

RULES

relating to the

OVER-THE-COUNTER SHARE TRANSFER FACILITY

in respect of Shares of the

SOUTH AFRICAN RESERVE BANK

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1 INTERPRETATION

1.1 In these Rules:

1.2 Clause headings are for convenience and shall not be used in their interpretation.

1.3 Unless the context clearly indicates a contrary intention -

1.3.1 an expression which denotes -

1.3.1.1 any gender includes the other genders;

1.3.1.2 a natural person includes an artificial person and vice versa; and

1.3.1.3 the singular includes the plural and vice versa.

1.3.2 The following expressions shall bear the meanings assigned to them below and cognate expressions bear corresponding meanings -

1.3.2.1 "Bank" - The South African Reserve Bank (Incorporated in the Republic in terms of The South African Reserve Bank Act, 1989 - Act No. 90 of 1989);

1.3.2.2 "Board" - the Board of Directors of the Bank, from time to time;

- 1.3.2.3 "Broker's Transfer Form" - a CM41 form, a copy of which is hereby attached as annexure A;
- 1.3.2.4 "Business Day" - any day other than a Saturday, a Sunday or official public holiday in terms of the laws of the Republic;
- 1.3.2.5 "Buy Form" - the form to be completed and submitted by a Buyer by hand or by means of post, facsimile or e-mail offering to purchase Shares from a Seller in terms of these Rules in connection with a Buy Offer (a copy of which is hereby attached as annexure B): Provided that the original Buy Form be submitted to the Transfer Manager prior to or on Settlement Date;
- 1.3.2.6 "Buy Invoice" - the document completed by the Transfer Manager and submitted to the Buyer pursuant to a Buy Offer;
- 1.3.2.7 "Buyer" - any person who makes a Buy Offer by means of a Buy Form in terms of these Rules;
- 1.3.2.8 "Buy Offer" - an Offer by means of a Buy Form submitted by a Buyer to the Transfer Manager at the Office of the Transfer Manager;
- 1.3.2.9 "Buy Offer Register" - the official register held by the Transfer Manager for purposes of recording the Receipt Sequence of Buy Offers;
- 1.3.2.10 "Closing Time" - 15:00 on any Business Day;
- 1.3.2.11 "General Counsel" - the General Counsel of the Bank;
- 1.3.2.12 "Initial Receipt" - The date and time of the receipt, at the Transfer Manager's office, of a successful Validated Buy or Sell Offer.
- 1.3.2.13 "Live Trading" - the Live Trading contemplated in these Rules;
- 1.3.2.14 "Match" - a successful match between a Sell Offer and a Buy Offer for Shares in terms of these Rules;
- 1.3.2.15 "Offer" - a Sell Offer or Buy Offer, as the case may be, by utilising the OTCSTF as contemplated in terms of these Rules;
- 1.3.2.16 "Offeror" - either the Seller or the Buyer as the case may be;
- 1.3.2.17 "Offer Period" – the period for which an Offer remains valid, which period is calculated from the date and time of initial receipt of a specific Offer until 15:00 on the first Business Day after the expiration of a period of three calendar months, whereafter the Offer shall automatically lapse;
- 1.3.2.18 "OTCSTF" - the over-the-counter share transfer facility contemplated in these Rules;

- 1.3.2.19 "OTCSTF Office" - the office of the Transfer Manager which OTCSTF Office shall constitute the postal or delivery address for all documents in terms of these Rules;
- 1.3.2.20 "Purchase Price" - the purchase price payable by a Buyer to a Seller in respect of a Sale as reflected in the relevant Buy Invoice as envisaged in these Rules;
- 1.3.2.21 "Receipt Sequence" - is the sequence in which Buy and Sell Offers are received at the Transfer Manager's Office and recorded in the Buy Offer and Sell Offer Registers taking into account the Initial Receipt thereof ("first-come, first-validated and first-matched" basis);
- 1.3.2.22 "Regulations" - the Regulations promulgated in terms of Section 36 of the SARB Act;
- 1.3.2.23 "Republic" - The Republic of South Africa;
- 1.3.2.24 "Rules" - these Rules, as determined by the Board from time to time;
- 1.3.2.25 "Sale" - the sale of Shares resulting from a Match in terms of these Rules;
- 1.3.2.26 "Sale Closing Documents" - means collectively, the original of the following -
- 1.3.2.26.1 the Seller's share certificate in respect of the Shares that are the subject of the Sale;
- 1.3.2.26.2 a Securities Transfer Form duly signed and dated but left blank as to the transferee;
- 1.3.2.26.3 the Buy Form and Sell Form;
- 1.3.2.26.4 all Statutory Information;
- 1.3.2.27 "SARB Act" - The South African Reserve Bank Act, 1989 (Act No. 90 of 1989);
- 1.3.2.28 "Securities Transfer Form" - a CM42 form, a copy of which is hereby attached as annexure C;
- 1.3.2.29 "Seller" - any person who makes a Sell Offer by means of a Sell Form in terms of these Rules;
- 1.3.2.30 "Sell Form" - the form to be completed and submitted by a Seller by hand or by means of post, facsimile or e-mail offering to sell Shares to a Buyer in terms of these Rules in connection with a Sell Offer (a copy of

which is hereby attached as annexure D): Provided that the original Sell Form be submitted to the Transfer Manager prior to or on Settlement Date;

- 1.3.2.31 "Sell Invoice" - the invoice completed by the Transfer Manager and sent to the Seller pursuant to a Sell Offer;
- 1.3.2.32 "Sell Offer" - an Offer by means of a Sell Form submitted by a Seller to the Transfer Manager, at the Office of the Transfer Manager;
- 1.3.2.33 "Sell Offer Register" - the official register held by the Transfer Manager for purposes of recording the Receipt Sequence of Sell Offers;
- 1.3.2.34 "Settlement Date" - 15:00 on the 15th (fifteenth) Business Day following the date of Matching as recorded in the Transaction Register;
- 1.3.2.35 "Shares" - ordinary Shares in the Bank as contemplated in the SARB Act;
- 1.3.2.36 "Shareholder" - a shareholder of the Bank as defined in Section 1 of the SARB Act;
- 1.3.2.37 "Statutory Information" - means all information required by the Act and the Regulations, and includes in relation to a Buyer and a Seller of shares -
 - 1.3.2.37.1 in the case of a natural person, a valid South African identity document or any other official identification document as recognised by the Transfer Secretary;
 - 1.3.2.37.2 in the case of a company, a registration certificate and the memorandum of incorporation;
 - 1.3.2.37.3 in the case of a close corporation, a founding statement or amended founding statement;
 - 1.3.2.37.4 in the case of a trust, the trust deed and Masters' Letters of Authority; or
 - 1.3.2.37.5 any additional information in respect of the Buyer or Seller, whether a legal or natural person, that the Transfer Secretary may in his or her discretion require;
- 1.3.2.38 "Trading Hours" - the hours between 08:00 - 15:00 inclusive on any Business Day;
- 1.3.2.39 "Transferee" - a person who acquires Shares;

- 1.3.2.40 "Transferor" - a person who disposes of Shares;
- 1.3.2.41 "Transfer Manager" - the Transfer Manager appointed to manage the operation of the OTCSTF; and
- 1.3.2.42 "Transfer Secretary" - the Transfer Secretary appointed to attend to the administrative functions of the OTCSTF;
- 1.3.2.43 "Transaction Register" - the official register held by the Transfer Manager for purposes of recording the particulars of a successfully matched Sell Offer and Buy Offer;
- 1.3.2.44 "Validation" - The process of verifying the correctness of the information contained in the Buy or Sell Offer and ensuring the completeness and validity thereof strictly in accordance with the requirements of the SARB Act, the Regulations and the Rules after the Initial Receipt of any such Buy or Sell Offer by the Transfer Manger.
- 1.4 Should any provision in a definition be a substantive provision conferring rights or imposing obligations on any party or shareholder, then effect shall be given to such provision as if it were a substantive provision in the body of these Rules.
- 1.5 Any reference to an enactment, regulation or by-law is to that enactment, regulation or by-law as at the issue date of these Rules, and as amended or re-amended from time to time.
- 1.6 When any number of days is prescribed, such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding Business Day.
- 1.7 Any schedule or annexure to these Rules shall, save where the context indicates otherwise, form part of these Rules.
- 1.8 Where any term is defined within a particular clause, other than the interpretation clause, the term shall bear the meaning ascribed to it in that clause wherever it is used in these Rules.

- 1.9 The use of the word "including" followed by a specific example/s shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific example/s.
- 1.10 If any conflict exists between these Rules and the terms of the SARB Act and the Regulations, then the SARB Act and the Regulations shall prevail.
- 1.11 The expiration or termination of these Rules shall not affect such of the provisions of these Rules as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

2 INTRODUCTION

- 2.1 The integral function of the OTCSTF is to provide a facility for trading in Shares.
- 2.2 These Rules set out the manner, terms and conditions upon which transactions shall be concluded in the utilisation of the OTCSTF.
- 2.3 Shareholders may negotiate and enter into transactions with regard to their Shares with third parties outside of the OTCSTF: Provided that any such transaction shall be of no force and effect unless the transaction has been duly registered by the Transfer Secretary in terms of the SARB Act and the Regulations.

3 **OVER-THE-COUNTER SHARE TRANSFER FACILITY TRANSACTIONS**

3.1 **Live Trading**

3.1.1 The OTCSTF shall operate as a Live Trading facility.

3.1.2 The OTCSTF shall operate in accordance with the provisions of these Rules.

3.2 **Sell Offer**

3.2.1 Any Seller shall, by no later than 15:00 on any Business Day, furnish a duly completed Sell Form to the Transfer Manager at the address as envisaged in paragraph 19.1.1, which Sell Form shall, *inter alia*, specify -

3.2.1.1 that the Seller wishes to sell a specified number of Shares; and

3.2.1.2 the minimum Purchase Price which the Seller is willing to accept per Share expressed in the monetary unit of the Republic as envisaged in section 15 of the SARB Act.

3.2.2 a Seller must submit only one Sell Form in respect of each Sell Offer which will be matched in Receipt Sequence unless withdrawn by the Seller in writing.

3.2.3 On receipt of a successful Validated Sell Form by the Transfer Manager, the particulars of the Initial Receipt shall be recorded in the Sell Offer Register.

3.2.4 The date, time and particulars of a Sell Offer as recorded in the Sell Offer Register shall for purposes of the determination of the Receipt Sequence of the Sell Offer and for any other purposes pertaining to the

Rules be regarded as correct and as the actual date and time of Initial Receipt of the Sell Offer by the Transfer Manager.

3.2.5 Any prospective Seller who submitted a successful Validated Sell Offer to the Transfer Manager's office will be notified in writing by the Transfer Manager of the receipt of such offer to sell. Such acknowledgement of receipt of the Sell Offer by the Bank will also serve as an advice that such Sell Offer is in full force for the Offer Period.

3.3 **Buy Offer**

3.3.1 Any Buyer shall, by not later than 15:00 on any Business Day, furnish a duly completed Buy Form to the Transfer Manager, at the address as envisaged in paragraph 19.1.1, which Buy Form, *inter alia*, shall -

3.3.1.1 include certified copies of the Statutory Information of the Buyer;

3.3.1.2 include, where applicable, certified copies of any relevant documentation to give effect to and/or rectify the Sale;

3.3.1.3 state that the Buyer wishes to purchase a specified number of Shares; and

3.3.1.4 state the Purchase Price which the Buyer is willing to pay per Share expressed in the monetary unit of the Republic as envisaged in section 15 of the SARB Act.

3.3.2 a Buyer must submit only one Buy Form in respect of each Buy Offer which will be matched in Receipt Sequence unless withdrawn by the Buyer in writing.

3.3.3 On receipt of a successful Validated Buy Form by the Transfer Manager, details pertaining to the Initial Receipt shall be recorded in the Buy Offer Register.

3.3.4 The date, time and particulars of a Buy Offer as recorded in the Buy Offer Register shall for purposes of the determination of the Receipt Sequence of the Buy Offer and for any other purposes pertaining to the

Rules be regarded as correct and as the actual date and time of Initial Receipt of the Buy Offer by the Transfer Manager.

- 3.3.5 Any prospective Buyer who submitted a successful Validated Buy Offer to the Transfer Manager's office will be notified in writing by the Transfer Manager of the receipt of such offer to buy. Such acknowledgement of receipt of the Buy Offer by the Bank will also serve as an advice that such Buy Offer is in full force for the Offer Period.

4 **MATCHING OF OFFERS**

4.1 **Allocation**

4.1.1 Offers received by the Transfer Manager shall be for purposes of -

4.1.1.1 ascertaining whether the Offers are based on complete, correct and reliable information;

4.1.1.2 determining whether the Offers are in compliance with the SARB Act, the Regulations, and the Rules; and

4.1.1.3 matching corresponding Buy Offers with Sell Offers.

4.1.2 Subject to and in accordance with paragraph 4.1.1 above, the Transfer Manager shall Match a Sell Offer with a Buy Offer, after taking into account the Receipt Sequence of the particular Sell Offer and Buy Offer, in accordance with the respective requirements of the Offerors.

4.1.3 Matching of Buy Offers and Sell Offers by the Transfer Manager will be done continuously during Trading Hours upon the receipt of Buy and Sell Offers from the Offerors.

4.1.4 The Transfer Manager shall Match a Buy Offer with a Sell Offer as near as may be practicable to their respective Receipt Sequence on a "first-come, first-validated and first-matched" basis, and subject thereto, the Transfer Manager shall, in his or her discretion, determine the most appropriate Match: Provided that for purposes of Matching, the Receipt

Sequence of the respective Buy and Sell Offer shall be conclusive.

4.1.5 In the event of the Transfer Manager having received a Buy Offer quoted at a higher price as well as a Sell Offer quoted at a lower price, the Matching and therefore the Sale will take place at the lower price.

4.1.6 The Transfer Manager shall in his or her own absolute discretion endeavour to Match all Offers, subject to -

4.1.6.1 any restrictions pertaining to the price and availability of shares;

4.1.6.2 any legal restrictions; and

4.1.6.3 the Receipt Sequence.

4.2 **Partial Allocation**

4.2.1 If a Seller has offered to sell more than the number of Shares which a Buyer has agreed to buy or which the Buyer, in law is entitled to buy ("Excess Shares"), such Excess Shares shall for the remainder of the Offer Period remain available for Sale, and failing such Sale, the Excess Shares shall be returned to the Seller.

4.2.2 Should no Buy Offer be outstanding, then the balance of the Shares in the Sell Offer shall be treated as a standing Offer as envisaged in terms of these Rules until such Offer is retracted by the Seller or otherwise such Offer lapses automatically after expiration of the Offer Period.

4.2.3 Should a Buy Offer be Matched to a Sell Offer on terms relating to Purchase Price only, but not as to the quantity of the Shares required to be purchased by the Buyer or to be sold by the Seller, then the Transfer Manager shall be entitled to effect a Match for such part only, unless the Buyer or Seller expressly state otherwise in their Buy or Sell Form, as the case may be.

4.3 **Recording**

Upon a successful Match, the relevant particulars of the Match shall be recorded in the Transaction Register and the Match shall be deemed to have been concluded in terms of the particulars reflected in such register.

4.4 **Confirmation**

4.4.1 Upon conclusion of the matching of Offers, the Transfer Manager shall on behalf of the Offerors, confirm a Match on the basis that -

4.4.1.1 the Seller shall accept his, her or its Sell Offer price, notwithstanding the existence of any higher Buy Offer price; and

4.4.1.2 the number of the Shares Matched and sold to the Buyer shall not exceed the number of Shares stipulated by the Buyer in the Buy Form.

4.4.2 Confirmation of a Match shall be communicated to the -

4.4.2.1 Seller, by the Transfer Manager providing the Seller with a Seller's Invoice; and

4.4.2.2 Buyer, by the Transfer Manager providing the Buyer with a Buyer's Invoice.

4.5 **Miscellaneous**

4.5.1 The Transfer Manager may accept or reject any Offer, in whole or in part if the provisions set out in the SARB Act, the Regulations and the Rules have not been complied with.

4.5.2 Should an Offer be rejected by the Transfer Manager for whatsoever reason, the Offeror shall be notified accordingly, whereafter a new Offer will have to be re-submitted by the Offeror in terms of these Rules.

4.5.3 If an Offer has lapsed, and an Offeror wishes to renew it, the Offeror is required to submit a new Offer.

4.5.4 Any Offer received after Closing Time shall be treated as having been received on the following Business Day.

4.6 **Powers of Restitution**

4.6.1 In order to ensure compliance with the provisions of the SARB Act, the Regulations and/or these Rules, the Transfer Manager may in writing request any Buyer or Seller to provide the Transfer Manager with such information pertaining to a share transaction as he or she may require.

4.6.2 Should it be established that the provisions of the SARB Act, the Regulations and/or these Rules have been contravened, the Transfer Secretary shall, at any time after such Sale, be entitled to take such lawful action as he or she considers necessary to ensure compliance, including (but not limited to) the cancellation of the Sale or the disposal of the shares.

4.6.3 For purposes of enabling the Bank to give effect to the provisions of the SARB Act, the Regulations and/or these Rules, the Offeror who is in contravention of the said prescriptions, nominates, constitutes and appoints the General Counsel of the Bank as his, her or its attorney and agent and grants to the General Counsel full power and authority to do all acts and sign all such documents as may be necessary to implement any transactions concluded in pursuance of any remedies of the Bank arising from a breach of the provisions of the SARB Act, the Regulations and/or these Rules.

5 SETTLEMENT

5.1 A Buyer shall by no later than the Settlement Date, furnish the Transfer Manager with a Bank Cheque, Bankers Draft or confirmation of an electronic transfer in respect of the Purchase Price due in terms of the

Sale as set out in the Buy Invoice, including any brokerage and stamp duty.

5.2 The Seller shall, by no later than the Settlement Date, deliver the Sale Closing Documents to the Transfer Manager. Such delivery shall be at the risk of the Seller.

5.3 Should -

5.3.1 payment of the Purchase Price and other amounts referred to in the Buy Invoice not be received; or

5.3.2 the Sale Closing Documents not be delivered by the Seller,

by the Settlement Date, the Transfer Manager shall, without prejudice to any rights or remedies of either the Buyer or the Seller be entitled to cancel the Transaction.

5.4 Upon receipt by the Transfer Manager of the Bank Cheque, Bankers Draft or confirmation of an electronic transfer, the net amount due in respect of the Sale to a Seller shall be paid to the Seller at the Seller's risk by way of a direct deposit into an account nominated by the Seller or in exceptional circumstances in such other manner agreed upon by the Seller and the Transfer Manager. Particulars of payment shall be reflected in the Sell Form.

5.5 Subject to timeous receipt of the Bank Cheque, Bankers Draft or confirmation of an electronic transfer, it is anticipated that settlement of the sale proceeds shall be dealt with and payment made to the Seller within 21 (twenty one) days of the Settlement Date. No representation or warranty is, however, made or given by the Bank or the Transfer Manager in this regard.

5.6 Provided that the Purchase Price has been paid by the Buyer, and the Sale Closing Documents have been delivered by the Seller to the

Transfer Manager, any Sale shall be deemed to have been concluded on, and ownership shall be deemed to have vested in the Buyer, with effect from the Settlement Date, from which date all rights and entitlements shall accrue to and be for the benefit of the Buyer.

6 AMENDMENTS TO THE SHARE REGISTER

6.1 Provided that the Seller and the Buyer have complied with the Rules, the Purchase Price has been paid and the Bank has been furnished with the prescribed documentation, the Transfer Secretary shall -

6.1.1 amend the register of Shareholders;

6.1.2 prepare a share certificate in the name of the Buyer; and

6.1.3 deliver the relevant share certificate to the Buyer within 21 (twenty one) days of the Settlement Date. No representation or warranty is, however, made or given by the Bank or the Transfer Manager in this regard.

6.2 With effect from the amendment of the register of Shareholders, by the Transfer Secretary, as contemplated in the SARB Act, the Regulations and the Rules, the Buyer shall, subject to the legal impediments in the said legislation, become entitled to exercise all voting rights attached to the Shares which form the subject of the Sale and to receive all dividends in respect thereof.

7 PROHIBITED ACTIVITIES

7.1 Trading in options, warrants, futures or any other derivative instruments of any nature in relation to the Bank's Shares are prohibited.

7.2 Bear sales, short selling (namely, selling the Shares when the Seller does not have title to those Shares) and any associated scrip-lending activities are prohibited.

8 REPRESENTATION

8.1 Buyers and/or Sellers are permitted to trade in Shares through a representative, provided that such representative is duly authorised to act as a representative and provides proof of such authority.

8.2 Proof shall be in a form acceptable to the Transfer Manager and shall include -

8.2.1 in the case of a company or close corporation, a duly certified resolution by the company or close corporation concerned, authorising the representative to trade in the Shares;

8.2.2 in the case of an individual representative, a duly certified copy of a power of attorney in favour of the representative, issued and executed by the Buyer or Seller concerned;

8.2.3 in the case of a trust, a duly certified resolution of the trustees of the trust authorising the representative to trade in the Shares;

8.2.4 in the case of a deceased estate, appropriate letters of executorship or any other similar authority issued by the Master of the High Court; and

8.2.5 such additional information as the Transfer Manager may require.

8.3 Any proof of authority provided in terms of paragraph 8.2 shall be deemed to be valid and binding on the Shareholder concerned unless prior written notification has been received by the Transfer Manager from such Buyer or Seller, prior to the Settlement Date, providing for the revocation and invalidation of the relevant proof of authority.

9 DIRECTORS AND EMPLOYEES OF THE BANK

Subject to the SARB Act, the Regulations and the Rules, trading Shares by the directors and employees of the Bank is permitted.

10 VOETSTOOTS

10.1 Any Seller utilising the OTCSTF shall be deemed to have given the following warranties to the Bank, the Transfer Manager and the Buyer, namely that:

10.1.1 The Seller is the sole beneficial owner of the shares; and/or the Seller is lawfully entitled, willing and able to give free and unencumbered title to the Shares to any Buyer.

10.2 Save as contemplated in paragraph 10.1, the Seller gives no other warranties or representations of any nature whatsoever, whether express, tacit or implied by law, in relation to the Shares and/or the Bank. The Shares are accordingly sold "voetstoots".

10.3 Any Shareholder trading in Shares, does so after having due consideration to the current circumstances of the Bank, in full knowledge, understanding and acceptance of the SARB Act, the Regulations and the Rules and will have no recourse as against the Bank, its directors, or officers, or the Transfer Manager for the Shares so traded. Accordingly, all the risks in utilising the OTCSTF and/or reliance on any information not formally and officially issued and approved by the Board, shall be borne by the Buyer or Seller concerned.

11 BROKERAGE, ADMINISTRATION AND COSTS

11.1 Unless otherwise determined by the Board, no brokerage shall be levied in respect of any Sale.

11.2 All payments in respect of Sales shall be made without set off, bank charges or deductions. Upon settlement of the transaction, the Transfer Manager shall pay to the Seller the net proceeds due to the Seller.

11.3 The Buyer shall, in addition to the purchase consideration payable to the Transfer Manager, be liable for payment of any stamp duty, marketable securities tax, Value Added Tax or any other taxes which may be levied and payable on a Sale from time to time.

12 ADMINISTRATION

12.1 The Transfer Manager shall cause a duly updated Sell Offer Register, Buy Offer Register and Transaction Register to be kept and maintained.

12.2 The Transfer Secretary shall attend to the –

12.2.1 administration of the Share Register;

12.2.2 recovery of all taxes, duties and levies payable in respect of the transfer of Shares; and

12.2.3 processing of share certificates and Securities Transfer Forms and, if necessary, Broker's Transfer Forms.

12.3 The Transfer Manager shall attend to the settlement of payment received from the Buyer to the Seller.

12.4 The share register shall on a regular basis be updated to account for all transactions.

12.5 Share certificates in respect of any transactions shall be sent by the Transfer Secretary to the -

12.5.1 Buyer; and

12.5.2 Seller in respect of any Shares returned to him or her (in the event of a Sale of part of the Seller's Shares),

within 21 (twenty one) days of the Settlement Date. No representation or warranty is, however, made or given by the Bank or the Transfer Manager in this regard.

13 WORN-OUT, ILLEGIBLE AND LOST SHARE CERTIFICATES

13.1 Notwithstanding anything to the contrary contained in these Rules, if a Shareholder's Share certificate/s is/are worn-out, illegible or lost, such Shareholder shall not be entitled to make a Sell Offer by means of the OTCSTF until and unless the Shareholder has complied with the SARB Act, the Regulations, and the Rules.

14 EXCLUSION OF LIABILITY AND INDEMNITIES

14.1 Without prejudice to any of the rights of the Bank and/or its agents, including the Transfer Manager and the Transfer Secretary ("indemnified parties") at law or in terms of any other provision of these Rules, any Seller or Buyer ("indemnifier") utilising the OTCSTF shall and does hereby indemnify the indemnified parties against and/or waives any rights or remedies against the indemnified parties, arising out of all actual or contingent losses, liabilities, damages, costs (including legal costs on the scale as between attorney and own client and any additional legal costs) and expenses of any nature whatsoever which the indemnified parties may suffer or incur as a result of or in connection with -

14.1.1 the failure by the indemnified parties, or any of them, to adhere to the provisions of the SARB Act, the Regulations and the Rules;

14.1.2 any breach of warranty, misrepresentation or non-disclosure of information by any Offeror;

14.1.3 the selection and Matching of Offers as between Buyer and Seller;

14.1.4 the Purchase Price achieved in respect of any Sale, subject only to compliance with any price stipulations by a Buyer or Seller;

14.1.5 any reliance by any Offeror on any false representations concerning the ownership in and to the Shares of the Bank;

14.1.6 any failure by a Buyer to pay the amounts due in respect of any Sale within the prescribed period or the failure of any Seller to deliver the relevant documents of title on the due date for delivery thereof;

- 14.1.7 any action taken by any third party in respect of any payments made or transactions concluded pursuant to a Sale;
 - 14.1.8 the cancellation by the Bank of any Sale or proposed Sale by reason of non-compliance with any provisions of the SARB Act, the Regulations and/or the Rules;
 - 14.1.9 any claim arising from improper authorisation given to a representative of a Buyer or Seller;
 - 14.1.10 a person purporting to be a representative of a Seller or a Buyer and not having the requisite authority to act;
 - 14.1.11 any loss suffered arising out of the reliance by any Offeror of any price recommendations and/or valuations provided by any employee or director of the Bank;
 - 14.1.12 any loss suffered by any Offeror arising out of his or her reliance on the validity of any tainted scrip and/or any other falsified documentation. In this regard, neither the Bank nor its agents shall be held responsible for damage arising from such falsified scrip or other documentation and shall, furthermore, not be obliged to verify the authenticity of any scrip or other documents received by it nor to verify the identity of the person dealing in such documentation;
 - 14.1.13 the incorrect processing or Matching of Offers, save only in the event of fraud on the part of the Bank and/or the Transfer Manager;
 - 14.1.14 non-approval by the Transfer Manager of any transfer of Shares;
 - 14.1.15 any delays in the processing of transactions, delivery of documents or remittances of monies;
 - 14.1.16 the suspension, cancellation and/or postponement by the Board of the OTCSTF.
- 14.2 The indemnifier shall be obliged to pay the indemnified parties the amount of any indemnified loss suffered or incurred by the indemnified parties as soon as the indemnified parties are obliged to pay the amount thereof (in the case of any indemnified loss which involves a payment by the indemnified parties) or as soon as the indemnified parties suffer the indemnified loss (in the case of an indemnified loss which does not involve a payment by the indemnified parties).

15 DISCIPLINARY PROCEDURES

15.1 The Board shall be entitled from time to time to implement any disciplinary procedures it considers appropriate in order to regulate compliance with the SARB Act, the Regulations and the Rules.

16 DISPUTE RESOLUTION

16.1 Any dispute or disagreement between -

16.1.1 a Seller and a Buyer; or

16.1.2 an Offeror and the Transfer Manager,

16.2 shall be referred for mediation to the General Counsel of the Bank, at the request of the Seller, Buyer or Transfer Manager, as the case may be.

16.3 Notification of the dispute shall be given in writing and shall be served on the Transfer Manager at the registered office of the Bank and the OTCSTF Office.

16.4 The General Counsel, or his/her nominee, shall endeavour to mediate and resolve any such dispute or difference as soon as reasonably practicable and in any event, within 30 (thirty) days of receipt of the notice referred to in paragraph 16.3.

16.5 Failing timeous resolution by the General Counsel of such a dispute for any reason whatsoever, the aggrieved party shall be entitled to refer such dispute to arbitration in terms of paragraph 17.

17 ARBITRATION

17.1 Subject to paragraph 16, should any dispute or difference arise between the parties relating to or arising out of the SARB Act, the Regulations and the Rules, including the implementation, execution,

interpretation, rectification, any intended termination or cancellation thereof, the dispute or difference will be referred for arbitration to the Arbitration Foundation of Southern Africa ("AFSA") in terms of AFSA's arbitration rules.

- 17.2 The decision of the arbitrator in the arbitration proceedings -
- 17.2.1 shall be final and binding on the parties to the proceedings;
- 17.2.2 will be given effect to; and
- 17.2.3 may be made an order of any court to whose jurisdiction the parties are subject.
- 17.3 Notwithstanding the foregoing, nothing in this paragraph shall be construed as precluding any party from applying to court for a temporary interdict or other relief, pending the decision of the award of the arbitrator in terms of this paragraph.
- 17.4 This paragraph is severable from the rest of the SARB Act, the Regulations and the Rules and shall, notwithstanding the termination of the same, remain in full force and effect.

18 APPLICABLE LAW

- 18.1 The Rules (including their validity, existence and implementation, the interpretation and application of their provisions, the respective rights and obligations of the parties in terms of and arising out of the provisions), shall be interpreted and governed in all respects by the laws of the Republic.

19 DOMICILIUM AND NOTICES

- 19.1 The Bank, the Transfer Manager and the Transfer Secretary choose as their *domicilia citandi et executandi* ("domicilium") for all purposes relating to these Rules, including the giving of any notice, the payment of any sum, the serving of any process, as follows -

19.1.1 Transfer Manager's office -

19.1.1.1 Physical: The South African Reserve Bank
370 Church Street
Pretoria
0002
Republic of South Africa;

19.1.1.2 Postal: P O Box 427
Pretoria
0001
Republic of South Africa;

19.1.1.3 Telefacsimile: (012) 313 4090; and

19.1.1.4 E-Mail: OTCSTF@resbank.co.za.
(Marked for the Attention - Transfer Manager: Legal Services Department)

19.1.2 Bank Secretary's office -

19.1.2.1 Physical: The South African Reserve Bank
370 Church Street
Pretoria
0002
Republic of South Africa;

19.1.2.2 Postal: P O Box 427
Pretoria
0001
Republic of South Africa; and

19.1.2.3 Telefacsimile: (012) 313 3197.
(Marked for the Attention - Secretary of the South African Reserve Bank)

- 19.1.3 Transfer Secretary's office –
- 19.1.3.1 Physical: The South African Reserve Bank
370 Church Street
Pretoria
0002
Republic of South Africa;
- 19.1.3.2 Postal: P O Box 427
Pretoria
0001
Republic of South Africa; and
- 19.1.3.3 Telefacsimile: (012) 313 4090.
(Marked for the Attention - Transfer Secretary: Legal Services Department)
- 19.2 The Seller and/or the Buyer, as the case may be, shall be deemed to choose as their domicilium for all purposes relating to these Rules, including the giving of any notice, the payment of any sum, the serving of any process, the domicilium stipulated in the relevant Buy Form or the Sell Form, as the case may be, or in the event of any such form being silent, the last address stipulated in the register of Shareholders of the Bank.
- 19.3 The Bank, Transfer Manager and/or Transfer Secretary shall be entitled from time to time, by giving written notice to the shareholders, to vary their -
- 19.3.1 physical domicilium to any other physical address within the Republic;
- 19.3.2 postal domicilium to any other postal address within the Republic;
- 19.3.3 facsimile domicilium to any other facsimile number; and/or
- 19.3.4 e-mail domicilium to any other e-mail address within the Republic.
- 19.4 Any notice given or payment made to the Bank, the Transfer Manager, the Transfer Secretary, a Buyer and/or a Seller ("addressee") which is -

- 19.4.1 delivered by hand between the hours of 08:00 and 15:00 on any Business Day to the addressee's physical domicilium shall be deemed to have been received by the addressee at the time of its delivery;
- 19.4.2 posted by prepaid registered post to the addressee's postal domicilium shall be deemed (unless the contrary is proved) to have been received by the addressee on the 14th (fourteenth) day after the date of posting.
- 19.5 Any notice given by any party to another which is successfully transmitted by facsimile to the addressee's facsimile domicilium shall be deemed (unless the contrary is proved) to have been received by the addressee on the day immediately succeeding the date of successful transmission thereof.
- 19.6 This paragraph shall not operate so as to invalidate the giving or receipt of any written notice which is actually received by the addressee other than by a method referred to herein.
- 19.7 Any notice in terms of, or in connection with these Rules shall be valid and effective only if in writing and if received or deemed to have been received by the addressee.

20 GENERAL

- 20.1 The Rules may be amended by the Board from time to time.
- 20.2 Should there be any conflict between the Rules and the annexures, the Rules shall apply.
- 20.3 The Board shall have a discretion in respect of any matters arising from time to time and not expressly dealt with in the Rules.
- 20.4 The Board shall be entitled to suspend, postpone or terminate the operation of the OTCSTF at any time, whether by reason of low levels of activity or otherwise, which suspension, postponement or termination shall be confirmed by a resolution of the Board.

- 20.5 The Seller and the Buyer shall immediately indemnify the Bank and the Transfer Manager against the amount of any costs, charges and expenses of whatsoever nature incurred by the Transfer Manager in its sole and absolute discretion in securing or endeavouring to secure fulfilment of either of the Seller's or the Buyer's obligations or in otherwise exercising the Transfer Manager's rights in terms of the Rules, including the collection of commission, tracing charges and legal costs on the scale as between an attorney and his or her own client (together with any additional legal costs which may have been paid or are payable by the Seller or the Buyer for any such purpose), insurance premiums, storage charges, stamp duties, taxes and other fiscal charges, agent's and auctioneer's commissions and all other costs and expenses of valuation, maintenance, advertising and realisation.
- 20.6 The Bank shall be entitled, without obtaining the consent of the Shareholders, to appoint a Transfer Manager from time to time.

BY ORDER OF THE BOARD

ISSUE DATE -

ANNEXURE A – CM41 – BROKERS TRANSFER FORM

ANNEXURE B – BUY FORM

ANNEXURE C – CM42 - SECURITIES TRANSFER FORM

ANNEXURE D - SELL FORM