



NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA
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TERMS AND CONDITIONS OF THE BUY BACK PROGRAM

1. BUY-BACKS: Payment for the repurchase bonds will be effected on a cash basis.
2. Terms and conditions
 - 2.1 Participation: Buy-backs are effected on a voluntary basis. Only primary dealers are eligible to submit the bids.
 - 2.2 The National Treasury reserves the right to buy back nothing or less than the announced amount if warranted by market conditions.
 - 2.3 The National Treasury may hold a number of buy-back auctions of a particular bond over a period of time, if necessary.
 - 2.4 Only bonds with a nominal outstanding of less than R1 billion will be considered for buy-backs.
 - 2.5 Buy-backs will be conducted on a multiple-yield basis, where successful bidders will buy back at the yield they bid.
 - 2.6 The bidding format would be that at 10:30, Primary Dealers would be allowed to submit bids of the repurchase bonds, which will be assessed against the price that would have been determined in advance by the National Treasury.
 - 2.7 Settlement will be t+3
 - 2.8 The National Treasury will periodically pre-announce the buy back auction dates.

On the day of the auction:

- Between 10:30 am and 11:00 am, the Primary Dealers will be allowed to offer bids in terms of yields of the bond(s) the National Treasury intends to buy back.
- By 11:30 am the Reserve Bank will aim to publish the results of the buy-back auction.

2.9 ADDENDUM TO THE TERMS AND CONDITIONS OF THE BUY-BACK PROGRAM

- Buy-back auctions will be conducted on the Bloomberg Auction System, unless otherwise stipulated by the SARB.
- Bids must be submitted in minimum amounts of R1 million and multiples thereof.
- Bids must be submitted to the nearest 0.005%.
- Odd lots will be bought back within 24 hours of the auction closing time. Primary Dealers are requested to phone the SARB with these odd lots amounts.
- The odd lots will be bought back at the weighted average yield of the auction for the particular stock. An odd lot is deemed to be any amount smaller than R1 million.
- The odd lot amount will be settled on a T+2 basis if the odd lot is bought-back on the day following the auction, otherwise the trade is settled on a T+3 basis.

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