

ADDENDUM

TO THE

MASTER REPURCHASE AGREEMENT

entered into between

**THE SOUTH AFRICAN RESERVE BANK
("the Bank")**

and

.....
("the Counterparty")

(hereinafter collectively referred to as "the Parties")

1. **BASIS OF THE ADDENDUM**

WHEREAS the Parties have entered into a Master Repurchase Agreement (“Agreement”) in connection with the Bank’s official repurchase operations;

WHEREAS the Parties wish to make provisions for entering into Agency Transactions by including the Agency Annex as Annexure “A” to the Agreement;

NOW THEREFORE the Parties enter into this Addendum, which Addendum shall together with the Agreement and Annexures thereto; as amended herein, constitute the whole Agreement between the Parties.

2. **AMENDMENTS TO THE TERMS AND CONDITIONS OF THE AGREEMENT**

The Parties agree to amend the Agreement as follows:

2.1 **Ad Preamble**

By numbering paragraph (C) of the preamble as paragraph (D) and the insertion of the following words as paragraph (C) of the preamble:

“If the Transactions are to be effected under this Agreement by either Party as an agent, then the provisions of the Agency Annex shall apply to such Agency Transactions.”

2.2 **Ad Clause 1: Definitions**

By the insertion of the following definitions after the definition of “Adjusted Market Value”:

“**Agency Annex** means Annexure A to this Agreement;

Agency Transaction has the meaning specified in paragraph 1 of the Agency Annex.”

2.3 **Ad Clause 2: Sale and Purchase**

By the insertion of the following sentence after the wording in clause 2.2:

“If the Transaction is an Agency Transaction, the Confirmation shall state the identity

of the Party that is acting as agent and the name, code or identifier of the principal.”

2.4 **Ad Clause 5: Representations, warranties and undertakings**

By replacement of paragraph (b) of clause 5.1 with the following paragraph:

“(b) it is entering into the Agreement, and will enter into and perform the Transactions and Reverse Transactions contemplated by this Agreement as principal or, subject to and in accordance with the terms of the Agency Annex hereto, as agent and the conditions referred to in the Agency Annex hereto will be fulfilled in respect of each Transaction into which it enters as an agent.”

2.5 **Ad Agency Annex**

By the insertion of the Agency Annex as Annexure “A” to the Agreement.

3. **WHOLE AGREEMENT**

All clauses, together with Annexures, other than those referred to in this Addendum shall remain unchanged and in full force and effect as amended herein.

THUS DONE AND SIGNED by the duly authorised representatives of the Parties.

This Agreement is hereby signed by the duly authorised representatives on behalf of the Bank, at on this the day of

.....
Head of Financial Markets Department

.....
DATE:

.....
Deputy Head of Financial Markets Department

.....
DATE:

As Witnesses:

1. _____

2. _____

This Agreement is hereby signed by the duly authorised representative on behalf of the Counterparty, at on this the day of

.....
On behalf of the Counterparty

.....
DATE:

As Witnesses:

1. _____

2. _____

AGENCY ANNEX

Terms and Conditions for Agency Transactions

This Agency Annex ("Annex") constitutes an Annexure to the Master Repurchase Agreement dated between the South African Reserve Bank ("the Bank") and("the Counterparty") (the "Agreement").

1. Scope and interpretation

- (a) The Parties have agreed that the Transactions to which the Agreement applies may include Agency Transactions.
- (b) Subject to the provisions of this Annex, either Party may enter into the Transactions as agent for a third person (a "Principal"), either as custodian or investment manager or otherwise (a Transaction so entered into herein referred to as an "Agency Transaction"). In this Annex the Party entering into an Agency Transaction as agent is referred to as the "Agent" and the other party is referred to as the "Other Party".
- (c) All provisions and/or the terms and conditions applicable to the Agreement constitute an integral part of this Annex and shall be deemed incorporated herein as if set out in full, save as specified herein to the contrary.
- (d) Terms and expressions defined in the Agreement shall, except where inconsistent with the provisions of this Annex, have the same respective meanings when used in this Annex.
- (e) In relation to Agency Transactions, the Agreement shall be construed as if it had been amended and supplemented as set out in clauses 2 to 5 of this Annex.

2. Initiation and Confirmation

- (a) A Party may enter into an Agency Transaction if, but only if -

- (i) it specifies that Transaction as an Agency Transaction at the time when it enters into it and in the Confirmation;
 - (ii) it enters into that Transaction on behalf of a single Principal whose identity is disclosed to the Other Party (whether by name or by reference to a code or identifier which the Parties have agreed will be used to refer to a specified Principal) at the time when it enters into the Transaction; and
 - (ii) it has at the time when the Transaction is entered into actual authority to enter into the Transaction on behalf of that Principal and to perform on behalf of that Principal all of that Principal's obligations under the Agreement.
- (b) A Transaction shall not be entered into under the Agreement and this Annex if both Parties specify that they propose to enter into such Transaction as agents.

3. **Notification**

Each Party undertakes that, if it enters as Agent into an Agency Transaction, forthwith upon becoming aware -

- (i) of any event which constitutes an Event of Default with respect to the relevant Principal; or
- (ii) of any breach of any of the warranties given in clause 5 of this Annex or of any event or circumstance which has the result that any such warranty would be untrue if repeated by reference to the current facts;

it will inform the Other Party of that fact and will, if so required by the Other Party, furnish the Other Party with such additional information as the Other Party may reasonably request.

4. **Separate agreement**

- (a) Each Agency Transaction shall be a transaction between the relevant Principal and the Other Party and no person other than the relevant Principal and the Other Party shall be a party to or have any rights or obligations under an Agency Transaction. Without limiting the foregoing, the Agent shall not be liable as Principal for the performance of an Agency Transaction, but this is without prejudice to any liability of the Agent under any other provision of this Annex.

- (b) All the provisions of the Agreement shall apply separately as between the Other Party and each Principal for whom the Agent has entered into an Agency Transaction or Agency Transactions as if each such Principal were a party to a separate agreement with the Other Party in all respects identical with the Agreement as supplemented by the provisions of this Annex other than this clause, but with the following additions and modifications -
 - (i) if there occurs in relation to the Agent an Event of Default or an event which would constitute an Event of Default if the Other Party served a Default Notice or other written notice under any sub-paragraph of clause 6 of the Agreement, the Other Party shall be entitled by giving written notice to the Principal (which notice shall be validly given if given to the Agent in accordance with clause 13 of the Agreement) to declare that by reason of that event an Event of Default is to be treated as occurring in relation to the Principal. If the Other Party gives such a notice then an Event of Default shall be treated as occurring in relation to the Principal at the time when the notice is deemed to be given in accordance with clause 13 of the Agreement.

- (c) subject to clause 3 of the Agreement, the Agent shall do all such things and provide the Other Party with all such information by way of notice, as may be necessary to identify any Margin Deficit or Margin Excess which may arise in respect of any Principal which is to be dealt with in accordance with the applicable provisions contained in the Operational Notice.

- (d) The foregoing provisions do not affect the operation of the Agreement as between the Other Party and the Agent in respect of any Transactions into which the Agent may

enter on its own account as a principal.

5. **Representations and warranties**

Each party warrants to the other that it will, on every occasion on which it enters or purports to enter into a transaction as an Agency Transaction, be duly authorised to enter into that transaction on behalf of the person whom it specifies as the Principal in respect of that transaction and to perform on behalf of that person all the obligations of that person under the Agreement.