

Mercedes-Benz South Africa

MERCEDES-BENZ SOUTH AFRICA LIMITED

(Pretoria, Republic of South Africa)

unconditionally and irrevocably guaranteed by

DAIMLER AG

(Stuttgart, Federal Republic of Germany)

as Guarantor

This Programme Memorandum will be made available in English only

ZAR 25,000,000,000

Mercedes-Benz South Africa Limited Domestic Medium Term Note Programme

Unless inconsistent with the context, terms used in this Programme Memorandum with a capitalised first letter, and not otherwise defined herein, shall have the meaning ascribed thereto in the Terms and Conditions.

On 30 June 2008, Mercedes-Benz South Africa Limited (the "Issuer"), established a ZAR18,000,000,000 Domestic Medium Term Note Programme (the "Programme") pursuant to a programme memorandum, dated 30 June 2008 (the "Previous Programme Memorandum"), as amended by a supplement, dated 24 May 2011, to the programme memorandum (the "Supplement"). The Supplement was published for the purposes of updating the Previous Programme Memorandum by updating the Programme in various respects. The Supplement was supplemental to, and was to be read in conjunction with the Previous Programme Memorandum. The Supplement was deemed to be incorporated in, and to form part of the Previous Programme Memorandum and was prepared by the Issuer to apply to all Notes issued under the Programme on or after 24 May 2011.

This Programme Memorandum dated 8 August 2013 (the "Programme Memorandum") (i) provides for a change in name and registration number of the Issuer in accordance with the Companies Act, 2008, (ii) provides for the increase in the Programme Amount from ZAR18,000,000,000 to ZAR25,000,000,000 (which was noted by the JSE Limited on 13 July 2012), and (iii) reflects the other amendments and updates to the Previous Programme Memorandum and the Supplement.

The Previous Programme Memorandum shall continue to be of force and effect (i) in relation to all notes issued by the Issuer prior to the date of this Programme Memorandum and under and in terms of the Programme (the "Previous Notes") and (ii) until approval by the JSE of the cancellation of the Previous Programme Memorandum. The Previous Programme Memorandum shall govern the terms and conditions of the Previous Notes and none of the terms and conditions contained in this Programme Memorandum shall be applicable to any of the Previous Notes. Only Notes issued on or after the date of this Programme Memorandum shall be governed by the Terms and Conditions, as modified and supplemented by the Applicable Pricing Supplement relating to the Notes.

Under the Programme and this Programme Memorandum which governs the terms and conditions of the Notes issued on or after the date of this Programme Memorandum, the Issuer may from time to time issue Notes denominated in South African Rand and further subject to all applicable laws and to the Terms and Conditions contained in this Programme Memorandum. Details of the Notes and any other terms and conditions not contained in the Terms and Conditions that are applicable to any Notes, replacing, supplementing or modifying the Terms and Conditions, will be set forth in an Applicable Pricing Supplement.

Save as set out herein, the Notes will not be subject to any minimum or maximum maturity and the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed ZAR25,000,000,000.

Daimler AG (the "Guarantor") has irrevocably and unconditionally guaranteed to the Noteholders the due and punctual performance by the Issuer of all of its payment obligations under the Notes.

This Programme is listed on the Interest Rate Market of the JSE and is approved by the JSE. The Programme provides that Notes may be listed on the Interest Rate Market of the JSE, subject to all applicable laws. Details of the Notes including, the aggregate Nominal Amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in the Applicable Pricing Supplement which will be delivered to the JSE and the Central Securities Depository (as defined in the Terms and Conditions), before the date of issue of such Notes and the Notes may then be traded by or through members of the JSE from the date specified in the Applicable Pricing Supplement. The Issuer may determine that particular Notes will not be approved and listed on the Interest Rate Market of the JSE and in that case, no Applicable Pricing Supplement will be delivered to the JSE. The trading of Notes on the Interest Rate Market of the JSE will take place in accordance with the rules and operating procedures for the time being of the JSE. The settlement of trades on the JSE will take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository.

The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified under the section entitled "Summary of the Programme and the Terms and Conditions of the Notes" and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers").

References in this Programme Memorandum to the "Relevant Dealer" shall, in the case of Notes being (or intended to be) placed, be to all Dealers agreeing to place such Notes.

As at the date of this Programme Memorandum the Issuer will be rated but the Notes to be issued under this Programme are not rated by any rating agency. The Issuer may at any time obtain a rating from a rating agency for any issue of Notes issued pursuant to the terms of this Programme, in which case such rating will be indicated in the Applicable Pricing Supplement. The Issuer may agree with any Dealer that the Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes approved and listed on the Interest Rate Market of the JSE) a supplementary Programme Memorandum, if appropriate, will be made available, which will describe the effect of the agreement reached in relation to such Notes. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE in accordance with the rules of the BESA Guarantee Fund Trust. The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE or the BESA Guarantee Fund Trust.

Prospective investors in Notes issued under the Programme should pay particular attention to the section of this Programme Memorandum headed "*Risk Factors Related to the Issuer and the Guarantor*" and "*Subscription and Sale*"

This Programme Memorandum will only apply to Notes issued under the Programme on or after the date of this Programme Memorandum. The JSE does not regulate unlisted Notes. The Issuer agrees to adhere to the recognised and standardised electronic clearing and settlement procedures operated within the JSE environment.

Arranger, Dealer and Debt Sponsor
Deutsche Bank AG, Johannesburg Branch

Programme Memorandum dated 8 August 2013

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

Each of the Issuer and the Guarantor as to itself certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Programme Memorandum which would make any statement false or misleading as of the date of this Programme Memorandum and the Issuer certifies that all reasonable enquiries to ascertain such facts have been made and that this Programme Memorandum contains all information required by applicable law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in this Programme Memorandum, the Applicable Pricing Supplements, the audited annual financial statements and any amendments to the audited annual financial statements or any Applicable Pricing Supplement from time to time.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of this Programme Memorandum or any Applicable Pricing Supplement or the audited annual financial statements or any other document incorporated by reference into this Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of this Programme Memorandum or any Applicable Pricing Supplement, the audited annual financial statements or any other document incorporated by reference into this Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or any Applicable Pricing Supplement or the audited annual financial statements or any other document incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated into and form part of this Programme Memorandum. Any reference in this section to the Programme Memorandum, shall be read and construed as including such documents incorporated by reference.

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

The JSE assumes no responsibility or liability of whatsoever nature for the correctness of any of the statements made or opinions expressed or information contained in or in the documents incorporated by reference into this Programme Memorandum. The admission of any Tranche of Notes to the list of debt securities maintained by the JSE and the listing of such Notes on the Interest Rate Market of the JSE is not to be taken as an indication of the merits of the Issuer or the Notes.

No person is authorised to give any information or to make any representation concerning the issue of the Notes other than the information and representations contained in this Programme Memorandum. Nevertheless, if any such information is given or representation made, it must not be relied upon as having been authorised by the JSE, the Issuer, the Guarantor, the Debt Sponsor, Arranger or the Dealers, or any of their respective subsidiary or holding companies or a subsidiary of their holding company ("Affiliates") or advisers. Neither the delivery of this Programme Memorandum nor any offer, sale, allotment or solicitation made in connection with the offering of the Notes shall, in any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in this Programme Memorandum is correct at any time subsequent to the date of this Programme Memorandum. The JSE, the Debt Sponsor, the Arranger, the Dealers as well as their respective Affiliates and other advisers have not separately verified the information contained in this Programme Memorandum. Accordingly, neither the JSE, the Debt Sponsor, the Arranger, the Dealers nor any of their respective Affiliates or advisers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Programme Memorandum or any other information supplied in connection with the Programme. Each person receiving this Programme Memorandum acknowledges that such person has not relied on the JSE, the Debt Sponsor, the Arranger, the Dealers or any other person affiliated with the JSE, the Debt Sponsor, the Arranger or the Dealers in connection with its investigation of the accuracy of such information or its investment decision.

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

this Programme Memorandum or any other information supplied in connection with the Programme should subscribe for or purchase any Notes. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment. The JSE, the Debt Sponsor, the Arranger and the Dealers as well as their respective Affiliates and advisors do not undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Debt Sponsor or the Dealers as well as their respective Affiliates and advisors.

The Notes will be obligations solely of the Issuer. The Notes will not be obligations of, or the responsibility of, or guaranteed by the Debt Sponsor, the Arranger or the Dealers. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by, the Debt Sponsor, the Arranger or the Dealers.

None of the Issuer, the Guarantor, the JSE, the Debt Sponsor, the Arranger or the Dealers makes any representation or warranties as to the settlement procedures of the Central Securities Depository or the JSE.

This Programme Memorandum does not constitute an offer or an invitation by or on behalf of the Issuer, the Guarantor, the Debt Sponsor, the Arranger or the Dealers to any person to subscribe for or purchase any of the Notes. The distribution of this Programme Memorandum and the offering of the Notes are intended for The Republic of South Africa only. The distribution of this Programme Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Guarantor, the Debt Sponsor, the Arranger or the Dealers that this Programme Memorandum may be lawfully distributed, or that the 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 and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Debt Sponsor, the Arranger or the Dealers or which would permit a public offering of the Notes or distribution of this Programme Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Programme Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Programme Memorandum comes are required by the Issuer, the Guarantor, the Debt Sponsor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions.

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

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

References in this Programme Memorandum to "ZAR", "Rands" or "R" are to the lawful currency for the time being of South Africa.

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DOCUMENTS INCORPORATED BY REFERENCE

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

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

- (a) all amendments and supplements to this Programme Memorandum prepared and circulated by the Issuer from time to time in accordance with the terms of the Programme Agreement;
- (b) the Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (c) in respect of any issue of Notes under the Programme, the audited annual financial statements and notes thereto of the Issuer for its three financial years (each financial year ending 31 December) prior to the date of such issue;
- (d) in respect of any issue of Notes under the Programme, the consolidated audited annual financial statements and notes thereto of the Guarantor for its three financial years prior to the date of such issue;
- (e) the Guarantee;
- (f) the relevant resolutions of the Issuer authorising the establishment of the Programme and the issue of Notes thereunder and approving the creation and issuing of the Notes; and
- (g) all SENS notices published by the Issuer,

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

The Issuer will provide at its registered office as set out at the end of this Programme Memorandum, without charge, to any person, upon request of that person, a copy of this Programme Memorandum and any or all of the documents which are incorporated herein by reference, unless such documents have been modified or superseded. Requests for the documents should be directed to the Issuer at its registered office as set out at the end of this Programme Memorandum. This Programme Memorandum, all amendments and supplements thereto, all Applicable Pricing Supplements and the documents referred to in paragraphs (c) and (d) above will be available on the Issuer's website, www.mercedes-benzsa.co.za. In addition, this Programme Memorandum, all amendments and supplements thereto and all Applicable Pricing Supplements will be available on the JSE's website, www.jse.co.za.

The Issuer undertakes, in connection with the listing of the Notes on the Interest Rate Market of the JSE that for so long as any Note remains outstanding and approved and listed on such exchange, in the event of (i) a change with Material Effect in the financial or trading condition of the Issuer or the Guarantor (ii) any event occurring subsequent to the date of this Programme Memorandum which has a Material Effect on any matter contained in this Programme Memorandum; (iii) any information contained in this Programme Memorandum becoming outdated in a material respect; or (iv) this Programme Memorandum no longer containing all the materially correct information required by the Applicable Procedures, the Issuer will prepare or procure the preparation of an amendment or supplement to the Programme Memorandum or, as the case may be, publish a new Programme Memorandum, provided that no new Programme Memorandum or supplement to this Programme Memorandum, as the case may be, is required in respect of the Issuer's or the Guarantor's annual financial statements, as the case may be, if such audited annual financial statements are incorporated by reference into this Programme Memorandum and upon demand by a Noteholder such audited annual financial statements will be sent to such Noteholder as required by the Companies Act, and submitted to the JSE within six months after the financial year end of each of the Issuer and the Guarantor.

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

GENERAL DESCRIPTION OF THE PROGRAMME

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

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

This Programme Memorandum and any supplement will only be valid for Notes listed on the Interest Rate Market of the JSE or unlisted notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed ZAR25,000,000,000

In the event that the Issuer issues unlisted Notes, the Issuer shall, no later than the last day of the month of such issue, inform the JSE in writing of the aggregate Nominal Amount and Final Redemption Date in respect of such Notes.

From time to time the Issuer may wish to increase the Programme Amount. The Issuer shall be entitled to do so provided that the Programme Amount outstanding at any time under the Programme shall not cause any borrowing or similar limit binding on the Issuer in terms of its constitutive documents or otherwise to be exceeded. Subject to the JSE Debt Listing Requirements, the Issuer may, without the consent of Noteholders, in accordance with the terms of Programme Agreement, increase the Programme Amount by delivering a notice thereof to Noteholders and the JSE in accordance with Condition 19 of the Terms and Conditions. Upon such notice being given, all references in this Programme Memorandum or any other agreement, deed or document in relation to the Programme, to the Programme Amount, shall be deemed to be references to the increased Programme Amount.

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

This Programme Memorandum will only apply to Notes issued under the Programme on or after the date of this Programme Memorandum.

A summary of the Programme and the Terms and Conditions appears on page 7 below.

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

Issuer	Mercedes-Benz South Africa Limited (Registration Number 1962/000271/06);
Guarantor	Daimler AG, Stuttgart, Federal Republic of Germany;
Arranger and Debt Sponsor	Deutsche Bank;
Dealers	Deutsche Bank and/or such other person specified in the Applicable Pricing Supplement as Dealer;
Deutsche Bank	Deutsche Bank AG, Johannesburg Branch (Registration Number 1998/003298/10);
Paying Agent	Absa Bank Limited (acting through its Corporate and Investment Banking Division), or in relation to a particular Tranche or Series of Notes, such other person specified in the Applicable Pricing Supplement as Paying Agent;
Description of Programme	Mercedes-Benz South Africa Limited ZAR25,000,000,000 Domestic Medium Term Note Programme;
Initial Programme Amount	Up to ZAR25,000,000,000 outstanding at any time. The Programme Amount permitted to be outstanding at any time under the Programme may be increased from time to time, in accordance with the terms of the Programme Agreement;
Calculation Agent	Absa Bank Limited (acting through its Corporate and Investment Banking Division), or in relation to a particular Tranche or Series of Notes, such other person specified in the Applicable Pricing Supplement as the Calculation Agent;
Central Securities Depository	Strate Limited (Registration Number 1998/022242/06), registered as a central securities depository operating in terms of the Financial Markets Act, or its nominee or such additional, alternative or successor central securities depository as may be agreed between the Issuer and the Relevant Dealer(s) and the JSE;
Clearing and Settlement	Listed Notes will be cleared and settled in accordance with the section in this Programme Memorandum entitled " <i>Settlement, Clearing And Transfer Of Notes Listed On The Interest Rate Market Of The JSE</i> ". Listed Notes have been accepted for clearance through the Central Securities Depository, which forms part of the JSE clearing system that is managed by the Central Securities Depository and may be accepted for clearance through any additional clearing system as may be agreed between the JSE and the Issuer. The placement of unlisted Notes may be reported through the JSE reporting system in order for the settlement of trades to take place in accordance with the electronic settlement procedures of the JSE and the Central Securities Depository. As at the date of this Programme Memorandum, the Settlement Agents are Absa Bank Limited, FirstRand

Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank. Euroclear Bank S.A.N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme (Clearstream Luxembourg) ("Clearstream") may hold Notes through their Settlement Agent;

Currency	South African Rand ("ZAR");
Denomination	Notes will be issued in such denominations as may be agreed by the Issuer and the Relevant Dealer(s), and as indicated in the Applicable Pricing Supplement save that the minimum denomination of each Note will be ZAR1,000,000 or such other minimum denomination as may be allowed or required from time to time by the South African reserve bank or regulator (or equivalent body) or any laws or regulations applicable, as defined in the Applicable Pricing Supplement;
Distribution	Notes may be distributed by way of public auction, private placement or any other means permitted under South African law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer and the Relevant Dealer(s) and reflected in the Applicable Pricing Supplement;
Emigrant Blocked Rand	Blocked Rand may be used to purchase Notes, subject to the Exchange Control Regulations;
Form of Notes	Notes will be in registered form and may either be issued as Certificated Notes or Uncertificated Notes. Notes will be listed on the Interest Rate Market of the JSE. Notes which are not listed, will be reported through the electronic settlement procedures of the JSE and the Central Securities Depository. Each Tranche of Notes will initially be in uncertificated form, and will be registered in the name of the nominee of the Central Securities Depository. Beneficial Interests in Uncertificated Notes will not be exchangeable for Individual Certificates except in the circumstances described in this Programme Memorandum;
Governing Law	The Notes will be governed by and construed in accordance with the laws of the Republic of South Africa in force from time to time;
Guarantee	The guarantee dated on 8 August 2013 executed by the Guarantor in favour of the Noteholders, the form of which is contained in the Programme Memorandum, under which the Guarantor has given a unconditional and irrevocable guarantee for the due payment of the amounts due, which amounts correspond with the principal of and interest on the Notes in issue and under which the Guarantor has undertaken not to provide any security upon its assets for other notes or bonds without at the same time having the Noteholders share equally and rateably in such security;
Interest Period(s)/Interest Payment Dates	Such period(s) or date(s) as specified in the Applicable Pricing Supplement;
Issue Price	Notes may be issued on a fully-paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement;
Listing and Trading	This Programme has been approved by the JSE. Notes issued under the Programme may be listed on the Interest Rate Market of the JSE. Unlisted Notes may also be issued under the Programme. The Applicable Pricing

Supplement in respect of a Tranche will specify whether or not such Notes will be listed;

Margin In relation to each Tranche of Notes, the margin specified as such in the Applicable Pricing Supplement;

Maturities of Notes In respect of listed Notes, such maturity(ies) that are acceptable to the JSE and, for all Notes, such maturities that are specified in the Applicable Pricing Supplement. Save as described above, the Notes are not subject to any minimum or maximum maturity;

Negative Pledge Condition 6 of the Terms and Conditions provides for a negative pledge in favour of the Noteholders;

Notes Notes issued by the Issuer on or after the date of this Programme Memorandum (all of which will bear the characteristics as described under "*Status of Notes*" in Condition 5 below) may comprise:

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

Floating Rate Notes Floating Rate Notes will bear Interest calculated at a floating Rate of Interest determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions; or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quoting service; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer(s);

The Margin (if any) relating to such floating Rate of Interest will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Notes;

Floating Rate Notes may also have a maximum Rate of Interest, a minimum interest rate or both;

The Interest Period for Floating Rate Notes may be one, two, three, six or twelve months or such other period as the Issuer and the Relevant Dealer(s) may agree, as indicated in the Applicable Pricing Supplement;

Zero Coupon Notes Zero Coupon Notes will be issued at their Nominal Amount or at a discount to it and will not bear Interest (except in the case of late

payment as specified);

Other Notes	Terms applicable to any other type of Notes that are approved by the JSE or as agreed between the Issuer and the Relevant Dealer(s) in respect of unlisted Notes, will be set out in the Applicable Pricing Supplement;
Noteholders	The holders of Notes (as recorded in the Register);
Ratings	As at the date of this Programme Memorandum, the Issuer will be rated however, the tranches of Notes to be issued under this Programme are not individually rated by any Rating Agency. The Issuer may however at any time obtain a rating by a Rating Agency of any issue of Notes issued pursuant to this Programme in which case such rating will be indicated in the Applicable Pricing Supplement. Tranches of Notes issued under the Programme may be rated or unrated. Investors should understand that a rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organisation, and that each rating should be evaluated independently of any other;
Redemption	<p>The Applicable Pricing Supplement relating to a Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated Final Redemption Date (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or, the Noteholders, upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the Applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement;</p> <p>The Applicable Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the Applicable Pricing Supplement;</p>
Selling and Transfer Restrictions	There are restrictions on the sale and transfer of Notes and the distribution of offering materials in various jurisdictions. See the section entitled " <i>Subscription and Sale</i> ", and such restrictions as may be imposed in the Applicable Pricing Supplement;
Status of Notes	The Notes (which will be regarded as senior Notes purposes of the Programme) constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Issuer from time to time outstanding;
Settlement Agent	A Participant, approved by the JSE in terms of the rules of the JSE to perform electronic settlement of both funds and scrip on behalf of market participants;
Taxation	All payments in respect of the Notes are subject to applicable tax laws and regulations of The Republic of South Africa;
Transfer Agent	In relation to any Tranche of Notes, Computershare Investor Services (Proprietary) Limited or such other person specified in the Applicable

Pricing Supplement as the Transfer Agent will act as transfer agent and will maintain the Register; and

Use of Proceeds

The funds raised through the issue of the Notes are to be used by the Issuer for general corporate purposes

FORM OF THE NOTES

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

NOTES IN GENERAL

Notes will be issued in registered form.

The Notes may be listed on the Interest Rate Market of the JSE Limited. Each Tranche of Notes listed on the Interest Rate Market of the JSE will be issued in accordance with the Terms and Conditions as (i) Uncertificated Notes or (ii) in the form of a single certificate without Interest coupons ("**Individual Certificates**") which forms part of the settlement system of the Interest Rate Market of the JSE.

CERTIFICATED NOTES AND UNCERTIFICATED NOTES

Listed Notes

Beneficial Interests in listed Notes held as Uncertificated Notes may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the securities accounts of the Participants in the Central Securities Depository. A certificate or other document issued by a Participant as to the Nominal Amount of such Beneficial Interest in Notes standing to the account of any person shall be *prima facie* proof of such Beneficial Interest.

Beneficial Interests in listed Notes may be exchanged, without charge by the Issuer, for Individual Certificates in accordance with the provisions of Condition 13 of the Terms and Conditions. The Notes held as Uncertificated Notes and Individual Certificates will be registered in the names of the Noteholders in the Register of Noteholders maintained by or on behalf of the Issuer. The Issuer shall regard the Register as the conclusive record of title to the Notes. The Central Securities Depository shall be named in the Register as the owner of the Notes held as Uncertificated Notes and the individual Noteholders shall be named in the Register as the owners of the Notes represented by Individual Certificates.

All transactions in regard to Uncertificated Notes will be cleared and settled in accordance with the rules of the Central Securities Depository.

Unlisted Registered Notes

Transferable and non-transferable unlisted Notes may be issued under the Programme. Transferable unlisted Notes may be transferable in terms of the Terms and Conditions and the applicable rules and procedures of the Transfer Agent or the Central Securities Depository, as the case may be. Unlisted Notes may be held at the Central Securities Depository.

RISK FACTORS - NOTES

Words used in this section entitled "Risk Factors Notes" shall bear the same meanings used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment. Risks affecting the business of the Issuer are discussed in the section of this Programme Memorandum headed "Description of Mercedes-Benz South Africa Limited (the "Issuer)".

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

Prospective investors should also read the detailed information set out elsewhere in this Programme Memorandum as well as all documents incorporated by reference including in particular the audited annual financial statements of the Issuer and the audited annual financial statements of the Guarantor to reach their own views prior to making any investment decision.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

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

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

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

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the Terms and Conditions provide otherwise, in the event that the Issuer is obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any Taxes, the Issuer may redeem all outstanding affected Tranches of Notes in accordance with the Terms and Conditions.

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

Transferability of Notes

Due to the fact that the Notes listed on the Interest Rate Market of the JSE may be held by the Central Securities Depository, investors will have to rely on its procedures for transfer, payment and communication with the Issuer.

Form of Notes

Each Tranche of Notes which is listed on the Interest Rate Market of the JSE and held in uncertificated form, will be held in the Central Securities Depository. Unlisted Notes may also be held in the Central Securities Depository. Except in the circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The Central Securities Depository will maintain records of the Beneficial Interests in Notes held in the Central Securities Depository. While the Notes are held in the Central Securities Depository, investors will be able to trade their Beneficial Interests in such Notes only through the Central Securities Depository.

While Notes are held in the Central Securities Depository the Issuer will discharge its payment obligations under such Notes by making payments to or to the order of the Central Securities Depository's Nominee (as the registered holder of such Notes), for distribution to the holders of Beneficial Interests in such Notes. A holder of a Beneficial Interest in Notes must rely on the procedures of the Central Securities Depository and Participants to receive payments under such Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, Beneficial Interests.

Holders of Beneficial Interests in such Notes will not have a direct right to vote in respect of such Notes.

Recourse to the BESA Guarantee Fund Trust

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the BESA Guarantee Fund Trust. Claims against the BESA Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the BESA Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

Credit Rating

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Financial Markets

A prospective investor of the Notes should be aware of the prevailing and widely reported global credit market conditions (which continues at the date hereof), whereby there is a general lack of liquidity in the secondary markets for instruments similar to the Notes. The Issuer cannot predict if and when these circumstances will change, and if and when they do, whether conditions of general market illiquidity for the Notes and instruments similar to the Notes will return in the future.

General

Modification and waivers

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

Change of law

No assurance can be given as to the impact of any possible judicial decision or change to South African law or other applicable law or administrative practice after the date of this Programme Memorandum or after the date of any Applicable Pricing Supplement.

Notes where denominations involve integral multiples: Individual Certificates

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

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

Legal investment considerations may restrict certain investments

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

PRO FORMA APPLICABLE PRICING SUPPLEMENT

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

MERCEDES-BENZ SOUTH AFRICA LIMITED

(Pretoria, Republic of South Africa)

unconditionally and irrevocably guaranteed by

DAIMLER AG

(Stuttgart, Federal Republic of Germany)

as Guarantor

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

Under its ZAR25,000,000,000 Mercedes-Benz South Africa Limited Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 8 August 2013.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions. To the extent that there is a conflict between this Applicable Pricing Supplement and the Terms and Conditions, the terms and conditions contained in this Applicable Pricing Supplement will prevail.

DESCRIPTION OF THE NOTES

1.	Issuer	Mercedes-Benz South Africa Limited
2.	Guarantor	Daimler AG
3.	Status of the Notes	[Senior Notes]
4.	Security	[Secured/Unsecured]
5.	Listed/Unlisted	[]
6.	Series number	[]
7.	Tranche number	[]
8.	Aggregate Principal Amount of this Tranche	[]
9.	Interest/Payment Basis	[]
10.	Issue Date(s)	[]
11.	Minimum Denomination per Note	[ZAR1,000,000]
12.	Specified Denomination (Principal Amount per Note)	[]
13.	Issue Price(s)	[]
14.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	[Following Business Day/Modified Business Day/Preceding Business Day/other convention – insert details]
15.	Interest Payment Dates	[]

16. Interest Commencement Date(s) []
17. Step-Up Date []
18. Final Redemption Date []
19. Specified Currency [ZAR]
20. Additional Business Centre []
21. Maturity Amount []
22. Set out the relevant description of any additional/other Terms and Conditions relating to the Notes []

FIXED RATE NOTES

23. Fixed Interest Rate [% per annum nacq/nacm/nacs/naca]
24. Interest Payment Date(s) []
25. Interest Period(s) []
26. Initial Broken Amount []
27. Final Broken Amount []
28. Step-Up Rate []
29. Any other items relating to the particular method of calculating interest []

FLOATING RATE NOTES

30. Interest Payment Date(s) []
31. Interest Period(s) []
32. Manner in which the Interest Rate is to be determined Screen Rate Determination/other (insert details)
33. Margin/Spread for the Interest Rate [(+/-) ()% per annum to be added to/subtracted from the relevant Reference Rate]
34. Margin/Spread for the Step-Up Rate [(+/-) ()% per annum to be added to/subtracted from the relevant Reference Rate/Interest Rate]
35. If Screen Determination
- (a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) [e.g. 3 month JIBAR]
- (b) Rate Determination Date(s) [The first Business Day of each Interest Period]
- (c) Relevant Screen Page and Reference Code []
36. If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions []
37. Any other terms relating to the particular method of calculating interest []

ZERO COUPON NOTES

38. (a) Implied Yield [] NACA, NACS, NACQ, NACM
- (b) Reference Price []
- (c) Equivalent Discount Rate []
- (d) Spread to Reference Rate []
- (e) Final Redemption Date []
- (f) Day Count []

(g) Any other formula or basis for determining amount payable []

OTHER NOTES

39. If the Notes are not Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, set out the relevant description of any additional Terms and Conditions relating to such Notes []

PROVISIONS REGARDING REDEMPTION/ MATURITY

40. Redemption at the option of the Issuer: if yes: [Yes/No]

- (a) Optional Redemption Date(s) []
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) [[]
- (c) Minimum period of notice [[]
- (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
- (e) Other terms applicable on Redemption []

41. Redemption at the option of the holders of the Senior Notes (Put Option): if yes [Yes/No]

- (a) Optional Redemption Date(s) (Put) []
- (b) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s) []
- (c) Minimum period of notice []
- (d) If redeemable in part:
 - Minimum Redemption Amount(s) []
 - Higher Redemption Amount(s) []
- (e) Other terms applicable on Redemption []

42. Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 11.5 or early redemption following an Event of Default in terms of Condition 17: if yes [Yes/No]

Early Redemption Amount and method, if any, of calculation of such amount [as per Condition 11.5]

GENERAL

43. Additional selling restrictions []

44. International Securities Numbering (ISIN) []

45. Stock Code []

46. Financial Exchange []

47. Dealer(s) []

48. Date Convention [ddmmyyy]

49. If syndicated, names of Lead Manager(s) []

50. Method of distribution []

51. Rating assigned to [the Issuer/Programme this Tranche of Notes (if any)], date of such rating and date for review of such rating []

52. Rating Agency (if any) []

53. Governing Law South Africa

54. Last Day to Register [], being 17h00 on the Business Day preceding the Books Closed Period

55.	Books Closed Period	[10 days prior to each Interest Payment Date and Redemption Date]
56.	Calculation Agent	[]
57.	Specified Office of the Calculation Agent	[]
58.	Transfer Agent	[]
59.	Specified Office of the Transfer Agent	[]
60.	Debt Sponsor	[]
61.	Settlement Agent	[]
62.	Specified Office of the Settlement Agent	[]
63.	Stabilisation Manager, if any	[]
64.	Programme Amount	[]
65.	Aggregate Outstanding Principal Amount of all Notes in issue on the Issue Date of this Tranche	R[], excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date
66.	Aggregate Amount of Notes in issue in respect of the Series on the Issue Date of this Tranche	R[], excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued in respect of the Series on the Issue Date
67.	Events of Default	[See Condition 17]
68.	Other provisions	[]

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

Paragraph 3(5)(b)

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

Paragraph 3(5)(c)

The auditor of the Issuer is [●].

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has not issued any commercial paper / has issued commercial paper to the value of ZAR[●];
- (b) the Issuer estimates to issue commercial paper with a nominal value of ZAR[●] during its current financial year, ending [●]; and
- (c) the amount of commercial paper issued by the Issuer when aggregated with its other borrowings equals an amount less than the amount that the Issuer is permitted to borrow in terms of its constitutive documents.

Paragraph 3(5)(e)

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

Paragraph 3(5)(f)

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

Paragraph 3(5)(g)

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

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for general corporate purposes.

Paragraph 3(5)(i)

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

Paragraph 3(5)(j)

[●], the auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum and this Applicable Pricing Supplement which would make any statement false or misleading as at the date hereof and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum and this Applicable Pricing Supplement contain all information required by Applicable Law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, this Applicable Pricing Supplement and its

audited annual financial statements incorporated by reference in the Programme Memorandum and any amendments, or any supplements from time to time.

Application is hereby made to list this issue of Notes [on [date]].

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED
(AS ISSUER)

SIGNED at _____ on _____ [...]

Signature:

Signature:

Name:

Name:

Designation:

Designation:

Registered Address : Wierda Road, Zwartkop, Pretoria

Tel: [•]

TERMS AND CONDITIONS OF THE NOTES

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

The applicable terms of any Previous Notes are set out in the terms and conditions contained in the Previous Programme Memorandum will be incorporated by reference into the Previous Notes, as modified and supplemented by the Applicable Pricing Supplement relating to the Previous Notes.

Before the Issuer issues any Tranche of listed Notes, the Issuer shall complete, sign and deliver to the JSE and the Central Securities Depository a pricing supplement based on the pro forma Applicable Pricing Supplement (as defined below) included in the Programme Memorandum setting out details of such Notes. The Issuer may determine that particular Notes will not be listed on the Interest Rate Market of the JSE or any other exchange and in that case, no Applicable Pricing Supplement will be delivered to the JSE unless the settlement of trades in such unlisted Notes takes place in accordance with the electronic settlement procedures of the Interest Rate Market of the JSE and the Central Securities Depository.

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

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

1 INTERPRETATION

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

"Agency Agreement"	the amended and restated Agency Agreement dated 8 August 2013 entered into between the Issuer, the Paying Agent, the Calculation Agent and the Transfer Agent as amended or restated, from time to time as well as any schedules thereto;
"Applicable Pricing Supplement"	the pricing supplement relating to each Tranche of Notes, which shall be in a form and substance similar to the <i>pro forma</i> Applicable Pricing Supplement contained in this Programme Memorandum;
"Applicable Procedures"	the rules and operating procedures for the time being of the Central Securities Depository, Settlement Agents and the Interest Rate Market of the JSE;
"Arranger"	Deutsche Bank AG, Johannesburg Branch;
"Beneficial Interest"	the undivided share of a co-owner of the Notes represented by an Individual Certificate or held in uncertificated form as provided in section 37 of the Financial Markets Act;
"BESA"	The Bond Exchange of South Africa Limited (registration number 2007/034441/06), prior to its merger, on 22 June 2009, with the JSE;
"BESA Guarantee Fund Trust"	the guarantee fund established and operated by BESA, prior to its merger with the JSE on 22 June 2009 and, as

	at the Programme Date, operated by the JSE as a separate guarantee fund, in terms of the of the rules of the JSE, as required by sections 8(1)(h) and 17(1)(w) of the Financial Markets Act or any successor fund;
"Books Closed Period"	the period as specified in the Applicable Pricing Supplement, commencing after the Last Day to Register, during which the transfer of Notes will not be registered or such shorter period as the Issuer may decide in order to determine those Noteholders entitled to receive interest;
"Business Day"	a day (other than a Saturday or Sunday or public holiday within the meaning of the Public Holidays Act, 1994) which is a day on which commercial banks settle ZAR payments in Johannesburg;
"Business Day Convention"	the business day convention, if any, specified as such and set out in the Applicable Pricing Supplement;
"Calculation Agent"	Absa Bank Limited (acting through its Corporate and Investment Banking Division), or in relation to a particular Tranche or Series of Notes, such other person specified in the Applicable Pricing Supplement as the Calculation Agent;
"Central Securities Depository"	Strate Limited (Registration number 1998/022242/06), or its nominee, operating in terms of the Financial Markets Act (or any successor legislation thereto), or any additional or alternate depository approved by the Issuer, the Relevant Dealer(s) and the JSE;
"Certificated Notes"	Notes evidenced by Individual Certificates;
"Companies Act"	the Companies Act 71 of 2008 (as amended or re-enacted from time to time and shall include any succeeding statute);
"Currency"	ZAR;
"Day Count Fraction"	has the meaning specified in Condition 9.2.5;
"Dealer"	any Dealer, as may be appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer;
"Debt Securities"	the " <i>securities</i> " (as defined in the Financial Markets Act) which are designated by the JSE as " <i>debt securities</i> " from time to time;
"Early Redemption Amount"	the amount, as set out in Condition 11.5, at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 11.2 and/or Condition 17;
"Event of Default"	an event of default by the Issuer as set out in Condition 17;

"Exchange Control Regulations"	the Exchange Control Regulations, 1961 issued pursuant to the Currency and Exchanges Act, 1933;
"Extraordinary Resolution"	a resolution passed at a meeting (duly convened) of the Noteholders or Noteholders of the Relevant Series of Notes, by a majority consisting of not less than 66.67% (sixty six point six seven percent) of the persons voting at such meeting upon a show of hands or if a poll be duly demanded then by a majority consisting of not less than 66.67% (sixty six point six seven percent) of the votes given on such poll;
"Final Redemption Amount"	the amount of principal specified in the Applicable Pricing Supplement payable in respect of each Note upon the Final Redemption Date;
"Final Redemption Date"	the date, as specified in the Applicable Pricing Supplement, on which the relevant Notes mature;
"Financial Markets Act"	The Financial Markets Act, 2012;
"Fixed Interest Period"	the period from (and including) an Interest Payment Date to (but excluding) the following Interest Payment Date; provided that the first interest period shall be from (and including) the Interest Commencement Date to (but excluding) the next Interest Payment Date;
"Fixed Rate Notes"	Notes which will bear interest at the fixed Rate of Interest, as indicated in the Applicable Pricing Supplement and more fully described in Condition 9.1;
"Floating Rate Notes"	Notes which will bear interest at a floating Rate of Interest as indicated in the Applicable Pricing Supplement and more fully described in Condition 9.2;
"Guarantee"	the guarantee dated on 8 August 2013 executed by the Guarantor in favour of the Noteholders, the form of which is contained in the Programme Memorandum;
"Guarantor"	Daimler AG, Stuttgart, Federal Republic of Germany;
"IFRS"	the International Financial Reporting Standards as amended from time to time;
"Implied Yield"	the yield accruing on the Issue Price of Zero Coupon Notes, as specified in the Applicable Pricing Supplement;
"Income Tax Act"	the Income Tax Act, 1962, as amended;
"Individual Certificate"	a Note in the definitive registered form of a single certificate and being a certificate exchanged for Beneficial Interest in Uncertificated Notes in accordance with Condition 13.2 and any further certificate issued in consequence of a transfer thereof. An Individual Certificate may be replaced by the issue of Uncertificated Securities in terms of Section 33 of the

	Financial Markets Act;
"Interest"	has the meaning specified on Condition 10.4;
"Interest Amount"	the amount of interest payable in respect of each Nominal Amount of Fixed Rate Notes and Floating Rate Notes, as determined in accordance with Condition 9.1 or 9.2, as the case may be;
"Interest Commencement Date"	the first date from which interest on the Notes, other than Zero Coupon Notes, will accrue, as specified in the Applicable Pricing Supplement;
"Interest Payment Date"	the Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, the last day of the Interest Period commencing on the preceding Interest Payment Date, or, in the case of the first Interest Payment Date, commencing on the Interest Commencement Date;
"Interest Period"	such period(s) as specified in the Applicable Pricing Supplement;
"ISDA"	the International Swaps and Derivatives Association Inc.;
"ISDA Definitions"	the 2006 ISDA Definitions published by ISDA (as amended, supplemented, revised or republished from time to time) as specified in the Applicable Pricing Supplement;
"Issue Date"	in relation to each Tranche of Notes, the date specified as such in the Applicable Pricing Supplement;
"Issue Price"	in relation to each Tranche of Notes, the price at which the Notes forming part of that Tranche are issued, specified as such in the Applicable Pricing Supplement;
"Issuer"	Mercedes-Benz South Africa Limited (Registration Number 1962/000271/06);
"JSE"	the JSE Limited, registration number 2005/022939/06 a company duly registered and incorporated with limited liability under the company laws of the Republic of South Africa, licensed to operate as a financial exchange under the Financial Markets Act;
"JSE Listing Requirements"	the criteria and disclosure requirements for the listing of Debt Securities on the JSE, as amended from time to time;
"Last Day to Register"	with respect to a particular Series of Notes (as reflected in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and whereafter the Register is closed for further transfers or entries until the Payment Day;

"Material Effect"	an adverse effect, fact or circumstance which has arisen or occurred and which is or might reasonably be expected (alone or together with any other such actual adverse effect, fact or circumstance) to be material with regard to the Issuer's ability to fulfil its payment obligations in respect of the Notes;
"NACA"	nominal annual compounded annually;
"NACM"	nominal annual compounded monthly;
"NACQ"	nominal annual compounded quarterly;
"NACS"	nominal annual compounded semi-annually;
"Nominal Amount"	in relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note;
"Noteholders"	the holders of the Notes (as recorded in the Register);
"Notes"	the notes, in registered form, issued or to be issued by the Issuer on or after the date of this Programme Memorandum under the Programme and represented as Certificated Notes, or Uncertificated Notes;
"Optional Redemption Amount(s)"	has the meaning given to it in the Applicable Pricing Supplement;
"Optional Redemption Date(s)"	has the meaning given to it in the Applicable Pricing Supplement;
"Outstanding"	in relation to the Notes, all the Notes issued other than: <ul style="list-style-type: none"> (a) those which have been redeemed in full; (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption moneys wherefor (including all Interest (if any) accrued thereon to the date of such redemption and any Interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Individual Certificates; (c) those which have been purchased and cancelled as provided in Condition 13; (d) those which have become prescribed under Condition 16; (e) Notes represented by those mutilated or defaced Individual Certificates which have been surrendered in exchange for replacement Individual Certificates pursuant to Condition 13.5; and (f) (for the purpose only of determining how many

Notes are Outstanding and without prejudice to their status for any other purpose) those Certificated Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Individual Certificates have been issued pursuant to Condition 13,

provided that for each of the following purposes, namely -

- (i) the right to attend and vote at any meeting of the Noteholders; and
- (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 20 and 21,

all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held), shall be deemed not to be Outstanding;

"Participants"	a person accepted by the Central Securities Depository as a participant in terms of section 31 of the Financial Markets Act;
"Paying Agent"	Absa Bank Limited (acting through its Corporate and Investment Banking Division), unless the Issuer elects, in relation to a particular Tranche or Series of Notes, to act as Paying Agent itself or to appoint another entity as Paying Agent, in which event that other entity shall act as Paying Agent in respect of that Tranche or Series of Notes;
"Payment Day"	any day which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
"Previous Notes"	notes issued by the Issuer prior to the date of this Programme Memorandum under the Programme and pursuant to the Previous Programme Memorandum;
"Previous Memorandum"	Programme the Programme Memorandum dated 30 June 2008 relating to the Previous Notes prepared in connection with the Programme, as revised, supplemented, amended by the Supplement;
"Principal"	has the meaning specified in Condition 10.4;
"Programme"	the ZAR18,000,000,000 Domestic Medium Term Note Programme established by the Issuer under the Previous Programme Memorandum, as updated by this Programme Memorandum to reflect <i>inter alia</i> , an increase in the Programme Amount to ZAR25,000,000,000;
"Programme Agreement"	the amended and restated Programme Agreement dated 8 August 2013 entered into between the Issuer, the Guarantor and the Debt Sponsor as amended or restated, from time to time as well as any schedules thereto;

"Programme Amount"	the maximum aggregate Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time, being ZAR25,000,000,000 or such increased amount as is determined by the Issuer from time to time subject to and in accordance with all applicable laws, the Programme Agreement and the requirements of the Interest Rate Market of the JSE;
"Programme Memorandum"	this Programme Memorandum dated 8 August 2013 relating to the Notes prepared in connection with the Programme;
"Rate of Interest"	the rate or rates of Interest applicable to Notes, other than Zero Coupon Notes, as indicated in the Applicable Pricing Supplement;
"Redemption Date"	the date upon which the Notes are redeemed by the Issuer, whether by way of early redemption or at maturity in terms of Condition 11.1, as the case may be;
"Reference Banks"	four leading banks in the South African inter-bank market selected by the Calculation Agent;
"Reference Price"	in relation to a Tranche of Zero Coupon Notes, the reference price specified in the Applicable Pricing Supplement;
"Register"	the register maintained by the Transfer Agent in terms of Condition 14;
"Registered Note"	a Note issued in registered form and transferable in accordance with Condition 15;
"Relevant Date"	in respect of any payment relating to the Notes, the date on which such payment first becomes due, except that, in relation to monies payable to the Central Securities Depository in accordance with these Terms and Conditions, it means the first date on which (i) the full amount of such monies have been received by the Central Securities Depository, (ii) such monies are available for payment to the holders of Beneficial Interests and (iii) notice to that effect has been duly given to such holders in accordance with the Applicable Procedures;
"Series"	a Tranche of Notes together with any further Tranche or Tranches of Notes which are: <ul style="list-style-type: none"> (a) expressed to be consolidated and form a single series; and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices;
"SENS"	Securities Exchange News Service established by the JSE;
"Settlement Agent"	a Participant, approved by the JSE in terms of the rules

	of the JSE to perform electronic settlement of both funds and scrip on behalf of market participants;
"Specified Currency"	has the meaning given in the Applicable Pricing Supplement;
"Specified Denomination"	has the meaning given in the Applicable Pricing Supplement;
"Sub-register"	a sub-register, as contemplated in the Companies Act;
"Subsidiary"	a subsidiary company as defined in the Companies Act;
"Sub-unit"	with respect to any currency, the lowest amount of such currency that is available as legal tender in the country of such currency;
"Supplement"	the supplement to the Previous Programme Memorandum dated 24 May 2011;
"Terms and Conditions"	the terms and conditions incorporated in this section entitled " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued;
"Tranche"	all Notes which are identical in all respects (including as to listing) and are issued in a single issue;
"Transfer Agent"	Computershare Investor Services (Proprietary) Limited, unless the Issuer elects, in relation to a particular Tranche or Series of Notes, to act as Transfer Agent itself or to appoint another entity as Transfer Agent in accordance with the terms of the Agency Agreement, in which event that other entity shall act as an Transfer Agent in respect of that Tranche or Series of Notes;
"Transfer Form"	the written form for the transfer of a Registered Note, in the form approved by the Transfer Agent, and signed by the transferor and transferee;
"Uncertificated Notes"	a Note which is not represented by any certificate or written instrument as contemplated in Section 33 of the Financial Markets Act;
"ZAR"	the lawful currency of the Republic of South Africa, being South African Rand, or any successor currency;
"ZAR-JIBAR-SAFEX"	the mid-market rate for deposits in ZAR for a period of the Designated Maturity (as indicated in the Applicable Pricing Supplement) which appears on the Reuters Screen SAFEX Page as at 11h00, Johannesburg time on the relevant date; and
"Zero Coupon Notes"	Notes which will be offered and sold at a discount to their Nominal Amount or at par and will not bear interest other than in the case of late payment.

2 ISSUE

- 2.1 Notes may be issued by the Issuer, at any time and from time to time, in one or more Tranches pursuant to the Programme, without requiring the consent of the Noteholders, provided that the aggregate outstanding amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2 Notes are issued by the Issuer in Series and each Series may comprise one or more Tranches. Each Tranche will be the subject of an Applicable Pricing Supplement.
- 2.3 The Noteholders are deemed to have knowledge of, are entitled to the benefit of, and are subject to, all the provisions of these Terms and Conditions and the Applicable Pricing Supplement.
- 2.4 The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. The Applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes. Capitalised expressions used in these Terms and Conditions and not herein defined shall bear the meaning assigned to them in the Applicable Pricing Supplement.
- 2.5 Copies of the Applicable Pricing Supplement are available for inspection at the registered office of the Issuer.

3 FORM AND DENOMINATION

3.1 General

- 3.1.1 All payments in relation to the Notes will be made in ZAR.
 - 3.1.2 Each Note shall be a Note, which shall bear the characteristics as described in Condition 5 above, as indicated in the Applicable Pricing Supplement.
 - 3.1.3 Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or such Other Note as may be determined by the Issuer, as indicated in the Applicable Pricing Supplement.
 - 3.1.4 Notes will be issued in such denominations as may be determined by the Issuer and as indicated in the Applicable Pricing Supplement. Listed and/or unlisted Notes may be issued under the Programme.
- 3.2 The Notes will be in registered form. Each Tranche of Notes listed on the Interest Rate Market of the JSE will be issued in uncertificated form, which will be registered in the name of, and for the account of, the Central Securities Depository or its nominee or may be issued as an Uncertificated Note. An owner of a Beneficial Interest in Uncertificated Notes shall be entitled to exchange such Beneficial Interest for an Individual Certificate in accordance with Condition 15. Registered Notes which are not listed will be evidenced by Individual Certificates or, held in uncertificated form. If unlisted Notes are cleared and settled through the Central Securities Depository, then the same terms and conditions relating to the clearance and settlement of all other Notes shall apply thereto.

4 TITLE

- 4.1 Subject to the provisions set out below, title to the Notes will pass upon registration of transfer in the Register in accordance with Condition 15.
- 4.2 The Issuer may deem and treat the person reflected in the Register as the holder of any Note as the absolute owner of the Note (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.
- 4.3 Beneficial Interests in Notes held in uncertificated form may, in terms of existing law and practice, be transferred through the Central Securities Depository by way of book entry in the central securities accounts of the Participants. Such transfers will not be recorded in the Register and the

Central Securities Depository's Nominee will continue to be reflected in the Register as the Noteholder in respect of the Uncertificated Notes notwithstanding such transfers. Ownership of a Beneficial Interest in Uncertificated Notes shall be evidenced by the regular statement sent by Participants to the person on whose behalf such Participant holds such Notes. Transfer of ownership in Uncertificated Notes shall pass only upon the debiting and crediting, respectively, of both the account in the Sub-register from which the transfer is affected and the account in the Sub-register to which the transfer is to be made, in accordance with the rules of the Central Securities Depository.

- 4.4 Should an Event of Default occur, then for the purposes of pursuing a remedy against the Issuer pursuant to Condition 17, the holder of a Beneficial Interest in an Uncertificated Note shall be deemed to be in the same position as a holder of an Individual Certificate whose name was entered in the Register.

5 STATUS OF NOTES

The Notes are senior in nature and constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* (without any preference among themselves) with the claims of all other unsecured creditors of the Issuer other than those claims which are expressly preferred by the laws of South Africa.

6 NEGATIVE PLEDGE

So long as any of the Notes remain Outstanding, the Issuer undertakes not to provide security over its assets for any other notes or bonds, including any guarantee or indemnity assumed therefor, without at the same time having the Noteholders share equally and rateably in such security, provided that security over its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for obtaining any governmental approvals.

7 GUARANTEE

- 7.1 The Guarantor has given its unconditional and irrevocable guarantee (the "Guarantee") for the due payment of the amounts corresponding to the principal of and interest on the Notes. The Guarantor has further undertaken (the "Undertaking") as long as the Notes are Outstanding not to provide security over its assets for any other notes or bonds, including any guarantee or indemnity assumed therefor, without at the same time having the Noteholders share equally and rateably in such security, provided that security over its assets is neither mandatory pursuant to applicable laws nor required as a prerequisite for obtaining any governmental approvals.
- 7.2 The Guarantee constitutes a contract for the benefit of the Noteholders as third party beneficiaries in accordance with § 328 (1) BGB, giving rise to the right of each Noteholder to require performance of the Guarantee directly from the Guarantor and to enforce the Guarantee directly against the Guarantor.
- 7.3 The Guarantee will be deposited with, and be held by, the Arranger until the later of:
- 7.3.1 the date on which the Programme is terminated by the Issuer; and
- 7.3.2 the date on which all of the obligations of the Issuer and the Guarantor under or in respect of the Notes have been discharged in full.
- 7.4 Each Noteholder shall be entitled to require the Arranger, which shall be obliged, to provide a copy of the Guarantee to that Noteholder on request. In holding the Guarantee, the Arranger does not act in any fiduciary or similar capacity for the Noteholders and it has not accepted any liability, duty or responsibility to Noteholders in this regard.
- 7.5 Specific exchange control approval is not required to be obtained from the South African Reserve Bank for purposes of the Guarantee.

8 SUBSTITUTION

- 8.1 The Issuer shall, without the consent of the Noteholders, be entitled at any time to substitute for itself, any other company, as principal debtor (the "Substituted Issuer") in respect of all obligations arising from or in connection with the Notes, provided that –
- 8.1.1 the Substituted Issuer is in a position to fulfil all payment obligations arising from or in connection with the Notes in ZAR without the necessity of any taxes or duties or other governmental charges to be withheld at source, and to transfer all amounts which are required therefor to the Noteholders without any restrictions;
- 8.1.2 more than 90% (ninety percent) of the voting shares or other voting interests of the Substituted Issuer are directly or indirectly owned by the Guarantor; and
- 8.1.3 the Substituted Issuer is a resident of South Africa in accordance with the prevailing South African Exchange Control Regulations (if any).
- 8.2 Any such substitution shall be notified in accordance with Condition 19 (*Notices*).
- 8.3 In the event of such substitution any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substituted Issuer.

9 INTEREST

9.1 Interest on Fixed Rate Notes

Except if otherwise specified in the Applicable Pricing Supplement, interest on Fixed Rate Notes will be paid on a semi-annual basis, on Interest Payment Dates. Each Fixed Rate Note bears interest on its outstanding Nominal Amount from (and including) the Interest Commencement Date specified in the Applicable Pricing Supplement at the rate(s) per annum equal to the Rate of Interest so specified payable in arrears on the Fixed Interest Payment Dates in each year up to and including the Final Redemption Date.

The first payment of Interest will be made on the Fixed Interest Payment Date immediately following the Interest Commencement Date.

Except if otherwise specified in the Applicable Pricing Supplement, the amount of interest payable in respect of any six-month period shall be calculated by dividing the Rate of Interest by two and multiplying the product by the Nominal Amount, provided that:

- 9.1.1 if an Initial Broken Amount is specified in the Applicable Pricing Supplement, then the first Interest Amount shall equal the Initial Broken Amount specified in the Applicable Pricing Supplement; and
- 9.1.2 if a Final Broken Amount is specified in the Applicable Pricing Supplement, then the final Interest Amount shall equal the Final Broken Amount.

If Interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated on the basis as per the Day Count Fraction specified in the Applicable Pricing Supplement.

9.2 Interest on Floating Rate Notes

9.2.1 *Interest Payment Dates*

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

9.2.2 *Rate of Interest*

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

9.2.3 *Minimum and/or Maximum Rate of Interest*

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

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

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

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

- (a) if "1/1" is specified, 1;
- (b) if "Actual/Actual", "Actual/Actual (ISDA)", "Act/Act" or "Act/Act (ISDA)" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365); or
- (c) if "Actual/Actual (ICMA)" or "Act/Act (ICMA)" is specified, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "ICMA Rule Book"), calculate in accordance with Rule 251 of the ICMA Rule Book as applied to non US dollar denomination straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Interest Period in respect of which payment is being made;; or
- (d) if "Actual/365 (Fixed)", "Act/35 (Fixed)" or "A/365F" is specified, the actual number of days in the Interest Period in respect of which payment is made divided by 365; or
- (e) if "Actual/360", "Act/360" or "A/360" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 360; or
- (f) if "30/360", "360/360" or "Bond Basis" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows –

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

Where :

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be .31, in which case D₂ will be 30; or

- (g) if "30E/360 (ISDA)" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows -

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

Where :

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the 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 Period, unless (i) that day is the last day of February but not the Date or (ii) such number would be .31, in which case D₂ will be 30; or

- (h) such other calculation method as is specified in the Applicable Pricing Supplement.

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

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

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

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

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

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

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

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

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

9.2.7 *Notification of Rate of Interest and Interest Amount*

The Issuer will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the JSE through SENS and the Central Securities Depository and/or authority as soon as possible after their determination but in any event no later than the 4th (fourth) Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the JSE, the Central Securities Depository and/or authority and to the Noteholders in accordance with Condition 19.

9.2.8 *Certificates to be Final*

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

9.3 **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear Interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of Principal is improperly withheld or refused. If payment of Principal is improperly withheld or refused, Interest shall continue to accrue at the same Rate of Interest on the outstanding Principal amount of the Notes from and including the date immediately following the due date of its redemption to (but excluding) the date on which all amounts due in respect of such Note have actually been paid, or in respect of Uncertificated Notes, the date on which the full amount of the moneys payable has been received by the Central Securities Depository and notice to that effect has been given to Noteholders in accordance with the Applicable Procedures and Condition 19.

9.4 **Business Day Convention**

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

- (a) the "Floating Rate Business Day Convention", such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day and (ii) each subsequent

Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or

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

10 PAYMENTS

10.1 Uncertificated Notes / Individual Certificates

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

10.1.2 Payments of Interest and Principal in respect of Uncertificated Notes will be made to the Central Securities Depository nominee, or such other registered holder of Uncertificated Notes, as shown in the Register on the Last Day to Register. Each of the persons shown in the records of the Central Securities Depository and the Participants, as the case may be, shall look solely to the Central Securities Depository or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such Uncertificated Note(s).

10.2 Method of Payment

Payments will be made in ZAR by means of electronic settlement to the Noteholder.

10.2.1 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque marked "not transferable" (or by such number of cheques as may be required in accordance with applicable banking law and practice) to make payment of any such amounts. Such payments by cheque shall be sent by post to the address of the Noteholder as set forth in the Register or, in the case of joint Noteholders, the address set forth in the Register of that one of them who is first named in the Register in respect of that Note.

10.2.2 Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques may be posted by ordinary post, provided that neither the Issuer nor the Paying Agent shall be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 10.2.

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

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

12.

10.3 Payment Day

If the date for payment of any amount in respect of any Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further Interest or other payment in respect of such delay, unless otherwise indicated in the Applicable Pricing Supplement.

10.4 Discharge

10.4.1 In the case of Uncertified Notes, the Issuer shall be discharged from its payment obligations under such Notes upon payment of the Final Redemption Amount to the Central Securities Depository's Nominee (as per the Register).

10.4.2 In the case of a Certificate Note, the Issuer shall be discharged from its payment obligations under such Notes upon payment of the Final Redemption Amount to the registered holder of such Note set forth in the Register.

10.5 Interpretation of Principal and Interest

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

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

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

10.5.3 in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 11.5.2); and

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

11 REDEMPTION AND PURCHASE

11.1 At Maturity

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

11.2 Redemption for Tax Reasons

11.2.1 Notes may be redeemed at the option of the Issuer, at any time (in the case of Notes other than Floating Rate Notes having an Rate of Interest then determined on a floating) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Noteholders prior to such redemption, in accordance with Condition 19 (which notice shall be irrevocable), if the Issuer, prior to the giving of such notice, is of the reasonable opinion that:

11.2.1.1 as a result of any change in, or amendment to, the laws or regulations of the Republic of South Africa or any political sub-division of, or any authority in, or of, the Republic of South Africa having power to tax, or any change or amendment to an official interpretation or application of such laws or regulations which becomes effective after the relevant Issue Date, the Issuer and the Guarantor is or would be required to pay additional amounts as provided or referred to in Condition 12;

11.2.1.2 the requirement cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the

earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

- 11.2.2 Notes may be redeemed by the Issuer in accordance with this Condition 11.2 in whole or in part. A redemption in part may be effected by the Issuer in the event that only some Notes in a Series are affected:
- 11.2.2.1 notwithstanding that such partial redemption may not entirely avoid such obligation to pay additional amounts as provided for or referred to in Condition 12; and
- 11.2.2.2 *mutatis mutandis* in the manner described in Condition 11.3, provided that the references to the giving of notice therein and to the Minimum Redemption Amount and the Maximum Redemption Amount therein shall be disregarded for such purposes.
- 11.2.3 Notes redeemed for tax reasons pursuant to this Condition 11.2 will be redeemed at their Early Redemption Amount referred to in Condition 11.5, together (if appropriate) with interest accrued from (and including) the immediately preceding Interest Payment Date to (but excluding) the date of redemption or as specified in the Applicable Pricing Supplement.
- 11.3 **Redemption at the Option of the Issuer**
- 11.3.1 If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer may, having given not less than 30 nor more than 60 days' irrevocable notice to the Noteholders in accordance with Condition 19, redeem all or some of the Notes (to which such applicable Pricing Supplement relates) then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).
- 11.3.2 If redeemable in part, any such redemption must be of a Nominal Amount equal to the Minimum Redemption Amount or the Maximum Redemption Amount, both as indicated in the Applicable Pricing Supplement.
- 11.3.3 In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Individual Certificates, and in accordance with the Applicable Procedures, in the case of Redeemed Notes held in uncertificated form, and in each case not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date").
- 11.3.4 In the case of Redeemed Notes represented by Individual Certificates, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 19 not less than 30 days prior to the date fixed for redemption. The aggregate Nominal Amount of Redeemed Notes represented by Individual Certificates shall bear the same proportion to the aggregate Nominal Amount of all Redeemed Notes as the aggregate Nominal Amount of Notes outstanding represented by Individual Certificates bears to the aggregate Nominal Amount of all the Notes outstanding, in each case on the Selection Date, provided that such first mentioned Nominal Amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate Nominal Amount of Redeemed Notes held in uncertificated form shall be equal to the balance of the Redeemed Notes. No exchange of Uncertificated Notes will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 19 at least 10 days prior to the Selection Date.
- 11.3.5 Holders of Redeemed Notes shall surrender the Individual Certificates, if any, representing the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Individual Certificates are redeemed, the Transfer Agent shall deliver new Individual Certificates to such Noteholders in respect of the balance of the Notes.
- 11.3.6 If the Notes are subject to early redemption at the option of the Noteholders, the Issuer may not exercise such option in respect of any Notes which are the subject of the prior exercise by the

Noteholder thereof of its option to require the redemption of such Notes under Condition 11.4.

11.4 Redemption at the Option of the Noteholders

If Noteholders are specified in the Applicable Pricing Supplement as having an option to request the redemption of Notes, such Noteholders may exercise such option in respect of such Notes represented by Individual Certificates by delivering to the Transfer Agent, in accordance with Condition 19, a duly executed notice ("Put Notice"), at least 30 days but not more than 60 days, prior to the Optional Redemption Date.

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

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

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

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

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

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where, after giving the notice but prior to the due date of redemption, an Event of Default has occurred and is continuing in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 17.

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

The Noteholders may not exercise such option in respect of any Notes which are subject to the prior exercise by the Issuer of its option to redeem such Notes pursuant to Conditions 11.2 or 11.3.

11.5 Early Redemption Amounts

For the purpose of the Condition 11.2 and Condition 17, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- 11.5.1 in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- 11.5.2 in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") equal to the sum of: (i) the Reference Price; and (ii) the product of the Implied Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable, or such other amount as is provided in the Applicable Pricing Supplement.

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

11.6 Purchases

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

11.7 Cancellation

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

11.8 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 11 or upon its becoming due and repayable as provided in Condition 17 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 11.5.2 as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of: (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and (ii) 5 days after the date on which the full amount of the moneys payable has been received by the Central Securities Depository, and notice to that effect has been given to the Noteholder in accordance with Condition 18.

12 TAXATION

All payments in respect of the Notes are subject to the applicable tax laws and regulations of The Republic of South Africa.

13 UNCERTIFICATED NOTES AND INDIVIDUAL CERTIFICATES

13.1 Notes may be issued in electronically uncertificated form. Uncertificated Notes will be lodged with the Central Securities Depository. The holder of the Uncertificated Note will be reflected in the Sub-register as the holder of the Uncertificated Note.

13.2 A Beneficial Interest in Uncertificated Notes will be exchangeable for an Individual Certificate if (i) a written request for Notes in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 10 days prior to the requested date of such exchange, (ii) the Applicable Procedures for obtaining such an Individual Certificate from the Transfer Agent are followed, and (iii) an equivalent number of Notes are transferred in accordance with the provisions of Condition 15 from the Central Securities Depository or its nominee to the holder of such Beneficial Interest. If only part of the Uncertificated Notes is exchanged, a new Uncertificated Note for the balance will be issued.

13.3 A Noteholder shall be entitled to receive an Uncertificated Note or Individual Certificate, as the case may be, evidencing the Notes transferred to that Noteholder within 10 days after registration of that transfer in accordance with Condition 15 (and which will apply *mutatis mutandis* to such Uncertificated Note or Individual Certificate, as the case may be), provided that joint Noteholders will be entitled to receive only one Uncertificated Note or Individual Certificate, as the case may be, in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.

13.4 A Noteholder shall be entitled to receive an Individual Certificate in respect of a Note which is not listed within 10 (ten) days of becoming entitled thereto, provided that joint Noteholders will be entitled to receive only one Individual Certificate in respect of that joint holding, and the delivery to one of those Noteholders shall be delivery to all of them.

13.5 If an Individual Certificate is worn out or defaced then, within 10 (ten) days of its presentation to

the Transfer Agent, the Transfer Agent shall cancel that Individual Certificate and issue a new Individual Certificate in its place.

- 13.6 If an Individual Certificate is lost or destroyed then upon proof thereof to the satisfaction of the Transfer Agent, a new Individual Certificate in lieu thereof may be issued to the Noteholder entitled to that lost or destroyed Individual Certificate provided that the Noteholder shall provide the Transfer Agent and the Issuer with an indemnity and pay any out-of-pocket expenses incurred in connection with the indemnity. The person providing the indemnity and the form of the indemnity shall be to the satisfaction of the Issuer. The new Individual Certificate shall be issued within 10 (ten) days from the date that the conditions for issuing such Individual Certificate have been fulfilled. If the original Individual Certificate is found it shall be returned to Issuer for destruction.
- 13.7 An entry as to the issue of a new Uncertificated Note, Individual Certificate and indemnity (if any) shall be made in the Register upon the date of issue of the new Individual Certificate.
- 13.8 Individual Certificates to be provided by the Issuer to Noteholders shall be collected by the Noteholders from the Transfer Agent.
- 13.9 Individual Certificates shall be provided where relevant by the Issuer without charge, save as otherwise provided in these Terms and Conditions. Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of Notes may be levied by other persons, such as a Participant, under the Applicable Procedures and such costs and expenses shall not be borne by the Issuer. The costs and expenses of delivery of Individual Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the Noteholder.

14 REGISTER

- 14.1 The Register of Noteholders:
- 14.1.1 shall be kept at the office of the Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- 14.1.2 shall contain the names, addresses and bank account numbers of the registered Noteholders;
- 14.1.3 shall show the total Nominal Amount of the Notes held by Noteholders;
- 14.1.4 shall show the dates upon which each of the Noteholders was registered as such;
- 14.1.5 in the case of Individual Certificates, show the serial numbers of the Individual Certificates and the dates of issue thereof;
- 14.1.6 shall be open for inspection at all reasonable times during business hours on Business Days by any Noteholder or any person authorised in writing by a Noteholder at no charge to such Noteholder or authorised person; and
- 14.1.7 shall be closed during the Books Closed Period.
- 14.2 The Transfer Agent shall alter the Register in respect of any change of name, address or account number of any of the Noteholders of which it is notified.
- 14.3 Except as provided for in these Terms and Conditions or as required by law, in respect of Registered Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.
- 14.4 Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Individual Certificate may be subject.

15 TRANSFER OF NOTES

- 15.1 Beneficial Interests in Notes registered in the name of the Central Securities Depository's nominee may be transferred in accordance with the Applicable Procedures. Such transfers will not be recorded in the Register. All transactions in Uncertificated Notes are to be cleared and settled in accordance with the rules of the Central Securities Depository. Transfer of ownership in the Uncertificated Securities shall only pass upon the debiting and crediting, respectively of the account in the Sub-register from which the transfer is effected and the account in the Sub-register to which the transfer is to be made, in accordance with the rules of the Central Securities Depository.

In order for any transfer of Notes to be effected through the Register and for the transfer to be recognised by the Issuer, each transfer of a Note:

- 15.1.1 must be in writing and in the Transfer Form or in such other form approved by the Transfer Agent;
- 15.1.2 must be signed by the relevant Noteholder and the transferee, or any authorised representatives of that registered Noteholder or transferee;
- 15.1.3 shall only be in respect of the Specified Denomination of the Note or integral multiples thereof, and consequently the Issuer will not recognise any fraction of the Specified Denomination;
- 15.1.4 in the case of Individual Certificates, the Transfer Form must be delivered to the Transfer Agent together with the Individual Certificate in question for cancellation (if only part of the Notes represented by an Individual Certificate is transferred, a new Individual Certificate for the balance will be issued to the transferor and the cancelled Individual Certificate will be retained by the Transfer Agent).
- 15.2 The transferor of any Notes represented by an Uncertificated Notes or Individual Certificate, as the case may be, will be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 15.3 Before any transfer is registered all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 15.4 No transfer will be registered whilst the Register is closed during the Books Closed Period.
- 15.5 If a transfer is registered then the Transfer Form and cancelled Individual Certificate will be retained by the Transfer Agent.
- 15.6 In the event of a partial redemption of Notes under Condition 11.3, the Transfer Agent shall not be required in terms of Condition 11.3, to register the transfer of any Notes during the period beginning on the tenth day before the date of the partial redemption and ending on the date of the partial redemption (both inclusive).

16 PRESCRIPTION

The Notes will become void unless presented for payment of Principal within a period of three years after the Relevant Date.

17 EVENTS OF DEFAULT

- 17.1 Each Noteholder shall be entitled, by delivery of a notice in accordance with Condition 19 (*Notices*), to declare his Notes due and demand immediate redemption thereof at an amount calculated in accordance with Condition 7.5 (Early Redemption Amounts) in the event (each an "Event of Default") that:
- 17.1.1 any amounts due under the Notes have not been paid within 30 (thirty) days from the relevant due date; or
 - 17.1.2 the Issuer fails duly to perform any other obligation arising from the Notes, or the Guarantor should fail to perform any obligation arising from the Undertaking referred to in Condition 7 (*Guarantee*) and such failure continues for more than 45 (forty five) days after the Issuer has received notice thereof from the Noteholder or
 - 17.1.3 the Issuer or the Guarantor announces its inability to meet its financial obligations; or
 - 17.1.4 a court opens bankruptcy or winding up or other insolvency proceedings against the Issuer (or, in the case of the Issuer, the initiation of business rescue proceedings as defined in section 128(1)(b) of the Companies Act) or the Guarantor, or such proceedings are instituted and have not been discharged or stayed within 60 (sixty) days, or the Issuer or the Guarantor applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally; or
 - 17.1.5 the Issuer or the Guarantor goes into liquidation unless this is done in connection with a merger, consolidation or other form of consolidation with another company or in connection with a reconstruction and such other or new company assumes all obligations contracted by the Issuer or the Guarantor, as the case may be, in connection with the issue of the Notes.
- 17.2 Any notice, including any notice declaring Notes due, in accordance with this Condition 17 (*Events of Default*) shall be made by means of written declaration delivered by hand or registered post to the Issuer.
- 17.3 In the case of Condition 17.1.2 any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in Conditions 17.1.1, 17.1.3 and 17.1.4 entitling Noteholders to declare their Notes due has occurred, become effective only when the Issuer has received such notices from Noteholders holding at least one tenth of the aggregate principal amount on the Notes representing a Series or, if this is less, one tenth of in principal amount of all Notes then Outstanding.
- 17.4 **Notification of Event of Default**
- If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall forthwith notify all Noteholders, the Guarantor and the JSE in writing.

18 CALCULATION AGENT AND OTHER AGENTS

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

19 NOTICES

- 19.1 Notices to Noteholders shall be valid if mailed to their registered addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh day after the day on which it is mailed.
- 19.2 In the event of there being any Individual Certificates in issue, such notices shall be published, not earlier than four days after the date of posting of such notice in terms of this clause (i) in an

English language daily newspaper of general circulation in the Republic of South Africa and (ii) and for so long as the Notes are listed on the Interest Rate Market of the JSE, a daily newspaper of general circulation in the city in which the JSE is situated, and any such notices shall be deemed to have been given on the date of first publication.

- 19.3 If any notice is given to holders of Uncertificated Notes, a copy thereof shall be delivered to the JSE, the Central Securities Depository and the Settlement Agents.
- 19.4 Any notice to the Issuer shall be deemed to have been received by the Issuer, if delivered to the registered office of the Issuer, on the date of delivery, and if sent by registered mail, on the day of receipt. The Issuer may change its registered office upon prior written notice to Noteholders specifying such new registered office.
- 19.5 For so long as any of the Notes remain in uncertificated form, notice may be given by any holder of a Beneficial Interest in such Notes to the Issuer via the relevant Settlement Agent in accordance with the Applicable Procedures, in such manner as the Issuer and the relevant Settlement Agent may approve for this purpose.
- 19.6 For so long as the Notes are approved by the JSE, all notices in respect of such JSE-listed Notes, shall be made by way of an announcement through SENS.

20 AMENDMENT OF THESE TERMS AND CONDITIONS

- 20.1 These Terms and Conditions set out all the rights and obligations relating to the Notes and, subject to the further provisions of this Condition 20, no addition, variation or consensual cancellation of these Terms and Conditions shall be of any force or effect unless reduced to writing and signed by or on behalf of the Issuer, the Guarantor and the Noteholders.
- 20.2 No modification of these Terms and Conditions may be effected without the written agreement of the Issuer, the Guarantor and the JSE. The Issuer may effect, without the consent of the relevant Noteholders, any modification of the Terms and Conditions which, save as is contemplated in Condition 20.3, is merely of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated, provided that the consent of the JSE shall be required where such Notes are listed. Any such modification shall be binding on the relevant Noteholders and any such modification shall be notified to the relevant Noteholders in accordance with Condition 19 as soon as practicable thereafter.
- 20.3 The Issuer may, with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66.67% (sixty six comma six seven percent.) of the Nominal Amount of the Notes outstanding from time to time, amend these Terms and Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 19.

21 MEETINGS OF NOTEHOLDERS

- 21.1 The Issuer may at any time convene a meeting of all Noteholders or holders of any Series of Notes upon at least 21 days' prior written notice to such Noteholders. This notice is required to be given in terms of Condition 19 and shall be published on SENS. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in the Republic of South Africa.
- 21.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 21.3 Noteholders holding not less than 10% (ten percent) of the Nominal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 days of such a request being received by the Issuer, the Noteholders requesting such a meeting may convene such meeting.

- 21.4 A Noteholder may by an instrument in writing (a "form of proxy") signed by the Noteholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a "proxy") to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 21.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a "representative") in connection with any meeting or proposed meeting of the Noteholders.
- 21.6 Any proxy or representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the holder of the Notes to which the appointment relates and the holder of the notes shall be deemed for such purposes not to be the holder.
- 21.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 21. Should the Noteholder requisition a meeting, and the Issuer fail to call such a meeting within 10 days of the requisition, then the chairman of the meeting held at the instance of the Noteholders shall be selected by a majority of Noteholders present in person, by representative or by proxy.
- 21.8 At any such meeting one or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Nominal Amount of Notes for the time being outstanding shall form a quorum for the transaction of business. On a poll, each Noteholder present in person or by proxy at the meeting shall have the number of votes equal to the number of Notes, by denomination, held by the Noteholder.
- 21.9 If within half an hour (or such longer period as those present may agree) after the time appointed for such meeting, the said quorum as referred to in 21.8 above is not present, the meeting will stand adjourned to the same day of the immediately following week (or if that day is not a business day, the following business day) at the same time and place. Written notice of such adjourned meeting (incorporating an agenda) shall be given to all Noteholders not less than 72 (seventy two) hours before such adjourned meeting is to be held.
- 21.10 At such adjourned meeting, provided that one or more Noteholders in person, by representative or by proxy are present, such Noteholders shall form the quorum for the transaction of business.

22 FURTHER ISSUES

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

23 GOVERNING LAW

- 23.1 The Notes and all rights and obligations to the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of South Africa in force from time to time.
- 23.2 With respect to the rights and duties of the Guarantor it has been agreed that the law of the Federal Republic of Germany shall apply.

24 INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context, any reference to:

- 24.1 one gender includes a reference to the others;
- 24.2 the singular includes the plural and *vice versa*;

- 24.3 natural persons include juristic persons and *vice versa*;
- 24.4 any agreement or instrument is a reference to that agreement or instrument as amended, supplemented, varied, restated or replaced from time to time, and **amended** or **amendment** will be construed accordingly; and
- 24.5 a provision of law is a reference to that provision as amended or re-enacted, and includes any subordinate legislation.

USE OF PROCEEDS

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

The proceeds from each issue of Notes will be applied by the issuer for its general corporate purposes.

SIGNATURE PAGE

SIGNED at EAST LONDON on this 8 day of AUGUST 2013.

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED
(AS ISSUER)

J F Everese
Signature:

Herbert Werner
Signature:

JOHANN F EVERESE
Name:

HERBERT WERNER
Name:

EXECUTIVE DIRECTOR
Designation:

EXECUTIVE DIRECTOR
Designation:

Registered Address: Wierda Road, Zwartkop, Pretoria, 0157, South Africa
Tel: (012) 677 1626

SIGNED at _____ on this _____ day of _____ 2013.

For and on behalf of
DAIMLER AG
(AS GUARANTOR)
IN ITS CAPACITY AS GUARANTOR UNDER THE PROGRAMME AND ONLY WITH RESPECT TO THE
INFORMATION ON THE GUARANTOR THAT IS PROVIDED BY THE GUARANTOR IN THIS PROGRAMME
MEMORANDUM

Signature:

Signature:

Name:

Name:

Designation:

Designation:

Registered Address: Mercedesstrasse 137, D-70327 Stuttgart, Federal Republic of Germany
Tel: +49 711 179 3372

SIGNATURE PAGE

SIGNED at PRETORIA on this 8 day of AUGUST 2013.

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED
(AS ISSUER)

J. Everise
Signature:

Herbert Werner
Signature:

JOHANN F EVERISE
Name:

HERBERT WERNER
Name:

EXECUTIVE DIRECTOR
Designation:

EXECUTIVE DIRECTOR
Designation:

Registered Address: Wierda Road, Zwartkop, Pretoria, 0157, South Africa
Tel: (012) 677 1626

SIGNED at _____ on this _____ day of _____ 2013.

For and on behalf of
DAIMLER AG
(AS GUARANTOR)

IN ITS CAPACITY AS GUARANTOR UNDER THE PROGRAMME AND ONLY WITH RESPECT TO THE
INFORMATION ON THE GUARANTOR THAT IS PROVIDED BY THE GUARANTOR IN THIS PROGRAMME
MEMORANDUM

Signature:

Signature:

Name:

Name:

Designation:

Designation:

Registered Address: Mercedesstrasse 137, D-70327 Stuttgart, Federal Republic of Germany
Tel: +49 711 179 3372

SIGNATURE PAGE

SIGNED at _____ on this _____ day of _____ 2013.

For and on behalf of
MERCEDES-BENZ SOUTH AFRICA LIMITED
(AS ISSUER)

Signature:

Signature:

Name:

Name:

Designation:

Designation:

Registered Address: Wierda Road, Zwartkop, Pretoria, 0157, South Africa
Tel: (012) 677 1626

SIGNED at GERMANY on this 8 day of AUGUST 2013.

For and on behalf of
DAIMLER AG
(AS GUARANTOR)

IN ITS CAPACITY AS GUARANTOR UNDER THE PROGRAMME AND ONLY WITH RESPECT TO THE INFORMATION ON THE GUARANTOR THAT IS PROVIDED BY THE GUARANTOR IN THIS PROGRAMME MEMORANDUM

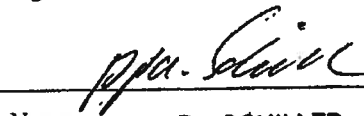
Signature:



Name: **TÜCHTER**
Director

Designation:

Signature:



Name: **Dr. SCHILLER**
Director
Treasury Europe

Designation:

Registered Address: Mercedesstrasse 137, D-70327 Stuttgart, Federal Republic of Germany
Tel: +49 711 179 3372

FORM OF GUARANTEE

Daimler AG

Stuttgart, Bundesrepublik Deutschland

(non-binding translation)

Garantie

zugunsten der Gläubiger (die „Schuldverschreibungsgläubiger“) der von der Mercedes-Benz South Africa Limited (registernummer 1962/000271/06) als Emittenten (der „Emittent“) im Rahmen des ZAR 25,000,000,000 Domestic Medium Term Note Programmes vom 8 August 2013 (das „Programme“) begebenen Schuldverschreibungen (die „Schuldverschreibungen“).

Die Daimler AG garantiert den Schuldverschreibungsgläubigern hiermit unwiderruflich und unbedingt die ordnungsmäßige und pünktliche Zahlung der

herausgegebenen Schuldverschreibungen ab dem 8 August 2013 unter den zuvor in Südafrikanischen Rand der Beträge, die Kapital und etwaige Zinsen der Schuldverschreibungen entsprechen, nach Maßgabe der für diese Schuldverschreibungen geltenden Schuldverschreibungsbedingungen.

Sinn und Zweck dieser Garantie ist es, sicherzustellen, daß die Schuldverschreibungsgläubiger unter allen tatsächlichen oder rechtlichen Umständen und ungeachtet der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Mercedes-Benz South Africa Limited oder der gemäß Condition 8 (*Substitution of the Issuer*) der Schuldverschreibungsbedingungen an ihre Stelle getretene(n) Gesellschaft(en) sowie ungeachtet aller sonstigen Gründe, aus denen eine Zahlung durch Mercedes-Benz South Africa Limited oder die gemäß Condition 8 (*Substitution of the Issuer*) der Schuldverschreibungsbedingungen an ihre Stelle getretene(n) Gesellschaft(en) unterbleiben mag, die als Kapital und etwaige Zinsen zahlbaren Beträge zu den Terminen erhalten, die in den Schuldverschreibungsbedingungen vorgesehen sind.

Solange Schuldverschreibungen unter dem obengenannten Programm ausstehen, jedoch nur bis zu dem Zeitpunkt, an dem alle Beträge an Kapital und etwaigen Zinsen dem Paying Agent zur Verfügung gestellt worden sind, verpflichtet sich die Daimler AG hiermit gegenüber den Schuldverschreibungsgläubigern, für andere Schuldverschreibungen, einschließlich dafür übernommener Garantien und anderer Gewährleistungen, keine Sicherheiten an ihrem Vermögen zu bestellen, ohne die Schuldverschreibungsgläubiger der obengenannten Schuldverschreibungen zur gleichen Zeit im gleichen Rang an solchen Sicherheiten teilnehmen zu lassen, vorausgesetzt, daß derartige Besicherungen weder gesetzlich vorgeschrieben sind noch im Zusammenhang mit staatlichen Genehmigungen verlangt werden.

Diese Garantie stellt einen Vertrag zu Gunsten der jeweiligen Schuldverschreibungsgläubiger als begünstigte Dritte gemäß § 328 Absatz 1 Bürgerliches

Guarantee

in favour of the holders of notes (the “Notes” and the holders thereof, the “Noteholders”) issued by Mercedes-Benz South Africa Limited (registration number 1962/000271/06) as the issuer (the “Issuer”) under the ZAR25,000,000,000 Domestic Medium Term Note Programme dated 8 August 2013 (the “Programme”).

Daimler AG hereby irrevocably and unconditionally guarantees to the Noteholders of the Notes issued on or after 8 August 2013 under the aforesaid Programme the due and punctual payment in South African Rand of the amounts corresponding to the principal of, and interest, if any, on the Notes in accordance with the Terms and Conditions applicable to the Notes.

The intent and purpose of this Guarantee is to ensure that the Noteholders under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of Mercedes-Benz South Africa Limited or the company or companies which may have been substituted for the same pursuant to Condition 8 (*Substitution of the Issuer*) of the Terms and Conditions and regardless of any other grounds on the basis of which Mercedes-Benz South Africa Limited or the company or the companies which may have been substituted for the same pursuant to Condition 8 (*Substitution of the Issuer*) of the Terms and Conditions may fail to effect payment, shall receive the amounts payable as principal and interest, if any, on the dates stipulated in the Terms and Conditions.

So long as any of the Notes issued under the Programme are outstanding, but only up to the time all amounts of principal and interest, if any, have been placed at the disposal of the Paying Agent, Daimler AG hereby undertakes to the Noteholders not to provide any security upon its assets for other notes or bonds, including any guarantee or indemnity assumed therefor, without at the same time having the Noteholders of the aforesaid Notes share equally and rateably in such security, provided that security upon its assets is neither mandatory pursuant to applicable law nor required as a prerequisite for governmental approvals.

This Guarantee constitutes a contract in favour of the Noteholders from time to time as third party beneficiaries pursuant to § 328 subparagraph (1) German Civil Code (*BGB*) giving rise to the right of each Noteholder to require performance of the obligations undertaken herein directly from Daimler AG and to enforce such obligation directly against Daimler AG.

Deutsche Bank AG, Johannesburg Branch, (registration number 1998/003298/10), which accepts this Guarantee does not act in a fiduciary or similar capacity for the Noteholders.

Gesetzbuch (BGB) dar, der jedem Schuldverschreibungsgläubiger das Recht gibt, Erfüllung der hierin übernommenen Verpflichtungen unmittelbar von der Daimler AG zu verlangen und diese Verpflichtungen unmittelbar gegen die Daimler AG durchzusetzen.

Die Deutsche Bank AG, Johannesburg Branch, Johannesburg (registernummer 1998/003298/10), die diese Garantie annimmt, handelt nicht als Treuhänderin oder in ähnlicher Eigenschaft für die Schuldverschreibungsgläubiger.

Das Original dieser Garantie wird der Deutsche Bank Aktiengesellschaft, Johannesburg Branch ausgehändigt. Die Deutsche Bank Aktiengesellschaft, Johannesburg Branch verpflichtet sich, dieses bis zur Erfüllung der Verpflichtungen aus den Schuldverschreibungen und der Garantie in Verwahrung zu halten.

Wenn der Emittent und die Schuldverschreibungsgläubiger nach Schuldverschreibungsbedingung Condition 20 (*Substitution of the Issuer*) eine Änderung der Schuldverschreibungsbedingungen vereinbaren wollen (*geänderte Schuldverschreibungsbedingungen*), übernimmt Daimler AG die unwiderrufliche und unbedingte Garantie für die Zahlung aller fälligen Beträge gemäß den geänderten Schuldverschreibungsbedingungen.

Die Rechte und Pflichten aus dieser Garantie bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland und sollen ausschließlich danach ausgelegt werden. Erfüllungsort und Gerichtsstand ist Frankfurt am Main, Deutschland.

Diese Garantie ist in deutscher Sprache abgefasst und ihr ist eine unverbindliche englische Übersetzung beigelegt.

Stuttgart, den
Daimler AG

Dr. Michael Mühlbayer

Mr Peter Zirwes

Wir nehmen die vorstehenden Erklärungen, Obligo, Gewährleistung oder Rückgriff an
Johannesburg, den
Deutsche Bank AG, Johannesburg Branch;
(registernummer 1998/003298/10)

The original copy of this Guarantee shall be delivered to, and kept by, Deutsche Bank Aktiengesellschaft, Johannesburg Branch. Deutsche Bank Aktiengesellschaft Johannesburg Branch agrees to hold the original copy of this Guarantee in custody until all obligations under the Notes and the Guarantee have been fulfilled

In case the Issuer and the Noteholders agree to amend the conditions in accordance with the provisions of Condition 20 (*Amendment of these Terms and Conditions*) of the Terms and Conditions, Daimler AG unconditionally and irrevocably guarantees the payment of all amounts due in accordance with such Terms and Conditions.

The rights and obligations arising from this Guarantee shall in all respects be governed by, and shall be exclusively constructed in accordance with the laws of the Federal Republic of Germany. Place of performance and place of jurisdiction shall be Frankfurt am Main, Germany.

This Guarantee is written in the German language and attached hereto is a non-binding English language translation.

Stuttgart, Daimler AG

Dr. Michael Mühlbayer

Mr Peter Zirwes

We accepted all of the above without recourse, warranty or liability.

Johannesburg,
Deutsche Bank AG, Johannesburg Branch
(registration number 1998/003298/10)

RISK FACTORS RELATED TO THE ISSUER AND THE GUARANTOR

Risk Factors relating to the Issuer and Guarantor

The Issuer is a direct, wholly-owned subsidiary of the Guarantor. All Notes are wholly and unconditionally guaranteed by the Guarantor in respect of principal and interest payments. Accordingly, the Notes are affected, in particular, by the same risk factors as those that affect the business and operations of the Guarantor and/or its consolidated subsidiaries.

Therefore, references in this section to Daimler AG ("DAG") and/or its consolidated subsidiaries shall include reference to the Issuer.

Many factors could affect DAG's business, financial condition, cash flows and results of operations. DAG is subject to various risks resulting from changing economic, political, social, industry, business and financial conditions. The principal risks are described below.

Economic Risks

2012 was another difficult year for the world economy, so overall expansion of 2.5 % was significantly below the existing growth potential and also lower than the previous year's growth of 3.2 %. The world economy was and still is sensitive to external disturbances. DAG sees the biggest individual risks for the year 2013 in a renewed worsening or escalation of the sovereign-debt crisis in the euro zone, the resulting turmoil in the financial markets and the banking sector, the uncertainty about the budget and fiscal policy in the United States, a substantial growth slump in China, high price volatility in raw material markets due to geopolitical unrest in the Middle East, further inflationary pressure and nascent protectionism. The development of the world economy in 2013 that is expected by the majority of economic research institutions, and also by DAG, is highly dependent on those risk factors. Some of these risk factors have the potential, if they occur, to lead the world economy into a renewed recession. This means that there are still considerable economic risks for DAG's financial position, cash flows and profitability.

The measures taken for the reduction of the burden of debt on public budgets in Western Europe, the United States and Japan are still one of the dominant issues for the world economy and could dampen economic prospects and could have a substantial negative impact on the financial markets once again in 2013. This applies in particular to the risk of a sovereign default, which cannot be entirely ruled out above all for Greece, but also for some of the other peripheral countries despite the support programmes provided by the European Union and the International Monetary Fund ("IMF"). Austerity measures have the potential to depress domestic demand in the affected countries even further, so that their national economies might contract even more than previously expected. Another risk is, that after the countries of the euro zone, the financial markets might focus on other highly indebted countries such as Japan or the United States.

As in the past two years, DAG sees the development of the euro zone as the biggest risk for the world economy. The economy of the euro zone slipped into recession in 2012, and prospects for the year 2013 remain difficult. The political implementation of reforms and other actions for budget consolidation in the countries of Southern Europe could be slowed down by increasing public protests or decreased pressure to reform following the announcement of measures to be taken by the European Central Bank. This could lead to a great loss of confidence in the capital markets and, thus, to increased volatility and rising interest rates. The burdens on government budgets and on the banking system would be hard to manage and could further jeopardise a recovery of the real economy. Also the risk that the reform process in Greece will fail altogether has not been completely averted despite the renewed aid package in late 2012. If no further reform steps are taken – whether for political or economic reasons – or if public rejection is too great, this could finally lead to Greece's exit from the euro zone with significant contagion effects for the global financial system and the world economy. Unlike the global financial crisis of 2008/2009, most European countries would no longer be able to afford to recapitalise their national banks or to stimulate their economies by means of fiscal policy. Due to global interconnections, the then inevitable banking crisis and recession in the euro zone would probably spread to other countries with severe consequences. Such a case would result in a global recession. Due to the ensuing crisis of confidence and credit crunch, both consumption and investment could fall drastically – along with demand for cars and commercial vehicles. For Daimler, such a development could

not only reduce unit sales considerably, it could also have a very negative impact on refinancing costs and possibilities.

Although the United States managed to avoid some of the feared impact of the "fiscal cliff" at least temporarily, the country's government continues to be faced with considerable pressure to consolidate its finances. The agreement reached at the beginning of 2013 only included the most urgent issues and in fact only avoided a direct drift into recession in the first quarter. But the level of debt is as grave as ever and will stay right at the top of the political agenda. Uncertainty about the direction of US fiscal policy and potential steps to be taken to balance the budget will, thus, remain as negative economic factors also in 2013. Due to the continued comparative weakness of investment and the real-estate market, the continuation of historically high unemployment and fragile consumer confidence, the US economy would not have many options to counteract an unexpected budget-policy shock. In this case, the United States could slip into recession for one or several quarters. An escalation of the debt crisis in the euro zone, for example in the form of one or several exits by euro member states, would have a substantial impact on the global economy and, thus, also on the US economy. These could have negative effects on the passenger cars and the truck market demand.

A lasting growth slump in China would be of strategic importance for Daimler. It already became clear during 2012, that the Chinese growth model is not invulnerable. As a result of the global growth slowdown, but also due to the weakness of the country's real-estate sector, expansion of the Chinese gross domestic product fell to its lowest level since the global finance and economic crisis. As China has become the main driver of world growth in recent years, a growth slump in China would have substantial consequences for the global economy. Although economic development stabilised again towards the end of 2012, due to stimulating economic policies, risks still remain. If the expected significant recovery of the gross domestic product expansion does not materialise in 2013, the Chinese government could take fiscal and monetary countermeasures. This would further exacerbate the budgets of local municipalities, which were already massively burdened by the stimulus programmes of 2008/09, thus substantially limiting the scope of future debt. An additional factor is that repeated one-sided support for investment and exports could further delay the targeted balancing of the country's growth model with increased private consumption. This would further increase the medium-term risks for growth of over-investment and export dependency, making a "hard landing" of the Chinese economy in the coming years more likely. A slump in growth rates to less than 6 % would have an enormous impact on the world economy, especially on exporters of raw materials in the Middle East, Africa and Latin America. As well as their importance for worldwide demand for raw materials, Chinese companies have increasingly invested abroad in recent years, in emerging markets and in the European Union. In the case of a growth slump in the domestic market, such investment would decrease and cause further headwinds for the development of the OECD countries.

As the year 2012 has shown in Brazil and India, other emerging markets that are also highly important for DAG could also unexpectedly enter phases of economic weakness. This could have immediate effects on the demand for cars and commercial vehicles in those regions, and is a risk that cannot be discounted in 2013.

As in the previous years, significant geopolitical risks exist, especially in the Middle East, with the potential to immensely disturb the global economic equilibrium. In addition, lately, the tensions on the Korean peninsula also give cause for uncertainty. There is a danger for example of an escalation of the nuclear conflict between Iran on the one side and Israel and the United States on the other side. A military escalation or a blockade of the Strait of Hormuz could result in an oil-price shock, which would substantially reduce global growth rates and in an extreme case could even plunge the world economy back into recession. Developments in Egypt, Libya and Yemen remain uncertain and there is still no end in sight to the civil war in Syria. The combination of several of these potential risks in the Middle East could lead to significantly higher oil prices in 2013. Even in a relatively mild scenario, higher oil prices would reduce demand in many countries and as part of a chain reaction could also influence prices of other raw materials, including food. Rising inflation rates would require stricter monetary policy on the part of the central banks than DAG currently anticipates. This in turn would dampen growth in the emerging markets and growth in the weakened industrialised countries would at least be brought to a standstill.

In order to counteract the global growth slowdown and the various associated risks, the large central banks, especially in Europe and the United States, have continued or even expanded their unconventional monetary policies with nearly no limitations on duration or extent. The enormous volumes of liquidity provided by those policy actions have the potential to significantly raise inflation expectations in the medium term, with corresponding medium-term risks for price stability. Furthermore, the spread of available liquidity could be increasingly reflected in the development of raw material prices. When market players in search of high-yield investments increasingly invest in raw materials, prices of such raw materials could increase worldwide at a higher rate than is fundamentally justified. This would lead to a massive burden for consumers and manufacturing companies; on the other hand, a bursting of the ensuing speculative bubbles would have a great impact on global economic activity, especially in countries that export raw materials. The effects of expansive monetary policy on global currency exchange rates also involve considerable risks.

Excessive liquidity also results in speculative capital movements, which have led to unwanted exchange rate developments in some countries, such as the appreciation of the Japanese yen and of the Brazilian real. If these developments continue in 2013, there is a danger that individual countries will attempt to defend their competitiveness in the world's markets by resorting to interventionist and protectionist actions. This could culminate in competitive devaluation or a "currency war". DAG's position in key foreign markets could also be affected by an increase in bilateral free-trade agreements outside the European Union.

Industry and Business Risks

General market risks

The situation of the world economy has become significantly more uncertain and subject to volatilities, leading to risks for the development of demand for motor vehicles. Competitive pressure in the automotive markets is as high as ever. Customers have meanwhile become used to a certain level of sales-supporting actions. If this competitive pressure in the automotive markets becomes even tougher, possibly due to a further worsening of global economic developments, it could lead to the increased application of sales-promoting financing offers and other incentives. This would not only reduce revenues in the new-vehicle business, but would also lead to lower price levels in used-vehicle markets and thus to falling residual values. In many markets, a shift in demand towards smaller, more fuel efficient vehicles is apparent; this is the result of customers' significantly increased sensitivity to vehicles' environmental friendliness and the development of fuel prices. A further shift in the model mix towards smaller vehicles with lower margins, would place an additional burden on DAG's, financial position, cash flows and profitability. Due to the competitive pressure in automotive markets, it is essential for DAG to continually and successfully adapt DAG's production and cost structures to changing conditions.

The recent crisis years have also led to a worsening of the financial situation of some suppliers, dealerships and vehicle importers. For this reason, it is still not possible to rule out supporting actions by the vehicle manufacturers, which would have a negative impact on DAG's profitability, cash flows and financial position.

Risks relating to the leasing and sales-financing business

In connection with the sale of vehicles, DAG also offers its customers a wide range of financing possibilities – primarily leasing and financing DAG's products. This business involves the risk that the prices realisable for used vehicles at the end of leasing contracts are below their book values (residual-value risk). An additional risk is that some of the receivables due in the financial services business might not be recoverable due to customer default (credit risk). Another risk connected with the leasing and sales-financing business is the possibility of increased refinancing costs due to potential changes in interest rates. An adjustment of credit conditions for customers in the leasing and sales-financing business due to higher refinancing costs could reduce the new business and contract volume of Daimler Financial Services, thus also reducing the unit sales of the automotive divisions. In addition, risks could arise from a lack of matching maturities with DAG's refinancing. Further information on credit risks is provided in Note 31 (*Risk management*) of the Notes to the Annual Consolidated Financial Statements 2012 of DAG incorporated by reference into this Programme Memorandum.

Production and technology risks

In order to achieve the targeted levels of prices, factors such as brand image, design and product quality play an important role, as well as additional technical features resulting from DAG's innovative research and development. Convincing solutions, which for example promote accident-free driving or further improve DAG's vehicles' fuel consumption and emissions such as the diesel-hybrid or electric vehicles, are of key importance for safe and sustainable mobility. Because these solutions generally require higher advance expenditure and greater technical complexity, there is an increasing challenge to realise further technological advances while simultaneously fulfilling DAG's own quality standards. If DAG fails to perform this task optimally or if technical developments at an advanced stage prove not to be marketable, that could adversely affect DAG's future profitability.

Product quality has a major influence on a customer's decision to buy a car or commercial vehicle. At the same time, technical complexity continues to grow as a result of additional features, for example for the fulfilment of various emission, fuel-economy regulations and safety instructions, increasing the danger of vehicle malfunctions. Technical problems could lead to recall and repair campaigns, or could even necessitate new engineering work. Furthermore, deteriorating product quality can lead to higher warranty and goodwill costs for DAG.

Risks related to the legal and political framework

The legal and political framework has a considerable impact on DAG's future business success. Regulations concerning vehicles' emissions, fuel consumption and safety play a particularly important role. Complying

with these varied and often diverging regulations all over the world requires strenuous efforts on the part of the automotive industry. DAG expects that it will have to expend an even larger proportion of its research and development budget to ensure that it fulfils these regulations. Many countries have already implemented stricter regulations to reduce vehicles' emissions and fuel consumption, or are now doing so. For example, new legislation in the United States on greenhouse gases and fuel consumption stipulates that new car fleets in the United States may only emit an average of 163 grams of carbon dioxide per kilometre as of 2025 (approximately 100 grams per mile). These new regulations will require an average annual reduction in CO₂ emissions as of 2017 for cars of 5 % and for sport utility vehicles and pickups at first of 3.5 % (this lower amount applies until 2022). This will hit the German premium manufacturers and, thus, also Daimler harder than, for example the US manufacturers. As a result of strong demand for large, powerful engines in the United States and Canada, financial penalties cannot be ruled out. Regulations on the CO₂ emissions of new cars also exist in the European Union. For 2015, all new cars in Europe will have to meet a fleet average of 130 grams CO₂ per kilometre. The relevant limit for DAG depends on the portfolio of cars that DAG sells in the European Union and will depend on vehicle weight. Furthermore, the EU Parliament and the EU Council of Ministers are currently dealing with a European Union regulation proposed by the EU Commission calling for fleet averages to be reduced to 95 grams CO₂ per kilometre by the year 2020. Daimler will have to pay penalties if it exceeds its limits. The Chinese authorities have defined fleet average fuel consumption as of 2015 of 6.9 litres per 100 kilometres (approximately 160 grams CO₂ per kilometre) as the industry's target for new cars. As the legislative procedure for 2015 has not yet been concluded, there is a risk that although each car will be calculated for the average of the fleet, it must individually at least meet the previous limits, posing a big challenge for cars with powerful engines. Sanctions have not yet been announced. For the year 2020, a new very demanding target of 5.0 litres per 100 kilometres has been stipulated (approximately 116 grams CO₂ per kilometre), although the exact details are still under discussion. Similar legislation exists or is being prepared in many other countries, e.g. Japan, South Korea, India, Canada, Switzerland, Mexico, Brazil and Australia. Daimler gives these targets due consideration in its product planning. The increasingly ambitious targets require significant numbers of plug-in hybrids or cars with other types of electric drive. The market success of these drive systems will be primarily determined by regional market conditions, for example the battery-charging infrastructure and state support. But as market conditions cannot be predicted with certainty, a residual risk exists. Very demanding regulations for CO₂ emissions are also planned for commercial vehicles, which will present a challenge for the Mercedes-Benz Vans division, especially in the long term. Legislation on reducing the greenhouse gas emissions and fuel consumption of heavy commercial vehicles has also been passed or is under discussion. DAG, therefore, assumes that the statutory limits will be very difficult to meet in some countries. In addition to emission, consumption and safety regulations, traffic-policy restrictions for the reduction of traffic jams and pollution are becoming increasingly important in the cities and urban areas of the European Union and other regions of the world. Drastic measures such as general vehicle-registration restrictions in Beijing, Guangzhou or Shanghai can have a dampening effect on the development of unit sales, especially in the growth markets. The biggest challenge for Daimler in the coming years will be to offer an appropriate range of drive systems and the right product portfolio in each market, while fulfilling customers' wishes, internal financial targets and statutory requirements.

According to Directive 2006/40/EC of the European Parliament and of the Council relating to emissions from air-conditioning systems in motor vehicles and amending Council Directive 70/156/EEC (the "Directive"), since January 1, 2011, vehicles can only receive type approval if their air-conditioning systems are filled with a refrigerant that fulfills certain criteria with regard to climate friendliness. The Directive allows for an introductory period until December 31, 2016 for implementation in all new vehicles. DAG had originally planned with the earliest possible application of the new refrigerant ("R1234yf") in its new vehicle models and therefore did not intend to make use of this transitional period. However, due to safety risks identified by DAG in the summer of 2012, DAG has decided not to apply the new refrigerant R1234yf in its vehicles. The Mercedes-Benz A-Class, B-Class, CLA-Class and SL have a valid type approval from Germany's Federal Office for Motor Vehicles. This is generally valid all over Europe and is registered with the authorities in all European markets. Only the relevant French authority (SIV France) has not yet carried out the formal act of registration. As a result, the aforementioned models from Mercedes-Benz with a date of production after June 12, 2013 can temporarily not be registered in France. DAG is holding discussions with the relevant institutions in order to reach rapid clarification of the situation. If no clarification is reached soon, this could result in negative effects on DAG's unit sales, revenue and earnings.

Procurement market risks

Procurement market risks arise for DAG in particular from fluctuations in prices of raw materials. After the economy-related fall in raw material prices in late 2011, that trend reversed in early 2012 and led to price increases especially in the first quarter of 2012. As the year 2012 progressed, lower commodity prices were offset by the loss in value of the euro. The development of raw material prices and their volatilities in the past three years also reflect worldwide expansive monetary policies as well as diverging economic expectations in the United States, Western Europe, Japan and the emerging markets. The outlook for future price

developments remains uncertain, due in particular to the ongoing development of the debt crisis and the increasing influence of institutional investors. This influence can be seen in the stronger demand for commodity investments, and is exacerbating the high volatility of prices in raw material markets. Vehicle manufacturers are generally limited in their ability to pass on the higher costs of commodities and other materials in higher prices for their products because of the strong competitive pressure in the international automotive markets. Also, after the recent crisis years, the situation of some of DAG's suppliers is still difficult due to the tough competitive pressure which could have a negative impact on DAG's businesses.

Information technology risks and unforeseeable events

Production and business processes could also be disturbed by unforeseeable events, such as natural disasters or terrorist attacks. Consumer confidence would be significantly affected and production could be interrupted by supply problems and intensified security measures at territorial borders. Information technology plays a crucial role in DAG's business processes. Storing and exchanging data in a timely, complete and correct manner and being able to utilise fully functioning IT applications are of key importance for a global group such as DAG. Despite the precautionary measures that DAG takes, it cannot rule out the possibility that IT disturbances will arise which could have a significant negative impact on DAG's business processes.

Reputation

The general public is becoming increasingly aware of companies' behaviour in matters of ethics and sustainability. Compliance of corporate actions with applicable law and ethical principles is essential for DAG. Furthermore, customers and capital markets critically observe how DAG reacts to the technological challenges of the future and the extent to which it succeeds in placing up-to-date and technologically leading products on the market. Dealing securely with sensitive data is also a precondition for conducting business relations with customers and suppliers in a trusting and fair environment. A failure of DAG to live up to the above-mentioned standards and principles could affect DAG's reputation and, thus, the business of DAG adversely.

Specific risks in the area of human resources

DAG's success is highly dependent on its employees and their expertise. Competition for highly qualified staff and management is still very intense in the industry and the regions in which DAG operates. DAG's future success also depends on the extent to which it succeeds over the long term in recruiting, integrating and retaining executives, engineers and other specialists.

Because of demographic developments, DAG has to cope with changes relating to an aging workforce and has to secure a sufficient number of qualified young persons with the potential to become the next generation of highly skilled specialists and executives. In addition, it might come to impacts on production in Germany due to collective wage bargaining.

Risks relating to equity holdings and cooperations as well as other business risks

DAG bears in principle a proportionate share of the risks of its joint ventures and associated companies in growth markets for example. In order to utilise additional growth opportunities, and also against the background of increasing national regulations, particularly in the emerging markets, cooperation with partners in joint ventures and associated companies is of increasing importance; the same applies to the resulting risks. DAG includes associated companies and joint ventures in the consolidated financial statements using the equity method of accounting. Any factors with a negative impact on those companies' earnings have a proportionate negative impact on DAG's net profit. In addition, negative business developments at DAG's associated companies or substantial decreases in the share prices of listed companies in which DAG holds an interest can also mean that impairment losses have to be recognised on the carrying values of the equity investments. If the development of these companies in important markets should fail or be delayed, this could additionally have an impact on the achievement of DAG's growth targets. The successful implementation of cooperation with other companies is also of key importance to realise cost advantages and to combat the competitive pressure in the automotive industry.

DAG is also exposed to a number of risks arising from guarantees it has issued. For example, Daimler holds an equity interest in the system for recording and charging tolls for the use of highways in Germany by commercial vehicles of more than 12 metric tons gross vehicle weight. The operation of the electronic toll-collection system is the responsibility of the operator company, Toll Collect GmbH, in which a consolidated subsidiary of DAG holds a 45 % stake and which is included in the consolidated financial statements using the equity method of accounting. In addition to the consolidated subsidiary's membership in the Toll Collect consortium and its equity interest in Toll Collect GmbH, risks also arise from guarantees that DAG issued supporting obligations of Toll Collect GmbH towards the Federal Republic of Germany concerning the completion and operation of the toll system. Claims could be made under those guarantees, if toll revenue is lost for technical reasons, if certain contractually defined parameters are not fulfilled, if additional claims are made by the Federal Republic of Germany, or if the final operating permit is not granted. Additional

information on contingent obligations from guarantees, granted and on the electronic toll collection system and the related risks can be found in Note 28 (*Legal Proceedings*) and Note 29 (*Guarantees and other financial commitments*) of the Notes to the Annual Consolidated Financial Statements 2012 of DAG incorporated by reference into this Programme Memorandum.

Risks connected with pension benefit plans

DAG has pension benefit obligations, and to a smaller extent obligations relating to healthcare benefits, which are not completely covered by plan assets. The balance of obligations less plan assets constitutes the funded status for these employee benefit plans. Even small changes in the assumptions used for the valuation of the benefit plans such as a reduction in the discount rate could lead to an increase in those obligations. The market value of plan assets is determined to a large degree by developments in the capital markets. Unfavourable developments, especially relating to equity prices and fixed-interest securities, could reduce the market value. Higher obligations or reduced plan assets or a combination of the two would have a negative impact on the funded status of these benefit plans. Lower yields from plan assets could also increase the net expenses relating to the benefit plans in the coming years.

Further information on DAG's pension benefit plans can be found in Note 22 (*Pensions and similar obligations*) of the Notes to the Annual Consolidated Financial Statements 2012 of DAG incorporated by reference into this Programme Memorandum.

Financial Risks

DAG is exposed to market risks from changes in foreign currency exchange rates, interest rates, commodity prices and share prices. Market risks may adversely affect DAG's financial position, cash flows and profitability. In addition, DAG is exposed to credit and liquidity risks. Any market-sensitive instruments held in pension funds and other post retirement pension plans, including equity and interest-bearing securities, are not included in the following analysis.

Exchange rate risks

DAG's global reach means that its business operations and financial transactions are connected with risks arising from fluctuations of foreign exchange rates, especially of the US dollar and other important currencies against the euro. An exchange rate risk arises in the operating business primarily when revenue is generated in a different currency than the related costs (transaction risk). This applies in particular to the Mercedes-Benz Cars division, as a major portion of its revenue is generated in foreign currencies while most of its production costs are incurred in euro. The Daimler Trucks division is also exposed to such transaction risks, but only to a minor degree because of its worldwide production network. Exchange rate risks also exist in connection with the translation into euro of the net assets, revenues and expenses of the subsidiaries of DAG outside the euro zone (translation risk); these risks are not hedged.

Interest rate risks

DAG holds a variety of interest rate sensitive financial instruments to manage the cash requirements of its business operations on a day-to-day basis. Most of these financial instruments are held in connection with the financial services business of Daimler Financial Services, whose policy is generally to match funding in terms of maturities and interest rates. However, to a limited extent, the funding does not match in terms of maturities and interest rates, which gives rise to the risk of changes in interest rates. The funding activities of the industrial business and the financial services business are coordinated at Group level. Derivative interest rate instruments such as interest rate swaps and forward rate agreements are used to achieve the desired interest rate maturities and asset/liability structures (asset and liability management). However, it cannot be entirely excluded that DAG's financial position may be adversely affected by changing interest rates.

Equity price risks

Daimler predominantly holds investments in shares of companies such as EADS, KAMAZ, Renault and Nissan, which are classified as long-term investments or which are included in the consolidated financial statements using the equity method. Therefore, DAG does not include these investments in an equity price risk analysis. This may have an impact on the informative value of this analysis.

Commodity price risks

Associated with DAG's business operations, DAG is exposed to changes in the prices of consignments and commodities.

Liquidity risks

In the normal course of business, DAG makes use of bonds, commercial paper and securitised transactions as well as bank credit in various currencies, primarily to refinance the leasing and sales-financing business. A negative development of the capital markets could increase DAG's financing costs. More expensive

refinancing would also have a negative effect on the competitiveness and profitability of DAG's financial services business if DAG were unable to pass on the higher refinancing costs to its customers; a limitation of the financial services business could have a negative impact on the automotive business.

Credit risks

DAG is exposed to credit risks which result primarily from its financial services activities and from its operating business. In addition, credit risks also arise from DAG's liquid assets. Should defaults occur, this would negatively affect DAG's financial position, cash flows and profitability.

Risks from changes in credit ratings

DAG's creditworthiness is assessed by the rating agencies Standard & Poor's Credit Market Services Europe Limited, Moody's Deutschland GmbH, Fitch Ratings Ltd. and DBRS Limited. Downgrades of the credit ratings issued by these rating agencies could have a negative impact on DAG's financing.

Legal Risks

Various legal proceedings, claims and governmental investigations (legal proceedings) are pending against DAG and its subsidiaries on a wide range of topics, including vehicle safety, emissions, fuel economy, financial services, dealer, supplier and other contractual relationships, intellectual property rights, product warranties, environmental matters and shareholder matters. Some of these proceedings allege defects in various components in several different vehicle models or allege design defects relating to vehicle stability, pedal misapplication, brakes or crashworthiness. Some of the claims asserted by way of class action suits seek repair or replacement of the vehicles or compensation for their alleged reduction in value, while others seek recovery for damage to property, personal injuries or wrongful death. Adverse decisions in one or more of these proceedings could require DAG to pay substantial compensatory and punitive damages or undertake service actions, recall campaigns or other costly actions. Some of these proceedings may have an impact on DAG's reputation. DAG recognises provisions for these proceedings if the resulting obligations are probable and can be reasonably estimated. It is possible, as these proceedings have a large degree of uncertainty attached to them, that after the final resolution of litigation, some of the provisions recognised for legal proceedings could prove to be insufficient. As a result, substantial additional expenditures may arise. This also applies to legal proceedings for which DAG has seen no requirement to recognise a provision. The final result of any such litigation may influence DAG's earnings and cash flows in any particular period.

Further information on legal proceedings can be found in Note 28 (*Legal proceedings*) of the Notes to the Annual Consolidated Financial Statements 2012 of DAG incorporated by reference into this Programme Memorandum.

Policy Framework and Guidelines

In addition to the aforementioned risks, the operations of the Issuer involve certain risks typically associated with the business that the Issuer engages in.

DESCRIPTION OF DAIMLER AG (THE "GUARANTOR")

INFORMATION ABOUT DAIMLER AG

Daimler AG ("DAG") is a stock corporation organized under the laws of the Federal Republic of Germany registered at the commercial register of the Stuttgart district court under HRB 19360 with its executive offices at Mercedesstraße 137, 70327 Stuttgart, Federal Republic of Germany, telephone +49 (0)711-17-0.

It was incorporated on May 6, 1998 under the name DaimlerChrysler AG. On October 19, 2007, following the transfer of a majority interest in Chrysler, it changed its corporate name from DaimlerChrysler AG into Daimler AG.

BUSINESS OVERVIEW

Organisational structure

DAG is the parent company within the Daimler Group ("Daimler").

General object of DAG

Pursuant to article 2 of DAG's articles of incorporation (Satzung; the "Articles of Incorporation") the general object of DAG is to engage, directly or indirectly, in the business of developing, producing and selling products and providing services, especially in the following lines of business:

- land vehicles,
- watercraft, aircraft, spacecraft and other products in the fields of road transport, aerospace and marine technology,
- engines and other propulsion systems,
- electronic equipment, devices and systems,
- communication and information technology,
- financial services of all kinds, insurance brokerage, and
- management and development of real property.

DAG may take all actions and measures which are incidental to the accomplishment of the company's purposes. DAG may set up domestic and foreign branches, offices and subsidiaries and may acquire interests in other companies. DAG may acquire and dispose of other companies, may place them under joint management and conclude intercompany agreements with them, or may limit itself to the management of its interests in such companies. DAG may place all or part of its business operations into subsidiaries, joint ventures or associated companies.

DAG may not engage directly in any financial services transactions or banking transactions or transactions with real property which are subject to licensing requirements.

Principal Activities

The Daimler Group which includes DAG and its consolidated subsidiaries is a leading vehicle manufacturer with a wide range of premium automobiles, trucks, vans and buses. The product portfolio is completed by a range of tailored automotive services.

In the year 2012, Daimler generated revenue of €114.3 billion. The individual divisions contributed to this total as follows: Mercedes-Benz Cars 52%, Daimler Trucks 26%, Mercedes-Benz Vans 8%, Daimler Buses 3% and Daimler Financial Services 11%.

The products supplied by the Mercedes-Benz Cars division range from the high-quality small cars and innovative e-bikes of the smart brand to the premium automobiles of the Mercedes-Benz brand. The most

important markets for Mercedes-Benz Cars in 2012 were Germany with 20% of unit sales, the other markets of Western Europe (24%), the United States (21%) and China (14%).

Daimler Trucks develops and produces vehicles in a global network under the brands Mercedes-Benz, Freightliner, Western Star, Fuso and BharatBenz. Daimler Trucks' product range includes light, medium and heavy trucks for local and long-distance deliveries and construction sites, as well as special vehicles for municipal applications. Daimler Trucks' most important sales markets in 2012 were Asia with 35% of unit sales, the North American Free Trade Agreement region (29%), Western Europe (13%) and Latin America excluding Mexico (10%).

The product range of the **Mercedes-Benz Vans** division in the segment of medium and heavy vans comprises the Sprinter, Vito, Viano and Vario series. In 2012, it expanded its portfolio with the addition of a city van, the Mercedes Benz Citan. The most important markets for vans are in Europe, which accounts for 75% of unit sales. In America the Sprinter is sold not only as a Mercedes-Benz vehicle, but also under the Freightliner brand.

The **Daimler Buses** division with its brands Mercedes-Benz, Setra and Orion operates in the segment of buses above 8 tons. The product range supplied by Daimler Buses comprises city and intercity buses, coaches and bus chassis. In 2012, 45% of Daimler Buses' revenue was generated in Western Europe, 25% in Latin America (excluding Mexico) and 11% in the NAFTA markets.

The **Daimler Financial Services** division supports the sales of the Daimler Group's automotive brands in 40 countries. Its product portfolio primarily comprises tailored financing and leasing packages for customers and dealers, but it also provides services such as insurance, fleet management, investment products and credit cards, as well as car sharing and other mobility services. The main areas of the division's activities are in Western Europe and North America, and increasingly also in Asia. In 2012, more than 40% of the vehicles sold by the Daimler Group were financed or leased by Daimler Financial Services.

Daimler is active in the global automotive industry and related sectors through a broad network of holdings, joint ventures and cooperations.

Recent Developments

On March 27, 2013, the extraordinary general meeting of the European Aeronautic Defence and Space Company ("**EADS**") approved its new management and shareholder structure. Subsequently, the shareholders' pact concluded in the year 2000 was dissolved and replaced by a new shareholders' pact without participation of Daimler on April 2, 2013. Concomitantly, EADS shares which were previously held by Daimler but were constructively allocable to the Dedalus investors were transferred to the Dedalus investors. With the dissolution of the previous shareholders' pact, Daimler lost its significant influence in EADS. As a result of the loss of significant influence and the transfer of the EADS shares, the EADS shares were remeasured on April 2, 2013 with effect on earnings at the higher current stock price of the EADS share. Overall, income of approximately €2.9 billion will be posted to Group EBIT in the second quarter of 2013, allocable in equal parts to Daimler shareholders and the Dedalus investors. The amount comprises a book gain without an inflow of cash.

On April 16, 2013, Daimler announced that it intends to sell its remaining stake of approximately 7.4% in EADS through an accelerated placement procedure. The sale, which took place on April 17, 2013 at an offer price of €37 per EADS share, will lead to estimated additional expenses of approximately €0.2 billion in Group EBIT in the second quarter of 2013, resulting from the decrease in the EADS stock price since April 2, 2013. The sale will bring a cash inflow of approximately €2.2 billion in the second quarter of 2013. Following the offering, Daimler does not hold any shares in EADS. Moreover, DAG has entered into cash-settled contracts with both Goldman Sachs and Morgan Stanley which will allow a certain upside participation in the EADS share price until the 2013 year-end.

Administrative, Management, and Supervisory Bodies, Names, Business Addresses and Functions

(The most recent information is available under <http://www.daimler.com/investor-relations/en>).

The Supervisory Board

The principal function of the supervisory board of DAG (the "**Supervisory Board**") is to supervise the board of management of DAG (the "**Board of Management**"). The Supervisory Board is also responsible for appointing and removing members of the Board of Management. The Supervisory Board may not make management decisions. However, in accordance with the German Stock Corporation Act (Aktiengesetz; the "**Stock Corporation Act**"), DAG's Supervisory Board has determined that several matters which do not belong to the ordinary course of business and which are of fundamental importance require the approval of the Supervisory Board.

As of April 30, 2013 members of the Supervisory Board are:

Dr. Manfred Bischoff, Chairman of the Supervisory Board of DAG

Erich Klemm*, Sindelfingen, Chairman of the General Works Council, Daimler Group and Daimler AG; Deputy Chairman of the Supervisory Board of DAG

Dr. Paul Achleitner, Frankfurt am Main, Chairman of the Supervisory Board of Deutsche Bank Aktiengesellschaft;

Sari Baldauf, Helsinki, Former Executive Vice President and General Manager of the Networks Business Group of Nokia Corporation

Dr. Clemens Börsig, Frankfurt am Main, Former Chairman of the Supervisory Board of Deutsche Bank Aktiengesellschaft

Michael Brecht*, Gaggenau, Deputy Chairman of the General Works Council, Daimler Group and DAG; Chairman of the Works Council, Gaggenau Plant, DAG

Dr. Jürgen Hambrecht, Ludwigshafen, Former Chairman of the Board of Executive Directors of BASF SE

Petraea Heynike, Vevey, Former Executive Vice President of the Executive Board of Nestlé SA

Jörg Hofmann*, Stuttgart, German Metalworkers' Union (IG Metall), District Manager, Baden-Württemberg

Andrea Jung, New York, Former Chief Executive Officer of Avon Products, Inc.

Gérard Kleisterlee, Amsterdam, Former President and CEO of Royal Philips Electronics N.V.

Jürgen Langer*, Frankfurt am Main, Chairman of the Works Council of the Frankfurt/Offenbach Dealership, DAG

Sabine Maaßen*, Frankfurt am Main, Legal Department of the Board, German Metalworkers' Union (IG Metall)

Wolfgang Nieke*, Stuttgart, Chairman of the Works Council, Untertürkheim Plant, DAG

Valter Sanches*, São Paulo, Director of Communications of the Metalworkers' Union ABC; President of the Fundação Sociedade Comunicação, Cultura e Trabalho (Foundation Society of Communications, Culture and Work)

Jörg Spies*, Stuttgart, Chairman of the Works Council, Headquarters, DAG

Lloyd G. Trotter, Plainville, Former Vice Chairman General Electric; President & CEO of the General Electric Group's Industrial Division; Managing Partner, Founder, GenNx360 Capital Partners

Dr. h. c. Bernhard Walter, Frankfurt am Main, Former Spokesman of the Board of Management of Dresdner Bank AG

Dr. Frank Weber*, Sindelfingen, Director of the Press Shop, Sindelfingen Plant, DAG, Chairman of the Management Representatives of the Sindelfingen Plant

Elke Tönjes-Werner*, Bremen, Member of the Works Council Bremen Plant, DAG

* Representative of the employees

The Board of Management

The Board of Management, which acts under the principle of collective responsibility, manages the day-to-day-business in accordance with the Stock Corporation Act and DAG's Articles of Incorporation. The Board of Management is authorised to represent DAG and to enter into binding agreements with third parties on its behalf.

As of April 30, 2013 members of the Board of Management are:

- **Dr. Dieter Zetsche**, Chairman of the Board of Management Daimler AG / Head of Mercedes-Benz Cars
- **Dr. Wolfgang Bernhard**, Daimler Trucks
- **Dr. Christine Hohmann-Dennhardt**, Integrity and Legal Affairs
- **Wilfried Porth**, Human Resources & Labor Relations Director
- **Andreas Renschler**, Manufacturing and Procurement Mercedes-Benz Cars & Mercedes-Benz Vans
- **Hubertus Troska**, Greater China
- **Bodo Uebber**, Finance & Controlling / Daimler Financial Services
- **Dr. Thomas Weber**, Group Research & Mercedes-Benz Cars Development

The business address of the members of the Supervisory Board as well as the members of the Board of Management is that of DAG.

Under German law, DAG is not required to appoint a company secretary.

STATUTORY AUDITORS

The independent auditors of DAG are, at present, KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), Berlin.

KPMG has audited DAG's consolidated financial statements as of and for the years ended December 31, 2012 and December 31, 2011 and December 31, 2010.

FINANCIAL INFORMATION CONCERNING DAIMLER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

Historical Financial Information

The published audited consolidated annual financial statements, and notes thereto, of DAG for its three financial years prior to the date of any issue are incorporated by reference into this Programme Memorandum.

DESCRIPTION OF MERCEDES-BENZ SOUTH AFRICA LIMITED (THE "ISSUER")

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

1. LEGAL STATUS

Mercedes-Benz South Africa is a public company duly incorporated in accordance with the laws of South Africa.

The financial year end of the Issuer is 31 December.

The annual audited financial statements the Issuer have been drawn up in accordance with IFRS and the Companies Act.

Registration number: 1962/000271/06

2. Company Secretary

DeWet Strasheim (H.F.D Strasheim)

3. Registered place of business

123 Wierda Road R576/M10 West, Zwartkop, Centurion, 0046

4. MANAGEMENT AND THE BOARD

Board of Directors

Executive Directors

1. Dr M Zimmermann (Chief Executive Officer)
2. Mr H Werner
3. Ms S Naidoo
4. Mr J Evertse

Independent Non-Executive Directors

1. Prof JE Schrempp (Independent) (Chairman of the Board of Directors)
2. Ms N Moola (Independent)
3. Ms C Carolus (Independent)
4. Mr J Nel (Independent)
5. Mr N Maharajh (Independent)
6. Mr M Gruendler (Non-Exec)
7. Mr J Schmidt (Non-Exec)
8. Mr M Luehrs (Non-Exec)
9. Mr R Howard (Non-Exec)

The Board is assisted by the following specialist committees:

Board Committees

Audit and Risk Committee

1. Ms N Moola
2. Mr J Nel
3. Mr N Maharajh

Social and Ethics Committee

1. Ms C Carolus
2. Mr J Evertse
3. Dr M Zimmermann (Chief Executive Officer)

Group Executive Committee

1. Dr M Zimmermann (Chief Executive Officer)
2. Mr J Evertse
3. Mr K van Zyl
4. Mr A vd Merwe
5. Mr N Hassim

5. CORPORATE GOVERNANCE AND REGULATORY ENVIRONMENT

5.1 Board of Directors

The board is responsible for corporate governance and has two main functions: first, it is responsible for determining the company's *strategic direction* and, consequently, its ultimate performance; and second, it is responsible for the *control* of the company. The board requires management to execute strategic decisions effectively and according to laws and the legitimate interests and expectations of stakeholders.

5.2 Role and purpose of the board

The role and purpose of the board is to oversee and provide strategic guidance to the business.

5.3 BOARD COMMITTEES

Audit and Risk Committee

The Issuer is in the process of adopting a mandate for the audit and risk committee which will be effective once approved by the board of directors. A copy of the approved mandate will be available on the Issuer's website.

An audit committee of a company has the following duties:

- a) To nominate, for appointment as auditor of the company under section 90 of the Companies Act, a registered auditor who, in the opinion of the audit committee, is independent of the company;
- b) to determine the fees to be paid to the auditor and the auditor's terms of engagement;
- c) to ensure that the appointment of the auditor complies with the provisions of this Act and any other legislation relating to the appointment of auditors;
- d) to determine, subject to the provisions of the Companies Act, the nature and extent of any non-audit services that the auditor may provide to the company, or that the auditor must not provide to the company, or a related company;
- e) to pre-approve any proposed agreement with the auditor for the provision of non-audit services to the company;
- f) to prepare a report, to be included in the annual financial statements for that financial year—
 - i) describing how the audit committee carried out its functions;
 - ii) stating whether the audit committee is satisfied that the auditor was independent of the company; and
 - iii) commenting in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the company;

- g) to receive and deal appropriately with any concerns or complaints, whether from within or outside the company, or on its own initiative, relating to—
 - i) the accounting practices and internal audit of the company;
 - ii) the content or auditing of the company's financial statements;
 - iii) the internal financial controls of the company; or
 - iv) any related matter;
- h) to make submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting; and
- i) to perform such other oversight functions as may be determined by the board.

Social and Ethics Committee

Social and Ethics responsibilities

A social and ethics committee has the following functions:

- a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to-
 - i) social and economic development, including the company's standing in terms of the goals and purposes of-
 - aa) the 10 principles set out in the United Nations Global Compact Principles; and
 - bb) the OECD recommendations regarding corruption;
 - cc) the Employment Equity Act; and
 - dd) the Broad-Based Black Economic Empowerment Act;
 - ii) good corporate citizenship, including the company's-
 - aa) promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - bb) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - cc) record of sponsorship, donations and charitable giving;
 - iii) the environment, health and public safety, including the impact of the company's activities and of its products or services;
 - iv) consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
 - v) labour and employment, including-
 - aa) the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - bb) the company's employment relationships, and its contribution toward the educational development of its employees;
- b) to draw matters within its mandate to the attention of the Board as occasion requires; and
- c) to report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

5.4 Company Secretary Responsibilities:

- 1) A company's secretary is accountable to the company's board.

- 2) A company secretary's duties include, but are not restricted to—
- a) providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers;
 - b) making the directors aware of any law relevant to or affecting the company;
 - c) reporting to the company's board any failure on the part of the company or a director to comply with the Memorandum of Incorporation or rules of the company or this Act;
 - d) ensuring that minutes of all shareholders meetings, board meetings and the meetings of any committees of the directors, or of the company's audit committee, are properly recorded in accordance with this Act;
 - e) certifying in the company's annual financial statements whether the company has filed required returns and notices in terms of this Act, and whether all such returns and notices appear to be true, correct and up to date;
 - f) ensuring that a copy of the company's annual financial statements is sent, in accordance with this Act, to every person who is entitled to it; and
 - g) carrying out the functions of a person designated in terms of section 33(3).

5.5 External Audit

The external auditors of MBSA are, at present, KPMG Incorporated.

5.6 Code of Corporate Practices and Conduct set out in King III ("King III")

Daimler AG ("DAG") is listed on the stock exchanges of Frankfurt and Stuttgart. MBSA is 100% owned by DAG. As such, MBSA follows international best practice and DAG guidelines. These guidelines include comprehensive policies dealing with -

- a) upholding Human Rights compliance with applicable laws and internal regulations;
- b) appropriate behaviour within the Daimler Group and in dealings with Government officials, business partners and customers. DAG is the parent company within the Daimler Group ("Daimler");
- c) dealing with conflict of interest;
- d) prevention of all forms of corruption;
- e) protection of company assets; and
- f) principles of social responsibility.

MBSA has recently converted from a private company to a public company under and in terms of the Companies Act, 71 of 2008 and therefore does not comply with King III as at the Programme Date. MBSA will however disclose the extent of compliance to King III once same is known and can be verified.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES LISTED ON THE INTEREST RATE MARKET OF THE JSE

Words used in this section entitled "Settlement, Clearing and Transfers of Notes Listed on The Interest Rate Market of the JSE" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

Each Tranche of Notes issued as in registered form and listed on the Interest Rate Market of the JSE will initially be issued as Uncertificated Notes which will be dematerialised in Strate Limited, a company registered as a central securities depository in terms of the Financial Markets Act, or its nominee (the "Central Securities Depository"), which forms part of the settlement system of the JSE. The Central Securities Depository's nominee will be the sole Noteholder in respect of each Tranche of Uncertificated Notes.

The Central Securities Depository holds Notes subject to the Financial Markets Act and the Rules of the Central Securities Depository. The Rules of the Central Securities Depository as at the date of this Programme Memorandum are as published by the Registrar of Financial Markets in Government Gazette No. 27758 of 8 July 2005.

While the Notes are issued as Uncertificated Notes, the Central Securities Depository's nominee will be reflected as the Noteholder in the Register maintained by the Transfer Agent. Accordingly, in terms of the Terms and Conditions of the Notes, all amounts to be paid and all rights to be exercised in respect of the Notes held in the Central Securities Depository, will be paid to and may be exercised only by the Central Securities Depository's nominee, for the holders of Beneficial Interests in the Notes held by the Central Securities Depository.

The Central Securities Depository maintains accounts only for the Participants. As at the date of this Programme Memorandum, the Participants which are approved by the JSE as settlement agents to perform electronic settlement of funds and scrip are ABSA Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited, Citibank NA and the South African Reserve Bank. The Participants are in turn required to maintain securities accounts for their clients. The clients of the Participants may include the holders of Beneficial Interests in the Notes or their custodians. The clients of Participants, as the holders of the Beneficial Interests in the Notes or as custodians for such holders, may exercise their rights in respect of the Notes held by them in the Central Securities Depository only through the Participants. Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme, (Clearstream Luxembourg) ("Clearstream") may hold Notes through the Settlement Agents.

Transfers of Beneficial Interests in Notes in the Central Securities Depository to and from clients of Participants, who are also Settlement Agents, occur by electronic book entry in the securities accounts of the clients with the Settlement Agents. Transfers among Participants of Notes held in the Central Securities Depository occur through electronic book entry in the Participant's central security accounts with the Central Securities Depository.

Beneficial Interests in Notes may be exchanged for Certificated Notes.

Payments of Interest or Principal in respect of Uncertificated Notes will be made in accordance with Condition 10 of the Terms and Conditions to the Central Securities Depository's nominee as shown in the Register and the Issuer will be discharged by proper payment to, or to the order of, the registered holder of the Uncertificated Note in respect of each amount so paid. Each of the persons shown in the records of the Central Securities Depository and the Participants as the holders of Beneficial Interests, as the case may be, shall look solely to the Central Securities Depository or the relevant Participant, as the case may be, for such person's share of such payment so made by the Issuer to, or to the order of, the registered holder of such Uncertificated Notes.

A Beneficial Interest in Uncertificated Notes will be exchangeable for an Individual Certificate if: (i) a written request for Notes in definitive form is submitted by the holder of the Beneficial Interest to the relevant Participant not later than 10 (ten) days prior to the requested date of such exchange; and (ii) the Applicable Procedures for obtaining such Uncertificated Note from the Transfer Agent are followed; and (iii) an equivalent number of Notes are transferred in accordance with the provisions of Condition 15 from the Central Securities Depository or its nominee to the holder of such Beneficial Interest.

SUBSCRIPTION AND SALE

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

The Notes will be distributed by one or more of the Dealer(s) and/or any person appointed as dealer by the Issuer in terms of the Programme Agreement.

1 REPUBLIC OF SOUTH AFRICA

Each Dealer represents and agrees that it will not solicit any offers for subscription for the Notes in contravention of any applicable law and/or any regulation of the Republic of South Africa.

2 UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and shall not be offered, sold, transferred or delivered within the United States ("US") or to, or for the account of or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer represents, warrants and agrees that it will not solicit offers for the subscription for, or deliver, any Notes within the US or to, or for the account or benefit of, US persons.

The Notes are subject to US tax law requirements and may not be offered, sold, transferred or delivered within the US or its possessions or to a US person. The terms used in this paragraph shall have the meanings given to them by the United States Revenue Code and regulations thereunder.

3 UNITED KINGDOM

Each Dealer represents, warrants and agrees, and each additional Dealer appointed under the Programme will be required to represent and agree, that:

- (a) In relation to any Notes which have a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons;
- (aa) whose ordinary activities involve the acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (bb) 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 Financial Services and Markets Act, 2000 (the "FSMA") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated 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 does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to any Notes in, from or otherwise involving the United Kingdom.

4 EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Memorandum as completed by the Applicable Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including that Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Applicable Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "Non-exempt Offer"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Applicable Pricing Supplement contemplating such Non-exempt Offer in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer (where such concept is relevant under the law of the Relevant Member State);;
- (b) *Authorised institutions*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive or pursuant to any applicable national law of any Relevant Member State,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

5 GENERAL

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not, directly or indirectly, purchase, offer, sell or deliver any Notes or distribute or publish any offering circular, information memorandum, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all purchases, offers, sales and deliveries of Notes by it will be made on the same terms.

Without prejudice to the generality of the above paragraph, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will obtain any consent, approval or permission which is, to the best of its knowledge and belief, required for the offer, purchase, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases, sales or deliveries and it will, to the best of its knowledge and belief, comply with all such laws and regulations.

No action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantor or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Programme Memorandum or any Applicable Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

Selling and Transfer Restrictions may be supplemented or modified with the agreement of the Issuer and the relevant Dealer. Any such supplement or modification will be set out in the relevant

Applicable Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Programme Memorandum.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as shall be set out in the Applicable Pricing Supplement.

SOUTH AFRICAN TAXATION

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

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

SECURITIES TRANSFER TAX

The issue, transfer and redemption of the Notes will not attract securities transfer tax under the South African Securities Transfer Tax Act, 2007 (the STT Act) because the Notes do not constitute "securities" as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of Notes will be for the account of the Noteholders.

SOUTH AFRICAN VALUE-ADDED TAX

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

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of Notes will be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(1) of the VAT Act.

INCOME TAX

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

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to applicable double taxation treaties). Interest income is derived from a South African source if it is incurred by a South African tax resident (unless it is attributable to a foreign permanent establishment of that resident) or if it is derived from the utilisation or application in South Africa by any person of funds or credit obtained in terms of any form of "interest-bearing arrangement". The Notes will constitute an "interest-bearing arrangement". The Issuer is tax resident in South Africa as at the date of this Programme. Accordingly, the interest earned by a Noteholder will be from a South African source and subject to South African income tax unless such interest income is exempt from South African income tax under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act (which is effective for all amounts of interest that accrue or is paid on or after 1 July 2013), any amount of interest which is received or accrued (during any year of assessment) by or to any person that is not a resident of South Africa is exempt from income tax, unless that person:

- is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve-month period preceding the date on which the interest is received or accrued by or to that person; or
- at any time during (that year) the twelve-month period preceding the date on which the interest is received or accrued by or to that person carried on business through a permanent establishment in South Africa.

If a Noteholder does not qualify for the exemption under section 10(1)(h) of the Income Tax Act, an exemption from or reduction of any South African tax liability may be available under an applicable double taxation agreement. Furthermore, certain entities may be exempt from income tax. Purchasers are advised to consult their

own professional advisers as to whether the interest income earned on the Notes will be exempt under section 10(1)(h) of the Income Tax Act or under an applicable double taxation agreement.

In terms of section 24J of the Income Tax Act, broadly speaking, any discount or premium to the principal amount of a South African Note is treated as part of the interest income on the Note. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the Note or until maturity unless an election has been made by the Noteholder (if the Noteholder is entitled under section 24J(9) of the Income Tax Act to make such election) to treat its Notes as trading stock on a mark-to-market basis. This day-to-day basis accrual is determined by calculating the yield to maturity (as defined in section 24J) and applying this rate to the capital involved for the relevant tax period. The premium or discount is treated as interest for the purposes of the exemption under section 10(1)(h) of the Income Tax Act. With effect from 1 January 2014, the section 24J(9) election is no longer available and with effect from that date, section 24JB will deal with the fair value taxation of financial instruments for certain types of taxpayers.

CAPITAL GAINS TAX

Capital gains and losses of residents of South Africa on the disposal of Notes are subject to capital gains tax unless the Notes are purchased for re-sale in the short term as part of a scheme of profit making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. If the Notes are disposed of or redeemed prior to or on maturity, a gain or loss must be calculated. The gain or loss is deemed to have been incurred or to have accrued in the year of assessment in which the transfer or redemption occurred. The calculation of the gain or loss will take into account interest which has already accrued or been incurred during the period in which the transfer or redemption occurs. In terms of section 24J(4A), where an adjusted loss on transfer or redemption includes interest which has been included in the income of the holder, that amount qualifies as a deduction from the income of the Noteholder during the year of assessment in which the transfer or redemption takes place.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to Notes disposed of by a person who is not a resident of South Africa unless the Notes disposed of are attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

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

WITHHOLDING TAX

Under the taxation law which is currently in effect in South Africa, all payments made under the South African Notes to resident and non-resident Noteholders will generally be made free of withholding or deduction for or on account of any taxes, duties, assessments or governmental charges in South Africa.

However, a new withholding tax on interest (the **Withholding Tax**) has been introduced in South Africa and applies with effect from 1 July 2013, as Part 1A of the Income Tax Act (Part 1A). In terms of Part 1A, the Withholding Tax will be a final tax and will be levied at a rate of 15 per cent in respect of "interest" paid to non-residents. In terms of Part 1A, and subject to any withholding tax relief provided for (or to be provided for) in the case of any applicable double tax treaty, the Withholding Tax will be applicable to, and imposed in respect of, any payments made under a debt instrument to non-residents of South Africa to the extent that such payments fall within the scope of the definition of the term "Interest" for purposes of section 24J of the Income Tax Act (see "Income Tax" above). Accordingly, to the extent that any interest is paid to Noteholders who are South African tax residents, the Withholding Tax will not apply. In the budget speech dated 27 February 2013, the Minister of Finance stated that the implementation of the new withholding tax on interest will be deferred until 1 March 2014.

In terms of the legislation, interest received by or accrued to a "foreign person" during any year of assessment in respect of any listed debt will be exempt from the Withholding Tax on interest. In terms of the legislation, a "foreign person" is defined as meaning a person who is not a resident of South Africa for tax purposes and "listed debt" means any debt that is listed on a recognised exchange as defined in the Income Tax Act. As at the Programme Date, the JSE is a recognised exchange as defined in the Income Tax Act, accordingly, to the extent that the South African Notes issued pursuant to this Programme Memorandum are listed on the JSE, no Withholding Tax will be imposed on any interest received by or accruing to a foreign person.

Definition of Interest

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

SOUTH AFRICAN EXCHANGE CONTROL

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

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

Emigrant Blocked Rand

Emigrant Blocked Rands may be used for the subscription for or purchase of Notes. Any amounts payable by the Issuer in respect of the Notes subscribed for or purchased with Emigrant Blocked Rands may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account. The Authorised Dealer under whose physical control an emigrant's blocked South African assets are held, may allow the remittance to such a person of current *income* earned in the Republic from the date of re-designation as an emigrant under certain circumstances.

Emigrants from the Common Monetary Area

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

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

- (a) In the event that a Beneficial Interest in Notes is held by an Emigrant from the Common Monetary Area through the Central Securities Depository and its relevant Settlement Agents, the securities account of such Emigrant will be designated as an "emigrant" blocked account.
- (b) Any Individual Certificates issued to Noteholders in respect of Notes in materialised form will be restrictively endorsed "non-resident". Such restrictively endorsed Individual Certificates shall be deposited with the Authorised Dealer controlling such Emigrant's blocked assets.
- (c) Any payments of principal due to an Emigrant Noteholder in respect of Notes will be deposited into such Emigrant's Blocked Rand account with the Authorised Dealer controlling such Emigrant blocked assets. These amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.
- (d) Any payments of interest due to an Emigrant Noteholder in respect of Notes will be deposited into such Emigrant's Non-resident Rand account with the Authorised Dealer controlling such Emigrant blocked assets. Such amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

Non-residents of the Common Monetary Area

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

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

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

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

For the purposes of these paragraphs:

"Authorised Dealer" means, in relation to any transaction in respect of gold, a person authorised by the treasury department of the Government of South Africa (the "Treasury") to deal in gold and, in relation to any transaction in respect of foreign exchange, a person authorised by the Treasury to deal in foreign exchange.

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

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

"Emigrant Blocked Account" means the account of an emigrant from the Common Monetary Area to which exchange control restrictions have been applied.

"Emigrant Blocked Rand" means funds which may not be remitted out of South Africa. These funds are held in an Emigrant Blocked Account and controlled by an Authorised Dealer in terms of the Exchange Control Regulations.

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

GENERAL INFORMATION

Authorisation

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

Listing

The application for the listing of the Programme on the Interest Rate Market of the JSE has been made.

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection during normal office hours at the registered office of the Issuer as set out at the end of this Programme Memorandum:

- (a) the Agency Agreement;
- (b) all amendments and supplements to this Programme Memorandum prepared and circulated by the Issuer from time to time in accordance with the terms of the Programme Agreement;
- (c) the Applicable Pricing Supplement relating to any Tranche of Notes issued under the Programme;
- (d) in respect of any issue of Notes under the Programme, the published audited annual financial statements of each of the Issuer and the Guarantor (and notes thereto, for the three financial years prior to the date of such issue);
- (e) the Guarantee executed by the Guarantor in favour of the Noteholders; and
- (f) the relevant resolutions of the Issuer authorising the establishment of the Programme and the issue of Notes thereunder and approving the creation and issuing of the Notes,

Clearing Systems

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

Settlement Agents

As at the date of this Programme Memorandum, the JSE-recognised Settlement Agents are Absa Bank Limited, FirstRand Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited and the South African Reserve Bank.

Settlement, Transfer and Clearing

Notes will be issued, cleared and transferred in accordance with the procedures and rules set out by the JSE and the Central Securities Depository. Notes will be settled through the JSE-recognised Settlement Agents who will comply with the electronic settlement procedures. The Central Securities Depository, or its nominee, will be the registered holder of an Uncertificated Note and will maintain securities accounts for the Participants who, in turn, will maintain securities accounts for investors in the Notes.

The Participants will be responsible for the settlement of scrip and payment transfers through the Central Securities Depository and the South African Reserve Bank. Individual Certificates will only be issued to Noteholders in terms of the procedures set out in Condition 13. Transfer of Notes shall be undertaken in accordance with the rules of the Central Securities Depository as well as the Terms and Conditions, save for the transfer of Individual Certificates which shall take place in accordance with the procedures set out in Condition 15. The Central Securities Depository, its nominee, and any individual Noteholder of Individual Certificate(s) shall be the registered holders of Notes.

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

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

Material Change

The Issuer and the Guarantor confirm that there has been no material change in the financial or trading position of the Issuer or the Guarantor, as the case may be, since the date of the Issuer's and Guarantor's latest audited financial statements for the year ended December 31, 2012 up to the date of this Programme Memorandum. As at the date of this Programme Memorandum, there has been no involvement by KPMG in making the aforementioned statement.

Litigation

Save as disclosed herein, neither the Issuer nor the Guarantor is involved or has been involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or the Guarantor is aware) which may have or have had a significant effect on the financial position of either of the Issuer or the Guarantor.

Auditors

KPMG acted as the auditors of the financial statements of the Issuer for the financial years ended 2012, 2011 and 2010 and, in respect of those years, issued an unqualified audit report.

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