

PRODUCT SPECIFIC TERMS AND CONDITIONS (NEGOTIABLE INSTRUMENTS)

1. INTRODUCTION

- 1.1 These Terms and Conditions become effective when you purchase a Negotiable Instrument from us.
- 1.2 These Terms and Conditions must be read in conjunction with, and are subject to, the General Terms and Conditions (Corporate Instruments).
- 1.3 If there is a conflict between these Terms and Conditions and the General Terms and Conditions (Corporate Instruments), these Terms and Conditions will apply.

2. DEFINITIONS

We have defined some words and expressions in this clause 2 for consistency. Singular words include the plural and the other way round.

Word	Meaning
African Bank Limited, Bank, we, us or our	African Bank Limited (Registration number 2014/176899/06) (which changed its name from K2014176899 (South Africa) Limited on 4 April 2016).
Applicable Procedures	The rules and operating procedures for the time being of the CSD or the relevant Participants, as the case may be.
Beneficial Interest	In relation to an Uncertificated Instrument which is held in the CSD or via a Participant, the beneficial interest as co-owner of an undivided share in that Uncertificated Instrument, in accordance with the FMA.
Certificated Instrument	A Negotiable Instrument that is a certificated security as contemplated in the Companies Act.
Client, you or your	The Person which holds or invests in the Negotiable Instrument or on behalf of which an investment in the Negotiable Instrument is made, or who has taken transfer of the Negotiable Instrument.
Companies Act	Companies Act 71, of 2008, as amended or replaced from time to time and including subordinate legislation.
Confirmation	The written confirmation contemplated in clause 3.2 below.
CSD	Strate Proprietary Limited, registration number 1998/022242/07, a private company incorporated in the Republic of South Africa, being a registered central securities depository in terms of the FMA, or such additional, alternative or successor securities depository as may be approved by the Bank.
Designated Account	An account which you hold with the Bank or any other bank acceptable to the Bank which you nominate in writing as the account into which the Nominal Value of a Certificated Instrument will be transferred by the Bank on the Maturity Date and other payments in respect of the Certificated Instrument are to be made.
FICA	Financial Intelligence Centre Act, 38 of 2001, as amended from time to time and including subordinate legislation.
FMA	Financial Markets Act, 19 of 2012, as amended from time to time and including subordinate legislation.
General Terms and Conditions (Corporate)	The document entitled "General Terms and Conditions (Corporate Instruments)", as published on the Bank's website, as amended, updated or

Instruments)	replaced from time to time.
Interest Rate	The rate of interest payable on a Negotiable Instrument (if any), as recorded in the Confirmation.
Issue Date or Trade Date	The date set out in the Confirmation on which the relevant Negotiable Instrument is to be issued and/or delivered to you.
Maturity Date	The date on which the Nominal Value is to be paid to you, as specified in the relevant Negotiable Instrument or recorded in the Confirmation.
Negotiable Instruments	Negotiable certificates of deposit, promissory notes and other short or long term negotiable securities issued by the Bank from time to time in respect of which these Terms and Conditions are expressed to apply.
Nominal Value or Final Maturity Amount	The total amount payable to you on the Maturity Date of the relevant Negotiable Instrument.
Participant	A Person that holds in custody and administers securities or an interest in securities and that has been accepted by the CSD as a participant in terms of section 31 of the FMA.
Paying Agent	The Bank, unless the Bank elects to appoint another entity as Paying Agent, in which event such other entity.
Payment Date	The date/s on which any amount of principal or interest is payable on the Negotiable Instrument, as recorded in the Confirmation.
Person	A company, corporation, trust, fund manager, broker or other entity whether or not having separate legal personality, and " person " when used in the lower case include a natural person.
Purchase Price or Principal Amount	The price payable by you for the Negotiable Instrument on the Issue Date, as recorded in the Confirmation.
Specified Currency	South African Rand.
Reset Dates	The date/s on which the Interest Rate shall be reset (to the extent applicable).
Term	The period from the Issue Date to the Maturity Date.
Terms and Conditions	The terms and conditions embodied in this document, as amended, updated or replaced from time to time.
Transaction	Has the meaning given to this term in the General Terms and Conditions (Corporate Instruments).
Uncertificated Instrument	A Negotiable Instrument that is an uncertificated security as contemplated in the FMA.

3 PURCHASE AND ISSUE

- 3.1 You must pay us the Purchase Price of the Negotiable Instrument purchased by you in the Specified Currency, by way of electronic funds transfer in immediately available and freely transferable funds, on the Issue Date.
- 3.2 On or shortly after the Issue Date, the Bank will send you confirmation of your investment in the particular Negotiable Instrument, including details of the Purchase Price (or Principal Amount), Interest Rate, Issue Date (or Trade Date), Payment Date, Maturity Date, and Nominal Value (or Final Maturity Amount), as applicable, by email. The Confirmation shall constitute *prima facie* proof of the subject matter of the Transaction concerned.

4 April 2016

- 3.3 Uncertificated Instruments will be issued and held in uncertificated form in the CSD in terms of section 33 of the FMA and registered in the name, and for the account of, the CSD. The CSD will hold the Uncertificated Instruments subject to the FMA and the Applicable Procedures.
- 3.4 Negotiable Instruments issued in uncertificated form will not be represented by any certificate or written instrument, as contemplated by section 33 of the FMA.
- 3.5 You shall be entitled to request that your Negotiable Instrument issued in uncertificated form be replaced with a Certificated Instrument.
- 3.6 Any Negotiable Instrument purchased by you and represented by a Certificated Instrument will be delivered to you within 3 Business Days of the Issue Date.

4 PAYMENTS

- 4.1 Payments of principal and/or interest in respect of Uncertificated Instruments will be made to the CSD in the Specified Currency and/or the relevant Participants, and the Bank will be discharged by proper payment to the CSD and/or the Participants, in respect of each amount so paid.
- 4.2 To the extent that you hold a Beneficial Interest in an Uncertificated Instrument, you shall look solely to the CSD or the relevant Participant, as the case may be, for your share of each payment so made by the Bank to the registered holder of Uncertificated Instruments.
- 4.3 Neither the Paying Agent nor the Bank will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests.
- 4.4 Payment of principal and/or interest on a Certificated Instrument contemplated in clause 3.6 will be made by way of electronic funds transfer of the relevant amount to the Designated Account on the Payment Date.
- 4.5 All payments shall be made in the Specified Currency.

5 REDEMPTION

- 5.1 On the Maturity Date, the Nominal Value will be paid to you in terms of clause 4.
- 5.2 To the extent that you hold a Certificated Instrument, this must be surrendered to the Bank upon redemption thereof.

6 REPURCHASE

- 6.1 You may ask the Bank to repurchase the Negotiable Instrument prior to its Maturity Date.
- 6.2 The Bank has complete discretion in deciding whether it will agree to a request for a repurchase and will determine the repurchase price.
- 6.3 The repurchase price you obtain on repurchase of the Negotiable Instrument may be less than the Purchase Price and/or the rate of return on your investment may be less than the rate of return contemplated when you purchased the Negotiable Instrument.

7 SURRENDER AND INDEMNITY

To the extent that you hold a Certificated Instrument, you must surrender to the Bank that Certificated Instrument on or prior to the Maturity Date or repurchase date, as the case may be. If the Certificated Instrument has been lost or destroyed, then you or your authorised representative must depose to and deliver to the Bank, an affidavit to the effect that such certificate has been lost or destroyed together with a written undertaking satisfactory to the Bank indemnifying the Bank against any loss, liability, damage, cost or expense which the Bank may suffer as a result of the Bank implementing the redemption or repurchase, as the case may be, of such Negotiable Instrument and the Bank shall only be required to fulfil its obligations in respect of the redemption or repurchase, as the case may be, on the later of the Maturity Date (or repurchase date, as the case may be) and the date of receipt by the Bank of such affidavit and written undertaking. You will not be entitled to any interest and/or other payments in respect of any delay in payment occasioned as a result of such failure to surrender or delay in surrendering such Certificated Instrument.

8 TRANSFER

- 8.1 Subject to Applicable Law, a Certificated Instrument issued to bearer is transferable by delivery.

4 April 2016

- 8.2 Subject to Applicable Law, a Certificated Instrument issued payable to a particular Person or its order is transferable by delivery plus endorsement.
- 8.3 Transfers of Beneficial Interests to and from clients of Participants occur by way of electronic book entry in the securities accounts maintained by the Participants for their clients, in accordance with the Applicable Procedures.
- 8.4 Transfers of Beneficial Interests among Participants occur through electronic book entry in the central securities accounts maintained by the CSD for the Participants, in accordance with the Applicable Procedures.
- 8.5 It shall be incumbent upon the transferee of a Certificated Instrument to notify the Bank of the details of its Designated Account for the purposes of the payments contemplated in clause 4 and to provide the Bank with any other documents required by the Bank in terms of FICA.
- 8.6 Without in any way derogating from the provisions of clause 4, in the event that a Certificated Instrument is transferred in terms of this clause 8 and the Bank in good faith and acting reasonably pays or purportedly pays any amounts to the transferee in respect of the Certificated Instrument after following its standard payment procedures and having no reason to believe that the payee is not the holder of the Certificated Instrument (the "lawful holder"), and it transpires that the payee was in fact not the lawful holder, no person (natural or juristic), including the lawful holder, shall have any claims against the Bank arising from such payment and the lawful holder indemnifies and holds the Bank harmless against any such claims.

9 STATUS

The obligations of the Bank under the Negotiable Instruments constitute direct, unconditional, unsubordinated and unsecured obligations of the Bank and rank *pari passu* among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Bank from time to time outstanding.