

CCM USD 32 Day Notice Deposit Product Rules



These product rules form part of, and are deemed to be incorporated in, the terms and conditions applicable to Investec Cash Investments (“Terms and Conditions”). Words and expressions used in these product rules shall unless indicated otherwise herein, have the meaning ascribed to them in the Terms and Conditions. If there is any conflict between the Terms and Conditions and these product rules, these product rules will apply.

Product description

The Investec CCM USD 32 Day Notice Deposit is a 32-day notice USD denominated foreign currency account with an interest rate linked to the secured overnight financing rate (SOFR).

Definitions

“**account balance**” means the total capital invested in the account at any given time, and constitutes the balance on which interest is earned

“**breakage costs**” means all costs, losses, liabilities, damages, charges or expenses as determined by Investec, together with an amount equal to any VAT (if applicable) and any other applicable taxes thereon which Investec incurs or suffers as a result of any early withdrawal from or closure of the account (including, but not limited to, the unwinding, termination or modification, in whole or in part, of any funding or hedge position in relation thereto)

“**client**” means a client of the intermediary, who is also a client of Investec through their participation in Investec Corporate Cash Manager products

“**encumbrance**” means a hold placed on funds that have been reserved or have not yet cleared

“**EFT**” means Electronic Funds Transfer

“**exchange control**” means all applicable SARB regulations that must be complied with

“**FCA**” means the Foreign Currency Account administered by Investec Bank Limited in South Africa and available online on CCM (reflected online as a Notice Plus Deposit)

“**Federal Funds Rate**” means the interest rate at which depository institutions (banks and credit unions) in the United States lend reserve balances to other depository institutions overnight, on an uncollateralized basis. Reserve balances are amounts held at the Federal Reserve to maintain depository institutions’ reserve requirements. Institutions with surplus balances in their accounts lend those balances to institutions in need of larger balances

“**intermediary**” means the entity mandated by clients to manage client funds on their behalf through products and services offered by Investec Corporate Cash Manager

“**notice maturity date**” means the end of the notice period where after funds are automatically credited to the settlement account

“**notice period**” means the agreed/committed term after placing a notice instruction being a minimum period of 32 days from the date of the notice instruction

“**notice instruction**” means providing Investec with notice of your intention to withdraw all or a portion of the notice funds and/or termination of the account

“**SARB**” means the South African Reserve Bank as referred to in section 2 of the South African Reserve Bank Act (Act 90 of 1989)

“**settlement account**” means the Investec CCM USD Call Deposit account opened prior to the USD 32 Day Notice Deposit account, into which all withdrawals will be paid (reflected online as CCM Call Account). Refer to the CCM USD Call Deposit Product Rules

“**secured overnight financing rate (SOFR)**” means the overnight interest rate for US dollar-denominated loans and derivatives, and reference rate established as an alternative to LIBOR. SOFR is published daily by the Federal Reserve Bank of New York, as the administrator of the benchmark

“**United States**” means the United States of America;

“**USD**” means the United States Dollar being the lawful currency of the United States

“**volatility event**” means an event where SOFR on any given day is 0.10% above or below the previous day’s rate, except where there has been commensurate interest rate change in the Federal Funds Rate as announced by the Federal Reserve Bank

General

Prior to opening a USD 32 Day Notice Deposit account, a settlement account is required to be opened and linked to the USD 32 Day Notice Deposit account.

The settlement account earns interest from USD10 000 and is based on a spread to SOFR

All funds requested for withdrawal under a notice instruction will automatically be transferred into the settlement account

Financial surveillance requirements

Permissible credits to the FCA and/or the settlement account will be subject to compliance with exchange control requirements and may emanate from (amongst other things) your:

single discretionary allowance

foreign capital allowance

legitimately held offshore funds

Residents and Non-Residents may open foreign currency deposit accounts.

Interest rates

The interest rate earned on the FCA 32 Day Notice Deposit and Call Deposit is based on a spread to SOFR, and will accordingly change automatically in line with fluctuations in SOFR without prior notice to you

ACCOUNT BALANCE CCM USD 32 DAY NOTICE DEPOSIT	INTEREST EARNED (NACM)*
> USD0	SOFR + An Investec determined spread

ACCOUNT BALANCE CCM USD CALL DEPOSIT	INTEREST EARNED (NACM)*
< USD10 000	No interest accrued
> USD10 000	SOFR + An Investec determined spread

* All rates are quoted on a nominal annual compounded monthly basis

Investec reserves the right to amend the spread to SOFR on your account with notice to you¹. Please refer to the deposit rates published daily on Investec Intermediaries Online

Interest accrues daily and is compounded monthly

When interest is compounded, it is regarded as an additional deposit and will increase the account balance

USD interest calculation is based on a 360-day count convention

Where a volatility event has deemed to have occurred, the interest rate will be replaced with the previous day's rate. Investec at its sole discretion may choose not to apply this provision, where there is a movement in the US Federal Funds Rate or the US Dollar interest rate market

Deposits

Only EFTs in USD are accepted (cash and cheques cannot be used)

Additional deposits can be made at any time, directly into the FCA or through the settlement account for allocation to the FCA thereafter

Additional deposits to the FCA will immediately increase the account balance

Additional deposits to the settlement account will immediately increase the available balance

Depositors may make use of Investors' annual foreign investment or discretionary allowances in compliance with exchange control

All deposits are subject to compliance with exchange control and may be subject to related fees. Refer to the **Financial Surveillance FCA guidelines**

Withdrawals

Any withdrawal of funds either prior to the notice maturity date and/or more than the immediately available balance and/or the termination of the account prior to the notice maturity date, is at Investec's sole discretion

All notice instructions shall be subject to the notice period

Funds requested in accordance with a notice instruction will systematically be paid into the settlement account on the notice maturity date. Funds may thereafter be paid to alternate Investec or third-party accounts upon your request, subject to compliance with the Investec CCM USD Call Deposit Product Rules and exchange control requirements

The available balance in the settlement account is immediately accessible for payments and transfers

All withdrawals and transfers from the FCA and/or settlement account is subject to compliance with exchange control

International Payments

USD payments can be made to third parties from the settlement account, subject to a transaction fee. Refer to **www.investec.com/ccm-fees** and to the **Financial Surveillance FCA guidelines**

There may be additional fees over and above the fees as mentioned above associated with international payments made through the SWIFT payment network

Fees will be debited against the account where the payment is being made from in the currency of the account. Should the client request Investec to pay for offshore bank charges when making an offshore payment out of an FCA an additional fee may be charged. Refer to **www.investec.com/ccm-fees**

All fees are inclusive of VAT

¹Refer to the Terms and Conditions, available on **www.investec.com** for further details

Notice period

The notice period is a minimum of 32 days from the date of the notice instruction

You can elect to have the funds transferred at a date later than the notice maturity date, subject to the rules relating to placing notice as set out below:

If the notice maturity date falls on a non-business day, the transaction will be processed on the next business day thereafter

If notice is placed on the full account balance and you are not closing the account, the funds transferred on the notice maturity date but, will exclude interest accrued and any deposits made after notice has been placed

Pending notices placed can be cancelled up to two days prior to the notice maturity date

Investec will not backdate transactions

Multiple notices can be placed on the account to mature at different dates, subject to a sufficient account balance being available

Fees

Intermediary administration fees can be levied on Investec CCM USD 32 Day Notice Deposit up to a maximum of 35bps

The intermediary administration fee will be limited to the monthly interest accrued such that the administration fee does not erode the account capital balance

Administration fees levied by intermediaries are negotiated directly with underlying clients and must be aligned with the client mandate. Investec merely facilitates the payment of the fee in line with the contractual arrangement between the parties

Foreign exchange fees may be charged on deposits into and withdrawals from an Investec FCA account. Refer to www.investec.com/ccm-fees for the applicable transaction fees

Early withdrawal or termination

Investec reserves the right to charge and recover from you the following in the event of early withdrawals and/or account termination:

Breakage costs

A fee in respect of any early withdrawal from and/or termination of the account equal to 0,50% per annum of the amount requested for withdrawal or the account balance in the event of a termination request over the remainder of the notice period, provided that such fee shall not be less than USD50.00 inclusive of VAT

The early withdrawal of funds and/or the termination of an account is at Investec's sole discretion

Account closure

No account can be closed if there is an encumbrance over the account and/or if funds under notice have not yet matured

No additional deposits can be made into the account once Investec has received an instruction to close the account

Accrued interest will be capitalised on the notice maturity date and included in the amount transferred when the closing instruction is actioned

Investec shall be entitled in its discretion, to define and implement a dormant and zero balance account policy

Investec shall give effect to this policy on not less than 20 business days' written notice to the intermediary whereby Investec may close affected accounts as defined in the policy

Refer to the Terms and Conditions, available on www.investec.com for further details regarding account closure

Product restrictions

No debit orders and/or manual scheduled payments are permitted

The FCA is not intended for use as a transactional banking account and is available to individuals only subject to such guidelines as are provided by the SARB² via appropriately FAIS licensed Financial Advisors

Complaints

Should you have any complaints, contact your Investec for Intermediaries consultant, or send an email to CCM@investec.co.za

Disclaimers

FCA related Currency Conversions by Intermediaries without SARB approval:

Unless otherwise agreed between the Intermediary and Investec, where currency conversions are facilitated directly with Investec by non-SARB approved and regulated Intermediaries to or from foreign currency accounts, the exchange rate at which such conversions are concluded will be a market related Investec Bank rate, determined at the time of execution, subject to all requirements being met. There will be no exchange rate confirmation prior to execution.

Without limitation, Investec do not accept any liability due to any delay or change in market conditions before any particular transaction is affected, and the client will be responsible for all transactions entered by the client or on the client's behalf by the Intermediary, and the client will be fully liable to Investec for the settlement of any transaction arising from any aforementioned currency conversion.

Investec reserves the right to amend these product rules and/or to withdraw the product at any time, in accordance with the Terms and Conditions. All amendments are published on www.investec.com

These product rules (as amended from time to time) apply to any Investec CCM USD 32 Day Notice Deposit account opened with Investec. It is your responsibility to ensure that you have read and understood the product rules and any amendments to them

Please refer to www.investec.com for additional information on the product or to review the Terms and Conditions

Account Administration

The FCA and settlement account are administered by Investec Bank Limited South Africa and are treated as deposits, as defined by and in accordance with The Banks Act, 1990 (Act No. 94 of 1990)

² An individual who is a taxpayer in good standing and over the age of 18 years, can invest up to R10 million in his/her name outside the Common Monetary Area (CMA-Lesotho, Swaziland, and Namibia), per calendar year. A Tax Clearance Certificate (in respect of foreign investments) must be obtained for deposits in excess of the single discretionary allowance (R1m). These funds may not be reinvested into the CMA countries thereby creating a loop structure or be reintroduced as a loan to a CMA resident.