
AMENDED AND RESTATED APPLICABLE PRICING SUPPLEMENT



DENEL SOC LTD

(Incorporated in the Republic of South Africa with limited liability under registration number 1992/001337/30)

**Issue of ZAR100,000,000 Senior Unsecured Floating Rate Notes due 28 September 2023
Irrevocably and unconditionally guaranteed by the Government of the Republic of South Africa
Under its ZAR4,000,000,000 Domestic Medium Term Note Programme**

This [amended and restated applicable pricing supplement \(this Applicable Pricing Supplement\)](#) must be read in conjunction with the amended and restated Programme Memorandum, dated 18 September 2012, prepared by Denel SOC Ltd in connection with the Denel SOC Ltd ZAR4,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*".

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

PARTIES

| | |
|----------------------|--|
| 1. Issuer | Denel SOC Ltd |
| 2. Guarantor | The Government of the Republic of South Africa |
| 3. Dealer | Nedbank Limited, acting through its Corporate and Investment Banking division |
| 4. Debt Sponsor | Nedbank Limited, acting through its Corporate and Investment Banking division |
| 5. Paying Agent | FirstRand Bank Limited, acting through its Rand Merchant Bank division |
| Specified Address | 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 6. Calculation Agent | FirstRand Bank Limited, acting through its Rand Merchant Bank division |
| Specified Address | 1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa |
| 7. Settlement Agent | FirstRand Bank Limited, acting through its Rand Merchant Bank division |
| Specified Address | 1 Merchant Place, corner Fredman Drive and Rivonia |

Road, Sandton, 2196, South Africa

PROVISIONS RELATING TO THE NOTES

| | | |
|-----|---|---|
| 8. | Status of Notes | Senior Unsecured |
| 9. | Series Number | 88 |
| 10. | Tranche Number | 1 |
| 11. | Aggregate Nominal Amount: | |
| | (a) Series | ZAR100,000,000 |
| | (b) Tranche | ZAR100,000,000 |
| 12. | Interest | Interest-bearing |
| 13. | Interest / Payment Basis | Floating Rate |
| 14. | Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another | N/A |
| 15. | Form of Notes | The Notes in this Tranche are issued in uncertificated form and held by the CSD |
| 16. | Issue Date | 28 September 2018 |
| 17. | Nominal Amount per Note | ZAR1,000,000 |
| 18. | Specified Denomination | ZAR1,000,000 |
| 19. | Specified Currency | ZAR |
| 20. | Issue Price | 100 percent |
| 21. | Interest Commencement Date | 28 September 2018 |
| 22. | Maturity Date | 28 September 2023 |
| 23. | Applicable Business Day Convention | Modified Following Business Day |
| 24. | Final Redemption Amount | 100 percent of Aggregate Nominal Amount |
| 25. | Last Day to Register | by 17:00 on 17 December, 17 March, 17 June and 17 September of each year until the Maturity Date |
| 26. | Books Closed Period(s) | The Register will be closed from 18 December to 27 December, 18 March to 27 March, 18 June to 27 June and 18 September to 27 September (all dates inclusive) of each year until the Maturity Date |
| 27. | Default Rate | N/A |

FIXED RATE NOTES

N/A

FLOATING RATE NOTES

| | | |
|-----|---|---|
| 29. | (a) Interest Payment Date(s) | 28 December, 28 March, 28 June and 28 September of each year until the Maturity Date with the first Interest Payment Date being 28 December 2018 |
| | (b) Interest Periods | From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, save that the first Interest Period shall commence on the Interest Commencement Date and end the day before the next Interest Payment Date |
| | (c) Definitions of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>)) | N/A |

| | | |
|-----|---|---|
| (d) | Minimum Interest Rate | N/A |
| (e) | Maximum Interest Rate | N/A |
| (f) | Day Count Fraction | Actual/365 |
| (g) | Any other terms relating to the particular method of calculating interest | N/A |
| 30. | Manner in which the Interest Rate is to be determined | Screen Rate Determination |
| 31. | Margin | 280 basis points to be added to the Reference Rate |
| 33. | If Screen Rate Determination: | |
| (a) | Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated) | 3 month ZAR-JIBAR |
| (b) | Interest Determination Date(s) | 28 December, 28 March, 28 June and 28 September of each year until the Maturity Date with the first Interest Determination Date being 25 September 2018 |
| (c) | Relevant Screen Page and Reference Code | Reuters page 0#SFXmm or successor page |
| 34. | If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions | N/A |
| 35. | Calculation Agent responsible for calculating amount of principal and interest | FirstRand Bank Limited, acting through its Rand Merchant Bank division |

ZERO COUPON NOTES N/A

PROVISIONS REGARDING REDEMPTION/MATURITY

| | | |
|-----|---|-----|
| 37. | Redemption at the Option of the Issuer: | No |
| 38. | Redemption at the Option of the Senior Noteholders: | No |
| 39. | Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control | Yes |
| 40. | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). | Yes |

GENERAL

| | | |
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| 41. | Financial Exchange | Interest Rate Market of the JSE N/A |
| 42. | Additional selling restrictions | N/A |
| 43. | ISIN No. | ZAG000154444 |
| 44. | Stock Code | DENG88 |
| 45. | Stabilising manager | N/A |

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| 46. | Provisions relating to stabilisation | N/A |
| 47. | Method of distribution | Private Placement |
| 48. | Credit Rating assigned to the Issuer | Long Term: AA-(zaf)/negative Short Term: F1+(zaf) |
| 49. | Applicable Rating Agency | By Fitch Southern Africa Proprietary Limited dated 18 July 2018, to be reviewed annually Pursuant to the Financial Services Board's press release dated 24 November 2017, a subsequent Credit Rating will be obtained from another Rating Agency in due course, details of which will be made available on SENS |
| 50. | Governing law (if the laws of South Africa are not applicable) | N/A |
| 51. | Other provisions | <p>Guarantee</p> <p>In accordance with the terms of the Guarantee attached hereto as Annexure 1 (the Guarantee), the Guarantor irrevocably and unconditionally guarantees to the Noteholders of these Notes the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes issued pursuant to this Applicable Pricing Supplement.</p> <p>(a) The Guarantor is required to make any payment under the Guarantees by no later than 30 (thirty) Business Days after receipt of a written demand under and in terms of the Guarantee and the Terms and Conditions. All payments under the Guarantee will <i>pro tanto</i> discharge the Issuer of its corresponding obligations to the Noteholders under the Notes.</p> <p>(b) The Guarantee will be deposited with, and held by, the Paying Agent until the later of:</p> <p>(i) the date on which the Programme is terminated by the Issuer; and</p> <p>(ii) the date on which all the obligations of the Issuer and the Guarantor under or in respect of the Notes have been discharged in full.</p> <p>each Noteholder of these Notes shall be entitled to require the Paying Agent to produce the original of the Guarantees on request and further shall be entitled to require the Paying Agent, which shall be obliged, to provide a copy of the Guarantees to that Noteholder on request. In holding the Guarantees, the Paying Agent 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.</p> |

Issuer's Undertaking

For so long as the Notes issued pursuant to this Applicable Pricing Supplement remain Outstanding, the Issuer undertakes not to issue further guaranteed Notes exceeding the guaranteed amount in the Guarantee.

Issuer's Warranty

The Issuer warrants to the Noteholders of the Notes that following the issuance of the Notes on the Issue Date that the Issuer has not exceeded the guaranteed amount in the Guarantee.

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES AS AT THE ISSUE DATE

52. Paragraph 3(5)(a)

The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.

53. Paragraph 3(5)(b)

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

54. Paragraph 3(5)(c)

The auditor of the Issuer is the Auditor General of South Africa.

55. Paragraph 3(5)(d)

As at the ~~date of this issue~~ Issue Date:

(i) the Issuer has issued ZAR3,154,000,000 Commercial Paper (as defined in the Commercial Paper Regulations), including this issue and the issue of the DENG86 and the DENG87 Notes to be issued on the Issue Date; and

(ii) the Issuer estimates that it will issue ZAR846,000,000 Commercial Paper during the current financial year, ending 31 March 2019

56. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and this Applicable Pricing Supplement.

57. Paragraph 3(5)(f)

There has been a material adverse change in the Issuer's financial position since the date of its last audited financial statements. The Issuer was in a net current liability position of ZAR612,630,000 as at 31 July 2018 and a negative operating cash flow of ZAR1,145,470,000 for the period ended 31 July 2018.

58. Paragraph 3(5)(g)

The Notes issued will be listed.

59. Paragraph 3(5)(h)

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

60. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured, but have been guaranteed by the Government of the Republic of South Africa.

61. Paragraph 3(5)(j)

The Auditor General of South Africa, the statutory auditors of the Issuer, have confirmed that this issue of Notes issued under the Programme will comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the placing document contains all information required by law ~~and the Debt Listings Requirements~~. The Issuer accepts full responsibility for the accuracy of the information contained in the placing document and the annual financial statements and the Applicable Pricing Supplement and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

~~The JSE takes no responsibility for the contents of the placing document, the annual financial statements, annual report and this Applicable Pricing Supplement of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the placing document and the annual financial statements, the annual report or this Applicable Pricing Supplement of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.~~

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised programme amount of ZAR4,000,000,000 has not been exceeded

SIGNED at _____ on this _____ day of _____ ~~2018~~2022.

For and on behalf of
DENEL SOC LTD

Name:
Capacity:
Who warrants his/her authority hereto

Name:
Capacity:
Who warrants his/her authority hereto

GUARANTEE