, include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which Investec operates or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy and liquidity framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- further developments in the corporate governance, conduct of business and employee compensation environments;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political or diplomatic developments or legal uncertainty which, in turn, may affect demand for Investec's products and services.

Consequently, changes in these governmental policies and regulation may limit Investec's activities, which could have an adverse effect on Investec's results. It is widely expected that as a result of recent interventions by governments in response to global economic conditions, there will be a substantial increase in government regulation and supervision of the financial services industry, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. If enacted, such new regulations could significantly impact the profitability and results of firms operating within the financial services industry, including Investec, or could require those affected to enter into business transactions that are not otherwise part of their preferred strategies, prevent the continuation of current lines of operations, restrict the type or volume of transactions which may be entered into or set limits on, or require the modification of, rates or fees that may be charged on certain loan or other products. Such new regulations may also result in increased compliance costs and limitations on the ability of Investec or others within the financial services industry to pursue business opportunities.

Further changes to the regulatory requirements applicable to Investec, in particular in the UK, whether resulting from recent events in the credit markets or otherwise, could materially affect its business, the products and services it offers and the value of its assets.

(d) ***Tax related risks***

Investec is subject to the substance and interpretation of tax laws in all countries in which it operates. A number of double taxation agreements entered into between countries also affect the taxation of Investec.

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for not complying as required with tax laws. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of Investec. Revisions to tax legislation or to its interpretation might also affect Investec's results in the future.

2. **Risks related to the structure of the Notes**

(e) ***Interest rate risks***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

(f) ***Notes issued at a substantial discount or premium***

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

(g) ***Discretion of Calculation Agent***

If a Calculation Agent is appointed in respect of a Series of Notes, the Calculation Agent will have the sole discretion to determine (i) in respect of Floating Rate Notes, the rate of interest (ii) whether a Hedging Event has occurred in respect of the Notes and (iii) if specified as the early redemption amount in respect of the Notes, the Fair Market Value of the Notes..

Accordingly, if the Calculation Agent fails to perform (if required) any of its duties or commits any errors or omissions when carrying out any such duties, **the return on the Notes may be adversely affected and may be less than it might otherwise have been.**

Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Trustee and the holders of the relevant Notes.

The Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes. Accordingly, certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.

3. **Risks related to the Early Redemption of the Notes**

(a) ***Risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events or following an Event of Default.

Early redemption may result in Noteholders receiving a lower return on investment and in some circumstances may result in a loss of part or all of their investment. Prospective investors should consider reinvestment risk in light of other investments available at that time.

If the applicable Final Terms specifies that the early redemption amount or optional early redemption amount of each Note will be the fair market value of that Note, then

such early redemption amount shall be such Note's *pro rata* share of an amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption with reference to the existing market factors as the Calculation Agent considers appropriate, adjusted to account fully for any reasonable expenses and costs of the Issuer of unwinding, liquidating, obtaining or re-establishing any underlying and/or related hedging, trading positions and funding arrangements. **Such fair market value may be less than the amount originally invested by the investor.**

(b) *Notes subject to optional early redemption*

An optional early redemption feature in favour of the Issuer of Notes (call option) is likely to limit their market value. During any period when the 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. Noteholders should note that a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.

If the applicable Final Terms specifies that an Issuer Call Option is applicable then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or at their fair market value or another amount, as specified in the applicable Final Terms.

The Issuer may be expected to exercise its call option and 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. Prospective investors should consider reinvestment risk in light of other investments available at that time.

4. **Risks related to Legal Framework of Notes**

(a) *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling meetings to consider matters generally affecting the interests of Noteholders. Defined majorities are capable of binding all Noteholders with respect to matters considered at such meetings, including Noteholders who did not attend or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders or (iii) the substitution of a company other than the Issuer as principal debtor under any Notes provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.

(b) *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 definitive Notes 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.

(c) ***Change of law***

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes may be varied, which may result in an investment in any Notes becoming less advantageous.

5. **Risks related to the Market generally**

(a) ***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. Illiquidity may have a severely adverse effect on the market value of Notes.

Accordingly, 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.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, commissions paid by the Issuer or the Dealer and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained. **Accordingly, investors may not be able to sell their Notes prior to maturity.**

(b) ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes 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 (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) 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. **As a result,**

investors may receive less interest or principal than expected, or no interest or principal.

(c) ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above or 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 or withdrawn by the rating agency at any time. **Accordingly, an investor may suffer losses if the credit rating assigned to any Notes does not reflect the true creditworthiness of such Notes.**

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by such ratings. **A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Notes.**

OVERVIEW

This overview is as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any information incorporated by reference.

Words and expressions defined in "Terms and Conditions of the Notes" and "Summary of Provisions relating to the Notes while in Global Form" below shall have the same meaning when used in this description.

Issuer:

Investec plc

The Issuer was a private limited company with limited liability incorporated on 17 September 1998 under the Companies Act 1985 and registered in England and Wales under registered number 03633621 with the name Regatta Services Limited. Since then it has undergone a change of name to Investec Limited on 24 November 2000, and re-registered as a public limited company under the name of Investec plc on 7 December 2000. It is currently incorporated under the name Investec plc.

The Issuer is part of an international banking group with operations in two principal markets: the United Kingdom and South Africa.

The Issuer is the holding company of its corporate group, whose business consists of 'Wealth & Investment and Specialist Banking'. For more information, see 'Information about the Issuer'.

Risk Factors:

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in the sections headed "*Risk Factors*" on pages 1 to 22 above and include the following:

Risks related to the Issuer: The value of the Notes may be affected by, *inter alia*, the ability of the Issuer to meet its obligations under the Notes.

Risks related to the Early Redemption of the Notes. In certain circumstances the Notes may redeem early and in such event the redemption proceeds received by Noteholders may be less than the amount invested by such Noteholders.

Risks relating to the Legal Framework of the Notes: The value of the Notes may be affected by, *inter alia*, the occurrence of certain tax events or a change of law.

Risks related to the Market generally: There may be no secondary market in the Notes. Investors with financial activities denominated predominantly in a currency other than the Specified Currency will be exposed to exchange rate risks. Any credit rating assigned to the Notes may affect the market value of such Notes and may not reflect all risks in respect of such Notes.

Description:

£1,000,000,000 Euro Medium Term Note Programme

Size:

Up to £1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.

Arranger and Dealer:	Investec Bank plc
	The Issuer may from time to time appoint dealers in respect of one or more Tranches. References in this Base Prospectus to " Dealers " are to such persons that are appointed as dealers in respect of one or more Tranches.
Trustee:	Deutsche Trustee Company Limited
Issuing and Paying Agent:	Deutsche Bank AG, London Branch
Registrar in respect of the Registered Notes:	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the " Final Terms ").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	The Notes may be issued in bearer form only (" Bearer Notes ") in bearer form exchangeable for Registered Notes (" Exchangeable Bearer Notes ") or in registered form only (" Registered Notes "). Registered Notes will not be exchangeable for Bearer Notes. Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in " Selling Restrictions " below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as " Global Certificates ".
Clearing Systems:	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and any relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the relevant Global Note is a New Global Note " NGN " or the relevant Global Certificate is to be held under the New Safekeeping Structure (" NSS "), the Global Note or the Global Certificate, as the case may be, will be delivered to a Common Safekeeper and registered in the name of such Common Safekeeper (or its

nominee) for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the relevant Global Certificate is not intended to be held under the NSS, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and any relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and any relevant Dealer.

Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years.

Any Notes having a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only 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 or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer.

Specified Denomination: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note (i) will not be less than €100,000 (or its equivalent in any other currency) and (ii) will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

If the Notes are issued in the form of a temporary Global Note which is exchangeable for definitive Bearer Notes, the Notes shall be issued only in denominations which are integral multiples of the lowest Specified Denomination.

Fixed Rate Notes: Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows:

(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 2006 ISDA Definitions or 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or

(ii) by reference to LIBOR or EURIBOR (as may be specified in the relevant Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.

Redemption:

The relevant Final Terms will specify the basis for calculating the redemption amounts payable.

Redemption by Instalments:

The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Optional Redemption:

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Status of Notes:

The Notes will constitute unsubordinated and unsecured obligations of the Issuer as described in "*Terms and Conditions of the Notes – Status*".

Negative Pledge:

Not applicable.

Cross Default:

Not applicable.

Ratings:

Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption:

Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons or upon the occurrence of a hedging disruption. See "*Terms and Conditions of the Notes – Redemption, Purchase and Options*".

Withholding Tax:

All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes imposed by the United Kingdom, unless required by law. In the event that any such withholding or deduction is made, the Issuer will be required to pay additional amounts, subject to customary exceptions.

Governing Law:

English.

Listing and Admission to Trading:

Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market

of the London Stock Exchange.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, Guernsey, the United Kingdom and South Africa, see "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

Bearer Notes that have a maturity of more than one year will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("**TEFRA D**") unless (i) the relevant Final Terms states that "**TEFRA C**" is applicable, in which case the Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

DOCUMENTS INCORPORATED BY REFERENCE

Presentation of financial information

The Issuer (i.e. Investec plc) and Investec Limited are two separate legal entities which together constitute the Investec Group and operate under a dual listed companies ("**DLC**") structure. The effect of the DLC structure is that the Issuer and its subsidiaries and Investec Limited and its subsidiaries operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS. Combined financial statements have been prepared on this basis. These combined financial statements are prepared in accordance with IFRS and are contained in the Investec Group's "integrated" annual reports, together with the unconsolidated balance sheet of the Issuer only, prepared in accordance with Financial Reporting Standard 101 under UK generally accepted accounting principles ("**UK GAAP**").

The Issuer also prepares consolidated financial statements to present the financial position and results of Investec plc and its subsidiaries alone as if the contractual arrangements which create the DLC structure did not exist. These financial statements are referred to below as the consolidated financial statements and accounts "of the Issuer" and are contained in a separate annual report that is called the "Investec plc silo" annual report, in contrast to the Investec Group integrated annual report.

The unconsolidated financial information contained at pages 261-269 of the Investec silo annual report and accounts for the year ended 31 March 2017 and pages 237-243 of the Investec silo annual report and accounts for the year ended 31 March 2016 and the unconsolidated financial information of the Issuer contained at pages 132-141 of the Investec Group's integrated annual report for the year ended 31 March 2017 and pages 132-139 of the Investec Group's integrated annual report for the year ended 31 March 2016 are prepared in accordance with UK GAAP.

References in the consolidated financial statements and accounts of the Issuer to the "group", are to Investec plc and its subsidiaries and references in the Investec Group's integrated annual reports to the "group" are to the Investec Group.

Further information about the Investec Group and the DLC structure that the Issuer operates under together with Investec Limited is to be found in the section entitled "Information about the Issuer". It should, however, be noted that the Notes are obligations solely of Investec plc and are not in any way guaranteed by Investec Limited or any other entity.

Incorporation by reference

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Base Prospectus:

- (i) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2017 (i.e. the Investec plc silo annual report and accounts);
- (ii) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2016 (i.e. the Investec plc silo annual report and accounts);
- (iii) volume three (entitled "Annual Financial Statements") of the Investec Group's integrated annual report for the year ended 31 March 2017 containing combined financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information;
- (iv) volume three (entitled "Annual Financial Statements") of the Investec Group's integrated annual report for the year ended 31 March 2016 containing combined financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information;

- (v) the terms and conditions set out on pages 25 to 46 of the prospectus dated 30 March 2016 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2016 Conditions**");
- (vi) the terms and conditions set out on pages 26 to 46 of the prospectus dated 19 March 2015 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2015 Conditions**"); and
- (vii) the terms and conditions set out on pages 28 to 48 of the prospectus dated 6 February 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2014 Conditions**");

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The documents incorporated by reference in this Base Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents shall not form part of this Base Prospectus. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from (i) the registered office of the Issuer and from the specified offices of the Issuing and Paying Agent and (ii) in the case of the Investec Group's integrated annual reports, the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>, and, in the case of the Issuer's annual reports and accounts and interim financial statements, <http://www.investec.co.uk/about-investec/investor-relations/financial-information/silo-entities-and-subsidiary-accounts.html>.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare and publish a supplement to this Base Prospectus or prepare and publish a new base prospectus for use in connection with any subsequent issue of Notes.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the "**Terms and Conditions**" or the "**Conditions**") that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are constituted by a Trust Deed dated 6 February 2014 and most recently amended and restated on or about 28 July 2017 (as amended, restated, modified or supplemented as at the date of issue of the Notes (the "**Issue Date**") or from time to time) (the "**Trust Deed**") between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement dated on or about 6 February 2014 (as amended, restated, modified or supplemented as at 28 July 2017 or from time to time) (the "**Agency Agreement**") has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, London Branch, as initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Issuing and Paying Agent**", the "**Paying Agents**" (which expression shall include the Issuing and Paying Agent), the "**Registrar**", the "**Transfer Agents**" (which expression shall include the Registrar) and the "**Calculation Agent(s)**". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Winchester House, 1 Great Winchester Street, London EC2N 2DB) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") in each case in the Specified Denomination(s) set out in the relevant Final Terms. All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a combination of the foregoing, depending upon the Interest and Redemption/Payment Basis specified in the relevant Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. **Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

- (a) **Exchange of Exchangeable Bearer Notes:** Subject as provided in Condition 2(f) (*Closed Periods*), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; **provided, however, that** where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b) (*Payments and Talons – Registered Notes*)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions (a) (*Exchange of Exchangeable Bearer Notes*), (b) (*Transfer of Registered Notes*) or (c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(f) (*Redemption at the Option of Noteholders*)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d) (*Delivery of New Certificates*), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax, stamp duty, stamp duty reserve tax or other transfer tax or duty or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(e) (*Redemption at the Option of the Issuer*), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. **Status**

The Notes and the Receipts and the Coupons relating to them constitute, direct, unconditional, unsubordinated and, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and at all times rank at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

4. **Interest and other Calculations**

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*) below.
 - (i) *Instalment Notes:* in respect of Fixed Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the interest payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated as follows:
 - (x) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling

in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and

- (y) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(a) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.

(b) **Interest on Floating Rate Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*). Such Interest Payment Date(s) is/are either specified in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified to apply in the relevant Final Terms.

(A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;

- (y) the Designated Maturity is a period specified in the relevant Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of 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 of such offered quotations.

- (y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Reference Bank Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels 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 Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to the Calculation Agent (at the request of the Reference Bank Agent) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant

Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent (at the request of the Reference Bank Agent) with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent (at the request of the Reference Bank Agent) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, **provided that**, 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 or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

The Issuer (acting in good faith and a commercially reasonable manner) shall, where necessary, act as or otherwise appoint a third party to act as Reference Bank Agent in relation to the Notes to request any relevant quotations and/or rates from the Reference Banks be provided to the Calculation Agent for the purposes of Condition 4(b)(iii)(B)(y) and 4(b)(iii)(B)(z).

- (iv) *Instalment Notes*: in respect of Floating Rate Notes that are also Instalment Notes, in the event that an Instalment Date (or, if later, the Relevant Date in respect of an Instalment Amount) falls on a date other than an Interest Payment Date, the interest payable in respect of the Interest Period in which such Instalment Date (or, if later, the Relevant Date in respect of such Instalment Amount) falls shall be calculated as follows:
 - (x) in respect of the period from (and including) the Interest Payment Date (or Interest Commencement Date) immediately preceding the first Instalment Date (or, if later, Relevant Date in respect of the relevant Instalment Amount) falling in the Interest Period (the "**First Instalment Date**") to (but excluding) the First Instalment Date interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as of the Business Day preceding the relevant First Instalment Date; and
 - (y) in respect of any period from (and including) an Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) (the "**Initial Instalment Date**") to (but excluding) the earlier of (i) the Interest Payment Date following the Initial Instalment Date or (ii) a further Instalment Date (or, if later, Relevant Date in respect of such Instalment Amount) falling in the same Interest Period, interest shall be calculated in accordance with the provisions of this Condition 4(b) on the basis of the outstanding nominal amount as adjusted following the Initial Instalment Date.
- (v) *Linear Interpolation*: Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest

Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Relevant Screen Page, one of which shall be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period; provided, however, that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i) (*Early Redemption – Zero Coupon Notes*)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 (*Interest and other Calculations*) to the Relevant Date (as defined in Condition 7 (*Taxation*)).
- (e) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Rounding:**
 - (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) (*Interest on Floating Rate Notes*) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii)(*Interest on Floating Rate Notes – Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee (or an agent on its behalf) shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- "Business Day"** means:
- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
 - (ii) in the case of euro, a day on which the TARGET system is operating (a "**TARGET Business Day**"); and/or
 - (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last)

(whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

- (i) if "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if "30E/360 (ISDA)" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

- (vii) if "Actual/Actual-ICMA" is specified in the relevant Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year;

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date;

"Determination Date" means the Interest Payment Date(s);

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"Interest Amount" means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms;

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, or (ii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro, or (iii) the day falling two Business Days in New York for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is U.S. dollars, or (iv) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency does not fall within (i), (ii) or (iii) for the purposes of this definition;

"Interest Period" means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date;

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms;

"ISDA Definitions" means the 2006 ISDA Definitions or the 2000 ISDA Definitions, each as published by the International Swaps and Derivatives Association, Inc., as specified in the Final Terms;

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions set out in the relevant Final Terms;

"Reference Bank Agent" means the Issuer or an affiliate of the Issuer or a reputable third party financial institution (which entity may act as Calculation Agent in relation to the Notes) appointed as such by the Issuer on market standard terms;

"Reference Banks" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or, if there is no Calculation Agent, the Issuer;

"Reference Rate" means the rate specified as such in the relevant Final Terms;

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms;

"Specified Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated; and

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. **Redemption, Purchase and Options**

(a) **Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 (*Redemption, Purchase and Options*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the relevant Final Terms, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*), Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) of such Note unless Fair Market Value is specified as the Early Redemption Amount in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face

Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above (if applicable), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c) (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) (*Redemption for Taxation Reasons*) or Condition 5(d) (*Redemption following Hedging Disruption*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be such amount as is specified in the relevant Final Terms.
- (iii) If "**Fair Market Value**" is specified as the Early Redemption Amount in the Final Terms, the Early Redemption Amount per Note shall be such Note's *pro rata* share of an amount determined in good faith and in a commercially reasonable manner by the Calculation Agent (or, if there is no Calculation Agent, the Issuer or, following an Event of Default, the Trustee or an appointee of the Trustee) to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption with reference to the existing market factors, including, but not limited to, the remaining time to maturity, the prevailing interest rate yield curve(s) and such other pricing sources and methods (which may include, without limitation, available prices for securities with similar maturities, terms and credit characteristics as the Notes) as the Calculation Agent considers appropriate, adjusted to account fully for any reasonable expenses and costs of the Issuer of unwinding, liquidating, obtaining or re-establishing any underlying and/or related hedging, trading positions and funding arrangements (including, without limitation, any options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).
- (c) **Redemption for Taxation Reasons:** The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of a Note other than a Floating Rate Note) or only on an Interest Payment Date (in the case of a Floating Rate Note) on giving not less than 30 nor more than 60 days' notice to the Trustee and the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), at their Early Redemption Amount (as determined in accordance with paragraph (b) above), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:
- (i) it has or will or would, but for redemption, become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) in respect of any of the Notes of such Series;
- (ii) the payment of interest in respect of any of the Notes of such Series would be a "**distribution**" for United Kingdom tax purposes; or
- (iii) in respect of the payment of interest in respect of any of the Notes of such Series, the Issuer would not to any material extent be entitled to have any attributable loss or

non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date on which agreement is reached to issue the first Tranche of Notes of such Series or any similar system or systems having like effect as may from time to time exist),

in each such case, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes of that Series and cannot be avoided by the Issuer taking reasonable steps 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 as referred to in paragraph (i) above, would be treated as making distributions as referred to in paragraph (ii) above or would not be entitled to have the loss or non-trading deficit set against the profits as referred to in paragraph (iii) above were a payment in respect of the Notes of that Series then due. Upon the expiration of such notice the Issuer shall be bound to redeem such Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(c) (*Redemption for Taxation Reasons*), the Issuer shall deliver to the Trustee a certificate signed by two Directors stating that the obligation or treatment, as the case may be, referred to above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

- (d) **Redemption following Hedging Disruption:** Unless this Condition 5(d) is specified as not applicable in the relevant Final Terms, if in relation to a Series of Notes Calculation Agent or (if there is no Calculation Agent) the Issuer determines that a Hedging Event (as defined below) has occurred, and for as long as a Hedging Event is continuing, the Issuer, having given not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at its Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

"Hedging Event" means the occurrence of either of the following events or circumstances arising due to any reason (including but not limited to the adoption of, application of or change of any applicable law or regulation after the Issue Date of a Series of Notes):

- (i) it becomes impossible or impracticable for the Issuer or its counterparty of any hedging transaction to:
 - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its obligations with respect to the relevant Notes (a **"Hedging Transaction"**); or
 - (B) realise, recover or remit the proceeds of any such Hedging Transaction; or
- (ii) the Issuer or the counterparty under such Hedging Transaction would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining any Hedging Transaction (including, but not limited to, any internal cost arising as a result of compliance with any applicable law or regulation),

in each case as determined by the Calculation Agent or, if there is no Calculation Agent, the Issuer, in its sole and absolute discretion.

- (e) **Redemption at the Option of the Issuer:** If Call Option is specified in the relevant Final Terms, the Issuer may (unless otherwise specified in the applicable Final Terms), on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders, redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for

redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (f) **Redemption at the Option of Noteholders:** If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (g) **Purchases:** The Issuer, its Subsidiaries, any holding company of the Issuer or any subsidiary of such holding company may at any time purchase Notes (**provided that** all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. **Payments and Talons**

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi) (*Unmatured Coupons and Receipts and unexchanged Talons*) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii) (*Unmatured Coupons and Receipts and unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

- (i) Payments of principal (which for the purposes of this Condition 6(b) (*Registered Notes*) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) (*Registered Notes*) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, **provided that** the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) so long as any Registered Notes are outstanding, a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) if so specified in the applicable Final Terms, (v) so long as any Bearer Notes are outstanding, Paying Agents having specified offices in at least two major European cities, and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, the Bearer Note should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing

unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8 (*Prescription*)).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or

thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom, other than the mere holding of the Note, Receipt or Coupon; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment; or
- (c) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (d) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

8. **Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9. **Events of Default**

- (a) If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount (determined in accordance with Condition 5(b)(*Early Redemption*)) together (if applicable) with accrued interest (if any):
- (i) **Non-Payment:** default is made for more than 14 days (in the case of interest) or seven days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or
 - (ii) **Insolvency:** the Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; or
 - (iii) **Winding-up:** an administrator is appointed or an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer and any resulting administration or winding-up or dissolution process remains undismissed for 45 days, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or through an official action of its board of directors threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or substitution on terms approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

10. **Meetings of Noteholders, Modification, Waiver and Substitution**

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly

passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) **Modification of the Trust Deed and Waiver:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable thereafter.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business or any parent company of the Issuer, in place of the Issuer or of any previous substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed **provided that** such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

11. **Enforcement**

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing and then only in the name of the Trustee and on giving an indemnity and/or granting security and/or prefunding satisfactory to the Trustee and only to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

12. **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability to Noteholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any

other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

13. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

15. **Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17. **Governing Law**

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by English law.

FORM OF FINAL TERMS

Final Terms dated [•]

Investec plc

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

under the £1,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 28 July 2017 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Prospectus] [is/are] available for viewing at and copies may be obtained from the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and, during normal working hours, Investec plc, 2 Gresham Street, London EC2V 7QP and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

Terms used herein shall be deemed to be defined as such for the purposes of the [2014][2015][2016] Conditions which are defined in, and incorporated by reference into, the Base Prospectus dated 28 July 2017. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 28 July 2017 [and the supplemental Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Prospectus] [is/are] available for viewing at and copies may be obtained from the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and, during normal working hours, Investec plc, 2 Gresham Street, London EC2V 7QP and Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

1. [(i)] Series Number: [•]
 [(ii) Tranche Number: [•]

[The Notes issued under these Final Terms are to be consolidated and form a single series with [•] (the "**Original Issue**") issued on [•] [(ISIN: [•])]]

2. Specified Currency: [•]
3. Aggregate Nominal Amount of Notes:
 - [(i)] Series: [•]
 - [(ii)] Tranche: [•]
4. Issue Price: [•] per cent. Of the Aggregate Nominal Amount
[plus accrued interest from []]
5. (i) Specified Denominations: [•]
(ii) Calculation Amount: [•]
6. (i) Issue Date: [•]
(ii) Interest Commencement Date [Issue Date] [•] [Not Applicable]
7. Maturity Date: [•]
[Interest Payment Date falling in or nearest to [•]]
8. Interest Basis: [[•] per cent. Fixed Rate]
[[LIBOR/EURIBOR]] +/- [•] per cent. Floating Rate]
[Zero Coupon]
9. Redemption/Payment Basis: [Redemption at par]
[Instalment]
10. Put/Call Options: [Investor Put]
[Issuer Call]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 - (i) Rate[(s)] of Interest: [•] per cent. Per annum [payable
[annually/semi-annually/quarterly/monthly/[•]] in
arrear]
 - (ii) Interest Payment Date(s): [[•] in each year up to and including the Maturity
Date]/[[•]]
 - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
 - (iv) Broken Amount(s): [•] per Calculation Amount payable on the Interest
Payment Date falling [in/on] [•]
 - (v) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)] [Actual/360 [30/360]
[30E/360] [30E/360 (ISDA)] [Actual/Actual-
ICMA] [360/360]
12. **Floating Rate Note Provisions** [Applicable/Not Applicable]
 - (i) Interest Period(s): [•]
 - (ii) Specified Interest Payment [•]

Dates:

- (iv) Interest Period Date: [•]
- (v) Business Day Convention: [Floating Rate Business Day Convention] [Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention]
- (vi) Additional Business Centre(s): [•]
- (vii) Manner in which the Rate of Interest is to be determined: [Screen Rate Determination] [ISDA Determination]
- (ix) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [LIBOR] [EURIBOR]
- Interest Determination Dates: [The first day of the Interest Accrual Period]
[The day falling two TARGET Business Days prior to the first day of the Interest Accrual Period]

[The day falling two Business Days in New York prior to the first day of the Interest Accrual Period]

[The day falling two Business Days in London prior to the first day of the Interest Accrual Period]

[•]
- Relevant Screen Page: [•]
- (x) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- ISDA Definitions: [2006 Definitions] [2000 Definitions]
- (xi) Margin(s): [•][+/-][] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the Interest Period ending on the Interest Payment Date falling in [•] shall be calculated using Linear Interpolation]

- (xv) Day Count Fraction: [Actual/Actual] [Actual/Actual – ISDA]
[Actual/365 (Fixed)] [Actual/360 [30/360]
[30E/360] [30E/360 (ISDA)] [Actual/Actual-
ICMA] [360/360]
13. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (i) Amortisation Yield: [[•] per cent. per annum]
[As per Condition 5(b)(i)(B)]

PROVISIONS RELATING TO REDEMPTION

14. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] [per Calculation Amount]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•]
- (b) Maximum Redemption Amount: [•]
15. **Put Option** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [•] [per Calculation Amount]
16. **Final Redemption Amount of each Note** [•] [per Calculation Amount]
17. **Early Redemption**
- (i) Early Redemption Amount(s) per Calculation Amount: [Final Redemption Amount]
[Amortised Face Amount]
[Fair Market Value]
- (ii) Redemption following Hedging Disruption: Condition 5(d) [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. **Form of Notes:** [Bearer Notes:
[Temporary Global Note exchangeable for a
Permanent Global Note which is exchangeable for
Definitive Notes in the limited circumstances]

specified in the Permanent Global Note]

[Temporary Global Note exchangeable for
Definitive Notes on [•] days' notice]

[Permanent Global Note exchangeable for
Definitive Notes in the limited circumstances
specified in the Permanent Global Note]]

[Global Certificate registered in the name of a
nominee for [a Common Depositary for Euroclear
and Clearstream, Luxembourg / a Common
Safekeeper for Euroclear and Clearstream,
Luxembourg and held under the New Safekeeping
Structure (NSS)]]

19. Financial Centre(s): [Not Applicable] [•]
20. Talons for future Coupons or Receipts to be attached to Definitive Notes: [Yes] [No] [Not Applicable]
21. Instalment Notes: [Applicable/Not Applicable]
- (a) Instalment Amount(s): [Not Applicable/[•]]
- (b) Instalment Date(s): [Not Applicable/[•]]
22. Calculation Agent: [•]
- [Not Applicable]

DISTRIBUTION

23. TEFRA Categorisation: [TEFRA D]
- [TEFRA C]
- [TEFRA Not Applicable]
- [Not Applicable]
24. Prohibition of Sales to EEA Retail Investors: [Applicable][Not Applicable]

Signed on behalf of **Investec plc**:

By: By:
Duly authorised Duly authorised

PART B – OTHER INFORMATION

25. LISTING

- (i) Listing Application [will be] [has been] made to admit the Notes to listing on the Official List of the FCA.
- (ii) Admission to trading: Application [will be] [has been] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [•]. [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [•].
- (iii) Estimate of total expenses related to admission to trading: [•]

26. RATINGS

- Ratings: [The Notes have not specifically been rated.]
[The Notes have been rated:]
[Moody's: [•]]

27. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[[Save in respect of [•],] so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

28. [YIELD

- Indication of yield: [•]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

29. OPERATIONAL INFORMATION

- ISIN Code: [•]
Common Code: [•]
Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No][Not Applicable]

[[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon

issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[include this text if "yes" selected]*

[Whilst the designation is specified as "No" at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, then the Issuer may (in its absolute discretion) elect to deposit the Notes with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] *[Include this text if "no" selected]*

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s) and address: [•]

Names and addresses of additional Paying Agent(s) (if any): [•]
[Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form (including where Notes represented by such Global Notes are intended to be Eurosystem eligible), the Global Notes will be delivered on or prior to the original issue date of the Tranche to one of the ICSDs acting as Common Safekeeper (the "**Common Safekeeper**"). If the Global Certificates are stated in the applicable Final Terms to be held under the NSS (including where Notes represented by such Global Certificates are intended to be Eurosystem eligible), the Global Certificates will be delivered on or prior to the original issue date of the Tranche to one of the ICSDs acting as Common Safekeeper. Depositing the Global Notes or Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The ICSDs will be notified whether or not each NGN and NSS issuance is intended to be held in a manner which would allow Eurosystem eligibility.

Global notes which are issued in CGN form and Global Certificates not intended to be held under the NSS may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN or the Global Certificate is to be held under the NSS, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note or Global Certificate and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

In relation to any Tranche of Bearer Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a Common Depositary, in the case of a CGN, or a Common Safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other permitted clearing system ("**Alternative Clearing System**"), will be that Common Depositary or, as the case may be, Common Safekeeper.

In relation to any Tranche of Registered Notes represented by one or more Global Certificates, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which, in the case of any Global Certificate which is held by or on behalf of a Common Depositary or a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg and/or Alternative Clearing System, will be that Common Depositary or Common Safekeeper or a nominee for that Common Depositary or Common Safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate

must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. **Exchange**

3.1 **Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "*Summary – Selling Restrictions*"), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

If the Notes are issued in the form of a temporary Global Note which is exchangeable for Definitive Notes, the Notes shall be issued only in denominations which are integral multiples of the lowest Specified Denomination.

3.2 **Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes or, in the case of paragraph 3.4 below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes and
- (ii) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) (*Transfer of Registered Notes*) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes, if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to the whole or that part of the temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4. Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(e)(vii) (*Appointment of Agents*) and Condition 7(d) (*Payment by another Paying Agent*) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "**business day**" set out in Condition 6(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

4.2 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.3 **Cancellation**

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.4 **Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.5 **Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.6 **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent or to a Paying Agent for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.7 **Nominal Amount**

Where the Global Note is a NGN or the Global Certificate is to be held under the NSS, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note or Global Certificate shall be adjusted accordingly.

4.8 **Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

INFORMATION ABOUT THE ISSUER

Introduction

Investec plc and Investec Limited (together, the "**Investec Group**") is an international, specialist banking group and asset manager that provides a diverse range of financial products and services to a select client base in three principal markets, the United Kingdom and Europe, South Africa and Asia/Australia, as well as certain other countries.

The Investec Group was founded as a leasing company in Johannesburg, South Africa, in 1974. It acquired a banking licence in 1980 and was listed on the JSE Limited South Africa ("**JSE**") in 1986.

In 1992 the Investec Group made its first international acquisition, in the United Kingdom, when it acquired Allied Trust Bank, which has since been renamed Investec Bank plc.

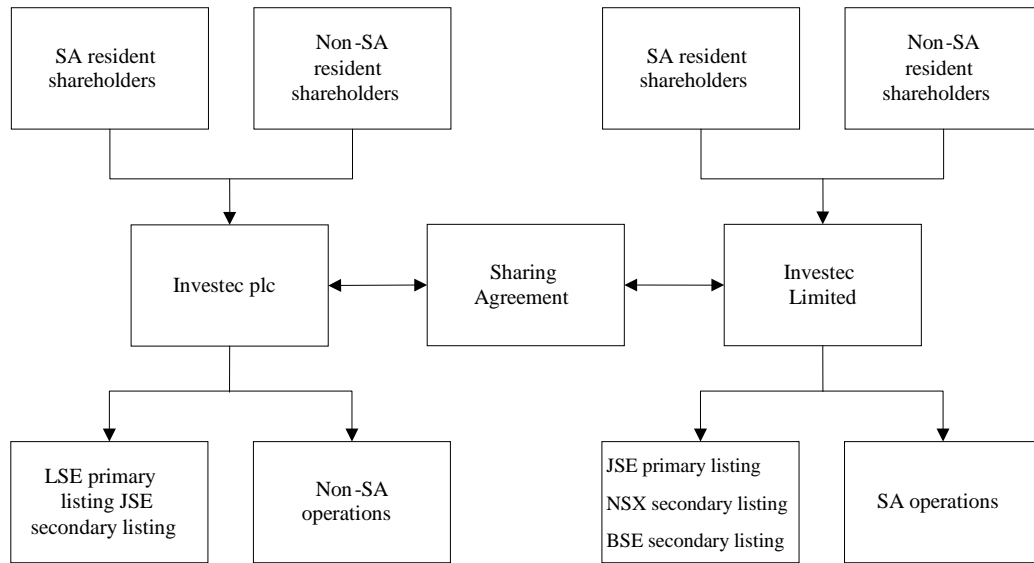
Group Structure

On 22 July 2002, the Investec Group implemented a dual listed companies ("**DLC**") structure pursuant to which the majority of the group's non-Southern African subsidiaries were placed into Investec plc, which was previously a wholly owned subsidiary of Investec Group Limited (now Investec Limited). Investec plc was unbundled from Investec Group Limited and listed on the London Stock Exchange, with a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited together formed a single economic enterprise (the Investec Group).

Creditors, however, are ring fenced to either Investec plc or Investec Limited as there are no cross guarantees between the companies.

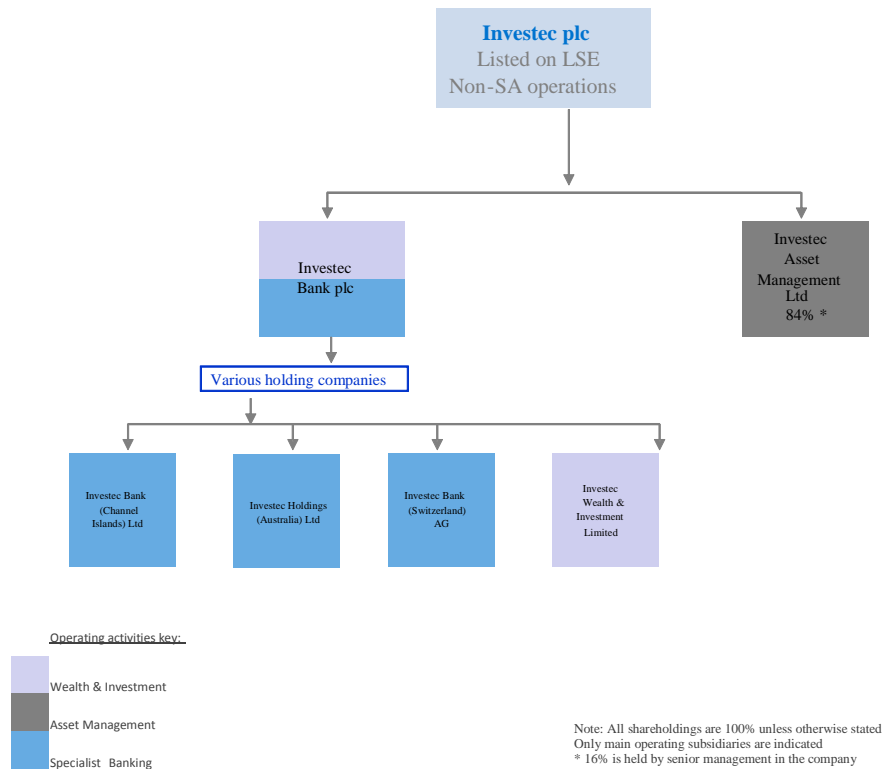
The Investec Group has since expanded through a combination of organic growth and a series of strategic acquisitions.

DLC Structure



Investec plc is the holding company of the majority of the Investec Group's non-Southern African operations, including Investec Bank plc and Investec Asset Management. As Investec plc is the parent company of the group of which it is a member, Investec plc is dependent upon receipt of funds from its principal subsidiaries for its income and it has no significant assets other than its investment in its principal subsidiaries. The following diagram is a simplified group structure for Investec plc.

Investec plc: organisational structure as of 31 March 2017



Ratings

Investec plc has been assigned the following long-term credit rating:

- Baa1 by Moody's Investor Service Limited ("**Moody's**"). This means that Moody's is of the opinion that Investec plc is subject to moderate credit risk, is considered medium-grade and as such may possess certain speculative characteristics.

Investec plc has also been assigned the following short-term credit rating:

- P2 by Moody's. This means that Moody's is of the opinion that Investec plc has a strong ability to pay in the short-term.

Moody's is a credit rating agency established and operating in the European Community and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Activities of Investec plc

The activities of Investec plc, conducted through its subsidiary undertakings, include Asset Management, Wealth & Investment and Specialist Banking. The head office in London also provides certain group-wide integrating functions, including Risk Management, Information Technology, Finance, Investor Relations, Marketing, Human Resources and Organisational Development. The head office is also responsible for central funding.

Asset Management

As of 31 March 2017 Investec Asset Management (IAM) manages £61.4 billion of assets on behalf of clients from around the world who are invested in its four core investment capabilities. Employing over 195 investment professionals globally, IAM manages its investments from two investment centres

(London and Cape Town) serving its client base from five distinct client groups. Established in 1991, the business has grown largely organically from domestic roots in Southern Africa and is still managed by its founding members, representing continuity and stability throughout its growth.

Wealth & Investment

Investec Wealth & Investment provides wealth management, portfolio management, private office and stockbroking services for individuals, families, trusts and charities. Over 1300 staff operate from offices across the UK and Europe, with combined funds under management of £35.6 billion as of 31 March 2017.

The European operations are conducted through Investec Wealth & Investment Limited in the UK, Investec Wealth & Investment Ireland, Investec Bank Switzerland and in Guernsey through Investec Wealth & Investment Channel Islands.

The services provided by Investec Wealth & Investment include:

Investments and savings

- Discretionary and advisory portfolio management services for private clients
- Specialist investment management services for charities, pension schemes and trusts
- Independent financial planning advice for private clients
- Specialist portfolio management services for international clients

Pensions and retirement

- Discretionary investment management for company pension and Self Invested Personal Pensions (SIPPs)
- Advice and guidance on pension schemes and life assurance

Tax planning

- Succession planning
- ISAs
- Retirement planning

Specialist Banking

Specialist Banking focuses on three key areas of activity: Investment activities, Corporate and Institutional Banking activities and Private Banking activities. Each business provides specialised products and services to defined target markets.

A highly valued partner and adviser to our clients		Focus on helping our clients create and preserve wealth
Corporates/government/institutional clients		High-income and high net worth private clients
Investment activities Principal investments Property investment and fund management Australia Hong Kong UK and Europe	Corporate and Institutional Banking activities Treasury and trading services Specialised lending, funds and debt capital markets Institutional research, sales and trading Advisory and equity capital markets Australia Hong Kong India UK and Europe USA	Private Banking activities Transactional banking and foreign exchange Lending Deposits Investments UK and Europe

Private Banking activities

Private Banking offers high-tech and high touch day-to-day banking, savings, financing and foreign exchange services to its select clientele.

The target market includes high net worth individuals, wealthy entrepreneurs, high income professionals, owner managers in mid-market companies and sophisticated investors.

Corporate and Institutional Banking activities

Corporate and Institutional Banking is a client-focused business concentrating on traditional lending and debt origination activities, as well as the provision of advisory services and treasury and trading services that are customer flow-related.

The target market includes small, mid-sized and listed corporates, the private equity community and institutions.

The business also provides niche, specialist solutions in aircraft, project and resource finance.

Investment activities

The principal investments businesses focus on providing capital to entrepreneurs and management teams to allow them to further their growth ambitions. Investments are assessed on a case-by-case basis, with the aim to deliver returns on a risk-adjusted basis.

The property business focuses on property fund management and property investments.

Regulation and Risk Management

Regulation

The UK Financial Conduct Authority (the "FCA") and the UK Prudential Regulation Authority (the "PRA") (formerly the FSA) and the South African Reserve Bank ("SARB") entered into a Memorandum of Understanding in 2002 which sets out the basis upon which the Investec Group as a whole will be regulated and how these two main regulators will co-operate. The SARB undertakes consolidated supervision of Investec Limited and its subsidiaries as well as acting as lead regulator of the Investec

Group as a whole. The FCA and PRA undertake consolidated supervision of Investec plc and its subsidiaries.

Accordingly, Investec plc is authorised by the PRA and regulated by the FCA and the PRA. Investec plc is therefore subject to PRA limits and capital adequacy requirements. In addition Investec plc, through its operating subsidiaries, operates in a variety of other extensively regulated jurisdictions including Ireland, where it has obtained all necessary regulatory authorisations.

Risk Management

The Investec Group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, its comprehensive risk management process involves identifying, understanding and managing the risks associated with each of the businesses.

Risk Awareness, Control and Compliance

Group Risk Management monitors, manages and reports on risks to ensure it is within the stated risk appetite as mandated by the board of directors through the Board Risk Review Committee. Business units are ultimately responsible for managing risks that arise.

The group monitors and controls risk exposure through credit, market, liquidity, operational and legal risk reporting teams. This approach is core to assuming a tolerable risk and reward profile, helping to pursue growth across the business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with management approach, ensuring that the appropriate processes are used to address all risks across the group. There are specialist divisions in the UK and smaller risk divisions in other regions, to promote sound risk management practices.

Risk Management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within defined risk parameters and objectives, continually seeking new ways to enhance techniques.

In the ordinary course of business, the business is exposed to various risks, including credit, market, interest rate and liquidity, operational, legal and reputational risks.

Loan Administration and Loan Loss Provisioning

The majority of Investec plc's loan exposures arise through Investec Bank plc, one of its major subsidiary undertakings.

Investec plc's loan administration and loan loss provisioning addresses the risk that counterparties will be unable or unwilling to meet their obligations to Investec plc as they fall due or that the credit quality of third parties to whom Investec plc is exposed deteriorates. It arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet. Investec plc's risk management policies include geographical, product, market and individual counterparty concentrations. All exposures are checked frequently against approved limits, independently of each business unit. Excesses are reported to the general management of Investec plc and escalated to the executive when necessary.

A tiered system of credit committees has been created in order to attempt to ensure that credit exposures are authorised at an appropriate level of seniority. The main UK Group Credit Committee includes executive directors and senior management independent of the line managerial function. All credit committees have to reach a unanimous consensus before authorising a credit exposure and each approval is signed by a valid quorum.

Credit limits on all lending, including treasury and interbank lines, are reviewed at least annually. The arrears policy is strictly controlled and regular reviews are held to evaluate the necessity and adequacy of specific provisions and whether the suspension of interest charged to the customer is required. An Arrears Committee regularly reviews delinquent facilities. Its purpose is to ensure that agreed strategy for remedial action is implemented and that specific provisions are made where relevant.

Investec plc has a focused business strategy and considers itself to have considerable expertise in its chosen sectors. The majority of Investec plc's lending, excluding interbank placements, which are predominantly with systemic European and US banks, is secured on assets and is amortising. On a geographical basis, over 82% of the credit exposure of Investec plc, including contingent liabilities and commitments, is to the UK domestic market, Continental Europe and the United States. Risk limits permit only modest exposure to South Africa and minimal exposure to other emerging markets.

Dividend policy of Investec Group and Investec plc

The Investec Group's dividend policy is to maintain a dividend cover of between 1.7 and 3.5 times based on earnings per share of the combined Investec Group (incorporating the results of Investec plc and Investec Limited) before goodwill and non-operating items and after taking into consideration the accrual of dividends attributable to holders of Perpetual Preference Shares and Investec Limited Preference Shares.

In determining the level of dividend to be paid in respect of any financial period, the board of the Investec Group has regard to, among other factors, its capital position and requirements, the profits generated in respect of such period in relation to the general profits trend of the Investec Group, its strategy and certain regulatory and tax considerations.

The holders of shares in Investec plc and Investec Limited will share proportionately on a per share basis all dividends declared by the Investec Group. Where possible, each of Investec plc and Investec Limited will pay such dividends to their respective shareholders. However, the DLC structure makes provision through dividend access trusts for either company to pay a dividend directly to the shareholders of the other. As of 31 March 2017, Investec plc had issued 69% of the combined issued ordinary share capital of Investec plc and Investec Limited.

Investec plc will require sufficient dividends from its subsidiaries to establish sufficient distributable funds to pay its share of the DLC dividend.

Directors

The names of the directors of Investec plc, the business address of each of whom, in their capacity as directors of Investec plc, is 2 Gresham Street, London EC2V 7QP, and their respective principal outside activities are as follows:

<i>Name</i>	<i>Role</i>	<i>Principal outside activities</i>
Stephen Koseff	Chief Executive Officer	Director of Investec Bank plc, Investec Limited, Investec Bank Limited, Investec Asset Management Limited and Bidvest Group Limited
Bernard Kantor	Managing Director	Managing Director of Investec Limited, director of Investec Bank Limited, Investec Bank plc, Investec Asset Management Limited, Phumelela Gaming and Leisure Limited
Glynn Burger	Executive director	Director of Investec Bank Limited and Investec Limited
Hendrik Du Toit	Executive director	Director of Investec Limited, Investec Asset Management Holdings (Pty) Ltd, Investec Asset Management Limited and their subsidiaries. Non Executive director of Naspers Ltd.
Fani Titi	Chairman, non-executive director	Chairman and non-executive director of Investec Bank plc, Investec Bank Limited and Investec Limited. Director of Investec Asset Management Holdings (Pty) Ltd, Investec Asset Management Limited, Kumba Iron Ore Limited (chairman) and MRC Media (Pty) Ltd

<i>Name</i>	<i>Role</i>	<i>Principal outside activities</i>
Ian Kantor	Non-executive director	Chairman of Blue Marlin Holdings SA (formerly, Insinger de Beaufort Holdings SA) (in which Investec Limited indirectly holds an 8.6% interest) and Chairman of the Supervisory Board of Bank Insinger de Beaufort NV Non Executive Director of Investec Limited, Investec Asset Management Holdings (Pty) Limited and Investec Asset Management Limited.
Peter RS Thomas	Non-executive director	Director of Investec Bank Limited and JCI Limited; Non Executive Director of Investec Limited.
Peregrine KO Crosthwaite	Senior Independent Non-executive director	Non-executive director of Investec Bank plc and director of Investec Holdings (Ireland) Limited (Chairman) and Investec Capital and Investments (Ireland) Limited. Senior Independent Non Executive Director of Investec Limited.
David Friedland	Non-executive director	Non-executive director of Investec Bank Limited, Investec Limited, Investec Bank plc, Pres Les Proprietary Limited, The Foschini Group Limited and Pick 'n Pay Stores Limited
Cheryl Carolus	Non-executive director	Director of De Beers Consolidated Mines Limited, Gold Fields Limited (Chairperson), Mercedes-Benz South Africa (Pty) Ltd, WWF South Africa and International, The IQ Business (Pty) Ltd, Ponahalo Capital (Pty) Ltd, Investec Asset Management Holdings (Pty) Ltd, Investec Asset Management Limited, executive chairperson of Peotona Group Holdings (Pty) Ltd and a director of a number of Peotona group companies and the International Crises Group. Non Executive Director of Investec Limited
Charles Jacobs	Non-executive director	Partner of Linklaters LLP and director of Fresnillo plc. Non Executive Director of Investec Limited
Lord Malloch-Brown	Non-executive director	Chairman of SGO Corporation Ltd and Senior Advisor to the Eurasia Group, Director of Seplat Petroleum Development Company plc and Smartmatic Ltd. Non Executive Director of Investec Limited.
Khumo Shuenyane	Non-executive director	Director of Investec Bank Limited, Investec Property Fund Ltd, Investec Life Limited, Investec Specialist Investments (RF) Limited and Investec Employee Benefits Ltd. Non Executive Director of Investec Limited. Partner at Delta Partners, an advisory firm headquartered in Dubai.
Zarina Bassa	Non-executive director	Director of Woolworths Holdings Ltd, Vodacom (Pty) Ltd, Sun International Limited and the Oceana Group Limited. Non Executive Director of Investec Limited. Independent Non Executive Director of Investec Bank plc.
Laurel Bowden	Non-executive director	Partner of 83 North (a private equity business). Director of Bluevine Capital Inc, Ebury Partners Limited, iZettle AB, Celonis GMBH, Mirakl SAS, Wonga Group Limited, MotorK Ltd, Workable Technology Limited (the majority of these are companies which Laurel serves on as a representative of 83North) Non Executive Director of Investec Limited.

No potential conflicts of interest exist between the duties that the directors of the Investec plc owe to Investec plc and their private interests or other duties.

Additional Information

The Issuer was a private limited company with limited liability incorporated on 17 September 1998 under the Companies Act 1985 and registered in England and Wales under registered number 03633621 with the name Regatta Services Limited. Since then it has undergone a change of name to Investec Limited on 24 November 2000, and re-registered as a public limited company under the name of Investec plc on 7 December 2000. It is currently incorporated under the name Investec plc.

The objects of Investec plc are set out in paragraph 4 of its Memorandum of Association and, in summary, are to carry on the business of banking and to carry on the business of a holding and investment company. The Memorandum and Articles of Association of Investec plc have been filed with the Registrar of Companies in England and Wales and are available for inspection as provided in "General Information" below.

TAXATION

1. United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. UK Withholding Tax on UK Source Interest

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List and admitted to trading on the Regulated Market of the London Stock Exchange.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

B. Other Rules Relating to United Kingdom Withholding Tax

- (i) Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in section A above.
- (ii) Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of

interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

- (iii) Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
- (iv) The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Condition 4 (*Interest and other Calculations*) of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.
- (v) The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 10 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

2. Other Taxation Matters

A. Withholding of U.S. tax on account of FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as "**FATCA**", a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

B. The proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**") and Estonia. However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Each Dealer has, in a programme agreement dated on or about 6 February 2014 and most recently amended on or about 28 July 2017 (as amended, restated modified or supplemented from time to time), (the "**Programme Agreement**") agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer.

The Notes will be offered on a continuous basis by the Issuer to the Dealers or to others. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer.

Selling Restrictions

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the relevant Final Terms for each Tranche of Notes issued under this Programme specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes 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 the Notes.

United States

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in 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 ("**Regulation S**").

Notes in bearer form for U.S. tax purposes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each new Dealer will be required to represent and agree that it has not offered, sold or delivered and will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or

for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

The Final Terms in respect of a Series of Bearer Notes that have a maturity of more than one year will specify whether they are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) ("**TEFRA D**", which definition shall include any similar rules in substantially the same form as TEFRA D for the purposes of section 4701 of the U.S. Internal Revenue Code), U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) ("**TEFRA C**", which definition shall include any similar rules in substantially the same form as TEFRA C for the purposes of section 4701 of the U.S. Internal Revenue Code) or other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA Not Applicable**").

The offering of the Notes will fall under Regulation S compliance category 2.

Each Issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person, or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

United Kingdom

Each Dealer has represented and agreed and each new Dealer shall be required to represent and agree that:

- (a) **No deposit-taking:** in relation to any Notes having 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 other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) 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 the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

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

South Africa

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not and will not offer or solicit any offers for sale or subscription or sell any Notes, in each case except in accordance with the South African exchange control regulations, the South African Companies Act, 2008 and any other applicable laws and regulations of South Africa in force from time to time. In particular, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer Notes for subscription, or otherwise sell any Notes, to any person who, or which, is a Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African exchange control regulations in effect from time to time, and, without prejudice to the foregoing, that it will take all reasonable measures available to it to ensure that no Note will be purchased by, or sold to, or beneficially held or owned by, any Resident (as defined in the South African exchange control regulations) other than in strict compliance with the South African exchange control regulations in effect from time to time.

Guernsey

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law; or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000.

General

These selling restrictions may be modified by the Issuer (where applicable, with the agreement of the Dealers) following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

The Dealer has agreed and each new Dealer will be required to agree that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms in all cases at its own expense.

GENERAL INFORMATION

1. The Investec Group prepares its combined financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). Investec plc prepares its consolidated financial statements in accordance with IFRS, subject to the notes set out under the heading "Basis of consolidation" on page 108 of the audited and consolidated annual report and accounts of Investec plc for the year ended 31 March 2016 and on page 107 of the audited and consolidated annual report and accounts of Investec plc for the year ended 31 March 2017.
2. There has been no significant change in the financial or trading position of Investec plc and its subsidiary undertakings since 31 March 2017, being the end of the most recent financial period for which it has published financial statements.
3. There has been no material adverse change in the prospects of Investec plc since the financial year ended 31 March 2017, the most recent financial year for which it has published audited financial statements.
4. There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Investec plc is aware) during the 12 month period before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on Investec plc and/or the group's financial position or profitability.
5. The audited consolidated financial statements of Investec plc for the financial years ended 31 March 2016 and 31 March 2017 have been audited without qualification by Ernst & Young LLP, chartered accountants, registered auditors and independent auditors whose address is 25 Churchill Place, London E14 5EY.
6. The objects of the Investec plc are set out in paragraph 4 of its Memorandum of Association and, in summary, are to carry on the business of a banking institution and to carry on the business of a holding and investment company. Investec plc, through its subsidiaries, provides a comprehensive range of banking and related financial services.
7. For so long as Investec plc may issue securities under this Base Prospectus, the following documents may be inspected during normal business hours at the registered office of Investec plc:
 - (i) the memorandum and articles of association of Investec plc; and
 - (ii) all documents incorporated by reference into this Base Prospectus.
8. Investec plc will, at its registered office, and at the specified offices of its paying agents make available for inspection during normal office hours, free of charge, a copy of this Base Prospectus, including any document incorporated by reference herein. Written requests for inspection of such documents should be directed to the specified office of the relevant paying agent.
9. The Issuer's registered office is 2 Gresham Street, London, EC2V 7QP. Its telephone number is +44 (0)20 7597 4000.
10. The Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 28 January 2014, and the update of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 20 July 2017.

11. This document has been approved by the FCA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purpose of Directive 2004/39/EC.
12. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
13. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
14. In respect of a series of Notes, the Dealer(s) may initially subscribe for some or all of the Notes. The Dealer(s) may subsequently place such Notes in the secondary market or such Notes may subsequently be repurchased by the Issuer and cancelled.

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REGISTERED OFFICE OF THE ISSUER

Investec plc
2 Gresham Street
London EC2V 7QP

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

ISSUING AND PAYING AGENT

Deutsche Bank AG London Branch
Winchester House
1 Great Winchester House
London EC2N 2DB

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Grand Duchy of Luxembourg

AUDITORS TO THE ISSUER

Ernst & Young LLP
1 More London Place
London SE1 2AF

REGISTERED OFFICE OF THE ARRANGER AND DEALER

Investec Bank plc
2 Gresham Street
London EC2V 7QP

LEGAL ADVISERS

To the Issuer as to the laws of England

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

To the Trustee as to the laws of England

Allen & Overy LLP
One Bishops Square
London E1 6AD