

APPLICATION FOR RSA FIXED RATE RETAIL BONDS

Please write the details in black ink and where applicable in CAPITAL LETTERS. Are you an existing Retail Bond holder? Yes No **Investor Number** If you are an existing holder complete section 1, 2 and 6 Section 1 State the capital amount you wish to invest and the Retail Bond Series you wish your investment to be held in. 2- year Retail Bond 3- year Retail Bond 5- year Retail Bond Total amount: R Please pay the Interest on Interest Payment or Please reinvest the Interest at the same Dates to the Bank Account in section 4. Interest Rate as the Retail Bond. Section 2 - Personal Details Please attach a certified copy of your ID book. Full Name _ Surname . **ID Number** Date of Birth y y y y m m d dIncome tax number Section 3 Marital Status Single Married Divorced Widow/Widower Physical Address _ Postal Address _ Postal Code Postal Code _ Telephone Number (w) (___)_ Cellphone Number ___ E-mail Address _ (h) (___) Preferred Method of Correspondence: By Post By E-mail Section 4 - Banking Details Please provide bank details. Failure to provide proper bank details will result in your application being rejected. Type of Account **Branch Code Account Number** Section 5 - Beneficiary Nomination (Optional) I hereby nominate the following person(s) as beneficiaries of my investment(s) upon my death, including interest receivable in terms of my investment. Please note that selection of a beneficiary here will replace any previously nominated beneficiary. **Full Name** Surname **ID Number** Full Name Surname . **ID Number** Section 6 By completing and signing this application form I hereby bind myself to the Terms and Conditions of Issue on the back of this Application Form and the Terms and Conditions of Purchase attached to this Application Form. I confirm that I have read and understood the Terms and Conditions of Purchase and the Terms and Conditions of Application. I confirm that the Bank Account details in section 4 are correct and that the bank account is held in my name. Full Name and surname Signature Date If you are acting on behalf of other persons please complete below and attach the original Power of Attorney. Guardian or Parent/Power of Attorney. **ID Number** Date of Birth Full Name and surname Signature

3-years or 5-years from Settlement Date

TERMS AND CONDITIONS OF ISSUE

The Government of the Republic of South Africa, represented by the National Treasury through the Asset and Liability Division, intends to issue 3 (three) Series of Fixed Rate Retail Bonds as hereinafter defined in the Terms and Conditions set forth herein.

1. INTERPRETATION

In these Terms and Conditions, unless inconsistent with the context, the following expressions shall have the following meanings: "Application Form" - The "Application for the RSA Fixed Rate Retail Bonds", completed by an Investor in applying to invest in Retai.

"Asset and Liability Management Division" - A division within the National Treasury responsible for the administration of the Retail

Bonds;
"Bank Guaranteed Cheque" - A bank issued cheque, an own cheque endorsed by a bank guaranteeing an amount specified, or a
personal guaranteed cheque endorsed in accordance with the requirements of the applicable financial institution;
"Banking Day" - Mondays through to Saturday (other than a Sunday or official public holidays in the Republic) on which banks are
generally open for business in the Republic;
"BESA" - The Bond Exchange of South Africa;

"BESA" - The Bond Exchange of South Africa;
"Books Closed Date" - In relation to a Interest Payment Date, 1 (one) calendar month preceding the Interest Payment Date;
"Business Day" - Mondays through to Fridays (other than a Saturday, Sunday or official public holidays in the Republic);
"Capital Amount" - The initial amount invested by an Investor to purchase one of the Retail Bond series. Where an Investor has
purchased more than one of the Retail Bond series or more than one Retail Bond within a Retail Bond series, the Capital Amount will
refer to each of the amounts invested to acquire each Retail Bond within each of the Retail Bond series;
"Capital Balance" - The initial amount invested by an Investor to purchase one of the Retail Bond series;
capitalised, if the Investor has elected to reinvest the Interest as described in clause 5 below, less any Early Withdrawals and the Penalty
levied in accordance with the provisions of clause 13.2 below. Where an Investor has purchased more than one of the Retail Bond
series or more than one Petail Rond within a Retail Bond series the Garilla Rond within each of the series or more than one Retail Bond within a Retail Bond series, the Capital Balance will refer to each Retail Bond within each of the

Retail Bond series: Retail Bond series;
"Designated Bank" - A bank at which an Investor must make payment of the Capital Amount which he or she wishes to invest in the Retail Bond after receipt of a notice from the National Treasury to effect payment, which notice shall set out the Unique Investor Number which an Investor must quote on making payment of the Capital Amount;
"Designated Bank Account": The bank account of the Registered Holder wherein the Interest shall be paid on Interest Payment Date, the Early Withdrawal Amount on the date withdrawn and the Capital Balance on Maturity Date;
"Early Withdrawal": The withdrawal by an Investor of a portion or the entire Capital Balance of any Retail Bond held by him or her instant Authority Date in terms of clause 13 helour.

"Early Withdrawal - The withdrawal by an investor of a perior to Maturity Date, in terms of clause 13 below;
"Early Withdrawal Amount" - The amount of the Early Withdrawal, being the amount requested for withdrawal by the Investor, being

"Early Withdrawal Amount" - The amount of the Early Withdrawal, being the amount requested for withdrawal by the Investor, bein portion of or the Capital Balance, less the Penalty: "Early Withdrawal Date" - The date on which the Early Withdrawal Amount is paid to the Investor; "Executor" - The Executor of the deceased estate of a Registered Holder; "First Interest Payment Date" - The date on which Interest is first paid to the Registered Holder, being the Interest Payment Date immediately following the Settlement Date, unless the Settlement Date occurs after the Books Closed Date, in which case the First Interest Payment Date will be on the next following Interest Payment Date;
"Final Issue Date" - The last date on which the Issuer will make available the Retail Bonds for purchase, which date will be decided

"Final Issue Date" - The last date on which the Issuer will make available the Retail Bonds for purchase, which date will be decided by the Issuer in its sole and absolute discretion and published in financial newspapers in the Republic and on the RSA Retail Bond, or in such other manner as the Issuer may determine;
"Fixed Rate RSA Retail Bond" - The fixed rate retail bond issued by the Issuer from Issue Date, available for purchase from Issue Date until withdrawn by the Issuer with their sole and absolute discretion;
"The Government"- The Government of the Republic of South Africa;
"Government Bonds" - The financial instruments issued by the Government and bearing fixed interest rates;
"Income Tax Act" - The Income Tax Act of 1962 (Act No. 86 of 1962), as amended, from time to time;
"Interest" - The interest earned on a Retail Bond, and the term "Interest Payment" shall have a corresponding meaning;
"Interest" - The interest earned on a Retail Bond, and the term "Interest Payment" shall have a corresponding meaning;
"Interest" - The interest earned on a State on which the Interest on the Retail Bond shall be paid to the Registered Holder in accordance with these Terms and Conditions of Issue;
"Interest Payment Date" interest rate payable to a Registered Holder of a Retail Bond from Settlement Date until the Maturity Date or in the event of an Early Withdrawal Amount, until Early Withdrawal Date which rate shall be the Prevailing Interest Rate on the Settlement Date, which rate shall be fixed from Settlement Date until Maturity Date;
"Investor" - The person who has invested in the Retail Bond and whose name appears on the Register of Registered Holders;

Settement Oute, which is a limited similar to enter from sevent enter from the person who has invested in the Retail Bond and whose name appears on the Register of Registered Holders; "Investor Number". The number notified to each Investor by the Issuer upon acceptance of an application to invest; "Issuer". The Government of the Republic of South Africa, represented by the National Treasury through its Office of the Asset and Liability Management Division, and the term "the National Treasury" shall, depending on the context, have the corresponding

"Issue Date" - The first date on which the Retail Bonds will be available for purchase, being the 24th day of May 2004;

"Issue Date" - The first date on which the Retail Bonds will be available for purchase, being the 24th day of May 2004;
"Minister" - The Minister of Finance;
"Maturity Date" - The date on which the Capital Balance becomes due for repayment by the Issuer, being 2 years after Settlement date with respect to any 2-year Retail Bond, 3 years after Settlement Date with respect to any 3-year Retail Bond and 5 years after Settlement date with respect to any 5-year Retail Bond. The terms "maturity" and "mature" shall have a corresponding meaning;
"the National Treasury" - The National Treasury of the Republic of South Africa, established in terms of Section 5 of the PFMA;
"National Treasury Bank Account" - The account held by the National Treasury with any of the Designated Banks;
"Payment Instruction" - The written instruction from the Registered Holder setting out the Designated Bank Account into which payment in the form of Interest Payment, early withdrawals or payment on Maturity are to be made by the Issuer;
"Penalty" - The interest penalty deducted from an Investor's Capital Balance if he or she withdraws some or all of the Capital Balance before Maturity Date, calculated in accordance with clause 13 below;
"PFMA" - The Public Finance Manaaement Act. 1999 (No. 16 1999):

"PFMA" - The Public Finance Management Act, 1999 (No.1 of 1999):

"Portfolio" - The total amount invested in any or all of the Retail Bonds by an Investor, being the sum of the Capital Amounts of each

retuin count;
"Prevailing Interest Rate" - The Interest Rate published from time to time by the Issuer, which shall be the Interest Rate applicable for the 2-year, 3-year and 5-year Retail Bond on Settlement Date;
"Published" - Publication by the Issuer in newspapers in the Republic and on the RSA Retail Bond website from time to time;
"Purchaser" - The Purchaser of a Retail Bond;

"Settlement Date" - The Purchaser of a Retail Bond;
"Settlement Date" - The Purchaser of a Retail Bond;
"Settlement Date" - The date on which payment is received by the Issuer from a Purchaser of a Retail Bond, subject to all the conditions of Purchase having been compiled with;
"Statement" - The statement contemplated in clause 16 herein;
"Registers" - The compilation of Registered Holders of Retail Bonds kept by the Issuer;
"Registered Holder" - An owner of a Retail Bond, whose name appears on the Register as such;
"Republic" - The Republic of South Africa;
"Republic" - The Republic of South Africa;
"Retail Bond" - The Zyear, 3-year and 5-year Fixed Rate RSA Retail Bonds, and the term "series" shall have a corresponding meaning;
"Z-year Retail Bond" - A Fixed Rate RSA Retail Bond maturing 2 (two) years from Settlement Date;
"3-year Retail Bond" - A Fixed Rate RSA Retail Bond maturing 3 (five) years from Settlement Date;
"5-year Retail Bond" - A Fixed Rate RSA Retail Bond maturing 5 (five) years from Settlement Date;
"Terms and Conditions" - The terms and conditions of Issue of the Retail Bonds set out herein which form a binding legal contract between the Registered Holder and the Issuer;
"Terms and Conditions of Purchase". The terms and conditions of purchase which must be complied with in order to successfully invest in the Retail Bonds;
"Unique Investor Number" - The number that shall be provided by National Treasury upon receipt of an application to purchase a Retail Bond, which number must be quoted as a reference number when making a deposit at any of the Designated Banks. Retail Bond, which number must be quoted as a reference number when making a deposit at any of the Designated Banks 2. ISSUFR

2. ISSUER
The Retail Bonds are issued by the Government through its Asset and Liability Management Division of the National Treasury.
The Minister is empowered to borrow, on behalf of the Government in terms of Section 66 (2)(a) of the PFMA.
3. PURPOSE OF THE ISSUE
The purpose of the Issue is to raise funds to be used for general purposes of the Government. The main objectives of the Issue are to create awareness amongst the general public of the importance to save, to diversify the financial instruments on offer to the market and to target a different source of funding.

The Retail Bonds will be made available to the market from Issue Date by means of application from persons aged 18 (eighteen) and above, who have attained majority status in terms of the law, and are either citizens or permanent residents of the Republic in the manner determined by the Issuer.

5. INTEREST

5. INTEREST
5.1 The Capital Balance on each of the Retail Bonds shall bear Interest at the Interest Rate payable on Interest Payment Dates.
5.2 Interest may, at the option of the Registered Holder, on application in the Application Form, be reinvested at the Interest Rate in which case Interest will be capitalized on Interest Payment Date.
5.3 Interest will be calculated on the Capital Amount, in respect of the First Interest Payment Date, from Settlement Date until the First Interest Payment Date on the basis of actual days in a 365 (three hundred and sixty five) day year. Thereafter, Interest will be calculated on the Capital Balance from the First Interest Payment Date and subsequent Interest Payment Dates to the next Interest Payment Date on a semi-annual basis.

on the Capital Balance from the First Interest Payment Date and subsequent Interest Payment Dates to the next Interest Payment Date on a semi-annual basis.

5.4 Interest in respect of a Retail Bond will be paid semi-annually on the First Interest Payment Date and subsequent Interest Payment Dates until Maturity Date to Registered Holders registered in respect of any Retail Bond as at Books Closed Date, unless the Registered Holder has elected to have the Interest reinvested in terms of clause 5.2 above.

5.5 If the Interest Payment Date is not a Banking Day, payment will be made on the next Banking Day following the Interest Payment Date without the control of Additional interest Payment.

5.5 It the Interest Payment Date is not a Banking Day, payment will be made on the next Banking Day tollowing the Interest Payment Date without payment of additional interest.

5.6 Interest on Early Withdrawal Amounts will be calculated and paid on the Early Withdrawal Date, such interest being calculated from the previous interest Payment Date for Settlement Date if the First Interest Payment Date has not yet occurred by Early Withdrawal Date. The Penalty will be deducted from the Early Withdrawal Amount.

5.7 Interest will be paid in the currency of the Republic to the Registered Holder by electronic transfer into the Designated Bank Account.

5.8 Interest in terms of this clause 5 shall cease to accrue on the Retail Bonds from Maturity Date, or on any Early Withdrawal Amount from Early Withdrawal Date in respect of such Early Withdrawal Amount.

6. FORM OF THE RETAIL BONDS

The Retail Bond shall be represented by registration in the Register and shall not be transferable, save upon the death of the Registered Holder, and in accordance with the provisions of clause 20 below of these Terms and Conditions. The Retail Bonds constitute direct, unconditional and unsecured obligations of the Issuer to the Registered Holder and will at all times rank pari passu amongst themselves and at least pari passu with all other present or future unsecured and unsubordinated all times rank pari passus.

8. CAPITAL BALANCE
The Issuer's indebtedness at any time in respect of the Retail Bonds shall be the Capital Balance as determined in accordance with these Terms and Conditions.

9. LISTING The Retail Bonds will not be listed on BESA

10. SPECIAL PURCHASE CONDITIONS

10.3 PECINE FORMERSE CUMENTONS

10.1 Only natural persons aged 18 (eighteen) and above, who have attained majority status in terms of the law, and are either citizens or permanent residents of the Republic are eligible to invest in any Series of the Retail Bonds.
10.2 The minimum Capital Amount that can be invested is an amount equal to R1,000.00 (one thousand Rand) on each Retail Bond, with a maximum of R1,000,000.00 (one million Rand) for a Portfolio.

11. REPAYMENT OF CAPITAL BALANCE

11.1The Issuer shall, on Maturity Date pay to the Registered Holder, the Capital Balance, together with Interest due from the last Interest Date to Maturity Date, unless an application for reinvestment is received by the Issuer within 30 (thirty) days of Maturity Date. Payment shall be made in accordance with the provisions of clause 14 below.

shall be made in accordance with the provisions of clause 14 below.

12. OPTION TO REINVEST THE CAPITAL AMOUNT

12.1 A Registered Holder shall have an option to reinvest the Capital Balance on Maturity into a new Retail Bond by giving written notice on the prescribed form to the Issuer within 30 (thirty) days of Maturity Date.

12.2 A Registered Holder shall in such written notice, stipulate the Retail Bond Series in which the Capital Balance is to be reinvested. The Settlement Date for the new Retail Bond will commence on the next Business Day after Maturity Date.

12.3 The Interest Rate for such new Retail Bond shall be the Prevailing Interest Rate on the next Business Day following the Maturity Date.

12.4 These Terms and Conditions, as amended as at the date of reinvestment, shall apply to such reinvested amount
13. EARLY WITHDRAWAL AND CONDITIONS OF EARLY WITHDRAWAL

13.1 A Registered Holder shall be entitled to withdraw any portion or the entire Capital Amount invested prior to Maturity, subject to the following conditions:

Tal. 1.1 the first such Early Withdrawal shall only be made after 12 (twelve) months from Settlement Date; 13.1.2 the Penalty calculated in accordance with the provisions of clause 13.2 below shall be levied on the Early Withdrawal Amount; 13.1.3 the Capital Balance remaining in any Retail Bond after the Early Withdrawal and Penalty payment must be at least R1,000.00

(one thousand Rand); and 13.1.4 an application for Early Withdrawal shall be made in the prescribed form obtained from the Issuer or from the RSA Retail

Bond website.

13.2 In the event of an Early Withdrawal, an interest rate Penalty shall be applied to the Early Withdrawal Amount. The Penalty shall be determined in accordance with the following formula:

a x 1 x b where: "a" is the total amount of interest received on the Early Withdrawal Amount, including interest accrued on the Early Withdrawal Amount from the last Interest Payment Date (or Settlement Date if the First Interest Payment Date has not yet occurred) until the Early

"b" is the total number of times that interest was received, including the interest payment on Early Withdrawal Date. 13.3 The Registered Holder shall not be entitled to repayment of the Retail Bonds before the Maturity Date, otherwise than as provided

for in clause 13.1 above

13.4 Notwithstanding anything contained in these Terms and Conditions, no Early Withdrawal in respect of any Retail Bond shall be made, except in accordance with the provisions of clause 13.1 above.

14. PAYMENT

14.1 All amounts payable by the Issuer in accordance with these Terms and Conditions shall be paid

14.1.1 free of set-off or deduction, except in the event that the Penalty is applicable, in which case the Penalty will be deducted

14.1.1 free of set-off or deduction, except in the event that the Penalty is applicable, in which case the Penalty will be deducted from payment of the Early Withdrawal Amount;
14.1.2 in the Republic of South Africa; and
14.1.3 in the currency of the Republic of South Africa.
14.2 All amounts payable on or in respect of each Retail Bond shall only be paid by electronic transfer of funds into the Designated Bank Account of the Registered Holder.
14.3 If any day for payment of the Capital Balance, any Early Withdrawal Amount or Interest in respect of any Retail Bond is not a Banking Day, the Registered Holder shall not be entitled to payment until the next Banking Day following such day or to any interest or other sums in respect of finstponed nayment banking buy, are registered more statement of post to the state of post of the sum in respect of postponed payment. 14.4 All payments will be subject to all fiscal or other laws and regulations applicable thereto in the place of payment.

15. LIABILITY FOR WITHHOLDING TAX

All payments in respect of the Retail Bond will be made without withholding or deduction for, or on account of Taxes imposed or levied by, or on behalf of, the Republic of South Africa, or any authority in, or of, the Republic of South Africa having power to tax, unless such withholding or deduction of taxes is required by law. In that event, the Issuer will pay such taxes on behalf of the Registered Holder as may be necessary and the net amount will be payable to the Registered Holder after the withholding

16. STATEMENTS

10.3 IAH EMERTI 16.

16.1 The Issuer shall prepare and provide the Registered Holder with a Statement in respect of Retail Bonds as follows:

16.1.1 within 14 (fourteen) Business Days of the Settlement Date;

16.1.2 within 14 (fourteen) Business Days of each Interest Payment Date; and

16.1.3 within 14 (fourteen) Business Days of receipt of a written request for a statement by the Registered Holder to the Issuer.

16.2 Each Statement will set out the following particulars: 16.2.1 personal particulars of the Registered Holder;

16.2.2 the type of Retail Bond invested in, the Capital Amount Invested in each Retail Bond and the Capital Balance of each Retail

sona; 16.2.3 the Interest Rate payable on each Retail Bond held; 16.2.4 the Settlement Date in respect of each Retail Bond; 16.2.5 the Maturity Date in respect of each Retail Bond; and

nk Account.

17. REGISTER OF REGISTERED HOLDERS

17. REGISTER OF NEGISTERED HOLDERS
17.1The Issuer shall procure that a Register is kept of Registered Holders in accordance with this clause 17.
17.2 The Register of Registered Holders shall:
17.2.1 be kept at the office of the Issuer;
17.2.2 contain the names, addresses and bank account number of the Registered Holders;
17.2.3 show the total Capital Amount of the Retail Bonds represented by it;
17.2.4 show dates upon which each of the Registered Holders were Registered as such;
17.3.5 count be lawseful with such of the Registered and the Cattleman to Date these found

17.2.5 show the Investor Numbers of the Retail Bond and the Settlement Dates thereof; and

17.2.5 snow the investor numbers of the ketail Bond and the Settlement Dates thereor; and 17.2.6 be closed from each Books Closed Date until the next Interest Payment Date. 17.3 The Issuer will, upon written notice by a Registered Holder, alter the Register in respect of any change of address or Designated Bank Account particulars of the Registered Holder. 17.4 Except as provided for in these Terms and Conditions or as required by law, the Issuer: 17.4.1 will only recognize a Registered Holder as the owner of the Retail Bond registered in that Registered Holder's name as per

the Register; and 17.4.2 will not be bound to enter into the Register, the fact that a Registered Holder may be holding a Retail Bond in trust or as

agent or mandatory for any third party and the Issuer shall have no responsibility whatsoever to such third party.

18.TRANSFER OF RETAIL BONDS

18.1 Retail Bonds are not tradable securities and can thus not be sold or redeemed, except through the provisions of clauses 11 and

13 above. 18.2 Rights to the Retail Bonds shall not be encumbered, nor transferred to a third party. Transfer to a third party is only permitted in the event of death of the Registered Holder and in accordance with the provisions of clause 20 below.

19. NOMINATION OF BENEFICIARY

19. Nomination Or Benezicania.

A Registered Holder may at the time of application, nominate any other person as a beneficiary to his or her Portfolio in the event of his or her death. A nominated beneficiary shall be a beneficiary for all the Retail Bonds held by the Investor.

20. DEATH OF A REGISTERED HOLDER

20.1 Upon the death of a Registered Holder –
20.1.1 the Retail Bond shall be repaid to the nominated beneficiary, in the event of a beneficiary being nominated in accordance 20.1.1 the Retail Bond shall be repaid to the nominated beneficiary, in the event of a beneficiary being nominated in accordance with clause 19 above and such repayment shall be treated as an Early Withdrawal in terms of clause 13 below. Should there be more than one nominated beneficiary, each beneficiary shall rank equally; or 20.1.2 in the event of no beneficiary having been nominated in accordance with clause 19 above, the Retail Bond shall, at the request of the Executor, either be-20.1.2. Itransferred to the name of the deceased estate; or 20.1.2. Zeropial in full at the request of the Executor, such repayment to be treated as an Early Withdrawal in terms of clause 13 above, and be payable to an account determined by the Executor.

20.2 A letter of executorship issued by the Master of the High Court of the Republic of South Africa is required before the National Treasury car register the Retail Rond in the name of the deceased estate.

Treasury can reaister the Retail Bond in the name of the deceased estate.

21. TILE TO RETAIL BOMDS

The Issuer shall be entitled to assume for all purposes that the person reflected in the Register of Retail Bonds as the holder of any Retail Bonds is the true owner of those Retail Bonds. 22. REPURCHASE OF BONDS

The Issuer or its nominee shall not have the right to repurchase any of the Retail Bonds at any time. 23. GOVERNING LAW

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

The Minister is generally authorised to borrow on behalf of the Government and therefore to issue Retail Bonds in terms of Section 66(2)(a) of the PFMA. In terms of Section 73 of the PFMA the repayment of the capital and the interest thereon shall be a direct charge against the National Revenue Fund and is deemed to have been appropriated by Law.

shall be a direct charge against the National New
25. DOMICILIUM OF ISSUER
The name and address of the Issuer is as follows:
The National Treasury
Asset and Liability Management Division
12th Floor,
240 Vermeulen Street,

Cnr Vermeulen & Andries Streets

26. PUBLIC FINANCE MANAGEMENT ACT
In terms of section 75 of the PFMA, the Issuer shall not be responsible for the fulfillment of any obligation resulting from any lien, whether expressed, implied or construed, which is held over a Retail Bond, notwithstanding whether the Issuer was notified of such lien or not.

Signed at Pretoria on behalf of the Issuer on 11 December 2003.

