



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

REPUBLIC OF SOUTH AFRICA INTERNAL REGISTERED BOND

I2025 (2.00% COUPON)

REDEEMABLE ON 31 JANUARY 2025

Issued by the National Treasury
Private Bag X115
PRETORIA
0001

**REPUBLIC OF SOUTH AFRICA
GOVERNMENT ISSUE
LOAN NO: I2025**

Date listed on the JSE: _____

Date of Terms of Issue: _____

TERMS AND CONDITIONS OF ISSUE

The Republic of South Africa hereby issues Bonds as hereinafter defined in the terms and conditions set forth herein.

1. DEFINITIONS AND INTERPRETATION

- 1.1. In these Conditions, unless inconsistent with the context, the following expressions shall have the following meanings:

"Additional Amount" means any additional amount to be paid by the Issuer to the Bondholder, as contemplated in sub-clause 6.1;

"Bondholder" means a person whose name is entered into the Register as the holder of any Bonds;

"Bonds" means the bonds issued pursuant to these Conditions;

"Books Close Date" means, in relation to an Interest Date, 10 days preceding the Interest Dates (31 July and 31 January) or such shorter period preceding the Interest Date as determined by the Issuer;

"Business Day" means any day other than a Saturday, Sunday and a Public Holiday in the Republic of South Africa recognized as such under the Public Holidays Act, 1994 (Act No. 36 of 1994) as amended;

"Calculation Agent" means the Republic of South Africa, acting through the Minister of Finance, whose functions and duties are set forth in clause 9.4;

"Capital Value" means the capital value of the Bonds as determined pursuant to clause 4;

"Central Securities Depository" means STRATE Limited (or its nominees), a public company incorporated in the Republic of South Africa, with registration number 1998/022242/06, licensed as a central securities depository in accordance with section 32 of the Securities Services Act;

Issuer pursuant to clause 10;

"Conditions" means the terms and conditions set out herein;

"CPI" means the Consumer Price Index, being the weighted average of the consumer price index as published by Statistics South Africa, which is referred to as "Headline CPI-All urban areas (primary and secondary)" in Statistical release P0141, from time to time, or such substituted index as may be determined by the Calculation Agent in terms of clause 9;

"Coupon" means 2.00%

"Date" means, where used in connection with any valuation or determination of any amount, the date as of which the amount is to be valued or determined;

"Dematerialised" means uncertified Securities being any security not evidenced by a certificate or written instrument and transferable by book entry, and only exist as accounting records;

"Debt Sponsor" means the Deputy Director-General of the Asset and Liability Management division in the National Treasury, supported by executives from different directorates within the National Treasury, as approved by the JSE in terms of Section 2 of the Debt Listing Requirements";

"FSB" means the Financial Services Board;

"Guarantee Fund" means Fund operated by the JSE to guarantee settlement of trades on the JSE's trading platforms

"Index Ratio Date" means the Reference CPI on the Date divided by the Reference CPI on the Issue Date;

"Interest Date" means 31 July and 31 January of each year that the Bonds are in issue;

"Interest Period" means the 6 (six) month period commencing on and including one Interest Date and ending on the day preceding the next Interest Date, provided that the first Interest Period shall be from and include the Issue Date to the day preceding the first Interest Date thereafter, and the last Interest Period shall end on the day preceding the Redemption Date;

"ISIN"-means an International Securities Identification Number that uniquely identifies a bond.

"Issue" means the National Treasury's increase, subject to the provisions of the PFMA, of the amount of a loan prior to the Redemption Date by

creating and issuing additional bonds;

"**Issue Date**" means the date of the settlement of the first auction;

"**Issue price**" means the price at which the market participants purchase the bond on the issue date priced in accordance with the JSE/BESA "Pricing methodology for inflation linked bonds and inflation linked buy/sell backs"

"**Issuer**" means the Republic of South Africa;

"**JSE**" means the Johannesburg Stock Exchange Limited (registration number 2005/022939/06), a licensed financial exchange in terms of the Securities Services Act or any exchange which operates as a successor exchange to the JSE;

"**Minister**" means the Minister of Finance;

"**National Treasury**" means the National Treasury established in terms of section 5 of the PFMA;

"**Nominal amount**" means, in relation to any Bonds, the amount owing by the Issuer under such Bonds before interest and adjustment for CPI;

"**Offering Circular**" means a document containing the provisions, required by the Debt Listings Requirements, for a single issue of Debt Securities;

"**PFMA**" means the Public Finance Management Act, 1999 (Act No. 1 of 1999);

"**Placing Document**" means an Offering Circular, a Programme Memorandum or any other placing documents, as the case may be, which contains the provisions required by the Debt Listings Requirements for an issue of Debt Securities;

"**Pricing Supplement**" means a supplement to a Programme Memorandum setting out additional and/or other terms and conditions as are applicable to a specific tranche of Debt Securities, for with application is made;

"**Principal Amount**" means nominal amount of the bond;

"**Programme Memorandum**" means a document containing the provisions required by Debt Listing Requirements in respect of Debt Securities which may be issued by an Applicant;

"**Redemption Date**" means 31 January 2025, if such date is not a Business Day, the next Business Day;

Business Day, the next Business Day;

"**Reference CPI Date**" or "Ref CPI Date" means in relation to Date:

- If Date is the first day of a calendar month, Ref CPI Date is the Consumer Price Index for the fourth calendar month preceding the calendar month in which Date occurs (which Consumer Price Index is typically published during the third calendar month preceding the calendar month in which Date occurs¹);
- If Date occurs on any day other than the first day of a calendar month, then Ref CPI Date shall be determined in accordance with the following formula²:

$$\text{Ref CPI Date} = \text{Ref CPI J} + \frac{(t-1)}{D} \times (\text{Ref CPI J} + 1 - \text{Ref CPI J})$$

Where:

- (i) Ref **CPIJ** is the Reference CPI for the first day of the calendar month in which Date occurs;
- (ii) Ref **CPI J+1** is the Reference CPI for the first day of the calendar month immediately following the calendar month in which Date occurs;
- (iii) **t** is the calendar day corresponding to Date; and
- (iv) **D** is the number of days in the calendar month in which Date occurs;

"**Register**" means the register of Bondholders to be kept by the Issuer;

"**Registered**" means to have been entered into the Register;

"**Republic of South Africa Internal Registered Bonds**" means Republic of South Africa Internal Registered Bond I2025 classified as a bond under the definition of "securities" in the Securities Services Act; as well as specified in the Financial Regulations 13.1(1) – (5) made under section 66 of the PFMA;

¹ As an example, Ref CPI1-March 2010 is the CPI for November 2009, which was published in December 2009.

² For example, if Date is 15 March 2010, then Ref CPI 15 March 2010 will be determined by interpolating between the CPI for November 2009 (published in December 2009) and the CPI for December 2009 (published in January 2010).

“**SARB**” means the South African Reserve Bank Limited

“**Securities Services Act**” means the Securities Services Act, 2004 (Act No. 36 of 2004);

“**Settlement Agent**” means a Settlement Agent as envisaged in the rules of JSE, who must also be a Participant of the Central Securities Depository, as defined in Section 34 of the Securities Services Act;

“**Settlement date**”-refers to the third business day after the execution of the trade;

“**Transfer Secretary**” means the National Treasury or any other person appointed by the Issuer as its Transfer Secretary in respect of the Bonds, provided no such appointments shall be effective until the Issuer has notified all Bondholders of the name and address of the person appointed;

"/" means divided by; and

"*" means multiplied by.

- 1.2. The headings of the clauses in this agreement are for the purpose of convenience and reference only and shall not be used in the interpretation of this document nor any clause thereof.
- 1.3. Words referring to the singular also include the plural and vice versa, where the context requires.

2. **FORM OF THE BONDS**

The Bonds shall be represented by Certificates and shall be transferable by registration in the Register. However, nothing in these Conditions precludes any Bonds from being issued as uncertificated securities ("Uncertificated Securities") in terms of Section 37 of the Securities Services Act.

3. **STATUS**

The Bonds constitute direct, unconditional and unsecured obligations of the Issuer and will at all times rank *pari passu* amongst themselves and at least *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer for monies borrowed and guarantees given by the Issuer in respect of monies borrowed by others.

4. **CAPITAL VALUE**

- 4.1. The Issuer's indebtedness in respect of the Bonds shall be Capital Value plus accrued interest thereon as determined pursuant to these Conditions. The Capital Value of the Bonds is the adjusted Principal Amount thereof,

decrease in the Consumer Price Index. The Capital Value of Bonds as at any Date shall be determined in accordance with the following formula:

$$\text{Capital Value} = P * \text{Index Ratio Date}$$

Where P means Principal Amount

5. REDEMPTION

- 5.1. On the Redemption Date of 31 January 2025, the Issuer shall pay the Bondholders the Capital Value of the Bonds on that Date provided that, if the Capital Value of the Bonds on the Redemption Date is less than the Principal Amount, then the Issuer shall pay the Bondholders an Additional Amount equal to the shortfall.
- 5.2. The Issuer shall not be entitled to redeem the Bonds otherwise than as provided for in sub-clause 5.1.
- 5.3. Notwithstanding anything contained in these Conditions, no redemption in respect of any Bond shall be made unless, if in a certificated form, the Certificate in respect of the Bond has been surrendered to the Issuer.

6. INTEREST

- 6.1. The Bonds shall bear interest at the Coupon on the Capital value of the Bonds in accordance with these conditions.
- 6.2. A Coupon of 2.00% per annum will be paid semi-annually in arrears on 31 July and 31 January of each calendar year up to and including the redemption.
- 6.3. The interest in respect of each Interest Period shall be determined as at the Interest Date following that Interest Period (i.e. first day after the Interest Period) in accordance with the following formula:

$$(c/2)^* e$$

where:

"C" is the Coupon; and

"e" is the Capital Value of the Bonds on the Interest Date following the Interest Period.

- 6.4. On the Redemption Date, the final Coupon payment for a Bond shall be calculated solely with respect to the Capital Value of such Bond, without regard to any Additional Amounts.

- 6.5. The interest in respect of each Interest Period shall be payable on the Interest Date following the Interest Period or, if that date is not a Business Day, then on the next Business Day.
- 6.6. Interest in terms of this clause shall cease to accrue on Bonds as from the Redemption Date.

7. PAYMENT

- 7.1. All amounts payable by the Issuer in accordance with these Conditions shall be paid free of set-off or deduction in the Republic of South Africa and in the currency of the Republic of South Africa.
- 7.2. All amounts payable on or in respect of each Bond shall, unless otherwise agreed between a Bondholder and the Transfer Secretary, be paid by electronic funds transferred to the account of the relevant Bondholder as set forth in the Register or in the case of joint Registered holders of a Bond, the account of one of them who is first named in the Register in respect of that Bond.
- 7.3. If any day for payment of the Principal Amount or interest in respect of any Bond is not a Business Day, the Bondholder shall not be entitled to payment until the next Business Day following such day or to any interest or other sums in respect of the postponed payment.
- 7.4. All payments will be subject to all fiscal or other laws and regulations applicable thereto in the place of payment.

8. ROUNDING

For calculation purposes, in terms of these Conditions, any cash flow resulting from a Bond shall be rounded to the nearest one cent.

9. ADJUSTMENT TO CONSUMER PRICE INDEX

- 9.1. In the event that the CPI is reset, then a new Reference CPI that is applicable for the Issue Date will (if necessary) be calculated in such a way that the Capital Value of a Bond is the same immediately before and after the reset.
- 9.2. If, as a result of a delay in the publication of the CPI, the CPI is not available in order to make a determination in accordance with these Conditions, then subject to sub-clause 9.4 below, a substitute CPI value, calculated as follows, will be used:

Let the CPI value for the month "m" that is required be denoted by CPI_m . Then, in the event of a one month delay, CPI_m shall be determined in accordance with the following formula:

$$\text{CPI}_m = \text{CPI}_{m-1} * (\text{CPI}_{m-1} / \text{CPI}_{m-13})^{1/12}$$

And, in the event of a delay of more than one month (the number of months being denoted by "n"), CPI_m shall be determined in accordance with the following formula:

$$\text{CPI}_m = \text{CPI}_{m-n} * (\text{CPI}_{m-n} / \text{CPI}_{m-n-12})^{n/12}$$

- 9.3. If it is necessary to use these formulas to calculate a substitute CPI value, then it will be used for all subsequent calculations that rely on that month's Index Ratio, and will not be replaced by the actual CPI when it is reported, except for use in the above formulas. When it becomes necessary to use the above formulas to calculate a substitute CPI value, the last CPI that has been reported will be used to calculate CPI values for months which the CPI has not been reported timeously.
- 9.4. If, while a Bond is still outstanding, the Consumer Price Index is:
- 9.4.1. discontinued; or
 - 9.4.2. in the reasonable judgment of the Calculation Agent, fundamentally altered in a manner that is materially adverse to the interest of the Bondholders; or
 - 9.4.3. In the reasonable judgment of the Calculation Agent, altered by law in a manner that is materially adverse to the interest of Bondholders, and then the Calculation Agent will, after Consultation with Statistics South Africa or any successor entity, substitute an appropriate alternative index.
- 9.5. A change to the CPI will be considered fundamental if it affects the character of the CPI. Technical changes made by Statistics South Africa to improve its accuracy as a measure of consumer price changes will not be considered fundamental changes. Technical changes include, but are not limited to, changes in (1) the specific items (for example, shoes or television sets) to be priced for the index; (2) the way individual price quotations are aggregated to construct component price indices for these items (aggregation of item sub-strata); (3) the method for combining these component price indices to obtain the comprehensive, all items CPI (aggregation of item strata); and (4) the procedure for incorporating new goods into the index and making adjustments for quality changes to existing goods.
- 9.6. As soon as practicable after effecting any substitution of an alternative index, the Issuer shall give notice of the substitution and the effective date thereof in the Government Gazette.

10. CERTIFICATES

- 10.1. It is recorded that when the Bonds are initially issued, the Bonds shall be issued as Dematerialised in the Central Securities Depository. This will entail that the nominee of the Central Securities Depository will be reflected in the Register as a Bondholder. Holders to whom Bonds are allotted, or who subsequently purchase Bonds thereby become entitled to an interest Bond held in the Central Securities Depository.
- 10.2. A holder of an interest in Bonds in the Central Securities Depository who wishes to receive a certificate and be reflected in the Register as a Bondholder may on request in writing to the Central Securities Depository Participant request that they be reflected as the Bondholder in the Central Securities Depository. In the case of Joint Bondholders, such Joint Bondholders will be entitled to receive only 1(one) Certificate in respect of that joint holding; and delivery to one of those joint Bondholders shall be deemed delivery to all of them.
- 10.3. If a Certificate is worn out or defaced, then upon its presentation to the Issuer, the Issuer may cancel that Certificate and issue a new Certificate in its place, provided that, the person in possession of the worn out or defaced Certificate provides sufficient proof of ownership and/or the rights in the Certificate by some other means other than the worn out or defaced Certificate and additionally provides an indemnity (to the satisfaction of the Issuer) and pays the out-of pocket expenses of the Issuer and Transfer Secretary in respect thereof.
- 10.3. If a Certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Transfer Secretary, a new Certificate in lieu thereof may be issued to the person entitled to that lost or destroyed Certificate, provided that claiming an entitlement to the lost or destroyed Certificate, shall provide the Transfer Secretary and the Issuer with an indemnity (to the satisfaction of the Issuer) and pays the out-of-pocket expenses for investigating the loss.
- 10.4. An entry as to the issue of a new Certificate shall be made in the Register.
- 10.5. A person who acquires a Bond as an Uncertificated Security in terms of clause 2 above, may at a later stage in compliance with this clause 10 obtain a Certificate for such uncertificated security provided that such person provides an indemnity (to the satisfaction of the Issuer) and pays the out-of pocket expenses of the Issuer and Transfer Secretary in respect thereof

11. REGISTER OF BONDHOLDERS

- 11.1. The Issuer shall procure that the Transfer Secretary shall keep a Register of Bondholders in accordance with this clause.

- 11.2. The Register of Bondholders shall:
- 11.2.1. be kept at the office of the Transfer Secretary;
 - 11.2.2. contain names, addresses and bank account numbers of the Bondholders;
 - 11.2.3. show the total Principal Amount of the Bonds represented by it;
 - 11.2.4. show dates upon which each of the Bondholders were Registered as such;
 - 11.2.5. show the serial numbers of the Certificates and the date of issue thereof;
 - 11.2.6. be open for inspection at all reasonable times during business hours on Business Days by any Bondholder or any person authorised in writing by a Bondholder; and
 - 11.2.7. be closed from each Book Closed Date until the next Interest Date.
- 11.3. The Transfer Secretary shall, upon written notice by Bondholder, alter the Register in respect of any change of name, address or account number of the Bondholder.
- 11.4. Except as provided for in these Conditions or as required by law, the issuer:
- 11.4.1. will only recognize a Bondholder as the owner of the Bonds Registered in that Bondholder's name as per the register; and
 - 11.4.2. shall not be bound to enter into the Register the fact that a Bondholder may be holding Bonds in trusts or as agent or mandatory for any third party and the Issuer shall have no responsibility whatsoever to such third party.

12. TRANSFER OF BONDS

- 12.1. It is recorded that interests in Bonds which are lodged in the Central Securities Depository may, in terms of existing law and facilities, be transferred through the Central Securities Depository by way of a book entry in the central securities accounts of the Participants. Such transfers will not be recorded in the Register and the nominee of the Central Securities Depository will continue to be reflected in the Register as the Bondholder notwithstanding such transfers. In order for any transfer of Bonds to be effected through the Register, and for the transfer to be recognized by the Issuer, it is required that each transfer of a Bond must:

- 12.1.1. be in writing and in the usual form or in such other form approved by the Issuer;
 - 12.1.2. be signed by or on behalf of the relevant Bondholder and the transferee; and
 - 12.1.3. be delivered to the Transfer Secretary together with the Certificate in question for the cancellation (if only part of the Bonds represented by a Certificate is transferred, a new certificate or the balance will be issued to the transferor and the cancelled Certificate will be retained by the Transfer Secretary).
- 12.2. The Transferor of any Bonds represented by a Certificate will be deemed to remain the owner thereof until the transferee is registered as the holder thereof.
 - 12.3. No transfer will be registered whilst the Register is closed, during the book closed period.
 - 12.4. If a transfer is registered, then the transfer form and cancelled Certificate will be retained by the Transfer Secretary.

13. TITLE OF BONDS

The Issuer shall be entitled to assume for all purposes that the person reflected in the Register as the holder of any Bonds is the true owner of those Bonds.

14. REPURCHASE OF BONDS

The Issuer shall have the right to purchase any of the Bonds at any time.

15. GOVERNING LAW

The Bonds and all rights and obligations relating thereto are governed by the laws of the Republic of South Africa.

16. STRIPPABILITY

These bonds will not be considered as strippable.

GENERAL

1. MANDATE

- 1.1 In the budget speech delivered by the Minister on 22 February 2012, it was announced that the National Treasury will issue two new fixed-income and three inflation-linked domestic bonds
- 1.2 The Minister is authorized in terms of section 66(2)(a) of the PFMA to commit the National Revenue Fund to future financial commitments by borrowing money, or enter into any other transaction.

2. PURPOSE OF THE ISSUE

The purpose of the issue is to raise funds to be used for the general purposes of the Government of the Republic of South Africa.

3. LISTING

The Bonds will be listed on JSE under Bond Code I2025.

4. METHOD OF ISSUE

- 4.1 The Bonds will be made available to the market by means of auctions in the manner determined by the Issuer;
- 4.2 In the unlikely event of any circumstances that might, in the discretion of the Issuer, be considered to adversely impact on the fairness of a particular auction, the Issuer retains the sole right in the allotment of auctioned bonds to individual bidders.
- 4.3 Issuing to the SARB for monetary purposes.

5. INITIAL PRICING

- 5.1 Upon initial issue, given the real yield, the consideration for the Bonds shall be determined in accordance with the JSE/ BESA ILB bond pricing formula.
- 5.2 The JSE/BESA bond pricing formula is defined in the "Pricing methodology for inflation linked bonds and inflation linked buy/sell backs", dated March 2006, with the following Internet location <http://www.jse.co.za/Markets/Interest-Rate-Market/Spot-Bonds-overview/Bond-pricing-documents.aspx>

5.3 The result obtained from the Formula is multiplied with the unrounded Index Ratio as applicable to the Settlement Date, to obtain an unrounded result.

5.4 The rounding shall be performed as follows:

- All intermediate calculations are done to the Institute for Electronic and Electrical Engineers' double precision (15 significant digits) standard.
- The all-in-price of the inflation-index bond is obtained by multiplying the rounded all-in-price from the JSE bond pricing formula by the unrounded Index Ratio.
- The accrued interest is calculated by multiplying the rounded accrued interest obtained from the JSE bond pricing formula by unrounded Index Ratio.
- The (rounded) clean price is obtained by subtracting the rounded accrued interest from the rounded all-in-price.

6. TRADING AND REGISTRATION

Bonds may be traded on JSE or its successor, or any other alternative exchange authorised by the FSB. Transactions on JSE will normally be effected for settlement in terms of their rules thereof from time to time (unless otherwise stipulated).

7. SETTLEMENT, CLEARING AND TRANSFERS

7.1 When the Bonds are initially issued, a single Certificate or Uncertificated Securities in respect of all the Bonds will be lodged in the Central Securities Depository.

7.2 Bonds held in the Central Securities Depository are registered in the name of the nominee of the Central Securities Depository. In terms of the conditions relating to the Bonds, all amounts to be paid and all rights to be exercised in respect of the Bonds held through the Central Securities Depository will be paid to and may be exercised only by the Central Securities Depository for the beneficial owners of the Bonds.

7.3 The Central Securities Depository holds Bonds subject to the Securities Services Act, and the Rules of the Central Securities Depository. The Rules of the Central Depository as at the date of this Offering Circular are as published by the Registrar of Security Services in *Government Gazette* No. 27758 of 8 July 2005.

7.4 The Central Securities Depository maintains accounts only for the Participants in the Central Securities Depository. As at the date of this offering circular, the Participants who are Settlement Agents of STRATE are ABSA Bank Limited, First Rand Bank Limited, NedBank Limited, Citi Bank, The Standard Bank of South Africa Limited and the South African Reserve Bank. The clients of Participants, as beneficial owners of the

the Bonds or as custodians for the beneficial owners, may exercise their rights in respect of the Bonds held by them in the Central Securities Depository only through the above participants.

- 7.5 Transfers of interest in Bonds in the Central Securities Depository to and from clients of Central Securities Depository Participants occur by book entry in the securities accounts of the clients with Participants (transfers amongst Participants of Bonds held in the Central Securities Depository occur through book entry in the Participants' central securities accounts with the Central Securities Depository). The standard settlement period on JSE is "T+3". Transactions in Bonds concluded on JSE are settled by the Participants by book entry as described above.
- 7.6 The client of the Central Securities Depository Participant may at any time require the Participant to withdraw any Bonds held for that client in the Central Securities Depository. In that event the transfer is registered in the Register and the Issuer is required to issue Certificates in respect of the withdrawn Bonds to the Transferee in accordance with the Conditions.
- 7.7 Transfer of Bonds that are not held in the Central Securities Depository may be affected only in terms of the conditions relating to the Bonds.

8. **TRANSFER SECRETARY**

The name and address of the Transfer Secretary is as follows:

National Treasury	or	National Treasury
Private Bag x 115		240 Vermeulen Street
Pretoria		Pretoria
0001		0002

9. **NON-SOUTH AFRICAN RESIDENT BONDHOLDERS AND EMIGRANTS FROM THE COMMON MONETARY AREA**

- 9.1 The following guidelines are not a comprehensive statement of the South African Exchange Control Regulations ("the Regulations") and reflect only the Issuer's understanding of the Regulations. Bondholders, who have any doubt as to the action they should take, should consult their South African Authorized Dealers in foreign exchange and/or professional advisers.
- 9.2 The Regulations affecting non-residents of the Common Monetary Area are as follows:

9.2.1 All Non-Residents of the Common Monetary Area

Any Certificates issued to Bondholders who are not resident in the

Common Monetary Area will be endorsed "non-resident". In the case where non-residents holds bonds through the Central Securities Depository, the securities accounts maintained for such non-residents by Participants will be designated "non-resident".

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

9.2.2 Emigrants from the Common Monetary Area

In the case where Certificates are issued to emigrant Bondholders, the Certificates will be deposited with the Authorised Dealer in foreign exchange controlling such emigrants' blocked assets. Where emigrants hold Bonds through the Central Securities Depository, the securities accounts maintained for emigrants by Central Securities Depository Participants will be restrictively designated.

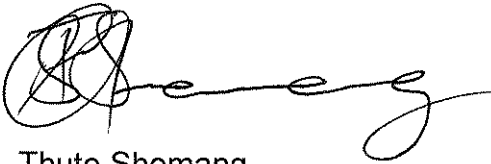
The following dispensation currently applies:

- The distinction between the settling-in allowance for emigrants and the private individual foreign investment allowance for residents is no longer applicable. There is now a common foreign allowance for both residents and emigrants of R4 million per individual.
- Amounts up to R4 million for individuals and R8 million for a family unit (inclusive of amounts already exited) will be eligible for exiting without charge. Holders of blocked assets wishing to exit more than R4 million as individuals or more than R8 million as a family unit (inclusive of amounts already exited), must apply to the Exchange Control Department of the South African Reserve Bank to do so. Approval will be subject to an exiting schedule and an exit charge of 10 per cent of the amount.
- New emigrants wishing to exit more than R4 million as individuals and R8 million as a family unit (inclusive of amounts already exited) can similarly apply to the Exchange Control Department of South African Reserve Bank to do so, with approval subject to an exiting schedule and an exit charge of 10 per cent of the amount.

Further details on all exchange controls can be found on the South African Reserve Bank website: www.reservebank.co.za.

- 9.3 For the purposes of this clause, the Common Monetary Area includes the Republic of South Africa, Lesotho, Namibia and Swaziland.

Signed in PRETORIA on behalf of the Issuer on 05/06/2022



Thuto Shomang

**Deputy- Director General:
Asset and Liability Management**



Lungisa Fuzile

Director-General: National Treasury
