



1 DEFINITIONS

In these terms and conditions, unless the context requires otherwise, the following terms have the following meanings:

- 1.1 **'account'** means the client's investment account to which these terms and conditions apply;
- 1.2 **'agreement'** means the agreement between the parties as constituted by these terms and conditions and those contemplated in clauses 15 and 17;
- 1.3 **'ATM'** means automated teller machine;
- 1.4 **'bank'** means **Nedbank Limited**, registration number 1951/000009/06, with registered address at Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton, and postal address at PO Box 1144, Johannesburg, 2000;
- 1.5 **'card'** means a magnetic strip card issued to the client by the bank;
- 1.6 **'card transaction'** means any cash withdrawal, payment, interaccount transfer or deposit transaction made with the card from or to the client's account by using an ATM, SST or other electronic device;
- 1.7 **'the client'** means the applicant whose details are set out in the application form;
- 1.8 **'digital channels'** includes Internet Banking, the Nedbank App Suite and Wireless Application Protocol (WAP);
- 1.9 **'interest paid in advance'** means interest that is paid at the start of the term of the deposit (one day after opening/after the clearing period if a cheque deposit), according to the interest frequency selected;
- 1.10 **'interest paid in arrears'** means interest that is paid on the expiry date of the deposit or on an interest date chosen by the client if payment is required monthly, quarterly or half-yearly;
- 1.11 **'market rate'** means the rate that is determined by market circumstances, including the prevailing supply of and demand for money, competitor activities and Nedbank's funding requirements;
- 1.12 **'party'** means the bank or the client;
- 1.13 **'PIN'** means personal identification number. This is a secret number selected by the client and which only the client knows. This number must be encoded on the card by the bank and is used as a means of user identification;
- 1.14 **'prime rate'** means the prime overdraft rate of interest charged by the bank from time to time, which is the bank's publicly quoted prime lending rate as certified by any bank manager, whose authority need not be proved;
- 1.15 **'product specifications'** means specific features of products offered by the bank, including minimum deposits, minimum balances and service fees;
- 1.16 **'source account'** means the account from which the capital/additional capital will be debited as authorised by the client for the purposes of reinvestment; and
- 1.17 **'SST'** means self-service terminal.

2 INTERPRETATION

In this agreement:

- 2.1 clause headings are for convenience and are not to be used in its interpretation;
- 2.2 unless the context indicates a contrary intention, an expression that denotes:
 - 2.2.1 any gender includes the other genders;
 - 2.2.2 a natural person includes a juristic person and vice versa; and
 - 2.2.3 the singular includes the plural and vice versa; and
- 2.3 any number of days will be determined by excluding the first and including the last day or, where the last day falls on a day that is not a business day, the next business day.

3 INVESTMENT RECORD

- 3.1 When an investment account is opened (or at any later stage), the bank will issue an investment record containing terms and conditions applicable to the product chosen by the client.
- 3.2 The investment record will be issued in the name of the accountholder.
- 3.3 Neither the investment record nor the investment instrument is transferable or negotiable.

4 DEPOSITS

- 4.1 If any negotiable instrument (eg a cheque) is deposited on the account, the proceeds will be credited to the account but will only be available as cash when the negotiable instrument has been honoured (within 10 consecutive days). If the negotiable instrument is dishonoured, the account will be debited accordingly and the bank will send the negotiable instrument back to the client at his risk.
- 4.2 The client agrees that the bank will clear cheques by making use of any clearing system used by clearing banks.
- 4.3 If a cheque deposited by the client is returned unpaid, the bank will inform the client thereof within a reasonable period.
- 4.4 The bank reserves the right to limit cash deposits and to impose a cash deposit fee at its discretion.
- 4.5 Interest will only start accumulating from the date on which the initial deposit is made (if this differs from the opening date of the account).
- 4.6 The bank reserves the right to set a maximum amount that may be invested in any particular investment product.
- 4.7 Where funds are deposited into a Nedbank investment account from another bank, the client will earn interest from the date that the funds reflect in the investment account and not from the date that the transaction is processed.

5 CHOICE OF PRODUCT

- 5.1 The client must choose the product he wishes to invest in. The bank will not provide any income tax or any other advice pertaining to this choice, and the client should seek independent tax advice from a suitably qualified consultant.
- 5.2 Investment products cannot be converted or transferred from one product type to another other than as permitted in terms of the specific product rules. In addition, they cannot be converted or transferred to product offerings that are available within other Nedbank segments, such as Corporate or Wealth.
- 5.3 Investment products cannot be transferred from one client to another.

6 INTEREST

- 6.1 The bank is entitled to determine, at its discretion, the interest rates applicable to investment products. These interest rates are available on request at any of the bank's branches and are always quoted on an annual basis.
- 6.2 With the exception of fixed-deposit investment accounts, interest rates on investment accounts are subject to change according to changes in the market rate and may also be linked to the prime rate.
- 6.3 Interest will be calculated daily on the basis of a year of 365 days (whether or not the year is a leap year) and on the daily balance in the account.
- 6.4 Where interest is paid in advance on certain fixed-deposit products, the interest rate will be present-valued using the nominal rate for the selected term as a discount rate.
- 6.5 In the event that the date of the initial deposit differs from the date of opening of the account, and a rate change has occurred in the interim period, the interest rate applicable will be the rate as at the date of the initial deposit (and not the date on which the account was opened).
- 6.6 Where the client deposits less than the minimum amount required for a particular investment product, the client will not earn any interest on those funds until the minimum product requirements are met.
- 6.7 The client has the right to request that the interest on the investment be either capitalised (provided the product allows this) or paid out. If the interest is not capitalised but paid out, the investment will yield interest at a nominal rate. If the interest is not paid out but capitalised, the investment will yield interest at an effective rate. The effective rate will be higher than the nominal rate due to the compounding effect of capitalised interest. The client must exercise this right when he applies for the investment at a branch of the bank. The interest rate on a fixed deposit will be directly linked to the interest frequency selected. No monthly capitalisation of interest occurs on fixed deposits, unless the product specifically allows this. Interest can, however, be capitalised on expiry of the deposit.
- 6.8 If the interest payment date is a Sunday or public holiday, the interest will be paid out on the next business day.

- 6.9 The client is entitled, subject to product specifications, to choose the frequency at which interest has to be paid out or capitalised. Interest can be paid out or capitalised monthly, quarterly, half-yearly, annually or on the expiry date of the investment period, depending on the product type into which the funds are deposited.
- 6.10 If the 'interest paid in advance' option is selected (applicable to certain fixed-deposit products only), then interest will be paid at the start of the term of the deposit, according to the interest frequency selected. Interest will not accumulate during the remaining term of the deposit.
- 6.11 Where interest is paid monthly, the interest payment day may not be changed and where the 'interest paid in advance' option has been selected, this may not be changed to 'interest paid in arrear', or vice versa, during the term of the deposit.
- 6.12 Interest paid in advance will be paid to the interest disposal account provided by the client one day after the opening of the deposit, and thereafter on the anniversary of the initial interest payment according to the interest frequency selected.
- 6.12.1 The exception is where a cheque deposit is made, in which case the first interest payment will be made after the cheque has been cleared.

7 INCOME TAX CERTIFICATES

- 7.1 The bank will issue an income tax certificate [IT3(b) certificate] after the end of February each year.
- 7.2 The IT3(b) certificate indicates the amount of interest paid out to the client in the particular year. IT3(b) certificates are issued only where a minimum amount of interest, as prescribed by the South African Revenue Service (SARS) from time to time, or an amount in excess of the minimum amount has been earned.
- 7.3 In the case of all investments where interest is earned or accrued all interest on an investment must be declared in the tax year during which the interest is earned or accrued. Your IT3(b) certificate will therefore reflect all interest earned or accrued for the tax year, irrespective of whether the interest is paid out in the same tax year.
- 7.4 The bank will send a copy of the IT3(b) certificate to SARS.
- 7.5 In the event that interest has been paid in advance on certain fixed-deposit products the bank will issue the IT3(b) certificate in the tax year that the interest was paid and not in the tax year of the expiry of the deposit, should this differ from the tax year in which the interest was paid.
- 7.6 If early withdrawals occur on deposits where the interest has been paid in advance and a portion of such interest has been reversed, the IT3(b) certificate may already have been issued for the original interest amount paid out. In this case the onus is on the taxpayer to apply to SARS for the reopening of the assessment in terms of section 79A of the Income Tax Act.

8 STATEMENTS

- 8.1 The bank will, at its discretion, issue regular statements relating to the client's account, subject to the relevant product specifications.
- 8.2 If the type of account does not necessitate a regular statement, the client may obtain a statement printout at a branch, if and when required.
- 8.3 As soon as the client receives a statement, it should be checked for accuracy. If there is any discrepancy, the client must report it to the bank within 15 days of receipt of the statement, otherwise the statement will be deemed to be correct.
- 8.4 If there is a dispute in respect of the items appearing on a statement, the bank's records will be prima facie proof of such items.

9 EARLY WITHDRAWAL

- 9.1 Where required by law and otherwise at the bank's discretion the client may request the early withdrawal of investments. The bank will consider circumstances such as death of the accountholder, insolvency or severe hardship. The bank is entitled to charge the client an early-withdrawal penalty fee for such early withdrawals. **The client acknowledges that this early-withdrawal penalty fee constitutes a reasonable cancellation penalty in respect of such investments.**
- 9.2 **The early-withdrawal penalty fee will be calculated by using the applicable formula below:**
- 9.2.1 **in the case of notice deposit accounts: $1/10$ of the interest rate (with a minimum of one percent) x capital x (full notice period in days/365); or**
- 9.2.2 **in the case of fixed-term accounts: $1/10$ of the interest rate (with a minimum of one percent) x capital x the unexpired term to redemption.**
- 9.3 **The bank will deduct the early-withdrawal penalty fee from the capital before such capital is paid out to the client.**
- 9.4 **The bank reserves the right to charge a reasonable minimum fee in the event of an early withdrawal.**

10 CESSION OF INVESTMENTS

The client may not pledge or cede his rights arising from his investment as security for loans without the consent of the bank. Only cessions or pledges to other registered South African banks will be considered by the bank.

11 CONFIDENTIALITY AND DISCLOSURE OF INFORMATION

The client's personal information will be treated as confidential and will not be disclosed, except in the following circumstances:

- 11.1 when the bank is legally compelled to do so;
- 11.2 where it is in the public interest to disclose;
- 11.3 where the bank's interests require disclosure; and
- 11.4 where disclosure is made at the client's request or with the client's written consent.

12 DOMICILIUM CITANDI ET EXECUTANDI

- 12.1 For all purposes under this agreement the parties choose the following addresses as their respective *domicilia citandi et executandi*:
- 12.1.1 the bank: Nedbank 135 Rivonia Campus, 135 Rivonia Road, Sandown, Sandton; and
- 12.1.2 the client: the last known physical address supplied by the client.
- 12.2 Any legal process to be served on any party may be served on that party at the address specified in clause 12.1.
- 12.3 Any notice or other communication to be given to any party in terms of this agreement will be valid and effective only if it is given in writing.
- 12.4 A notice to any party that is delivered to the party by hand at the address specified in clause 12.1 will be deemed to have been received on the day of delivery, provided it was delivered to a responsible person during ordinary business hours.
- 12.5 Notwithstanding anything to the contrary in this clause 12, a written notice or other communication actually received by any party will be deemed to be adequate notice or communication to such party, even if such notice or communication was not sent to or delivered at the address specified in clause 12.1.
- 12.6 Any party may, by written notice to the other party, change the address specified in clause 12.1 to any other address (other than a post box number), provided that the change will become effective on the seventh day after receipt of the notice.
- 12.7 It is the client's responsibility to ensure that the bank is kept informed of any changes to personal information, including address and contact details.

13 LIABILITY

Subject to applicable law, the bank will not be liable to the client for any damage or loss that the client may suffer as a result of:

- 13.1 **any person (due to the client's negligent action or omission) gaining unauthorised access to any information or data;**
- 13.2 **incorrect information being given to any person, including any credit bureau (provided that such information is not bank information and is sourced from a third party); and**
- 13.3 **a delay, failure or malfunction of any ATM or other device (electronic or manual) the client uses to effect card transactions;**
- except where such damage or loss arises directly or indirectly from the gross negligence or wilful misconduct of the bank (or any person acting for or controlled by the bank).**

14 TERMINATION

The bank may, at its discretion, close the account at any time, but may not do so without giving the client reasonable prior notice at the address specified in clause 12.1.2. However, in the case of fraud or suspected fraud on the account, the bank reserves the right to protect its interests if it has to act against the client.

15 AMENDMENT OF TERMS AND CONDITIONS

- 15.1 The bank may, at its discretion, change any of the terms and conditions contained herein at any time. The bank will give notice of material changes by notices in the bank's branches.
- 15.2 Any change to the terms and conditions does not constitute a novation of the agreement or of any previous obligation by or to the bank.

16 JURISDICTION

At the option of the bank any claim arising hereunder may be recovered in any magistrate's court having jurisdiction, notwithstanding the amount of the claim, and the client hereby consents to the jurisdiction of the magistrate's court.

17 GENERAL TERMS

- 17.1 Before opening the account the bank may follow up references or otherwise satisfy itself as to the client's identity, proof of residence and suitability as an accountholder. The bank may refuse to open an account or accept a deposit.

- 17.2 If the bank allows the client any latitude or extension of time, this is not and must not be understood as a novation or waiver of the bank's rights in respect of these terms and conditions, and it will also not be, or be the cause of, a defence of estoppel against the bank.
- 17.3 The client hereby consents that the bank may combine any or all accounts he may have with the bank, without notifying the client thereof. However, if the bank combines only some of these accounts, the bank will still have the right to claim from the client any amount in respect of an account that is not part of the combined accounts.
- 17.4 These terms and conditions, read with the application, as changed or replaced by the bank from time to time, together with any other additional terms and conditions, as changed or replaced by the bank from time to time, will, together with the investment record, form the whole agreement between the parties in connection with the account.
- 17.5 The client hereby agrees that the application, read together with these terms and conditions, was accepted by the bank in Johannesburg.
- 17.6 Product specifications, as changed by the bank from time to time, will apply to the agreement.
- 17.7 The terms of this agreement will be deemed to be, in respect of each part of the agreement, entire, separate, severable and separately enforceable in the widest sense from the rest of the agreement.
- 17.8 Should any provision of this agreement be found by any competent court to be defective or unenforceable for any reason whatsoever, the remaining provisions of this agreement will continue to be of full force and effect.

18 USE OF CARDS

- 18.1 The client may also, subject to the relevant product specifications, use his card through the relevant ATM, SST or other electronic device through which the account can be accessed.
- 18.2 The client will have access to an ATM and/or SST by using his card together with his PIN. When using a PIN and card, the client should ensure that:
- 18.2.1 no one other than the client uses the card and PIN;
- 18.2.2 reasonable steps are taken to keep the card safe and the PIN secret at all times, and that nobody, not even a bank employee who offers to help, is told what the PIN is; and
- 18.2.3 the PIN is never written down or recorded without being disguised.
- 18.3 When the client receives the card, the bank will encode the card with a PIN, which will give the client the right to deposit and/or withdraw cash and/or make use of services by means of the card at a compatible ATM, SST or other electronic device.
- 18.4 By keeping and/or using the card the client accepts all these terms and conditions.
- 18.5 The client may not cede any of his rights or delegate any of his obligations in respect of the card.
- 18.6 The card is valid from the time it is issued until the account is closed by any of the parties.
- 18.7 The bank is the owner of the card and, when the account is closed for whatever reason, the client must give the card back to the bank.
- 18.8 If the card:
- 18.8.1 is lost, stolen or used wrongfully; or
- 18.8.2 is used by any person other than the client;
- the client must notify the bank immediately at the bank's Card Division in Johannesburg. The client must also notify the bank immediately if anyone obtains knowledge of his PIN or if he has reason to believe or suspect that this has happened. If the client has notified the bank verbally, he must confirm his verbal notification in writing within 24 hours after the verbal notification. Delay in notifying the bank of the loss or theft will be deemed to be negligence on the client's part. It is the client's responsibility to ensure that any written notice is received by the bank at its Card Division in Johannesburg.
- 18.9 The bank is entitled to debit the client's account with the amounts of:
- 18.9.1 all transactions carried out by or with the authority of the client by means of the client's card and PIN; and
- 18.9.2 all transactions not authorised by the client, but which have been carried out by means of his card and PIN before the bank has had the reasonable opportunity, after the verbal notification in terms of clause 18.8 above, to prevent any further unauthorised transactions.

19 MONEY MARKET INVESTMENT ACCOUNTS

- 19.1 The bank will not pay any interest if the minimum deposit or balance is below such an amount as the bank may, at its discretion, determine from time to time.
- 19.2 The interest will be calculated on the daily balance in the account and capitalised on the fourth-last business day of each month.
- 19.3 Interest rate changes will appear on the client's monthly statement.
- 19.4 Service fees (if applicable to the product) will be levied by the bank if an amount of less than R500 is withdrawn from the account or if the balance falls below R20 000. Leaflets in respect of service fees are available from any branch.
- 19.5 Cash-handling charges will be levied on all ATM and over-the-counter withdrawals, as well as on all cash deposited. Leaflets in respect of cash-handling charges are available from any branch.
- 19.6 All service fees and cash charges are debited to the account on the fourth-last business day of each month.
- 19.7 Monthly statements reflecting all transactions carried out will be sent to the client.
- 19.8 A money market investment account will become dormant if the client has not initiated any credit transactions on his account for a period of 365 days.
- 19.9 The client will not be able to transact on a dormant account without providing proof of identity and such account will be subject to reactivation procedures at his branch.
- 19.10 The client must ensure that there are sufficient funds in the account to pay for any debits against the account.
- 19.11 The account may not become overdrawn at all.
- 19.12 If the account has a debit balance for whatever reason, the full debit balance will be payable immediately. In such instance the bank will not pay any interest and will charge its standard fees to the account and debit interest will be levied on the debit balance.

20 FIXED-TERM INVESTMENTS

- 20.1 The minimum amount for opening a fixed-term investment account is such an amount as the bank, at its discretion, may determine from time to time.
- 20.2 The client should advise the bank in good time (from at least one month before the expiry date) with regard to the payment of the capital and/or reinvestment thereof.
- 20.3 If the bank does not receive formal reinvestment or capital disposal instructions, it will reinvest such deposits for a similar term but at the interest rate applicable to the investment at the time of reinvestment.
- 20.4 The frequency at which interest is paid may not be changed once the account has been opened. Capitalisation can only be done on expiry of the fixed deposit.
- 20.5 Interest may be compounded monthly in the case of prime-linked fixed-term investments, provided the interest frequency is greater than monthly.
- 20.6 In the case of prime-linked fixed-term investments the interest rate will be a percentage of the bank's prevailing prime overdraft interest rate, and will fluctuate in accordance with changes in this prime overdraft interest rate from time to time. This percentage is fixed for the investment term.
- 20.7 The client may choose to have the capital and/or interest paid into a Nedbank current account, Nedbank savings account, Nedbank home loan, Nedbank credit card, Nedbank notice deposit (provided the minimum deposit criteria for the notice deposit is met) or a savings or current account held at another bank, or may choose to have it paid out by means of a bank cheque.
- 20.8 The capital and/or interest may not be paid out in cash.
- 20.9 The client may choose to have his interest paid in advance or in arrear on certain fixed-deposit products. This interest option may not be changed during the term of a deposit.
- 20.10 For **Nedbank Money Multiplier** the following provisions will also apply:
- 20.10.1 Should the client fail to contribute for three consecutive months, the account will go into a paidup state, which means that the client will not be able to make any further contributions to this account. The funds already contributed will remain in the account and interest will continue to accrue until the payout date is reached. The funds in the account will then be amortised and the bank will pay out the funds in equal monthly instalments for the agreed term to the client.
- 20.10.2 If the client is unable to continue to make the contributions, the client can advise the bank of this and request that the account be made paidup and the provisions set out above will apply. Under no circumstances will the bank release the funds to the client other than as monthly instalments during the agreed term.
- 20.11 For **Fixed Deposit** and **OptimumPlus** products opened by a client on a digital channel ('**Electronic Fixed Deposit**' and '**Electronic OptimumPlus**' respectively) the following provisions will also apply:
- 20.11.1 The **Electronic Fixed Deposit** and the **Electronic OptimumPlus** products (collectively '**the electronic products**') are available to clients who have a digital profile. The electronic products can be opened and maintained on digital channels only and not at a Nedbank branch or through the Nedbank Call Centre.
- 20.11.2 The electronic products offer a preferential interest rate over and above the current interest rate offered on an equivalent Fixed Deposit or OptimumPlus product not opened and managed through a digital channel.
- 20.11.3 The product term is between 1 and 17 months.
- 20.11.4 Existing Fixed Deposit or OptimumPlus products cannot be converted to an Electronic Fixed Deposit or Electronic OptimumPlus product before the existing term has expired. Once the current term of an existing Fixed Deposit or OptimumPlus product expires, the client may reinvest his funds in an Electronic Fixed Deposit or Electronic OptimumPlus product through a digital channel and qualify for the preferential rates.

21 NOTICE INVESTMENT ACCOUNTS

- 21.1 The minimum amount for opening a notice investment account is such an amount as the bank, at its discretion, may determine from time to time.
- 21.2 The client must give the appropriate notice of withdrawal. The required notice period will be advised to the client at the time of opening the account.
- 21.3 Interest will only be paid out or capitalised monthly.
- 21.4 Interest rate increases will apply with immediate effect. Interest rate decreases will come into effect on the lapse of the applicable notice period advised to the client at opening of the account.
- 21.5 The bank will advise the client in writing or by statement of downward interest rate changes only. If the client does not receive this advice, the bank will not be prevented from decreasing the interest rate.
- 21.6 The client may choose to have the capital and/or interest paid into a Nedbank current account, Nedbank savings account, Nedbank home loan, Nedbank credit card, Nedbank notice deposit (provided the minimum deposit criteria for the notice deposit are met) or a savings or current account held at another bank, or may choose to have it paid out by means of a bank cheque.
- 21.7 The capital and/or interest may not be paid out in cash.

22 BONUS FIXED-DEPOSIT ACCOUNTS

- 22.1 A guaranteed quoted market rate is applicable during the term of the deposit.
- 22.2 In addition to the abovementioned guaranteed market rate, bonus interest linked to the prime rate will be paid to a maximum of 2%. The bonus interest percentage will fluctuate according to changes in the prime rate and is payable on maturity of the deposit.]

23 STEPUP DEPOSIT ACCOUNTS

The market rate applied to the Nedbank StepUp Deposit is linked to the prime rate. In addition, on a quarterly basis the market rate will be increased by predetermined prime-minus percentages, which are determined and quoted at the time of the initial deposit.

- 23.1 Should the client wish to withdraw from the StepUp Deposit, such withdrawal instruction must be supplied to the bank at least one business day before the quarterly anniversary date of the account.
- 23.2 The client acknowledges that should the request to release funds not be received by the bank at least one business day before the quarterly anniversary date of the account, the client will have to wait until the following quarterly anniversary date in order to obtain his funds.
- 23.3 Early redemption or withdrawals on dates other than the quarterly anniversary dates are not permitted, except:
 - 23.3.1 in the case of the death of the client;
 - 23.3.2 in the case of the insolvency of the client; or
 - 23.3.3 where required by law in terms of clause 9 above.
- 23.4 Payment of the early redemption may take up to 10 (ten) working days after receipt of the client's written withdrawal request.
- 23.5 In terms of clause 9.1 above, the bank may charge the client an early-withdrawal penalty fee calculated in terms of the formula as set out in clause 9.2, **which fee the client acknowledges constitutes a reasonable cancellation penalty.**

24 NEDBANK TAX-FREE SAVINGS ACCOUNT

In accordance with regulations published in terms of the Income Tax Act, the client's attention is drawn to the limits and penalties that apply to contributions to the Nedbank Tax-free Savings Account.

- 24.1 **The annual contribution limit per individual is the amount as specified by legislation per tax year. This is a cumulative limit and any deposit made into the Nedbank Tax-free Savings Account will be included in the annual contribution during any tax year, regardless of any withdrawals that may be made from the account.**
- 24.2 **The lifetime contribution limit means the maximum amount as specified by legislation.**
- 24.3 **Any contribution above the annual or lifetime limit will be taxed at 40% by SARS in the tax year that the overcontribution was made.**
- 24.4 **A person may invest in more than one tax-saving account, but will still be subject to the same limits and penalties mentioned above.**
- 24.5 **Subject to the above, any return from these investments will be tax-free in the client's hands.**