

**THIS DOCUMENT ("PROSPECTUS") CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND ITS SECURITIES AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.**

The directors of Africa ETF Issuer (RF) Limited (the **Company**), whose names are set out in Annexure C to this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus and certify that, to the best of their knowledge and belief, no facts have been omitted the omission of which would make any statement in this Prospectus false or misleading and that they have made all reasonable enquiries to ascertain such facts and that the Prospectus contains all information required by law and the JSE Listings Requirements.

7.B.22

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**AFRICA ETF ISSUER (RF) LIMITED  
(incorporated in South Africa)  
(registration number 2013/022008/06)**

7.A.3

**Alpha Code: ETFRHO**

**Short Name: AfricaRHO**

**ISIN: ZAE000210787**

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**PROSPECTUS**

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relating to an initial offering (**Initial Offer**) to qualifying investors in South Africa to subscribe for secured, redeemable AfricaRhodium Debentures referencing in total a maximum of:

- 1,000,000 fine troy ounces of Rhodium to be issued by the Company (on the terms and subject to the conditions set out in Annexure A to this Prospectus) and as more fully described in this Prospectus.

7.C.2  
7.C.3

The publication, issue and/or distribution of this Prospectus does not constitute an offer where the Initial Offer may be illegal or may fail to conform to the laws of such jurisdiction. To the extent that this Prospectus may be sent to or distributed in any such jurisdiction, it is provided for information purposes only and no person situated in such jurisdiction may accept the Initial Offer. No such person wishing to accept the Initial Offer may use the mail of any such jurisdiction or any means, instrumentality or facility in any such jurisdiction for any purpose, directly or indirectly, relating to the Initial Offer. It shall be the responsibility of any person resident in a jurisdiction outside South Africa to inform himself about, and to observe, any applicable legal requirement in the relevant jurisdiction.

**Prospective purchasers of any exchange traded funds should ensure that they understand fully the nature of the exchange traded fund and the extent of their exposure to risks and that they consider the suitability of the exchange traded fund as an investment in the light of their own circumstances and financial position. The JSE's approval of the listing of the AfricaRhodium Debentures should not be taken in any way as an indication of the merits of the Company or of the AfricaRhodium Debentures. The JSE has not verified the accuracy and truth of the contents of the documentation submitted to it and, to the extent permitted by law, the JSE will not be liable for any claim of whatever kind. Claims against the JSE Guarantee Fund may only be made in respect of trading in AfricaRhodium Debentures on the JSE and in accordance with the rules of the Guarantee Fund and can in no way relate to the new issue of AfricaRhodium Debentures by the Company. The JSE**

19.58(b) (iv)

takes no responsibility for the contents of the placing documents or the annual report (as amended or restated from time to time) or the amendments to the annual report, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of placing document, pricing supplements, or the annual report (as amended or restated from time to time). Where changes are required to the Prospectus, the Prospectus shall be updated by the Issuer and must be approved by the JSE.

19.58(b)(i)  
4 and 5

*This Prospectus relates to an offer to qualifying investors only and not an offer to the public as contemplated in the Companies Act, 71 of 2008. Accordingly, the Prospectus has not been registered with the Companies and Intellectual Property Commission. The legal advisers, directors of the Company, experts, bankers and brokers whose names are included in this Prospectus have given and have not, prior to the issue of this Prospectus, withdrawn their written consents to the inclusion of their names in their capacities stated.*

Words used in this Prospectus shall have the same meaning as defined in the section headed "Interpretation" on pages 52 to 72 of this Prospectus, unless clearly inappropriate from the context.



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Auditor and Reporting Accountants

Originator and Sponsor

Legal Advisor to the Company

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Date of issue of Prospectus: 01 December 2015

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7.C.9

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**CORPORATE INFORMATION AND ADVISORS**

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<b>Company</b>	<b>Africa Funds Issuer Owner Trust</b>	19.58(b)(ii) 19.58(b)(v)
Africa ETF Issuer (RF) Limited Registration number: 2013/022008/06 32 Fricker Road, Illovo, 2196 (011) 415 4100 <a href="mailto:AfricaETF@standardbank.co.za">AfricaETF@standardbank.co.za</a>	Africa Funds Issuer Owner Trust Master's reference number: IT 1713/2013 32 Fricker Road, Illovo, 2196 (011) 530 8400	

<b>AfricaRhodium Security Trust</b>	<b>Sponsor</b>	7.B.13, 11.44
Africa Funds Rhodium Security Trust Master's reference number: IT 002897/2015 32 Fricker Road, Illovo, 2196 (011) 530 8400	The Standard Bank of South Africa Limited Registration number: 1962/000738/06 9th Floor, Standard Bank Centre 5 Simmonds Street, Johannesburg, 2001 (011) 721 6125	19.58(b)(ii) 19.58(b)(v)  7.B.13, 11.44

<b>Fund Administrator</b>	<b>Auditor</b>	7.B.13
Maitland Group South Africa Limited Registration number: 1981/009543/06 Mailand House 1, River Park, Gloucester Road, Mowbray, 7700 (021) 681 8000	PricewaterhouseCoopers Inc Registration number: 1998/012055/21 2 Eglin Road, Sunninghill, 2157 (011) 797 4000	

7.B.12

<b>Company Secretary</b>	<b>Participating Broker</b>
Maitland Group South Africa Limited Registration number: 1981/009543/06 32 Fricker Road, Illovo, 2196 (011) 530 8400	SBG Securities Proprietary Limited Registration number: 1972/008305/07 4th Floor, No 2 Exchange Square 85 Maude Street, Sandton (011) 415 7021 /18

7.B.13

<b>Bankers</b>	<b>Lawyers</b>
The Standard Bank of South Africa Limited Registration number: 1962/000738/06 9th Floor, Standard Bank Centre 5 Simmonds Street, Johannesburg, 2001 (011) 636 9111	Baker & McKenzie South Africa (Du Plessis, Van der Merwe Incorporated) (Registration number: 2012/047447/21) 4 Sandown Valley Crescent Sandton, 2196 (011) 911 4300

**Transfer Agent**

The Standard Bank of South Africa Limited  
Registration number: 1962/000738/06  
9th Floor, Standard Bank Centre  
5 Simmonds Street, Johannesburg, 2001  
(011) 721 8716

**Authorised Participant**

The Standard Bank of South Africa Limited  
Registration number: 1962/000738/06  
9th Floor, Standard Bank Centre  
5 Simmonds Street, Johannesburg, 2001  
(011) 415 8001  
[commoditytrading@standardbank.co.za](mailto:commoditytrading@standardbank.co.za)

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## SALIENT FEATURES AND OVERVIEW

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Exchange traded funds (ETFs) are passively managed and open ended funds that track the performance of a specific underlying security or commodity. The Company already conducts ETFs that track Gold, Platinum and Palladium and the Company is now establishing an ETF to track Rhodium. As with its other ETFs, in conducting the Rhodium ETF, the investment objective of the Company is for the AfricaRhodium Debentures to reflect the performance of the price of Rhodium, less the Monthly Charge. The AfricaRhodium Debentures are structured as non-interest bearing secured debentures and are fully backed by the physical Commodity, being Rhodium. The Company holds an amount of the relevant Commodity sufficient to fully hedge its liabilities under the AfricaRhodium Debentures from time to time, through the Custodian. The physical Rhodium is stored as sponge and kept in the vaults of the Custodian in authorised locations in terms of the Custody Agreement. The Company's obligations under the AfricaRhodium Debentures are guaranteed by the AfricaRhodium Security Trust in terms of the AfricaRhodium Security Trust Guarantee.

The Company will use the proceeds received by it (after deducting fees and expenses) from cash subscriptions for AfricaRhodium Debentures to purchase Rhodium, being the Commodity to which such Debentures relate. AfricaRhodium Debentures may be subscribed for in specie (by Qualifying Debenture Holders) by delivering the relevant physical Commodity to the Company's Unallocated or Allocated Account with the Custodian.

The AfricaRhodium Security Trust has guaranteed the Company's obligations under the AfricaRhodium Debentures referencing the relevant underlying Commodity. The Company has indemnified AfricaRhodium Security Trust against any claims against that Security Trust under and in accordance with the Guarantee issued by it. As security for its obligations under each Indemnity, the Company has entered into a Security Agreement with each Security Trust, in terms of which the Company provides Security to the relevant Security Trust over the Company's holding of the relevant underlying Commodity with the Custodian.

The AfricaRhodium Debentures are intended to offer investors an opportunity to participate in the Rhodium markets through an investment in guaranteed securities. The guarantee structure is separately backed by physical Rhodium. **The guaranteed securities limit investors' risk to i) the Company and ii) through the Company, any exposure that the AfricaRhodium Debenture Holders may have to other Debenture Holders.**

Historically, the logistics of buying, storing and insuring Rhodium have constituted a barrier to entry for some investors. The ownership of the AfricaRhodium Debentures is intended to overcome these barriers to entry. The logistics of storing Rhodium, as applicable, are dealt with by the Custodian, as custodian of the Company, and the related expenses are built into the fees charged by the Company in relation to the AfricaRhodium Debentures, as well as the Redemption Value of the AfricaRhodium Debentures at any time. Therefore, the investor does not have any additional tasks or costs over and above those associated with dealing in any other publicly traded security.

The AfricaRhodium Debentures are intended to provide investors with a secured, simple and cost-efficient means of gaining investment benefits similar to those of holding allocated Rhodium.

The AfricaRhodium Debentures offer an investment that is:

**Easily Accessible.** Investors can access the Rhodium market through a traditional brokerage account. Investors may therefore be able to more effectively implement strategic and tactical asset allocation strategies that use Rhodium by using the AfricaRhodium Debentures instead of using the traditional means of purchasing, trading and holding Rhodium.

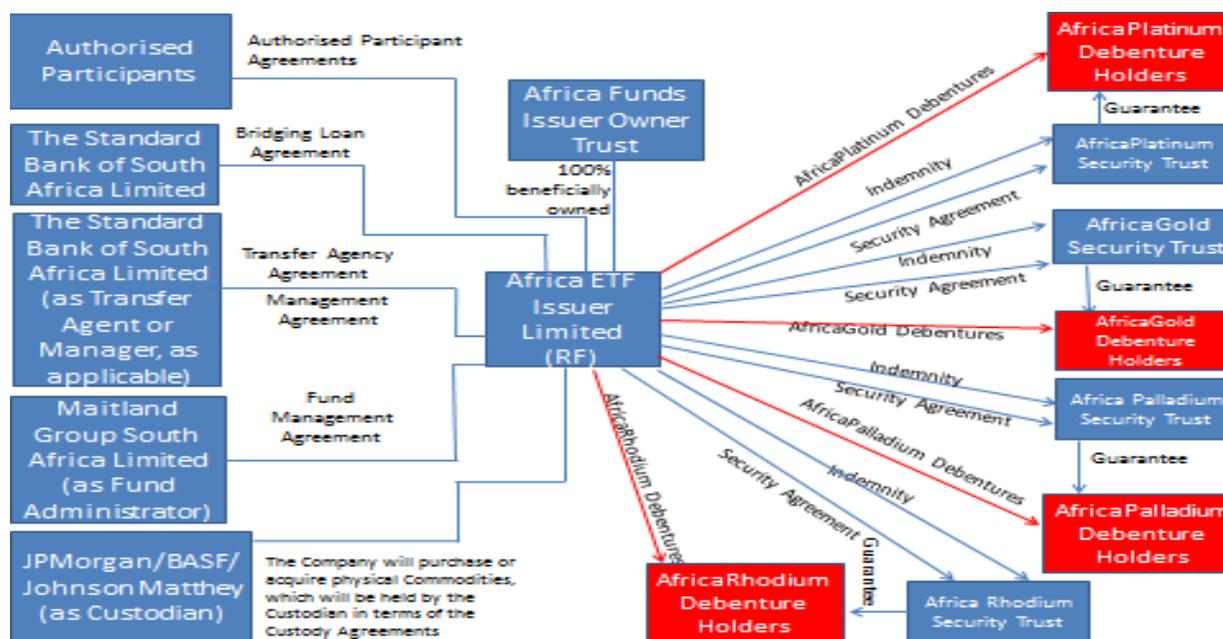
**Relatively Cost Efficient.** For many investors, transaction costs related to the AfricaRhodium Debentures will be lower than those associated with the purchase, storage and insurance of allocated Rhodium.

**Exchange Traded.** The AfricaRhodium Debentures trade on the JSE (although they may, at the discretion of the Company, be listed on any other exchange that the Company may deem appropriate), which will provide investors with an efficient means to buy and sell and implement a variety of investment strategies.

**Transparent.** The AfricaRhodium Debentures are backed by the physical Rhodium holdings of the Company. The Company does not hold or employ any derivative securities. Further, the Company's holdings of physical Rhodium and its value based on current market prices are reported on the website of the Manager on each Business Day. The NAV and Portfolio Composition File of the AfricaRhodium ETF will also be reported on the website of the Manager on each Business Day.

**Secured.** The AfricaRhodium Debentures are guaranteed by the AfricaRhodium Security Trust, which in turn has been provided with a secured right to the Company's Rhodium held with the Custodian.

The following diagram depicts the structure of the Company and the ETFs in existence as at the date of this Prospectus:



This Prospectus describes in greater detail the Company and its business, the terms and conditions of the AfricaRhodium Debentures to be issued by the Company, the custody arrangements with the Custodian pursuant to which Rhodium will be retained by the Custodian in safe custody for the Company, the Security Agreement with the AfricaRhodium Security Trust, the management and administration of the Company's Business by the Fund Administrator and the Manager and the basis on which the Initial Offer and any subsequent offers are made.

**Subscribing for and investing in the AfricaRhodium Debentures involves a significant degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge,**

**experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the AfricaRhodium Debentures and should not rely on receiving any advice from the Company, Sponsor or Manager in these regards. Investors should read carefully and ensure they understand the section entitled "Risk Factors" beginning on page 41 of this Prospectus for a description for some of the risks inherent in investing in AfricaRhodium Debentures.**

**Risk factors include:**

- (i) The Company is a special purpose vehicle with no assets other than its paid-up share capital, and the assets on which the Debentures are secured.
- (ii) Any investment in AfricaRhodium Debentures will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme.
- (iii) The value per AfricaRhodium Debenture and market price of AfricaRhodium Debentures may go down as well as up and future performance is not linked to past performance. The value per AfricaRhodium Debenture, secondary market price and the redemption amount of AfricaRhodium Debentures will primarily be affected by the performance, liquidity and price level of Rhodium, market perception and applicable foreign exchange rates.
- (iv) The Reference Quantity per Debenture is subject to the deduction of the Monthly Charge as calculated and accrued on a daily basis and settled monthly in arrears.
- (v) Investing in AfricaRhodium Debentures will not make an investor the owner of the relevant Rhodium.
- (vi) Prices of Commodities are generally more volatile than prices in other asset classes.
- (vii) As the underlying asset is a physical commodity, it does not earn any dividends or other cash yield. As such, the ETF instruments do not pay any distributions to security holders.
- (viii) Trading in foreign currency (ZAR/USD) and precious metal (rhodium) could be limited depending on the prevailing market conditions, including the supply and demand factors which dictate liquidity. Rhodium generally trades in smaller quantities and is less liquid than other traditional precious metals like gold and platinum. The market conditions could affect the ETF price in the secondary market or the ability to create or redeem AfricaRhodium Debentures in the primary market. Depending on the prevailing conditions in the foreign exchange market or rhodium market, the Company, the Sponsor, the Manager, Authorised Participant(s) and Market Maker(s) cannot guarantee that investors would be able to buy or sell AfricaRhodium Debentures nor that AfricaRhodium Debentures would be able to be created or redeemed as that will be determined by the underlying spot market(s).
- (ix) The Company and Security Trust are exposed to the credit risk of the Custodian and any sub-custodian and the Authorised Participants.
- (x) The secondary market price (if any) for AfricaRhodium Debentures may be substantially less than the price paid by the investor.
- (xi) In the event that any withholding tax or deduction is imposed on payments on the AfricaRhodium Debentures, the Debenture Holder will be subject to such tax or deduction and will not be entitled to receive compensation. No Event of Default will occur as a result of any such withholding or deduction.

- (xii) Certain events, such as where there is a disruption to the trading of or delay in published prices the relevant Commodity or foreign exchange rates, or where the Market Maker is not able to adequately protect or hedge its risk, may lead to a delay or inability; i) to provide markets in which to buy and sell the Debentures in the secondary market; or ii) create and redeem Debentures in the primary market; or iii) to a delay in calculation and publication of the Reference Quantity or NAV.
- (xiii) Conflicts of interest may exist or arise between the Standard Bank of South Africa (SBSA) acting in various capacities in relation to the AfricaRhodium Debentures and the Company and/or Debenture Holders.
- (xiv) Parties may engage in trading and market-making activities that may adversely affect the market price of and/or the value per AfricaRhodium Debenture.

## 1. Information about the Company

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### 1.1 Corporate details of the Company:

7.D.1(d)

The Company was incorporated in South Africa on 11 February 2013 in terms of the Companies Act, with registration number 2013/022008/06 for the specific purpose of conducting the ETFs. The Company was converted to a public company on 13 June 2013. The address of the Company's registered office is 32 Fricker Road, Illovo, Johannesburg.

7.A.1  
19.58(b)(i)  
(1) - (3)

The Company is a subsidiary of the Africa Funds Issuer Owner Trust. The Africa Funds Issuer Owner Trust is an independent trust which has been specifically established in South Africa on 4 June 2013 in terms of the Africa Funds Issuer Owner Trust Deed with the sole purpose of beneficially holding the entire issued share capital of the Company. The Africa Funds Issuer Owner Trust is the registered and beneficial owner of 120 ordinary shares in the issued share capital of the Company (constituting 100% of the issued shares in the Company). The Africa Funds Issuer Owner Trust is registered with the Master of the High Court of South Africa (South Gauteng High Court, Johannesburg) under reference number IT 1713/2013. The principal place of business of the Africa Funds Issuer Owner Trust is at 32 Fricker Road, Illovo, Johannesburg. The trustee of the Africa Funds Issuer Owner Trust is currently Maitland Group South Africa Limited.

7.A.2  
7.A.4  
7.A.27

The Company conducts the business of operating different ETF's each tracking different Commodities and has already issued and listed the AfricaGold Debenture, AfricaPalladium Debenture and the AfricaPlatinum Debenture in 2014. The Company has not held nor occupied any immovable or other property.

7.11(a)  
8.11(1)  
7.D.10(a) -(d )  
7.D.1(a)  
7.D.1(c)

SBSA will act as Manager and Transfer Agent for the Company. SBSA's registered address is 9<sup>th</sup> Floor, 5 Simmonds Street, Johannesburg.

### 1.2 Directors, other office holders and material third parties

#### Directors

7.F.6(e)

The full names, ages, occupation, business addresses, nationalities and qualifications of each director of the Company are set out in Annexure C.

7.B.1(a)  
7.B.2(a)  
7.B.2(b)  
7.B.2(c)  
7.B.2(d)  
7.B.3

None of the directors of the Company has:

- been involved in or has been subject to any bankruptcies, insolvencies or individual voluntary compromise arrangements;
- been involved in or subject to any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company; where such person is or was a director, with an executive function within such company at the time of, or within the 12 (twelve) months preceding, any such event(s);

7.B.2(f)  
  
7.B.2(g)

- been involved or subject to any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where he or she is or was a partner at the time of or within the 12 (twelve) months preceding such event(s); 7.B.2(h)
- been involved or subject to any receiverships of any of his or her asset(s) or of the assets of a partnership of which he or she is or was a partner at the time of, or within the 12 (twelve) months preceding, such event; 7.B.2(i)
- been subject to any public criticisms by statutory or regulatory authorities, including recognised professional bodies; 7.B.2(j)
- ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; 7.B.2(j)
- committed any offence involving dishonesty; 7.B.2(k)
- been removed from an office of trust on the grounds of misconduct and involving dishonesty; or 7.B.2(l)
- been subject to any court order declaring him or her delinquent or placing him or her under probation in terms of Section 162 of the Companies Act and/or Section 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) or disqualifying him or her to act as a director in terms of Section 219 of the Companies Act, 1973 (Act No. 61 of 1973). 7.B.2(m)

No director has any interest in any of the transactions concluded by the Company.

#### *Appointment of Directors*

In terms of the memorandum of incorporation of the Company, the Board must at all times comprise at least 4 (four) directors, 3 (three) of which will be elected and appointed (and from time to time replaced) by the Africa Funds Issuer Owner Trust. All directors appointed by the Africa Funds Issuer Owner Trust must be independent of the originator of the ETFs (i.e., SBSA) and the Manager. The fourth director of the Company is to be appointed (and from time to time replaced) by SBSA. 7.B.5, 7.B.6(a)

The memorandum of incorporation of the Company requires that each resolution passed by the Board must be passed with the approval of the independent directors and that no meeting of the Board will be quorate unless 2 (two) independent directors are present. The memorandum of incorporation of the Company does not require that any director or alternate director must hold qualifying shares in the Company.

Each of the directors is appointed for a term of 3 (three) years on a rotating basis.

#### *Remuneration of directors*

The directors shall not be paid any remuneration by the Company for their services as such but will be paid a fee by the Manager. 7.B.6(b), 7.B.7(a)-(k), 8.11(i), 7.B.6(c)

#### *Borrowing powers*

The borrowing powers of the directors are restricted in the memorandum of incorporation of the Company. The Company may not incur any liability or indebtedness other than as specifically provided for in the Transaction Documents. The relevant provision of the memorandum of incorporation of the Company is clause 31, which provides as follows: 7.A.12

31. **BORROWING POWERS**

31.1 *The Directors may from time to time:*

31.1.1 *borrow for the purpose of the Company such sums as they think fit (including through the issue of Debentures); and*

31.1.2 *secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of Debentures, other debt instruments, debentures, mortgage or charge upon all or any of the property or assets of the Company, including its uncalled or unpaid capital,*

7.A.13,  
7.B.11(a)

*subject to the limitations in Clause 5 and the other provisions of this Memorandum of Incorporation.*

The borrowing powers of the Company have not been exceeded at any time.

**Auditors, attorneys and bankers**

The auditors of the Company are PricewaterhouseCoopers Inc., having their business address at 2 Eglin Road, Sunninghill, 2157.

7.B.13

The bankers of the Company are The Standard Bank of South Africa Limited. Their registered address is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, 2001.

The attorneys of the Company are Baker & McKenzie South Africa, having their business address at 4 Sandown Valley Crescent, Sandton, 2196.

**Company Secretary**

7.B.12

The company secretary of the Company is Maitland Group South Africa Limited, whose business address is 32 Fricker Road, Illovo, 2196.

**Fund Administrator and Manager**

7.B.1(d)  
7.B.10

The Company has no employees (and is not permitted in terms of its memorandum of incorporation to have any employees) and, accordingly, the Company has concluded the Fund Management Agreement with Maitland Group South Africa Limited in terms of which Maitland Group South Africa Limited is appointed as Fund Administrator to provide certain administration and calculation agency services to the Company in connection with its business. The Company has also appointed SBSA as Manager and as Transfer Agent in terms of the Management Agreement and the Transfer Agency Agreement to provide certain management and transfer agency services to the Company in relation to the conduct of the Company's Business. Further details of each of the Fund Management Agreement, the Management Agreement and the Transfer Agency Agreement are set out in Section 1.7 (*Material Contracts*) below.

The address of the Fund Administrator's registered office is Maitland House 1, River Park, Gloucester Road, Mowbray, Cape Town.

The address of the Manager's registered office is 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, 2001.

In terms of the Fund Management Agreement, the Fund Administrator will be paid a monthly fee for undertaking the services in terms of the Fund Management Agreement. The Manager may be

paid a monthly fee for undertaking the services in terms of the Management Agreement. The Transfer Agent will be paid a monthly fee for undertaking the services in terms of the Transfer Agency Agreement. Further details of the services to be performed by the Fund Administrator in terms of the Fund Management Agreement, by the Transfer Agent in terms of the Transfer Agency Agreement and by the Manager in terms of the Management Agreement are set out in Section 1.7 (*Material Contracts*) below.

### **Business and prospects of the Company**

The Company is a special purpose public company. The business of the Company is to conduct ETFs, each tracking a different Commodity. The Company issues Debentures to qualifying investors in South Africa (and such other approved jurisdictions) and uses the proceeds of the Debentures to acquire the relevant Commodity, namely Rhodium from the proceeds of AfricaRhodium Debentures, platinum from the proceeds of AfricaPlatinum Debentures, gold from the proceeds of AfricaGold Debentures and palladium from the proceeds of AfricaPalladium Debentures. The Commodities acquired and held by the Company are held in safe custody by the Custodian for, on behalf and in the name of the Company in terms of the Custody Agreements. The Company will fund and defray its fees and expenses by selling an amount of Commodities at monthly intervals, thereby reducing (i) the Reference Quantity of Rhodium to which each AfricaRhodium Debenture is linked by a pro rata portion of the applicable Monthly Charge for the AfricaRhodium ETF, or (ii) the Reference Quantity of platinum to which each AfricaPlatinum Debenture is linked by a pro rata portion of the applicable Monthly Charge for the AfricaPlatinum ETF, or (iii) the Reference Quantity of palladium to which each AfricaPalladium Debenture is linked by a pro rata portion of the applicable Monthly Charge for the AfricaPalladium ETF and/or (iv) the Reference Quantity of gold to which each AfricaGold Debenture is linked by a pro rata portion of the applicable Monthly Charge for the AfricaGold ETF.

7.D.1

7.D.2

The Company, being a special purpose company, does not and will not have any employees. Accordingly, in terms of the Management Agreement, the Fund Management Agreement and the Transfer Agency Agreement, the Manager, the Fund Administrator and the Transfer Agent will manage and administer the business and affairs of the Company and will advise the Company in relation to the conduct of the Company's Business. Further details in relation to the Manager and the Management Agreement, the Fund Administrator and Fund Management Agreement and the Transfer Agent and the Transfer Agency Agreement are set out in Sections 1.2 (*Directors, other office holders and material third parties*) above and 1.7 (*Material Contracts*) below.

8.11(f)

The Company has no subsidiaries and, in terms of its memorandum of incorporation, is prohibited from acquiring any subsidiaries.

The Company has, prior to the Initial Offer, issued AfricaPlatinum Debentures, AfricaPalladium Debentures and AfricaGold Debentures. The Company has not held nor occupied any immovable or other property and has not, in addition, materially changed its stated business in its memorandum of incorporation during the past 3 (three) years.

7.A.8

7.B.16

7.B.17(a)

7.D.4

7.D.10

8.11(a)

8.11(b)

7.D.5

The directors of the Company are of the opinion that the business of the Company, conducted in accordance with the provisions of the Transaction Documents, will be viable on the basis set out in this Prospectus. In addition, the directors of the Company are of the opinion that the Company, through the appointment of the Manager and the Fund Administrator, has sufficient experience to issue the AfricaRhodium Debentures and to conduct the AfricaRhodium ETF on the basis set out in this Prospectus.

The Company does not own any immovable property or lease or occupy any premises and is prohibited in terms of its memorandum of incorporation from owning any immovable property or leasing or occupying any premises.

### 1.3 Share capital of the Company

The Company has an authorised share capital of 4,000 ordinary shares, of which 120 ordinary shares have been issued. All of the issued shares are beneficially owned by the Africa Funds Issuer Owner Trust.

8.11(e)  
7.D.8  
7.B.20  
7.A.25  
7.A.4

There has been no alteration of the capital of the Company during the 3 (three) years immediately preceding the date of this Prospectus. In addition, other than the Debentures, the Company has not offered securities to the public during the 3 (three) years immediately preceding the date of this Prospectus.

In terms of the memorandum of incorporation of the Company, the directors of the Company may not issue any further authorised shares in the Company without an Extraordinary Resolution of each Class of Debenture Holders authorising such issue.

### 1.4 No options or preferential rights in respect of shares

7.A.6(a)  
7.A.23

As at the date of this Prospectus, there are no agreements in place or any agreements proposed to be concluded whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for any shares of the Company.

### 1.5 No commissions paid or payable in respect of underwriting

The Initial Offer is not underwritten and accordingly no commissions are payable to any underwriter.

7.B.15

### 1.6 Security Arrangements

The Company's obligations under the AfricaRhodium Debentures are not secured by any of the assets of the Company (including any Commodity held by the Company from time to time), but the payment obligations of the Company under the AfricaRhodium Debentures are secured by the AfricaRhodium Security Trust binding itself under a Guarantee issued in favour of the AfricaRhodium Debenture Holders in respect of the AfricaRhodium Debentures as guarantor, guaranteeing the Company's obligations under the AfricaRhodium Debentures.

The AfricaRhodium Security Trust is a special purpose trust established in terms of the AfricaRhodium Security Trust Deed for the purposes of issuing a Guarantee in favour of the AfricaRhodium Debenture Holders and the creditors in respect of the AfricaRhodium ETF. As at the date of this Prospectus, the trustee of the AfricaRhodium Security Trust is Maitland Group South Africa Limited.

The AfricaRhodium Security Trust has issued a Guarantee in favour of the AfricaRhodium Debenture Holders and other creditors in respect of the AfricaRhodium ETF.

In terms of such Guarantee, the liability of the AfricaRhodium Security Trust is limited to the amount recovered under the Indemnity granted in its favour and the Security granted in respect thereof in terms of the relevant Security Agreement. In relation to each other Class of Debentures, the interests of the creditors will be represented by the corresponding Security Trust. In terms of the applicable Debenture Conditions, the relevant Security Trust is required to enforce

the Security granted to it on behalf of the creditors and issue an Enforcement Notice to the Company if called upon to do so by an Extraordinary Resolution of the Debenture Holders under that Class of Debentures. Creditors will not be able to enforce the Security themselves nor to take any action against the Company in respect of the Security or otherwise, nor to enforce claims against the Company except through the relevant Security Trust unless the Guarantee structure is not enforceable or the relevant Security Trust is sequestrated or fails to act within a reasonable time of being called upon to do so.

If the AfricaRhodium Security Trust is sequestrated, creditors shall be entitled to take action themselves to enforce claims directly against the Company by delivering an Enforcement Notice in respect of an AfricaRhodium Debenture but, in such circumstances, the applicable Security held by the AfricaRhodium Security Trust will be bypassed and thus no longer be effective as a means of achieving distribution of the Company's assets which relate to that AfricaRhodium Debenture in accordance with the relevant Priority of Payments.

## **1.7 Material Contracts**

The following material contracts have been entered into by the Company:

7.F.1(a)  
7.F.1(b)

### Management Agreement and Transfer Agency Agreement

The Company concluded the Management Agreement and the Transfer Agency Agreement with SBSA, as Manager and as Transfer Agent respectively, on 5 March 2014 and 24 October 2013.

The Manager will settle, on behalf of the Company, the Trustee, Custodian, audit, Transfer Agent, legal and other fees required to conduct the Company's Business on behalf of the Company from the proceeds of the Monthly Charge. In terms of the Management Agreement, the Company will pay the Manager a fee from the proceeds of the Monthly Charge, which the Manager may at its discretion waive. Neither the Manager nor any other service provider will be liable for the fees or liabilities of the Company under any circumstance.

In terms of the Management Agreement and the Transfer Agency Agreement, the Company has appointed the Manager and the Transfer Agent to provide certain services to the Company in connection with the Company's Business. In doing so, the Manager's functions will include:

- doing all things that may be necessary or desirable, within reason, in order to successfully conclude the Initial Offer, including liaising with the JSE in relation to matters arising out of or in connection with the Initial Offer;
- monitoring the performance of the Custodian in terms of the Custody Agreements;
- monitoring the performance of the Transfer Agent in terms of the Transfer Agency Agreement (in the event that the Manager is not the Transfer Agent);
- act as sponsor in terms of the JSE Listings Requirements;
- overseeing the issuing of Debentures by the Company from time to time;
- determining, in consultation with the Company and the Fund Administrator, the basis of allocation of the AfricaRhodium Debentures in the Initial Offer;

- monitoring the performance under the relevant Transaction Documents of all other counterparties to the Transaction Documents and reporting periodically to the Board in relation to such performance;
- liaising with the Company's other professional and transactional advisors, including, but not limited to, the Fund Administrator, the Transfer Agent, Authorised Participants, Market Makers, stockbrokers, auditors, attorneys and trustees;
- advising the Company in relation to any appointment or dismissal of professional and other advisers;
- liaising with the JSE or any other exchange, when necessary, regarding matters concerning the listing of the ETFs and the Debentures on the JSE or such other exchange, as applicable;
- procuring the appointment of one or more Market Makers in relation to the Debentures (whether any business division of the Manager or any third party);
- procuring the appointment of one or more Authorised Participants in relation to the Debentures (whether any business division of the Manager or any third party having all necessary consents, licences and approvals to perform the functions of an Authorised Participant in relation to the AfricaRhodium Debentures);
- obtaining all the required consents, approvals, licences, and authorisations in order to list the ETFs and the Debentures on the JSE or any other exchange and to operate the ETFs;
- acting as arranger with respect to the AfricaRhodium Debentures and perform the functions of an arranger, including:
  - marketing the AfricaRhodium Debentures to potential investors;
  - participating in road shows aimed at promoting the AfricaRhodium ETF and the AfricaRhodium Debentures to potential investors; and
  - utilising its existing distribution network to market the AfricaRhodium Debentures with the Manager's clients;
- liaising with the JSE and other exchanges on which the Debentures may from time to time be listed, with the Central Securities Depository and all regulatory bodies having jurisdiction over the Company and/or the Debentures;
- maintaining its website and publishing thereon all required information on behalf of the Company from time to time;
- generally ensuring compliance by the Company with all Applicable Laws;
- generally acting as Authorised Participant and Market Maker of last record in relation to the AfricaRhodium Debentures to establish and maintain a secondary market in the AfricaRhodium Debentures;
- transacting any required Commodity transaction on behalf of the Company as required, including disposing of the relevant Commodity in terms of a Redemption Notice and/or at monthly intervals so as to meet the obligations of the Company in respect of fees and expenses payable from time to time;

- transacting any required currency transactions on behalf of the Company as required;
- maintaining the Security Agreements and ensuring, on behalf of the creditors, that the required effect will be given to the security arrangements in terms of the Security Agreements; and
- publishing on SENS such information as required, including the total expense ratio of each ETF.

#### Fund Management

The Company concluded the Fund Management Agreement with Maitland Group South Africa Limited, as Fund Administrator, on 18 October 2013.

In terms of the Fund Management Agreement, the Company has appointed the Fund Administrator to provide certain administration and calculation agency services to the Company in connection with the Company's Business. In doing so, the Fund Administrator's functions will include:

- overseeing the issuing of Debentures from time to time;
- monitoring the fees and expenses payable by the Company from time to time and, where applicable, to publish through SENS any alterations necessary to the Monthly Charge in respect of each ETF, the Creation Fee and/or the Redemption Fee;
- acting as calculation agent in respect of the AfricaRhodium Debentures and the total expense ratio and the NAV;
- creating the Portfolio Composition File for each ETF at the close of trading on each Trading Day;
- providing the total expense ratio of each ETF;
- to maintain the Security Agreements and ensure that the required effect will be given on behalf of the creditors and in terms of the Security Agreement;
- providing certain administrative, bookkeeping and clerical advice and services to the Company to the extent not provided by the Company Secretary, including:
  - the maintenance of all Accounting Records;
  - opening and operating all bank accounts on behalf of and in the name of the Company;
  - liaising with the JSE and other exchanges on which the Debentures may from time to time be listed, with the Central Securities Depository and all regulatory bodies having jurisdiction over the Company and/or the Debentures; and
- generally ensuring compliance by the Company with all Applicable Laws.

#### Authorised Participant Agreement

In terms of the Authorised Participant Agreement, the Authorised Participant(s), will facilitate the creation and redemption of Blocks of Debentures on its own behalf, or for investors on whose

behalf it has agreed to act, and to facilitate the redemption of Blocks of Debentures on behalf of the Company when required.

As at the date of this Prospectus, the Company has concluded an Authorised Participant Agreement with SBSA dated 5 March 2014, in terms of which SBSA has been appointed as an Authorised Participant as part of its responsibilities as Manager.

The Manager will publish from time to time on its web page the names of other Authorised Participants with whom the Company has concluded an Authorised Participant Agreement.

#### Custody Agreements

The Company concluded a Custody Agreement with JPMorgan Chase Bank, N.A., a national banking association acting through its London branch in respect of the ETFs, other than the AfricaRhodium ETF, on 8 October 2013.

The Company concluded a Custody Agreement with Johnson Matthey PLC as Custodian in respect of the AfricaRhodium ETF. The company may conclude a similar such agreement with custody service providers in the future as the need arises.

The Custodian is responsible for safekeeping the physical holdings of Rhodium sponge owned by the Company. Only Authorised Participants may deposit and withdraw Rhodium from the custodial accounts. Any Rhodium deposited with the AfricaRhodium Custodian must meet the applicable Good Delivery Standards. The Custodian facilitates the transfer of the Rhodium into and out of the Company's Unallocated Accounts and is responsible for allocating Rhodium that meets the applicable Good Delivery Standards to the Company's Allocated Accounts.

#### Bridge Facility Agreement

In terms of the Bridge Facility Agreement, the Company is entitled to draw down amounts made available to it to maintain its corporate status and to meet its liabilities in respect of management fees, custodial fees and certain other fees and expenses payable by the Company under the Transaction Documents. The Company will also be able to draw down amounts under the Bridge Facility Agreement to fund any timing mismatches that may arise in relation to the payment of VAT and the receipt by the Company of VAT input credits from the South African Revenue Services or such other applicable revenue service.

The aggregate maximum amount that the Company will be entitled to draw down at any point in time under the Bridge Facility Agreement is, as at the date of this Prospectus, ZAR100,000,000. This maximum amount may be reviewed and adjusted from time to time to ensure that the Company is in a position to meet its VAT and other obligations.

Amounts drawn down by the Company and outstanding under the Bridge Facility Agreement from time to time will accrue interest at a rate equal to the SAFEX Overnight Rate or such other market-related rate at the time quoted to SBSA's top tier corporate clients for funding in Rand over similar tenors.

All amounts repayable by the Company to SBSA under the Bridge Facility Agreement will be paid in accordance with the Priority of Payments.

The facility extended under the Bridge Facility Agreement is available for draw down by the Company for a period of 6 (six) months and can be renewed thereafter as required for the purpose of maintaining the Company's Business.

## Indemnities and Security Agreements

The Company has granted an Indemnity in favour of each Security Trust, indemnifying that Security Trust against all and any claims, losses and liabilities which that Security Trust may suffer or incur as a result of or in connection with the Guarantee issued by such Security Trust.

As security for its obligations under each Indemnity, the Company has concluded a Security Agreement with each Security Trust, in terms of which the Company has granted Security in favour of the applicable Security Trust over all of the Company's rights, title and interest in and to the applicable Commodity held in the applicable Allocated Account and Unallocated Account. Upon any enforcement by the applicable Security Trust of its rights under the Security Agreement to which it is a party following the occurrence of an Event of Default, the applicable Security is to be realised by the Security Trust on behalf of the relevant creditors and to be applied in terms of the Priority of Payments.

## Other material contracts

Save for the Transaction Documents, no other material contracts have been entered into by the Company as at the date of this Prospectus.

## Non-material contracts

**Inspection Agreement:** an agreement concluded on 31 July 2013 between the Company and a reputable independent inspection company, providing that, on the instruction of the Manager, inspectors independently verify and confirm by way of inspection and testing that the Company's allocated Commodities are held by the Custodian, and that the allocated Commodities are of the quality and quantity as required by the Transaction Documents. The inspectors will report their findings to the Manager.

**Account Bank Agreement:** an agreement concluded on 23 October 2013 between the Company and SBSA, in its capacity as account bank, in terms of which the Company opens and maintains certain accounts with SBSA in relation to the ETFs, setting out the terms on which such accounts are to be maintained and operated.

### **1.8 Interest of directors and promoters**

No consideration has been paid by the Company to any person to induce that person to become a director of the Company or in connection with the promotion or formation of the Company.

### **1.9 Loans**

Other than the Debentures and the loan under the Bridge Facility Agreement, which are in each case described in this Prospectus, no material loans have been made to the Company and no loan capital is outstanding as at the date of this Prospectus.

The Company has not advanced any loan to any person as at the date of this Prospectus.

### **1.10 Securities issued or to be issued otherwise than for cash**

Other than the Debentures, no securities have been issued by the Company to any person for consideration other than cash within the 3 (three) years immediately preceding the date of this Prospectus.

7.A.15  
7.A.17  
7.A.19  
7.A.20  
7.A.21  
7.A.22  
7.C.8(c)  
7.D.9(e)  
8.11(b)  
8.11(c)  
8.11(d)

### 1.11 Immoveable Property

The Company does not own, hold or occupy any immovable property or other fixed assets and in terms of the memorandum of incorporation of the Company, the Company is prohibited from acquiring or occupying any immovable property.

7.D.6  
7.A.17

### 1.12 Amounts paid or payable to promoters

SBSA has been appointed in terms of the Management Agreement as both Manager and Sponsor of the Company. In terms of the Management Agreement, the Company will pay to SBSA a fee in respect of the management and other services SBSA shall provide as Manager of the Company which the Manager at its discretion may waive.

7.B.14  
7.B.18

### 1.13 Preliminary expenses and issue expenses

The aggregate estimated amount to be incurred by the Company in the form of preliminary and issue expenses in relation to the AfricaRhodium Debentures and the Initial Offer is ZAR[●], made up as follows and payable to the persons set out below:

7.B.17(a)  
7.B.17(b)

Preliminary and issue expenses	Amount	Person to whom payable
Attorneys' fees	ZAR 120,000.00 (excluding VAT and disbursements)	Baker & McKenzie
JSE Documentation and Listings fees	ZAR 75,559.25 (excluding VAT)	JSE
Reporting accountant fees	ZAR 45,000.00 (excluding VAT)	PricewaterhouseCoopers Inc.

## **2. Information about the Offered Securities and the security arrangements**

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### **2.1 Purpose of the offer**

The main purpose of the Initial Offer is for the Company to raise debt capital in order to acquire Rhodium as more fully described in this Prospectus. As such it would also afford potential investors the opportunity to invest in an ETF evidenced by debt instruments reflecting the price of a Commodity from time to time. The minimum amount required to be raised by the Company pursuant to the Initial Offer is ZAR10 million. However, should the minimum amount as set out above not be raised, the Company may elect to waive such minimum amount requirement at its sole discretion. The Company is the ultimate borrower of the funds raised pursuant to the issue of the AfricaRhodium Debentures.

7.C.1

7.C.8

### **2.2 Time and date of the opening and of the closing of the offer**

The Initial Offer opens at 09h00 on the applicable date and closes at 10h00 on the same date. The salient times for the Initial Offer in respect of the AfricaRhodium ETF are as follows:

#### **AFRICARHODIUM ETF**

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Opening date of the Initial Offer: 02 December 2015, 09h00

7.C.4

Closing date of the Initial Offer: 02 December 2015, 10h00

7.C.5

Announcement of Offer Price in respect of Initial Offer: 02 December 2015

Listing date: 04 December 2015

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### **2.3 Particulars of the offer**

#### *Debentures*

7.C.2(e)

7.C.2(f)

The AfricaRhodium Debentures will be issued by the Company in the form of fully paid up and freely transferable debentures as contemplated in the Companies Act. The AfricaRhodium Debentures will be subject to the terms and conditions set out in the AfricaRhodium Debenture Conditions attached to this Prospectus as Annexure A. The AfricaRhodium Debentures will not bear interest and, will rank *pari passu* amongst each other. An AfricaRhodium Debenture will only evidence the financial indebtedness of the Company to the relevant AfricaRhodium Debenture Holder (the amount of which will be dependent on the value at any point in time of the Reference Quantity of Rhodium to which such AfricaRhodium Debenture is linked) and will not grant or constitute any ownership, right or beneficial or other interest in or to any underlying Commodity. An AfricaRhodium Debenture Holder will, accordingly, not have or acquire any ownership, right or beneficial or other interest in or to any underlying Rhodium held by the Company from time to time.

7.C.2(a)

7.C.3(a)

7.C.3(b)

### *Secured*

The AfricaRhodium Debentures will constitute senior, secured obligations of the Company.

### *Enforcement*

After the AfricaRhodium Security Trust has given an Enforcement Notice to the Company, declaring the AfricaRhodium Debentures to be due and payable, the AfricaRhodium Security Trust shall realise the relevant Security granted in favour of it and use the funds recovered from such realisation to make payments to the relevant creditors (including the relevant AfricaRhodium Debenture Holders) in the order of the Priority of Payments and on the basis that a creditor that ranks subsequent to any other creditors in the Priority of Payments will not be paid unless and until all creditors which rank prior to it in the Priority of Payments have been paid all the amounts then due and payable to them by the Company in full. In the event that the AfricaRhodium Security Trust is sequestrated or fails to act within 90 (ninety) days from the occurrence of an Event of Default, the creditors can deliver an Enforcement Notice to the Company and proceed against the Company directly.

### *Security Structure*

The AfricaRhodium Debentures will be obligations of the Company only. In relation to each AfricaRhodium Debenture, the Priority of Payments will apply, and creditors of the Company (including the AfricaRhodium Debenture Holders) will be paid in accordance with the priority set out in the relevant Priority of Payments. In relation to the AfricaRhodium ETF, the AfricaRhodium Security Trust has bound itself under the Guarantee to each AfricaRhodium Debenture Holder and other creditors in respect of the AfricaRhodium ETF. Pursuant to such Guarantee, the AfricaRhodium Security Trust will undertake in favour of each AfricaRhodium Debenture Holder and each relevant creditor to pay to it the full amount then owing to it by the Company, if an Event of Default should occur, in accordance with the relevant Priority of Payments. The maximum aggregate liability of the AfricaRhodium Security Trust pursuant to the Guarantee issued by it will, however, be limited to the aggregate proceeds realised by the Security Trust from the enforcement of the Security granted in favour of it. Payment of amounts due by the AfricaRhodium Security Trust pursuant to the Guarantee will be made strictly in accordance with the Priority of Payments, such that AfricaRhodium Debenture Holders and creditors in respect of the AfricaRhodium ETF will be paid all amounts then due and payable to them from proceeds realised by the AfricaRhodium Security Trust upon enforcement of its rights under the Security Agreement to which it is a party and hence from the linked Commodity that the AfricaRhodium ETF references, being Rhodium.

### *Number of securities to be issued*

The Initial Offer comprises an offering of AfricaRhodium Debentures referencing a maximum of 1,000,000 fine troy ounces of Rhodium, at the Offer Price for AfricaRhodium Debentures to qualifying investors in South Africa. The Company reserves the right (at its sole discretion) to increase or decrease the maximum fine troy ounces of the Rhodium referenced by the AfricaRhodium Debentures for purposes of the Initial Offer.

7.C.2(c)  
7.A.14

The AfricaRhodium Debentures will be issued in denominations linked to the value of the Initial Quantity of the Rhodium in accordance with the AfricaRhodium Debenture Conditions attached to this Prospectus as Annexure A.

Following the Initial Offer, there is no limit to the number of AfricaRhodium Debentures to be issued, save that the Company may not, without further approval by the South African Reserve Bank, issue AfricaRhodium Debentures referencing more than 1,000,000 fine troy ounces of Rhodium. The Company reserves the right to limit the number of AfricaRhodium Debentures to be created depending on the prevailing market conditions and the availability of Rhodium. Further details in relation to Subsequent Issues of AfricaRhodium Debentures are set out in Section 4.2 (*Subsequent creations*).

The creation and redemption feature of the AfricaRhodium Debentures enables new AfricaRhodium Debentures to be created and for existing AfricaRhodium Debentures to be redeemed at any time. The Company reserves the right to limit the number of AfricaRhodium Debentures to be created or redeemed depending on the prevailing market conditions.

7.B.2(a)  
7.C.2(d)

#### *Offer Price*

The Offer Price for each AfricaRhodium Debenture will be based on the value of the Initial Quantity of Rhodium to which that AfricaRhodium Debenture is linked as at the Issue Date thereof. Accordingly, any increase in the price of Rhodium between the date of this Prospectus and the Issue Date of an AfricaRhodium Debenture will result in an increase in the Offer Price.

The Offer Price is expected to be in the region of ZAR 100.00 to ZAR 120.00 per AfricaRhodium Debenture. However, there is no guarantee that the price of Rhodium will not change between the date of this Prospectus and the Issue Date of the relevant AfricaRhodium Debentures. Any change in the price of Rhodium will affect the Offer Price, which may be higher or lower than the range set out above. The actual Offer Price for the AfricaRhodium Debentures as at the Issue Date will be published on SENS.

#### *Other conditions of offer*

The full Offer Price for each AfricaRhodium Debenture is payable in full, in Rand, without any deduction or set-off on the Issue Date of such AfricaRhodium Debenture.

An AfricaRhodium Debenture will only be issued if the Conditions to Issue have been fulfilled.

Details of the procedures for the application for AfricaRhodium Debentures are set out in Section 4 (*Additional Material Information*) of this Prospectus.

#### *Redemption*

7.C.2(g)

An AfricaRhodium Debenture Holder may, by delivering a Redemption Notice to the Company in the prescribed form, redeem an AfricaRhodium Debenture held by it at any time, provided that an AfricaRhodium Debenture may only be redeemed on a Trading Day and as part of 1 (one) or more Blocks. An AfricaRhodium Debenture Holder is required to give the Company not less than 5 (five) Trading Days' notice of such redemption in line with the JSE settlement cycles. Any Redemption Notice delivered by an AfricaRhodium Debenture Holder is irrevocable and an AfricaRhodium Debenture Holder will be obliged to redeem its AfricaRhodium Debenture following the delivery of such notice.

The Company is entitled to require the redemption of the AfricaRhodium Debentures issued in relation to the AfricaRhodium ETF if:

- any of the Transaction Documents become illegal or unenforceable and such illegality or unenforceability cannot be remedied through reasonable measures; or

- as a result of any change to or amendment of the application or interpretation of any existing or future law:
  - the Company is required to make any withholdings or any deduction from payments to be made under the AfricaRhodium Debentures and such requirement cannot be avoided through reasonable measures available to the Company; or
  - there is otherwise a change to the Tax structure of that AfricaRhodium ETF, which increases the Company's Tax burden; or
- the Company is unable to find a suitable custodian to hold its physical holding of the Rhodium; or
- if at any time after the first anniversary of the first Issue Date of the AfricaRhodium Debentures issued, the NAV of the AfricaRhodium ETF is less than ZAR100,000,000; or
- the Manager deems the continued operation of AfricaRhodium ETF unsustainable due to prevailing market conditions, including but not limited to the trading, liquidity and availability of Rhodium; or
- all the AfricaRhodium Debentures issued in relation to the AfricaRhodium ETF are delisted.

In any such eventuality, the Company is required to give the AfricaRhodium Debenture Holders not less than 30 (thirty) days' and not more than 90 (ninety) days' written notice of such redemption. The Company is also entitled to redeem AfricaRhodium Debentures held by a specific AfricaRhodium Debenture Holder in the event that the Company is reasonably of the view that the investment by such AfricaRhodium Debenture Holder in the AfricaRhodium Debentures may result in the Company falling foul of the provisions of the Financial Intelligence Centre Act, 38 of 2001 (as amended), or any other Applicable Law.

Upon the occurrence of an Event of Default, the Company will advise the AfricaRhodium Debenture Holders of the occurrence of such event and will, if requested to do so by AfricaRhodium Debenture Holders by an Extraordinary Resolution to that effect, be obliged to redeem all the AfricaRhodium Debentures at their Redemption Value at the date of the occurrence of such Event of Default.

Further details of the procedures for the redemption of AfricaRhodium Debentures are set out in Section 4 (*Additional Material Information*) of this Prospectus.

### **3. Statements and Reports Relating to the Offer**

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#### **3.1 Adequacy of capital**

The directors of the Company are of the opinion that, after the issue of the AfricaRhodium Debentures, the issued capital of the Company together with the amount to be raised pursuant to the Initial Offer, will be adequate for the purposes of the business of the Company as described in this Prospectus for at least 12 (twelve) months after the date of this Prospectus.

#### **3.2 No material changes**

There have been no material changes in the financial and trading position of the Company since 28 February 2015, being the date of the latest published Financial Statements of the Company preceding this Prospectus.

#### **3.3 Listing on stock exchange:**

The JSE has approved the listing of the AfricaRhodium Debentures in the "Exchange Traded Funds" sector of the JSE list under the abbreviated name "AfricaRHO", symbol "ETFRHO" and ISIN Code ZAE000210787.

The listing of the AfricaRhodium Debentures is expected to be effective from the commencement of business on 04 December 2015.

7.B.18,  
7.B.19,  
7.C.8(a),  
7.D.9(a) -  
(g)

#### **3.4 No business undertaking to be acquired**

No part of the proceeds of the issue of the AfricaRhodium Debentures or any other funds are to be applied directly or indirectly by the Company towards the purchase of any business undertaking.

#### **3.5 No subsidiaries to be acquired**

No part of the proceeds of the issue of the AfricaRhodium Debentures are to be applied in any manner, whether directly or indirectly, resulting in the acquisition by the Company of securities of any other juristic person, with the direct or indirect result that the other juristic person will become a subsidiary of the Company. In terms of the Company's memorandum of incorporation, the Company is prohibited from acquiring any subsidiaries.

7.B.18,  
7.C.8(a)

#### **3.6 Financial information of the Company**

A complete set of the financial statements for the year ended 28 February 2015 (prepared in accordance with IFRS) is available for inspection by investors during normal office hours at the offices of the Company or is available on the website maintained by the Manager <http://www.standardbank.com>.

7.E.1  
7.E.2

After due and careful enquiry and consideration, carried out without the involvement of the auditors of the Company and the Board is satisfied that there has been no material change in the financial or trading position of the Company since the date of the latest published financial statements of the Company preceding this Prospectus.

## **4. Additional Material Information**

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### **4.1 Procedures for Applications in respect of the Initial Offer**

#### *Pre-requisite for investing*

In order to invest in AfricaRhodium Debentures, prospective investors are required to have opened a stockbroking account or an account with a CSDP and to have complied with their FICA obligations in respect thereof.

#### *How much can I invest?*

Applications for AfricaRhodium Debentures must be based on the total quantity of Rhodium or the total monetary amount an Applicant wishes to invest in AfricaRhodium Debentures.

The minimum application in the case of cash subscriptions is ZAR1,000,000 and in the case of in specie subscriptions is 250 fine troy ounces of Rhodium and there is no maximum application. In specie applications must be subscribed for in 1 (one) or more Blocks. All cash applications must be in multiples of ZAR500,000.

#### *How do I invest?*

A prospective investor wishing to subscribe for AfricaRhodium Debentures must deliver a completed application to his or her broker, Authorised Participant or a Market Maker to be submitted on his or her behalf.

AfricaRhodium Debentures can be subscribed for in cash or in specie. However, only Qualifying Applicants may apply to subscribe for AfricaRhodium Debentures in specie.

In the case of:

- cash subscriptions, the Applicant should indicate in his or her Application that such application is for a cash subscription for AfricaRhodium Debentures; or
- in specie subscriptions, the Qualifying Applicant should indicate in his or her Application that such Application is for an in specie subscription of AfricaRhodium Debentures.

An Applicant should deliver his or her Application to his or her broker, Authorised Participant, a Market Maker or the Participating Broker by electronic means for submission to the Company's CSDP.

An Applicant, by instructing its broker, Authorised Participant, the Market Maker or the Participating Broker to submit an Application, will be deemed to have offered to acquire the maximum number of AfricaRhodium Debentures that may be applied for with the relevant Rand amount or quantity, as applicable, specified in the Application. All applications for the Initial Offer will be made on the terms and conditions set out in this Prospectus and the annexures hereto. Application may only be made for AfricaRhodium Debentures in Dematerialised form and Applicants may be called upon for evidence of their authority or capacity to apply for AfricaRhodium Debentures.

### *Payments and delivery*

For cash subscriptions, each Applicant is required to pay the full subscription price specified in his or her Application when submitting an Application.

For in specie subscriptions, each Qualifying Applicant is required to deposit the amount of Rhodium specified in his or her Application into the Company's Unallocated Account with the Custodian (together with an instruction to the Custodian to deliver that Rhodium to the Company's Allocated Account should his or her application be successful) at the same time that the Qualifying Applicant submits his or her Application to his or her broker or to an Authorised Participant, the Market Maker or the Participating Broker.

Each Qualifying Applicant in respect of in specie subscriptions will also be required to provide, with its Application, confirmation that it is in possession of all necessary licenses, consents and approvals to buy, own and be in possession of and/or otherwise deal in Rhodium to which the AfricaRhodium Debentures applied for are linked.

Investors should be aware that, should their Applications be successful, the applicable Creation Fee will be deducted from any payment accompanying their Application and, accordingly, only the net amount will be invested in AfricaRhodium Debentures. In respect of in specie subscriptions, Applicants are required to pay all applicable costs, fees, taxes and the relevant Creation Fees in cash, which payment must accompany their Application. Please see Section 4.8 (*Creations and Redemption Fees*) below for further detail in relation to the Creation Fee.

### *Representative*

Any person applying for or accepting an offer of AfricaRhodium Debentures on behalf of another shall be deemed to have represented to the Company that such person is duly authorised to do so and warrants that it and the purchaser for whom it is acting as agent is duly authorised to do so in accordance with all Applicable Laws and such person guarantees the payment of the Offer Price and that a copy of this Prospectus was in the possession of the relevant purchaser for whom it is acting as agent.

### *Allocation*

The basis of allocation of the AfricaRhodium Debentures in the Initial Offer will be determined by the Manager in its sole discretion. Applications may be accepted or rejected in whole or in part and therefore Applicants may receive no AfricaRhodium Debentures or fewer AfricaRhodium Debentures than envisaged by the Applicant when making his or her application. Applications may be rejected for non-compliance with the Financial Intelligence Centre Act, 38 of 2001, for failure to comply with the time periods for applications stipulated in this Prospectus and in the event of over subscription. However, a successful Applicant will not receive an allocation of a lesser number of AfricaRhodium Debentures than any other successful Applicant that applied for the same or a lesser number of AfricaRhodium Debentures.

If no part of an application is accepted, all of the Rhodium deposited and/or money paid on application will be returned without interest. If an application is accepted in part only:

- in respect of applications for cash subscriptions, the balance of the money paid on application will be returned (without interest) by electronic funds transfer and accordingly each Applicant is requested to specify a bank account for such purpose in its Application. The bank account specified must be that of the Applicant and no third party payments

will be made. The relevant Applicant will bear the risk of loss in relation to any funds returned; and

- in respect of applications for in specie subscriptions, the balance of the Rhodium deposited will be returned through the Custodian. The relevant Applicant will bear the risk of loss in relation to any funds or Rhodium returned.

(a) Applications for Cash Subscriptions

*Letters of Allocation and Confirmation*

Following the close of the Initial Offer, the Company will issue Letters of Allocation or confirmation via electronic mail message to the successful Applicants in respect of the subscriptions received from such successful Applicants. The Letters of Allocation will not be listed on the JSE and will not be transferable. However, such Applicants' statements at the Central Securities Depository will reflect the holding specified in these Letters of Allocation.

*Issue of Debentures*

Applicants will be informed of the number of AfricaRhodium Debentures allocated to them by their CSDP, broker or Authorised Participant (as may be applicable). AfricaRhodium Debentures will then be issued to holders of the Letters of Allocation in accordance with the number of AfricaRhodium Debentures allocated as described above.

If, after an Applicant's application for AfricaRhodium Debentures is accepted, there is a surplus subscription amount that is insufficient to purchase an AfricaRhodium Debenture, the balance of the money paid by the Applicant will be returned to the Applicant without interest. If, after the issue of the AfricaRhodium Debentures under the Initial Offer, it transpires that an Applicant's cash subscription (net of the Creation Fee) is not an exact multiple of the Offer Price under the Initial Offer, then the Applicant shall be issued with so many AfricaRhodium Debentures as may be fully paid-up out of his or her subscription allocation (less the Creation Fee) and the balance of the Applicant's cash will be returned to the Applicant without interest. Such amounts returned shall be paid by electronic funds transfer and accordingly each Applicant is required to specify its bank account details for such purpose in its Application. The bank account specified must be that of the Applicant and no third party payments will be made. The Applicant bears the full risk of loss in relation to any funds returned.

*Applicant's CSDP*

Each Applicant must, as soon as possible after the issue of the Letters of Allocation, forward to its CSDP or broker all information required by that CSDP or broker and must instruct its CSDP or broker to pay against the issue of the Letters of Allocation the aggregate Offer Price to the designated account of the Company or Authorised Participant. Such information and instructions must be confirmed to the Applicant's CSDP or broker.

Accordingly, each Applicant must (together with its Application) place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment against the issue of the Letters of Allocation in accordance with the Applicant's agreement with its CSDP.

The Applicant's CSDP must commit in the Central Securities Depository System to the receipt of the AfricaRhodium Debentures against payment free of value.

### *Issue*

On the Issue Date, which is expected to be 2 (two) Business Days after the closing date of the Initial Offer, the AfricaRhodium Debentures will be credited to the Applicant's CSDP or broker upon payment of the Central Securities Depository settlement loans which occur throughout the day.

### (b) Applications for In Specie Subscriptions

#### *Blocks*

Qualifying Applicants subscribing for AfricaRhodium Debentures in specie will be obliged to subscribe for AfricaRhodium Debentures in 1 (one) or more Blocks and will be required to deposit the Rhodium with the Custodian together with an instruction that such Rhodium is to be transferred to the Unallocated Account of the Company.

#### *Determination of Debentures to be issued*

Prior to the close of trading on the Trading Day preceding the Issue Date in respect of the Initial Offer, the Manager (or its duly appointed agent) will determine and specify the number of AfricaRhodium Debentures to be issued for the following Trading Day. The computation is made by the Manager as promptly as practicable based on the Reference Quantity for the following Trading Day.

If an Application is accepted, the Qualifying Applicant will receive an acknowledgment confirming that the Application has been accepted. Qualifying Applicants will be informed of the number of AfricaRhodium Debentures allocated to them by their CSDP or Manager or Authorised Participant or broker (as applicable). If, after the application is accepted, there is a surplus subscription amount (being either in the form of Rhodium or cash) the balance of Rhodium or Creation Fees paid by the Applicant will be returned to the Qualifying Applicant, without interest. If, after the issue of the AfricaRhodium Debentures under the Initial Offer, it transpires that a Qualifying Applicant's subscription (net of the Creation Fee) is not an exact multiple of the Offer Price under the Initial Offer, then the Qualifying Applicant will be issued with so many AfricaRhodium Debentures as may be fully paid out of the subscription allocation (less the Creation Fee) and the balance of the Qualifying Applicant's cash and/or Rhodium (as may be applicable) will be returned to the Applicant without interest.

#### *Applicant's CSDP*

Each Qualifying Applicant must, as soon as possible after being informed by its CSDP, Authorised Participant, Manager or broker that its Application has been successful, whether in whole or in part, forward to its CSDP, Authorised Participant, Manager or broker all information required by that CSDP, Authorised Participant, Manager or broker and must instruct the Custodian to deliver to the Company that quantity of the underlying Rhodium as is necessary to set-off against the Offer Price to the Allocated Account of the Company. Such information and instructions must be confirmed by the Qualifying Applicant's CSDP, Authorised Participant, Manager or broker by no later than the close of trading on the Trading Day prior to the Issue Date.

Accordingly, each Qualifying Applicant must (together with its Application) ensure that its CSDP commits in the Central Securities Depository's System to receipt of the AfricaRhodium Debentures against confirmation of the transfer of Rhodium to the Company.

## *Issue*

On the Issue Date, the AfricaRhodium Debentures will be credited to the Qualifying Applicant's CSDP or broker upon payment of the Central Securities Depository settlement loans which occur throughout the day.

### **4.2 Subsequent creations**

The Company creates and redeems AfricaRhodium Debentures on a continuous basis but only for whole Blocks. The Company reserves the right to limit the number of AfricaRhodium Debentures to be created depending on the prevailing market conditions and the availability of Rhodium. Any person wishing to subscribe for AfricaRhodium Debentures after the Initial Offer can do so by contacting an Authorised Participant or Participating Broker and completing a Creation Notice (Annexure E). As of the date of this Prospectus, SBSA has been appointed as Authorised Participant. A list of all the approved Authorised Participants will be published on the website of the Manager on behalf of the Company. In respect of any Subsequent Issue of AfricaRhodium Debentures, only an Authorised Participant may deposit, subscribe for and receive Blocks of AfricaRhodium Debentures in specie after having deposited Rhodium with the Custodian for the benefit of the Company. The Transfer Agent will deliver the appropriate number of Blocks to the CSDP account of the subscribing Authorised Participant or the investor directly at the Manager's discretion and notice. Allocated Rhodium deposited with the Custodian by Authorised Participants must meet the applicable Good Delivery Standards and must be Locally Sourced. Authorised Participants are required to provide the necessary proof, at the request of the Company, that the Rhodium was Locally Sourced (including but not limited such required documentary proof necessary for verification of origin or batch number or the assay certificate of a refiner situated). If the Authorised Participant does not have an account with the Custodian, but with another clearer or custodian, it must ensure that delivery of Rhodium to the Custodian from such clearer or custodian is executed free of fees, costs, charges and taxes.

Before making a deposit, the Authorised Participant must deliver to the Manager and the Transfer Agent an electronic purchase order indicating the relevant information, including the number of Blocks it intends to acquire, if the deposit will be unallocated or allocated. The Block Commodity Amount is determined by the Reference Quantity of the AfricaRhodium Debentures on the date the Transfer Agent receives the order for delivery in accordance of the exchanges settlement cycle. Orders received by the Manager and the Transfer Agent on or after 09h00 on a Trading Day, or on a day other than a Trading Day, shall be deemed to be received at the opening of business on the immediately succeeding Trading Day. The Company has entered into Custody Agreements with the Custodian which contain arrangements for the Rhodium to be delivered in Royston, England, or at other location that may be authorized from time to time.

The amount of Rhodium required to be deposited with the Custodian for the creation of a Block changes from day to day. At initial issue, a Block of AfricaRhodium Debentures represented 250 fine troy ounces of Rhodium.

On each Trading Day, the Fund Administrator adjusts the Block Commodity Amount for a Block of AfricaRhodium Debentures as appropriate to reflect sales of Rhodium and accrued expenses. The computation is made by the Fund Administrator as promptly as practicable based on the Rhodium Reference Price. The Fund Administrator determines the Block Commodity Amount for a given Trading Day by multiplying the Reference Quantity of the AfricaRhodium ETF by the number of AfricaRhodium Debentures in each Block (i.e., 25,000) less accrued expenses and dividing the resulting product by that day's Rhodium Reference Price, multiplied by the ruling

Rand/US Dollar exchange rate quoted by Bloomberg or such other reputable source at the time of the start of the Rhodium Reference Price, determined by the Fund Administrator and confirmed by the Manager. Fractions of a fine ounce of Rhodium smaller than 0.001 fine troy ounce are disregarded for purposes of the computation of the Block Commodity Amount for the AfricaRhodium Debentures. The Block Commodity Amount for a Class of AfricaRhodium Debentures so determined is communicated to all Authorised Participants, and available on the Manager's website for the AfricaRhodium Debentures, being: [www.standardbank.co.za/cib](http://www.standardbank.co.za/cib).

#### **4.3 Procedures for Redemption**

An AfricaRhodium Debenture Holder may, by delivering a Redemption Notice to the Company through an Authorised Participant, its CSDP, its broker or the Participating Broker in the prescribed form, redeem an AfricaRhodium Debenture held by it at any time, provided that an AfricaRhodium Debenture may only be redeemed on a Trading Day on the JSE and as part of 1 (one) or more Blocks. Authorised Participants, acting on authority of the AfricaRhodium Debenture Holder, may surrender 1 (one) or more Blocks in exchange for the corresponding Block Commodity Amount as calculated by the Fund Administrator.

An AfricaRhodium Debenture Holder is required to give the Company not less than 5 (five) Trading Days' notice of such redemption.

All AfricaRhodium Debentures will be redeemed at their Redemption Value as at the Redemption Date thereof in accordance with the Priority of Payments. The Redemption Value in respect of a Block will be calculated having regard to the Sale Proceeds realised (in the event where a Delivery Option is not exercised) or the Sale Proceeds that would have been realised at the Rhodium Reference Price (in the event of an exercise of a Delivery Option) through the sale by the Authorised Participant (on behalf of the Company) of the Block Commodity Amount on the relevant Redemption Date thereof. Fractions of a fine ounce of Rhodium included in the Block Commodity Amount smaller than 0.001 of a fine troy ounce are disregarded. The Reference Quantity of an AfricaRhodium Debenture on redemption will be less than the Initial Quantity as it will take into account the Monthly Charge for the AfricaRhodium ETF.

All redemptions of AfricaRhodium Debentures will be conducted in compliance with the JSE Listings Requirements. Redemptions may be suspended (i) during any period in which regular trading on the JSE is suspended or restricted or the exchange is closed (other than scheduled holiday or weekend closings), or (ii) as a result of which delivery, disposal or evaluation of Rhodium is not reasonably practicable, or (iii) for any period during which the delivery, disposal or evaluation of USD/ZAR currency exchange is not reasonably practicable, or (iv) for such other period as the Manager determines to be necessary for the protection of AfricaRhodium Debenture Holders.

##### *Redemption Notice*

Should an AfricaRhodium Debenture Holder wish to redeem its AfricaRhodium Debentures in accordance with the AfricaRhodium Debenture Conditions, the AfricaRhodium Debenture Holder will be required to deliver a Redemption Notice to the Authorised Participant, its CSDP, its broker or the Participating Broker who shall on-deliver such Redemption Notice to the Manager and the Transfer Agent. The Redemption Notice must indicate the number of Blocks that are to be redeemed and must state the date on which such redemption is to take place.

Redemption Notices that are received by the Company's CSDP prior to 09h00 on any Trading Day will be deemed to have been received on and will be dealt with on that Trading Day.

Redemption Notices received after that time will be deemed to have been received on and will be dealt with on the succeeding Trading Day.

Any Redemption Notice delivered by an AfricaRhodium Debenture Holder is irrevocable and an AfricaRhodium Debenture Holder will be obliged to redeem its AfricaRhodium Debenture following the delivery of such notice.

#### *Payments on Redemption*

All monies paid out by the Company pursuant to the redemptions of AfricaRhodium Debentures will be paid in accordance with the Priority of Payments.

Where the Delivery Option (as described below) is not exercised simultaneously with the redemption of AfricaRhodium Debentures, the Authorised Participant shall sell the relevant Block Commodity Amount on behalf of the Company in the spot market.

All monies due to be paid out by the Company pursuant to the redemptions of AfricaRhodium Debentures, where the Delivery Option (as described below) is not exercised simultaneously with the redemption of AfricaRhodium Debentures, will be paid by the Company to the AfricaRhodium Debenture Holder on a date that is not more than 5 (five) Trading Days following the date of sale of all the relevant Block Commodity Amount by the Authorised Participant on behalf of the Company as aforementioned. Each AfricaRhodium Debenture Holder should be aware of the risks associated with the sale of the relevant Block Commodity Amount in the spot market including, but not limited to, the ability of the Authorised Participant to sell (on behalf of the Company) the relevant Block Commodity Amount pursuant to a Redemption Notice; the possible price to be attained for each sale of the relevant Block Commodity Amount; the amount of the relevant Block Commodity Amount to be sold per day and/or the duration of time it will take for the sale of all the relevant Block Commodity Amount.

The Sale Proceeds will be converted into Rand at the ruling Rand/US Dollar exchange rate quoted by a reputable source determined by the Authorised Participant on the relevant Redemption Date. The Authorised Participant will (on behalf of the Company) deduct the Redemption Fee from the Sale Proceeds of Rhodium and, after the deduction of such fee, will utilise the Sale Proceeds to pay (on behalf of the Company) the Redemption Value to the AfricaRhodium Debenture Holder. Further details of the Redemption Fee are set out in Section 4.8 (*Creation and Redemption Fees*) below.

AfricaRhodium Debenture Holders will be required to pay all Taxes associated with the sales of any Rhodium (and associated sales or purchases of currency, if any) and these amounts will generally be deducted in calculating the Sale Proceeds. The amount of Taxes payable will depend on the tax status of the AfricaRhodium Debenture Holder in question.

#### *Delivery of physical Commodity*

Any Qualifying Debenture Holder will have the right and option, upon the redemption of his or her AfricaRhodium Debentures, to require the Company to sell to the Qualifying Debenture Holder the Reference Quantity of Rhodium as at the Redemption Date thereof.

A Qualifying Debenture Holder who elects to exercise a Delivery Option:

- (a) must have opened an Unallocated Account with the Custodian, into which the Company via its Custodian is able to transfer the relevant Sale Commodity on the Delivery Date;

- (b) will have the relevant Sale Commodity transferred to its Unallocated Account on the Delivery Date by the Company instructing the Custodian to credit the Sale Commodity to the Unallocated Account of the relevant Qualifying Debenture Holder; and
- (c) will be obliged to pay to the Company (i) the Redemption Fee and any Taxes (including sales taxes and VAT) payable on the purchase price of the Sale Commodity in cash and (ii) any costs (including transportation and any administration costs) associated with the exercise of the Delivery Option.

The obligation of the Company to pay the Redemption Value of the relevant number of AfricaRhodium Debentures to such Qualifying Debenture Holder on the relevant Redemption Date will be set-off against the obligation of the relevant Qualifying Debenture Holder to effect payment to the Company of the purchase price for the Sale Commodity on the same Redemption Date.

#### **4.4 Buying and selling in the secondary market**

Prospective investors or AfricaRhodium Debenture Holders, as the case may be, can acquire or dispose of AfricaRhodium Debentures through secondary market purchases or sales through a member of the JSE. In this regard, prospective investors and AfricaRhodium Debenture Holders should contact a JSE broker who will be willing and able to assist in the purchase or sale of AfricaRhodium Debentures. These purchases or sales will be effected at the current market price of the AfricaRhodium Debentures, plus a brokerage fee which is negotiable with the broker.

Other costs may be levied by the exchange or the broker of a prospective investor or AfricaRhodium Debenture Holder. These costs are for the account of the investor or the AfricaRhodium Debenture Holder, as the case may be.

Should a potential investor or AfricaRhodium Debenture Holder not have a broker, a list of JSE members that may be able to assist such potential investor or AfricaRhodium Debenture Holder may be found on the JSE's website: [www.jse.co.za](http://www.jse.co.za) or such potential investor can contact the Participating Broker on +27 11 384 2000 or via email at [info@sbgsecurities.com](mailto:info@sbgsecurities.com) or Online Share Trading on 0860 121 161 or email at [securities@standardbank.co.za](mailto:securities@standardbank.co.za).

Since the AfricaRhodium Debentures will be listed, it should be possible to trade the AfricaRhodium Debentures through the secondary markets at any time during market hours (being 09h00 until 17h00) on Trading Days given normal trading conditions.

Given that the AfricaRhodium Debentures will only be issued in Dematerialised form, any trades will be settled through the Central Securities Depository. Upon issue of the AfricaRhodium Debentures, the Company is responsible for settlement of any trades and not the JSE nor any other exchange.

To the extent that the Market Maker holds AfricaRhodium Debentures, it could sell AfricaRhodium Debentures to a prospective investor. Alternatively, the Market Maker could purchase AfricaRhodium Debentures from an AfricaRhodium Debenture Holder.

#### **4.5 Dematerialisation**

All Applicants should note that the AfricaRhodium Debentures will only be issued by the Company to successful Applicants in Dematerialised form. Therefore, all Applicants must appoint a CSDP directly or through a broker to receive and hold the AfricaRhodium Debentures on their behalf.

7.B.2(i)  
7.C.2(b)

Should any AfricaRhodium Debenture Holder require a physical certificate for its AfricaRhodium Debentures, he or she should contact his or her broker or CSDP to convert his or her AfricaRhodium Debentures into Certificated Debentures. AfricaRhodium Debenture Holders should note that there are risks associated with holding AfricaRhodium Debentures in certificated form, including the risk of loss or tainted scrip, which are no longer covered by the JSE Guarantee Fund. All AfricaRhodium Debenture Holders who elect to convert their AfricaRhodium Debentures into Certificated Debentures should realise that they will have to dematerialise their AfricaRhodium Debentures should they wish to trade them under the terms of the Central Securities Depository.

After receiving a notice from the Central Securities Depository or the Company's CSDP that an AfricaRhodium Debenture Holder wishes to convert all or part of its AfricaRhodium Debentures to Certificated Debentures, the Register will be updated to reflect that the relevant AfricaRhodium Debentures are held as Certificated Debentures. The Company will, within 10 (ten) Business Days or 20 (twenty) Business Days in the case of an AfricaRhodium Debenture Holder resident outside of South Africa) prepare and deliver to the AfricaRhodium Debenture Holder a certificate in respect of those Certificated Debentures and will notify the Central Securities Depository that the AfricaRhodium Debentures are no longer held in Dematerialised form. The Company may charge an AfricaRhodium Debenture Holder a reasonable fee to cover the actual costs of issuing a certificate.

Each Applicant's duly appointed CSDP or broker will receive the AfricaRhodium Debentures on its behalf against receipt of the Offer Price by the Applicant's CSDP or, in the case of in specie subscriptions, receipt of confirmation by the Company from the Custodian that the relevant Rhodium has been deposited in the Company's Allocated Account.

#### 4.6 **Strate**

18(b)

The AfricaRhodium Debentures may only be traded on the JSE in electronic or Dematerialised form and will be trading for electronic settlement in terms of the Central Securities Depository System immediately following the listing. The Central Securities Depository System is a system of "paperless" transfer of securities. If you have any doubt as to how it works, please consult your broker, CSDP or other appropriate advisor and you are referred to the Central Securities Depository's website at [www.strate.co.za](http://www.strate.co.za). Some of the principal features of the Central Securities Depository System are as follows:

- electronic records of ownership replace certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within 5 (five) Business Days;
- all investors owning securities or wishing to trade their securities on the JSE are required to appoint either a broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Dematerialised securities specifically request their CSDP to register them as an "own name" holder (which entails a fee), the CSDP or broker holding securities on their behalf will be the registered holder of the relevant security and not the investor. Subject to the agreement between the investor and the CSDP or broker, generally in terms of the Central Securities Depository System, the investor is entitled to instruct the CSDP or broker as to how it wishes to exercise the rights attaching to the securities as regard to voting at any relevant meetings.

All costs incurred in respect of secondary market trades will be for the account of the relevant AfricaRhodium Debenture Holder.

#### **4.7 Monthly Charge**

On and with effect from the first Issue Date, the Company will deliver an amount of Rhodium to the Manager, who will sell the relevant Rhodium at the end of each month in an amount equal to the Monthly Charge in respect of the AfricaRhodium ETF and will use the proceeds of such sale to pay the Company's fees and expenses and for the Company to declare and pay dividends to its shareholder. The Monthly Charge in respect of the AfricaRhodium ETF will accrue daily on all the Company's holdings from time to time in excess of 250 fine troy ounces of Rhodium, calculated at the applicable rate set by the Company, which will initially be 0.75% per annum (excluding VAT). The Monthly Charge in respect of the AfricaRhodium ETF will be deducted monthly in arrears. The Monthly Charge in respect of the AfricaRhodium ETF will be used to pay, inter alia, fees to the Custodian, the Fund Administrator and the Manager and to pay dividends to the Company's shareholder, which dividends will be equal to the remainder of the Monthly Charge after all such fees and expenses have been deducted. Accordingly, the Initial Quantity and Reference Quantity of Rhodium in relation to the AfricaRhodium Debentures will reduce each day as the Monthly Charge in respect of the AfricaRhodium ETF (as it references Rhodium) accrues.

Should the fees and expenses of the Company be higher than anticipated, the Monthly Charge in respect of the AfricaRhodium ETF may be varied by the Company at any time on 90 (ninety) days' prior notice through SENS, provided that should the Company be or become obliged to pay any amount in respect of Taxes on short notice, only 30 (thirty) days' prior written notice of the variation of the Monthly Charge in respect of the AfricaRhodium ETF shall be required.

#### **4.8 Creation and Redemption Fees**

A Creation Fee will be charged to each Applicant for a single creation of a Block(s) of AfricaRhodium Debentures, regardless of the number of Blocks, which Creation Fee will (subject to variation as further detailed below) be equal to ZAR5,000 (excluding VAT). Payment of the Creation Fee will be deducted from the subscription monies for the AfricaRhodium Debentures and, in the case of in specie subscriptions, will be required to be paid to the Company in cash as a Condition to Issue.

The Company will also charge a Redemption Fee to each AfricaRhodium Debenture Holder exercising its right to have all or some of its AfricaRhodium Debentures redeemed. Such Redemption Fee will be equal to ZAR5,000 (excluding VAT) for any single redemption of AfricaRhodium Debentures, regardless of the number of AfricaRhodium Debentures being redeemed. In addition, if the Company exercises its rights to require the redemption of some or all of the AfricaRhodium Debentures in accordance with the AfricaRhodium Debenture Conditions, it will charge each AfricaRhodium Debenture Holder a Redemption Fee equal to ZAR5,000 (excluding VAT).

The Company may waive or vary the Creation Fees or Redemption Fees payable on a case by case basis as required. The Company reserves the right to vary Creation Fees or Redemption Fees of the AfricaRhodium ETF, at its sole election, including to take into account for annual inflationary increases and actual cost increases incurred by the Company, at any time on 90 (ninety) days' prior notice through SENS.

No Creation Fees or Redemption Fees will be charged to investors who buy and sell the AfricaRhodium Debentures on the secondary market.

#### **4.9 Applicable Law**

The Initial Offer, Applications and acceptances will be governed by, construed and interpreted in accordance with the laws of South Africa and each Applicant will be deemed, by applying for AfricaRhodium Debentures to have consented and submitted to the jurisdiction of the South Gauteng High Court, Johannesburg (or any successor thereto) in relation to all matters arising out of or in connection with the Initial Offer.

## **5. Additional Matters**

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### **5.1 Consents**

The financial advisors, arranger, market maker, auditors, transfer agent, attorneys, sponsor, fund administrator, manager, CSDP, company secretary and commercial bankers have consented in writing to act in their capacities stated and to their names being stated in this Prospectus and none of these consents has been withdrawn prior to the issue of this Prospectus.

### **5.2 Legal proceedings**

There are no legal or arbitration proceedings of which the Company is aware (including any proceedings which are pending or threatened) which have or may have a material effect on the Company's financial position.

7.D.11

### **5.3 Market making**

SBSA has been appointed by the Company as Market Maker for the AfricaRhodium ETF and will be responsible for establishing and maintaining the secondary market in the AfricaRhodium Debentures.

### **5.4 Going concern**

The Company is a going concern and the Company can in all circumstances be reasonably expected to meet all of its commitments as and when they fall due, including under the AfricaRhodium Debentures.

### **5.5 Commercial Paper Issued**

As at the date of this Prospectus, apart from any issue of Debentures (including the AfricaRhodium Debentures described in this Prospectus) the Company has not issued any commercial paper (as that term is defined in the Commercial Paper Regulations).

To the best of the Company's knowledge and belief, the Company estimates it may issue ZAR2,500,000,000 of commercial paper during the current financial year ending February 2016, subject to obtaining necessary approvals and authorisations. The value of the outstanding commercial paper issued by the Company, as at the date of this Prospectus, is ZAR7,500,000,000.

### **5.6 Underwriting**

The Initial Offer is not underwritten.

7.B.15  
7.C.16(d)  
7.C.16(e)

### **5.7 Calculations by Fund Administrator and reporting**

The Fund Administrator will calculate the NAV and the Monthly Charge in respect of the AfricaRhodium ETF and the Reference Quantity of each AfricaRhodium Debenture as at the end of each month.

19.58(b)(v)

The expenses of the AfricaRhodium ETF are calculated and accrued daily and are paid monthly.

The Fund Administrator will calculate the NAV of the AfricaRhodium ETF on a daily basis, which will be published on the website of the Manager at: <http://www.standardbank.co.za/>.

## 5.8 Total Expense ratio

The total expense ratio of the AfricaRhodium ETF will be calculated by the Fund Administrator on an annual basis and published in the annual report of the Company and will be the ratio which the total costs incurred in conducting the AfricaRhodium ETF (including the Manager's fee, the Custodian's fee and other service providers' fees, Taxes and any exceptional expenses) bear to the daily weighted average ETF Value during the year in question, expressed as a percentage. The total expense ratio per annum for the Rhodium ETF is expected to be approximately 0.75% (excluding VAT) of the ETF Value.

## 5.9 Corporate governance

### *King Code*

7.F.5(a)  
7.F.5(b)

The directors of the Company endorse and accept full responsibility for the application of the principles necessary to ensure that effective corporate governance is practiced consistently throughout the Company. In discharging this responsibility, the intention is to comply with the requirements of the South African Code of Corporate Practices and Conduct as set out in the third King Report on Corporate Governance (**King Code**) in both letter and spirit. The Company's approach to corporate governance strives to be stakeholder inclusive, based on good communication and integrated into every aspect of the Company's Business.

The Company has implemented policies evidencing a clear balance of power and authority at Board level, to ensure no one director has unfettered power of decision-making.

Since the Company converted to a public company in anticipation of the listing of the Debentures, the directors have pro-actively taken steps to ensure that all the elements required to make the Company fully compliant with the recommendations incorporated in the King Code have been implemented other than not having an independent internal audit function. The Company has adopted a Board charter setting out roles, functions, obligations, rights, responsibilities and powers of the Board and the policies and practices of the Board in respect of its duties, functions and responsibilities. The Company has also adopted terms of reference for each of its committees. The Board is of the opinion that the Company is compliant with the JSE Listings Requirements and the King Code in all material respects, other than not having an independent internal audit function, which function is provided by the Manager.

## 5.10 Memorandum of incorporation

The memorandum of incorporation of the Company provides for the following in relation to the issue of authorised but unissued securities:

7.A.10

### **11. ISSUE OF SHARES**

*11.1 Subject to Clause 14, the Board shall not have the power to issue authorised Securities without the prior adoption of a Special Resolution by the holders of the Ordinary Shares and a Special Resolution by the Debenture Holders.*

*11.2 The resolutions authorising the Board to issue Securities as contemplated in Clause 11.1 above may take the form of either:*

*11.2.1 a specific authority, authorising the specific issue of a specified number of the authorised but unissued Securities to a determined or determinable third party; or*

11.2.2 *a general authority authorising the general issue of the authorised but unissued Securities at the discretion of the Board, which resolution may be passed at any general meeting and shall specify the period that the authority remains in force, provided that such period will automatically lapse on the date of the next annual general meeting of the Company immediately following the date on which the general authority was granted.*

...

11.9 *While the Debentures are listed on the Johannesburg Stock Exchange, the Board may only issue unissued Shares if such Shares have first been offered to existing Shareholders of the same class in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company or are issued pursuant to the provisions of Clause 11.10.*

11.10 *Notwithstanding the provisions of Clause 11.9, the Shareholders may at a general meeting authorise the Directors to issue unissued Shares of the Company at any time and/or grant options to subscribe for unissued Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the Johannesburg Stock Exchange and comply with the JSE Listings Requirements.*

#### **5.11 Authorisations**

See  
7.C.10

The directors of the Company have taken all necessary actions to authorise the creation and issue of the AfricaRhodium Debentures, the listing of the AfricaRhodium Debentures on the JSE and the entry by the Company into, and performance by it of its obligations under, the Transaction Documents.

#### **5.12 Working capital statement**

The directors of the Company are of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, that is, for at least the next 12 (twelve) months from the date of this Prospectus.

7.E.7

#### **5.13 Language**

Copies of this Prospectus and each Transaction Document are available, in the English language only, at the Company's address set out above in this Prospectus in the section headed "*Corporate Information and Advisors*".

#### **5.14 Condensed disclosure requirements in terms of paragraph 3(5) of the Commercial Paper Regulations**

- Paragraph 3(5)(a): The ultimate borrower is the Company;
- Paragraph 3(5)(b): The Company is a going concern and can in all circumstances be reasonably expected to meet its commitments under the AfricaRhodium Debentures;
- Paragraph 3(5)(c): The auditor of the Company is PricewaterhouseCoopers Inc.;
- Paragraph 3(5)(d): As at the date of this issue:

- the Company has not issued, other than issuing the AfricaGold Debentures, the AfricaPalladium Debentures and the AfricaPlatinum Debentures, any commercial paper. The value of the outstanding commercial paper issued by the Company, as at the date of this Prospectus, is ZAR7,500,000,000; and
- the Company estimates that it may issue ZAR2,500,000,000 of commercial paper during the current financial year;
- Paragraph 3(5)(e): All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the AfricaRhodium Debentures is contained in this Prospectus and the AfricaRhodium Debenture Conditions;
- Paragraph 3(5)(f): There has been no material change in the financial or trading position of the Company since the date of the latest published financial statements of the Company preceding the date of this Prospectus];
- Paragraph 3(5)(g): The AfricaRhodium Debentures issued will be listed;
- Paragraph 3(5)(h): The funds to be raised through the issue of the AfricaRhodium Debentures are to be used by the Company as described in this Prospectus;
- Paragraph 3(5)(i): The obligations of the Company in respect of the AfricaRhodium Debentures are secured;
- Paragraph 3(5)(j): PricewaterhouseCoopers Inc., the statutory auditors of the Company, have confirmed that nothing has come to their attention to indicate that this issue of AfricaRhodium Debentures issued under the Prospectus will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

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## MARKET OVERVIEW

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*Prospective investors in AfricaRhodium Debentures are advised to conduct their own independent investigation of rhodium or consult with their relevant advisors as to the prospects and consequences of a purchase of AfricaRhodium Debentures.*

The summary below gives relevant details about the market for rhodium in London but does not purport to be a complete summary of information relating to rhodium or current practices involved in the trading, storage and clearing of rhodium.

Market convention is that the term "precious metals" refers to gold, silver, platinum, palladium and other platinum group metals, including rhodium. The "platinum group metals" are platinum, palladium, iridium, osmium, rhodium and ruthenium.

### General Market Information

#### *Participants in the rhodium market*

Participants in the market for rhodium include:

- primary producers and secondary refiners of rhodium wishing to refine or market their product;
- consumers in relation to fabrication demand which is predominantly driven by autocatalytic applications. Other consumer related applications such as tooling for the glass manufacturing sector; and
- investors, fund managers or speculators.

Trading in rhodium primarily consists of spot transactions. The over-the-counter (**OTC**) market trades mainly during London business hours. Participants in the rhodium market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transactions between major participants tend to be in standard dealing amounts, however when these major participants deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

#### *History*

London has always been an important centre for the platinum group metals. Trading was established in the early decades of the twentieth century, usually alongside the longer established bullion metals.

#### *Trading Units*

- **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507 troy ounces

1 gram = 0.0321507 troy ounces

so 1 troy ounce =  $((1/32.1507) \times 1,000) = 31.10$  grams

For rhodium, this is one troy ounce and it represents one ounce of material, of which a minimum of 999 parts in every 1,000 will be rhodium. Generally, in relation to rhodium, all references to ounces mean troy ounces.

- **Fineness:** A measure of the proportion of rhodium in sponge form and is expressed in terms of the fine metal content in parts per 1,000. It therefore defines the purity of the rhodium.
- **Assaying:** The process by which fineness is determined. The purity of rhodium articles is often quoted in the form of fineness.

### *Settlement and Delivery*

The basis for settlement is delivery of rhodium to the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in US Dollars, delivery of rhodium against transactions in rhodium are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an Allocated Account (see below) or (iii) to the Unallocated Account (see below) of any third party.

### **Allocated Accounts**

Allocated Accounts are accounts held by dealers in clients' names on which are maintained balances of uniquely identifiable bottles of rhodium in sponge form "allocated" to a specific client and segregated from other rhodium held in the vault of that dealer.

The client has full title to this rhodium with the dealer holding it on the client's behalf as custodian. Rhodium in an Allocated Account does not form part of a rhodium dealer's assets. Clients' holdings will be identified in a weight list of bottles of rhodium sponge showing the unique bottle seal number, batch number, gross weight and the assay or fineness of each bottle of rhodium sponge. Credits or debits to the holding will be effected by segregation of bottles of rhodium sponge to or from the client's segregated holding. An Allocated Account cannot, by definition, be overdrawn.

### **Unallocated Accounts**

Unallocated Accounts are accounts held by dealers in clients' names on which are maintained balances of rhodium that represent an entitlement of the client to have equivalent amounts of rhodium delivered by the dealer. The balances do not represent uniquely identifiable bottles of rhodium sponge "allocated" to a specific client. Unallocated Accounts represent the easiest and most popular way of trading, settling and holding rhodium and are integral to the loco London mechanism for this metal. The unit of these accounts in respect of rhodium is one troy ounce of rhodium based upon a 999 fineness. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to rhodium in sponge form, but instead represent a right of the client to call for delivery of the relevant amount of rhodium. This right is purely contractual and, as such, the client is an unsecured creditor of the Custodian and is exposed to the general credit risk of the Custodian. This is similar to the position with respect to clients' cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for rhodium held on an

unallocated basis. A negative balance will represent the rhodium indebtedness of the client to the dealer in the case where the client has a rhodium overdraft facility.

Should the client wish to receive actual rhodium, this is done by "allocating" amounts of sponge, the rhodium content of which is then debited from the Unallocated Account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that rhodium may be allocated on a relevant London business day on which it is called for, with rhodium generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, rhodium bottles of sponge may be drawn down, or allocated, from an Unallocated Account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

### **Market Regulation**

The principal-to-principal rhodium market is not in itself regulated by the United Kingdom Financial Services Authority (FSA), although some of the participants may be regulated to the extent that they trade in rhodium derivative products or they need to be FSA regulated by virtue of other aspects of their business.

### **Rhodium Reference Price**

The Rhodium Reference Price published on:

<http://corporateandinvestment.standardbank.com/CIB/Products/Global-Markets/Exchange-traded-products> is a benchmark price fixed on each Business Day and provided to the Company in xml format through a bespoke URL that is password protected on each such Business Day Metal Bulletin, a division of Euromoney Global Limited ("**Metal Bulletin**") or its successor by reference to participants in the rhodium market. The benchmark price for Rhodium differs from the spot prices for metals like gold, platinum or silver. Compared to these heavily traded metals, only very small amounts of rhodium are bought and sold each day.

Metal Bulletin assesses the rhodium price twice a week and the price is published every Wednesday and Friday between 09h00am – 12h00pm GMT. For purposes of the Rhodium Reference Price, Metal Bulletin shall assess the rhodium price daily and shall provide such price to the Company in xml format as indicated above daily between 09h00am to 12h00am. The rhodium price reflects the highest and the lowest quotes published by the following sources, namely: Johnson Matthey Public Limited Company, Engelhard Corporation, Thomson Reuters Corporation and Heraeus Holding GmbH.

### *Currency Unit*

The market is generally quoted in US Dollars per troy ounce. Quotations in other currencies are available upon negotiation.

### *Loco London Spot Price*

The loco London spot prices are the bases for virtually all transactions in Rhodium. They are quotations made by dealers based on US Dollars per ounce for rhodium. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the "normal" spot value date falls on a day when the New York US Dollar clearing system is closed, then the spot day moves forward one day.

### **Settlement Credit Risk**

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London Rhodium transfer instructions is 15:00 London time, credit exposure arises between the parties to a rhodium spot transaction against US Dollars. The seller of rhodium will not have absolute confirmation that the countervalue in currency has been received in their New York US Dollar account before having to release the rhodium to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus US Dollars.

### **Vaulting**

Certain members of the London Rhodium market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation and in relation to rhodium underlying the AfricaRhodium Debentures, all these negotiations are encapsulated in the Custody Agreement with the Custodian.

### **Description of Physical Rhodium**

#### *Properties*

Rhodium has a very recent history, unlike gold and silver, which have been known since the earliest civilisations. Rhodium was isolated as a separate metal about 200 years ago. Rhodium has excellent catalytic properties.

#### *Major producers*

The major producers of Rhodium are South Africa, Russia, Canada, Zimbabwe and the United States.

#### *Major uses*

Autocatalytic applications account for over 80 per cent. of total rhodium usage. The metal has also become increasingly important to the glass manufacturing sector where it is used in the tooling for flat screen and LCD displays.

The following paragraph outlines an indicative but not an exhaustive specification of Rhodium that will be kept with the Custodian.

Compound: Rhodium Sponge

Appearance: Grey powder and free flowing

Metal content: Minimum 99.90per cent. rhodium

Impurities: All figures as detected by ICP MS with respect to rhodium

Total metallic impurities: 1000 ppm maximum

Loss on Ignition (LOI) / Boil-Out Reduction Loss (BORL): Maximum 0.05per cent. by weight

Acceptable brands: All London Platinum and Palladium Market (LPPM) platinum refiners as listed on [www.lppm.org](http://www.lppm.org) and (i) Xstrata and (ii) Vale

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## RISK FACTORS

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*Words used in this section shall have the same meaning as defined on pages 52 to 72 of this Prospectus, unless they are defined in this section or the use thereof is clearly inappropriate from the context.*

***Investors' attention is drawn to the risk factors relating to an investment in AfricaRhodium Debentures, some of which are set out below. This does not purport to be an exhaustive list of the risk factors relating to an investment in AfricaRhodium Debentures or Rhodium.***

### **Commodity Prices**

The value of the AfricaRhodium Debentures will be affected by movements in the US Dollar price of Rhodium and the Rand/US Dollar exchange rate. The price of Rhodium may be affected by numerous factors, including:

- global or regional political, economic or financial events and situations;
- investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;
- global supply and demand of Rhodium, which is influenced by such factors as mine production and net forward selling activities by commodity producers, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;
- interest rates and currency exchange rates, particularly the strength of and confidence in the US Dollar; and
- investment and trading activities of hedge funds, commodity funds and other speculators.

### **Shortage of physical Rhodium**

Commodity markets have the potential to suffer from market disruption or volatility caused by oversupply or shortages of physical rhodium. Such events could result in a loss of liquidity and/or spike in prices of Rhodium. Price spiking can also result in volatile spot prices and lease rates which could result in the bid-offer spread on any stock exchange where AfricaRhodium Debentures are traded to widen, reflecting pricing tension in Rhodium. The Company reserves the right to limit the number of AfricaRhodium Debentures to be created depending on the prevailing market conditions and the availability of Rhodium.

### **General Market Risk**

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and therefore the market price or number of Debentures of the AfricaRhodium Debentures. These risks are generally applicable to any investment in listed securities but can be more volatile and illiquid for rhodium and investors should be aware that the AfricaRhodium Debentures can go down in price as well as up and that they might not get back their original investment.

### **Decrease in amount of Rhodium per AfricaRhodium Debenture**

Each outstanding AfricaRhodium Debenture is linked to a Reference Quantity of Rhodium held by the Company. The Company does not generate any income and regularly sells Rhodium to pay for its ongoing expenses. The amount of Reference Quantity of Rhodium to which an AfricaRhodium Debenture

is linked will therefore continue to be reduced for so long as the AfricaRhodium Debentures remain outstanding due to the sales of Rhodium necessary to pay the Company's expenses, irrespective of whether the trading price of the AfricaRhodium Debentures rises or falls in response to changes in the price of Rhodium.

### **Sale of Rhodium to pay expenses could adversely affect the value of the AfricaRhodium Debentures**

The sale of Rhodium held by the Company to pay expenses is on an as-needed basis and is irrespective of the current price of Rhodium. The Company is not actively managed and no attempt will be made to buy or sell Rhodium to protect against or to take advantage of fluctuations in the price of Rhodium. Consequently, a part of the Company's holding of any Rhodium may be sold at a time when the price of Rhodium is low, potentially resulting in a negative effect on the value of the rhodium.

### **The Company is a passive investment vehicle**

The directors do not actively manage the Rhodium held by the Company. This means that the directors do not sell any Rhodium at times when its price is high, or acquire any Rhodium at low prices in the expectation of future price increases. It also means that the directors do not make use of any of the hedging techniques available to professional Rhodium investors to attempt to reduce the risks of losses resulting from price decreases. Any price movements in rhodium or the USD/ZAR exchange rate could adversely affect the value of the AfricaRhodium Debentures.

### **Trading price of the AfricaRhodium Debentures**

The trading price of the AfricaRhodium Debentures fluctuates in accordance with changes in the NAV per AfricaRhodium Debenture as well as market supply and demand. The NAV per AfricaRhodium Debenture fluctuates with changes in the market value of the underlying Rhodium held by the Company to which AfricaRhodium Debentures are linked and the USD/ZAR exchange rate. The AfricaRhodium Debentures may trade at, above or below the NAV per AfricaRhodium Debenture.

Large sell-offs in Rhodium or redemptions of securities tracking the price of Rhodium could negatively affect physical Rhodium prices and the price and NAV of the AfricaRhodium Debentures.

### **Lack of an active trading market**

Although the AfricaRhodium Debentures are listed on the JSE, there can be no assurance that an active trading market will be maintained. If an investor needs to sell AfricaRhodium Debentures at a time when no active market exists, or there is a halt in trading in securities in general or specifically of the Rhodium or AfricaRhodium Debentures, this will most likely adversely affect the price the investor receives for the AfricaRhodium Debentures (assuming the investor is able to sell them).

### **Competition from other methods of investing in Rhodium**

Market and financial conditions, and other conditions beyond the Company's control, may make it more attractive to invest in other financial vehicles or to invest in Rhodium directly, which could limit the market for the AfricaRhodium Debentures and reduce the liquidity of the AfricaRhodium Debentures.

### **Reliance on information received from the Custodian**

In issuing blocks of AfricaRhodium Debentures, the Fund Administrator relies on certain information received from the Custodian which is subject to confirmation after the directors have relied on the information. The Custodian's definitive records are prepared after the close of its business day. When issuing AfricaRhodium Debentures, the Fund Administrator relies on information reporting the amount of

physical Rhodium credited to the Company's accounts which it receives from the Custodian during the Business Day and which is subject to correction during the preparation of the Custodian's definitive records after the close of business. If the information relied upon by the Fund Administrator is incorrect, the amount of Rhodium actually received by the Company may be more or less than the amount required to be deposited for the issuance of the Block of AfricaRhodium Debentures.

### **Refusal of Rhodium by the Custodian or changes in procedures for delivery of metal**

The Custodian may refuse to accept Rhodium sponge or amend the procedure in relation to the deposit of Rhodium in its vaults. Rhodium may be refused if there is insufficient capacity to take delivery in its vaults. The Custodian is authorised to move Rhodium held in the Allocated Account from one location to another location otherwise permitted under the relevant Custody Agreement.

### **Rejection of redemption orders by the Fund Administrator**

The Fund Administrator may, in its discretion, and will when directed by the Manager, suspend the right of redemption or postpone the redemption settlement date:

- i. for any period during which the JSE is closed other than customary weekend or holiday closings, or trading on the JSE is suspended or restricted;
- ii. for any period during which the delivery, disposal or evaluation of Rhodium is not reasonably practicable; or
- iii. for any period during which the delivery, disposal or evaluation of USD/ZAR currency exchange is not reasonably practicable; or
- iv. for such other period as the Manager determines to be necessary for the protection of AfricaRhodium Debenture Holders. In addition, the Fund Administrator will reject a redemption order if the order is not in proper form or if the fulfillment of the order, in the opinion of its counsel, might be unlawful.

Any such postponement, suspension or rejection could adversely affect a redeeming AfricaRhodium Debenture Holder. For example, the resulting delay may adversely affect the value of an AfricaRhodium Debenture Holder's redemption distribution if the price of the AfricaRhodium Debentures declines during the period of the delay.

### **Custody and Insurance**

All of the Rhodium underlying the AfricaRhodium Debentures will be held by the Custodian in its vaults, either in London or another appropriate location agreed in terms of the Custody Agreements, or in the vaults of a sub-custodian appointed by the Custodian or by a delegate of a sub-custodian. Access to such Rhodium could be restricted by natural events, such as an earthquake, or human actions, such as a terrorist attack.

There is a risk that the Rhodium belonging to the Company could be lost, stolen or damaged. In that event, the Company may not be able to request either the sale or delivery of the relevant Rhodium for itself or on behalf of the Authorised Participant. Any of these events may adversely affect the operations of the Company and, consequently, an investment in the AfricaRhodium Debentures.

The Company does not insure its holding of any physical Rhodium. The Custodian maintains insurance in connection with its custodial obligations as it considers appropriate and is responsible for all costs, fees and expenses (including any relevant taxes) in relation to any such insurance policy or policies. The

Company is not a beneficiary of any such insurance and does not have the ability to dictate the existence, nature or amount of coverage.

In addition, the Custodian and the directors do not require any direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the Rhodium holdings held by them on behalf of the Company. Consequently, a loss may be suffered with respect to the Company's holding of Rhodium which is not covered by insurance and for which no person is liable for damages. The Custodian will only be responsible for any loss or damage suffered by the Company as a direct result of any negligence, fraud or willful default on its part in the performance of its duties.

Because neither the Company nor the Custodian oversees or monitors the activities of sub-custodians who may temporarily hold the Company's holding of Rhodium until transported to the Custodian's London vault, failure by the sub-custodians to exercise due care in the safekeeping of the Company's holding of Rhodium could result in a loss to the Company. The Custodian is not liable for the acts or omissions of its sub-custodians unless the selection of such sub-custodians was made negligently or in bad faith.

The ability of the Company and the Custodian to take legal action against sub-custodians may be limited, which increases the possibility that the Company may suffer a loss if a sub-custodian does not use due care in the safekeeping of the Company's holding of Rhodium.

If any of the Company's holding of physical Rhodium is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Company, the responsible party may not have the financial resources sufficient to satisfy the Company's claim.

#### **Rhodium held in Unallocated Account**

Any Rhodium held in the Company's Unallocated Account for such Rhodium will not be segregated from the Custodian's assets and any Rhodium held in the Company's Unallocated Account for such Rhodium will therefore be an unsecured credit risk against the Custodian. If the Custodian becomes insolvent, its assets may not be adequate to satisfy a claim by the Company. In addition, in the event of the Custodian's insolvency, there may be a delay and costs incurred in identifying the Rhodium held in the Company's Unallocated Accounts.

#### **Rhodium held in Allocated Account**

In the event of the insolvency of the Custodian, a liquidator, receiver, administrator or similar insolvency official may seek to freeze access to the Rhodium held in all of the accounts held by the Custodian, including the Company's Allocated Account. Although the Company would retain legal title to the allocated Rhodium, the Company could incur expenses in connection with obtaining control of the allocated Rhodium, and the assertion of a claim by such liquidator for unpaid fees could delay creations and redemptions of Blocks.

The custodial services provided by the Custodian and any sub-custodian under the Custody Agreements are presently not a regulated activity subject to the supervision and rules of the FSA.

#### **Compulsory Redemption of AfricaRhodium Debentures**

The Company's willingness to allow the AfricaRhodium Debentures to remain outstanding will depend on, among other things, the sums derived from the Monthly Charge for the AfricaRhodium ETF being sufficient to cover management and corporate expenses. The Company may at any time redeem AfricaRhodium Debentures in the circumstances described in this Prospectus. Such redemption may occur at a time which may not be optimal for investors.

## **Termination of the AfricaRhodium ETF**

If the AfricaRhodium ETF is required to terminate and liquidate, such termination and liquidation could occur at a time which is disadvantageous to AfricaRhodium Debenture Holders under the AfricaRhodium ETF, such as when prices of Rhodium are lower than the prices of Rhodium at the time of the AfricaRhodium Debenture Holder's investment in the AfricaRhodium Debentures. In such a case, the AfricaRhodium Debenture Holders may incur a loss if the proceeds distributed to AfricaRhodium Debenture Holders is less than the AfricaRhodium Debenture price at initial investment.

## **Security structure**

The AfricaRhodium Debentures are indirectly secured through the Guarantee and Indemnity structure for the AfricaRhodium ETF. The relevant Security Trust will bind itself to the AfricaRhodium Debenture Holders and other creditors of the AfricaRhodium ETF as guarantor for the due and punctual fulfilment by the Company of all payment obligations which the Company may incur to such AfricaRhodium Debenture Holders under the AfricaRhodium Debentures issued to them and to such other creditors under the Transaction Documents. The liability of each Security Trust pursuant to such Guarantee issued by it will, however, be limited in the aggregate to the amount recovered by that Security Trust from the Company arising out of the Indemnity given by the Company to that Security Trust in respect of claims that may be made against that Security Trust arising out of such Guarantee. The Company's obligations to the AfricaRhodium Security Trust under the Indemnity given by the Company in favour of that Security Trust are secured by security granted by the Company in favour of such Security Trust over the Company's holdings of Rhodium held with the Custodian. A Security Trust's ability to make payment under the Guarantee issued by it will depend on what it recovers under the Indemnity and security granted in its favour.

## **VAT or sales taxes might become chargeable on transfers of Rhodium**

Where VAT or sales taxes are due on transfers of Rhodium to or by the Company (on a subscription or redemption), there may be an obligation to register and account for any VAT or sales tax due in respect of transfers of Rhodium. If the Company is required to make payments in respect of VAT or sales taxes or required to account for VAT or sales taxes in respect of transfers of Rhodium, this in turn may adversely affect the Company's ability to meet its obligations under the Rhodium Debentures in full.

In respect of Debentures where the relevant Commodity is investment gold (as defined for UK VAT purposes), the Company will not be required to charge UK VAT on any transfers by it of investment gold and may accept delivery of investment gold without attracting a UK VAT liability.

In respect of Debentures where the relevant Commodity is gold (other than investment gold), or silver, or palladium or platinum, on the basis of the "black box" agreement that HM Revenue & Customs ("**HMRC**") have entered into with the LBMA and LPPM, transfers of gold (other than investment gold), or silver, or palladium or platinum by and to the Company will be treated as zero rated supplies for UK VAT purposes, provided that the gold (other than investment gold), or silver, palladium or platinum remains in the vault of an LBMA to LPPM member firm.

The LBMA and LPPM agreements referred in the previous paragraph do not extend to minor precious metals, such as Rhodium, and therefore the UK VAT rules outlined above do not apply and therefore normal UK VAT rules governing the supply of services and goods need to be applied. In the case of Rhodium, the Company may be required to charge VAT or sales tax in respect of any transfer of allocated Rhodium which is physically delivered in the applicable jurisdiction. Equally VAT or sales tax may be charged on any Rhodium that the Authorised Participant delivers into the account of the Company if at the time of delivery the Rhodium is physically located in the relevant jurisdiction.

Provided that there is no change in law or in HMRC practice, the Company may be required to register for UK VAT and will be obliged to account for any VAT on sales of any physical Rhodium. The Company may appoint a tax representative to manage its VAT compliance requirements and therefore an additional cost to the Rhodium Debentures will be reflected in determining the investment returns.

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## EXCHANGE CONTROL AND OTHER REGULATORY CONSIDERATIONS

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*The following summary and guidelines are not a comprehensive statement of the regulatory considerations to be taken into account when investing in AfricaRhodium Debentures, are not intended as advice and do not purport to describe all the considerations that may be relevant to prospective investors in AfricaRhodium Debentures.*

*Prospective investors in AfricaRhodium Debentures should consult their professional advisers with regard to the investment in AfricaRhodium Debentures and the exchange control and other regulatory implications thereof. Accordingly, neither the Company nor any of its professional advisers makes any representation and accordingly gives no warranties or undertakings expressed or implied and accordingly accept no responsibility for the accuracy or completeness of the information contained in this section of the Prospectus.*

### **Non-South African resident AfricaRhodium Debenture Holders and emigrants from the Common Monetary Area**

Dealings in the AfricaRhodium Debentures and the performance by the Company of its obligations under the AfricaRhodium Debentures and the applicable AfricaRhodium Debenture Conditions may be subject to the Exchange Control Regulations.

#### **Blocked Rand**

Blocked Rand may be used for the subscription for or purchase of AfricaRhodium Debentures. Any amounts payable by the Company in respect of the AfricaRhodium Debentures subscribed for or purchased with Blocked Rand may not, in terms of the Exchange Control Regulations, be remitted out of South Africa or paid into any non-South African bank account. For purposes of this section, the term "**Blocked Rand**" shall be construed to mean the funds which may not be remitted out of South Africa or paid into a non-South African resident's bank account.

#### **Emigrants from the Common Monetary Area**

Any AfricaRhodium Debentures issued to emigrants from the Common Monetary Area will be endorsed "emigrant". Such restrictively endorsed certificated note shall be deposited with an authorised foreign exchange dealer controlling such emigrant's blocked assets.

In the event that a beneficial interest in Dematerialised Debentures is held by an emigrant from the Common Monetary Area through the Central Securities Depository, the securities account maintained for such emigrant by the relevant CSDP will be designated as an "emigrant" account.

Any payments of interest and/or principal due to an AfricaRhodium Debenture Holder who is an emigrant from the Common Monetary Area will be deposited into such emigrant AfricaRhodium Debenture Holder's Blocked Rand account, as maintained by an authorised foreign exchange dealer. The amounts are not freely transferable from the Common Monetary Area and may only be dealt with in terms of the Exchange Control Regulations.

#### **Non-residents of the Common Monetary Area**

Any Certificated Debentures issued to AfricaRhodium Debenture Holders who are not resident in the Common Monetary Area will be endorsed "non-resident". In the event that a beneficial interest in Dematerialised Debentures is held by a non-resident of the Common Monetary Area through the Central Securities Depository, the securities account maintained for such AfricaRhodium Debenture Holder by the relevant CSDP will be designated as a "non-resident" account.

It will be incumbent on any such non-resident AfricaRhodium Debenture Holder to instruct the non-resident's nominated or authorised dealer in foreign exchange as to how any funds due to such non-resident in respect of AfricaRhodium Debentures are to be dealt with. Such funds may, in terms of the Exchange Control Regulations, be remitted abroad only if the relevant AfricaRhodium Debentures are acquired with foreign currency introduced into South Africa and provided that the relevant Certificated Debenture has been endorsed "non-resident" or the relevant securities account has been designated as a "non-resident" account, as the case may be.

### **Approval of the Exchange Control Department of the South African Reserve Bank**

The Financial Surveillance Department of the South African Reserve Bank (the **Department**) has approved the creation and listing of the AfricaRhodium ETF, subject to certain terms and conditions, including that:

- (a) the Company may not issue AfricaRhodium Debentures in respect of the Rhodium ETF referencing more than 1,000,000 (one million) fine troy ounces of Rhodium, unless otherwise approved by the Department;
- (b) the Rhodium held by the Company from time to time must be Locally Sourced;
- (c) no AfricaRhodium Debenture Holder may be permitted to exercise their option to hold underlying unwrought Rhodium unless they have been granted approval by the Department;
- (d) the Department requires to be furnished with detailed reports regarding the status of the AfricaRhodium ETF on a quarterly basis;
- (e) the Department reserves itself the right to impose any further conditions it may deem necessary at any point in time;
- (f) investment in the Rhodium ETF, by long-term insurers and retirement funds must be included in prudential limits on investments in commodity products as administered by the Financial Services Board;
- (g) since the AfricaRhodium ETF will be classified as domestic, investments into the AfricaRhodium ETF will not affect the relative foreign exposure limits applicable to institutional investors and authorised dealers; and
- (h) the requirements of all other applicable legislation, including but not limited to the Precious Metal Act, 2005 (**Precious Metals Act**), must be complied with by the parties concerned.

### **Institutional investors**

Since the AfricaRhodium ETF will be, for exchange control purposes, classified as domestic products, investment into the AfricaRhodium ETF, will not affect the relevant foreign exchange exposure limits applicable to institutional investors and authorised dealers.

Institutional investors (including long-term insurers and retirement funds) are advised to contact the Financial Services Board prior to investing for clarification on the prudential limits applicable to an investment in AfricaRhodium Debentures.

### **Restrictions on dealing in unwrought precious metal**

In terms of the Precious Metals Act, no person may acquire, possess or dispose of, either as principal or as agent, any unwrought precious metal (which includes Rhodium ), unless:

- (a) he or she is the holder of a refining licence and acts in accordance with the terms and conditions of his or her licence;
- (b) he or she is an authorised dealer in terms of the Precious Metals Act, being a person who has been authorised by National Treasury to deal in precious metals;
- (c) he or she is a producer who has won or recovered such unwrought precious metal;
- (d) he or she has obtained a certificate from the South African Diamond and Precious Metals Regulator authorising him or her to acquire or to dispose of such unwrought precious metal;
- (e) such unwrought precious metal does not exceed a prescribed mass and is acquired in accordance with a special permit issued by the South African Diamond and Precious Metals Regulator for scientific or beneficiation purposes or to make jewellery; or
- (f) he or she is the holder of a precious metal beneficiation licence issued in terms of the Precious Metals Act, and acts in accordance with the terms and conditions of his or her licence.

As the Rhodium to be held by the Company from time to time is required to have a minimum acceptable fineness of 99.90%, it will be classified as refined precious metals in terms of the Precious Metals Act and the regulations promulgated thereunder. However, SBSA will act as authorised dealer of the Company in relation to any dealings by the Company in Rhodium, and the Department has, in terms of its approvals, agreed to take into account the authorised dealer licence of SBSA as authorised dealer of the Company. Accordingly, the Company will not require a separate authorised dealer licence.

#### **Commodity Sale Agreement**

No AfricaRhodium Debenture Holder will be entitled to require that the Company enters into a Commodity Sale Agreement with such AfricaRhodium Debenture Holder, unless such AfricaRhodium Debenture Holder is a Qualifying Debenture Holder and warrants and undertakes to and in favour of the Company that it is entitled to buy, sell and take delivery of or otherwise deal in Rhodium in accordance with the Precious Metals Act (to the extent applicable), the Exchange Control Regulations and all other Applicable Laws.

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## TAXATION

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*The following summary and guidelines are not a comprehensive statement of the taxation considerations to be taken into account when investing in AfricaRhodium Debentures, are not intended as advice and do not purport to describe all the considerations that may be relevant to prospective investors in AfricaRhodium Debentures.*

*Prospective investors in AfricaRhodium Debentures should consult their professional advisers with regard to the investment in AfricaRhodium Debentures and the tax implications thereof. Accordingly, neither the Company nor any of its professional advisers makes any representation and accordingly gives no warranties or undertakings expressed or implied and accordingly accept no responsibility for the accuracy or completeness of the information contained in this section of the Prospectus.*

### **Company**

The Company will be subject to income tax, as opposed to capital gains tax (CGT), and, in particular, the Rhodium it holds will be trading stock.

Its "gross income", as defined in the Income Tax Act, 58 of 1962 (**IT Act**), will comprise the proceeds of Commodity sales to third parties and to Qualifying Debenture Holders, Creation Fees and Redemption Fees and the excess, if any, of the Offer Price over the Redemption Value of Debentures.

The expenditure of the Company will comprise the cost of acquiring Commodities, from third parties and Qualifying Applicants, its operating costs and the excess, if any, of the Redemption Value over the Offer Price of Debentures.

Generally, the Company will be income tax neutral.

The Company is registered as a vendor for VAT. The Rhodium is treated as "goods" under the Value-Added Tax Act, 89 of 1991, and therefore all sales and purchases of Rhodium are subject to VAT.

The Company will incur VAT on its Rhodium purchases in South Africa from registered VAT vendors and charges of service providers, such as the Manager, the Fund Administrator and the auditors of the Company, for which it will claim an input tax deduction or credit.

The Company will charge VAT on its Rhodium sales (other than export sales or sales taking place outside South Africa and sales to local banks, which will be zero-rated), Creation Fees and Redemption Fees, and will account for this VAT, less input tax credits, to the South African Revenue Service.

To the extent that the Rhodium is acquired offshore, loco London, please refer to the section entitled "*UK VAT might become chargeable on transfers of Rhodium*" under the heading *Risk Factors* on page on page 41 above.

The Company will have no employees, so it will not have any payroll tax liabilities, such as for PAYE, skills development levies and UIF contributions.

### **AfricaRhodium Debenture Holders**

The gain made by AfricaRhodium Debenture Holders from the acquisition and disposal of AfricaRhodium Debentures will, depending on the circumstances of each AfricaRhodium Debenture Holder, be subject to income tax, CGT or will not be taxable at all, for example, if the AfricaRhodium

Debenture Holder is tax-exempt or, subject to certain requirements, is not a South African resident. Applicants are advised to consult with their tax advisers on this aspect.

AfricaRhodium Debenture Holders will be liable for VAT on Creation Fees, Redemption Fees and any sales of Rhodium to them by the Company.

**Africa Funds Issuer Owner Trust**

The Africa Funds Issuer Owner Trust should not incur any Taxation liabilities.

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## INTERPRETATION

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In this Prospectus and in the annexures hereto, unless otherwise indicated or the context indicates a contrary intention, the words set out in bold below have the meanings stated opposite them, words in the singular include the plural and vice versa, words importing one gender include the other gender and reference to persons include reference to legal persons.

<b>Accounting Records</b>	the books of account and accounting systems of the Company;
<b>Account Bank Agreement</b>	the written account bank agreement (as amended, novated and/or replaced from time to time) concluded between the Company and SBSA dated 23 October 2013, in terms of which, inter alia, SBSA shall be appointed as account bank and the Company shall open, pursuant to each ETF, certain bank accounts with SBSA;
<b>Africa Funds Issuer Owner Trust</b>	the Africa Funds Issuer Owner Trust, a trust <i>inter vivos</i> duly established in terms of the Africa Funds Issuer Owner Trust Deed and registered with the Master of the High Court of South Africa (South Gauteng High Court, Johannesburg) under reference number IT 1713/2013, which Africa Funds Issuer Owner Trust has been established with the sole purpose of beneficially holding all of the shares in the issued share capital of the Company;
<b>Africa Funds Issuer Owner Trust Deed</b>	the written trust deed (as amended, novated and/or replaced from time to time) concluded by SBSA (in its capacity as donor) and Maitland Group South Africa Limited (in its capacity as trustee) on 4 June 2013, in terms of which the Africa Funds Issuer Owner Trust is established;
<b>AfricaGold Debenture</b>	a debenture issued by the Company in accordance with the AfricaGold Debenture Conditions in respect of the AfricaGold ETF and which is intended to track the price of gold;
<b>AfricaGold Debenture Conditions</b>	the terms and conditions of the AfricaGold Debentures incorporated in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaGold Debentures, as amended and/or substituted from time to time;

<b>AfricaGold Debenture Holder</b>	a Debenture Holder who holds AfricaGold Debentures;
<b>AfricaGold ETF</b>	the exchange traded fund established by the Transaction Documents and to be operated by the Company as described in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaGold Debentures, as amended and/or substituted from time to time, which is intended to track the price of gold;
<b>AfricaGold Security Trust</b>	the AfricaGold Security Trust, a trust <i>inter vivos</i> duly established in terms of the AfricaGold Security Trust Deed and registered with the Master of the High Court of South Africa (South Gauteng High Court, Johannesburg) under reference number IT 2092/2013, which AfricaGold Security Trust has been established with the sole purpose of providing a Guarantee to the AfricaGold Debenture Holders and the other creditors in respect of the AfricaGold ETF;
<b>AfricaGold Security Trust Deed</b>	the written trust deed (as amended, novated and/or replaced from time to time) concluded by SBSA (in its capacity as donor) and Maitland Group South Africa Limited (in its capacity as trustee) on 3 July 2013, in terms of which the AfricaGold Security Trust is established;
<b>AfricaPalladium Debenture</b>	a debenture issued by the Company in accordance with the AfricaPalladium Debenture Conditions in respect of the AfricaPalladium ETF and which is intended to track the price of palladium;
<b>AfricaPalladium Debenture Conditions</b>	the terms and conditions of the AfricaPalladium Debentures incorporated in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaPalladium Debentures, as amended and/or substituted from time to time;
<b>AfricaPalladium Debenture Holder</b>	a Debenture Holder who holds AfricaPalladium Debentures;
<b>AfricaPalladium ETF</b>	the exchange traded fund established by the Transaction Documents and to be operated by the Company as described in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaPalladium Debentures, as amended

	and/or substituted from time to time, which is intended to track the price of palladium;
<b>AfricaPalladium Security Trust</b>	the AfricaPalladium Security Trust, a trust <i>inter vivos</i> duly established in terms of the AfricaPalladium Security Trust Deed and registered with the Master of the High Court of South Africa (South Gauteng High Court, Johannesburg) under reference number IT 2091/2013, which AfricaPalladium Security Trust has been established with the sole purpose of providing a Guarantee to the AfricaPalladium Debenture Holders and the creditors in respect of the AfricaPalladium ETF;
<b>AfricaPalladium Security Trust Deed</b>	the written trust deed (as amended, novated and/or replaced from time to time) concluded by SBSA (in its capacity as donor) and Maitland Group South Africa Limited (in its capacity as trustee) on 3 July 2013, in terms of which the AfricaPalladium Security Trust is established;
<b>AfricaPlatinum Debenture</b>	a debenture issued by the Company in accordance with the AfricaPlatinum Debenture Conditions in respect of the AfricaPlatinum ETF and which is intended to track the price of platinum;
<b>AfricaPlatinum Debenture Conditions</b>	the terms and conditions of the AfricaPlatinum Debentures incorporated in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaPlatinum Debentures, as amended and/or substituted from time to time;
<b>AfricaPlatinum Debenture Holder</b>	a Debenture Holder who holds AfricaPlatinum Debentures;
<b>AfricaPlatinum ETF</b>	the exchange traded fund established by the Transaction Documents and to be operated by the Company as described in a prospectus (dated 18 March 2014) prepared for the listing of the AfricaPlatinum Debentures, as amended and/or substituted from time to time, which is intended to track the price of platinum;
<b>AfricaPlatinum Security Trust</b>	the AfricaPlatinum Security Trust, a trust <i>inter vivos</i> duly established in terms of the AfricaPlatinum Security Trust Deed and registered with the Master of the High Court of South Africa (South Gauteng High Court,

	Johannesburg) under reference number IT 2090/2013, which AfricaPlatinum Security Trust has been established with the sole purpose of providing a Guarantee to the AfricaPlatinum Debenture Holders and the creditors in respect of the AfricaPlatinum ETF;
<b>AfricaPlatinum Security Trust Deed</b>	the written trust deed (as amended, novated and/or replaced from time to time) concluded by SBSA (in its capacity as donor) and Maitland Group South Africa Limited (in its capacity as trustee) on 3 July 2013, in terms of which the AfricaPlatinum Security Trust is established;
<b>AfricaRhodium Custodian(s)</b>	Johnson Matthey Public Limited Company, a company incorporated as a public liability company in England and Wales with company number 33774 and having its registered office at 5 <sup>th</sup> Floor, 25 Farringdon Street, London EC4A 4AB as custodian in respect of the AfricaRhodium ETF, or such other custodian as may be appointed by the Company from time to time;
<b>AfricaRhodium Debenture</b>	a debenture issued by the Company in accordance with the AfricaRhodium Debenture Conditions in respect of the AfricaRhodium ETF and which is intended to track the price of Rhodium;
<b>AfricaRhodium Debenture Conditions</b>	the terms and conditions of the AfricaRhodium Debentures incorporated in this Prospectus as Annexure A, subject to and in accordance with which the AfricaRhodium Debentures are issued;
<b>AfricaRhodium Debenture Holder</b>	a Debenture Holder who holds AfricaRhodium Debentures;
<b>AfricaRhodium ETF</b>	the exchange traded fund established by the Transaction Documents and to be operated by the Company as described in this Prospectus which is intended to track the price of Rhodium;
<b>AfricaRhodium Security Trust</b>	the AfricaRhodium Security Trust, a trust <i>inter vivos</i> duly established in terms of the AfricaRhodium Security Trust Deed and registered with the Master of the High Court of South Africa (South Gauteng High Court, Johannesburg) under reference number IT

	002897/2015, which AfricaRhodium Security Trust has been established with the sole purpose of providing a Guarantee to the AfricaRhodium Debenture Holders and the creditors in respect of the AfricaRhodium ETF;
<b>AfricaRhodium Security Trust Deed</b>	the written trust deed (as amended, novated and/or replaced from time to time) concluded by SBSA (in its capacity as donor) and Maitland Group South Africa Limited (in its capacity as trustee) on 14 Septemebr 2015, in terms of which the AfricaRhodium Security Trust is established;
<b>Allocated Account</b>	an allocated account held with the Custodian to which a quantity of Rhodium may be credited;
<b>Applicable Laws</b>	in relation to any entity, all and any: <ul style="list-style-type: none"> <li>• statutes and sub-ordinate legislation;</li> <li>• regulations, ordinance and directions;</li> <li>• by-laws;</li> <li>• codes of practice, circulars, guidance notices, judgments and decisions of any competent authority; and</li> <li>• other similar provisions,</li> </ul> from time to time, compliance with which is mandatory for that entity;
<b>Applicable Procedures</b>	the rules and operating procedures for the time being of the JSE, and/or any other applicable financial exchange, as the case may be;
<b>Applicant</b>	a person or entity which makes an offer to the Company to subscribe for AfricaRhodium Debentures by completing an Application on the basis described in this Prospectus;
<b>Application</b>	an application by electronic means in a form acceptable to the Manager and sent to the email address: <a href="mailto:AfricaETF@standardbank.co.za">AfricaETF@standardbank.co.za</a> ;
<b>Authorised Participant</b>	a registered financial institution, broker or other approved entity that has entered into an Authorised Participant Agreement with the Company and who holds all necessary exchange control and other approvals and licences to buy, sell, receive, dispose of or otherwise deal in the relevant Commodity in

	order to meet its obligations in terms under the Authorised Participant Agreement;
<b>Authorised Participant Agreement</b>	an agreement concluded between the Company and an Authorised Participant setting out the rights and obligations of the Authorised Participant in relation to creations and redemptions of Blocks of Debentures;
<b>Banks Act</b>	the Banks Act, 94 of 1990;
<b>Block</b>	25,000 AfricaRhodium Debentures;
<b>Block Commodity Amount</b>	in respect of the AfricaRhodium ETF, the amount determined by the Fund Administrator for a given Trading Day by multiplying the NAV of the AfricaRhodium ETF by the number of AfricaRhodium Debentures in each Block (25,000) less accrued expenses and dividing the resulting product by that day's Rhodium Reference Price, multiplied by the ruling Rand/US Dollar exchange rate quoted by a reputable source determined by the Fund Administrator;
<b>Board</b>	the board of directors of the Company from time to time;
<b>Bridge Facility Agreement</b>	the written bridge facility agreement (as amended, novated and/or replaced from time to time) concluded between the Company and SBSA dated 23 October 2013, in terms of which, inter alia, SBSA shall provide bridge loan financing to the Company for the purpose of funding certain fees and expenses incurred by the Company in connection with the Company's Business;
<b>Business Day</b>	a day (other than a Saturday, Sunday or official public holiday within the meaning of the Public Holidays Act, 36 of 1994) on which commercial banks are generally open to settle payments in Rand in Johannesburg;
<b>Central Securities Depository</b>	Strate Proprietary Limited (registration number 1998/022242/07), or its nominee, a central securities depository established and operated in terms of the Financial Markets Act;
<b>Central Securities Depository System</b>	the electronic settlement system utilised by the JSE and administered by the Central Securities Depository, which facilitates the electronic

	clearing and settlement for all transactions concluded on the JSE;
<b>Certificated Debenture</b>	a Debenture that has not been Dematerialised, title to which is represented by a physical document of title;
<b>Class of Debentures</b>	a class of Debentures, being either AfricaRhodium Debentures or AfricaGold Debentures or AfricaPlatinum Debentures or AfricaPalladium Debentures;
<b>Commercial Paper Regulations</b>	the commercial paper regulations, published in Government Notice No. 2172 (Government Gazette 16167) of 14 December 1994 issued pursuant to paragraph (cc) of the definition of "business of a bank" in Section 1 of the Banks Act;
<b>Company</b>	Africa ETF Issuer (RF) Limited (formerly Ninatex Proprietary Limited) (registration number 2013/022008/06), a public company duly incorporated in accordance with the laws of South Africa;
<b>Companies Act</b>	the Companies Act, 71 of 2008;
<b>Company's Business</b>	the business conducted by the Company from time to time, being, inter alia, the issue of Debentures, the acquisition and holding of Commodities and the sale of Commodities as described or envisaged in this Prospectus and the Transaction Documents;
<b>Commodity</b>	in relation to a Debenture, gold, platinum, palladium or rhodium or such other commodity or basket of commodities, as applicable, which that Debenture references, being Rhodium in relation to the AfricaRhodium Debentures;
<b>Commodity Sale Agreement</b>	the sale agreement deemed to have been concluded between the Company and a Qualifying Debenture Holder pursuant to the exercise by such Qualifying Debenture Holder of a Delivery Option, as set out in the relevant Debenture Conditions;
<b>Conditions to Issue</b>	the conditions which must be fulfilled prior to the issue of any AfricaRhodium Debentures (both in respect of the Initial Offer and each Subsequent Issue), being:

- (a) the receipt by the Company of a valid Application in respect of such AfricaRhodium Debenture;
- (b) in the case of cash subscriptions in respect of the Initial Offer, the receipt by the Company of the Offer Price in respect of the AfricaRhodium Debentures applied for and the application by the Company of such monies in the acquisition of Rhodium pursuant thereto;
- (c) in the case of in specie subscriptions, the receipt by the Company of confirmation from the Custodian that the Initial Quantity of Rhodium in respect of the AfricaRhodium Debentures applied for, has been deposited with the Custodian together with an instruction from the relevant Applicant to transfer such Rhodium to the relevant Allocated Account of the Company; and
- (d) the receipt by the Company of the Creation Fee;

**Conditions to Redemption**

the conditions which must be fulfilled prior to an AfricaRhodium Debenture Holder being entitled to redeem an AfricaRhodium Debenture in accordance with the provisions of AfricaRhodium Debenture Condition 7, being:

- (a) an AfricaRhodium Debenture may only be redeemed together with and as part of so many other AfricaRhodium Debentures as will constitute 1 (one) or more Blocks; and
- (b) an AfricaRhodium Debenture may only be redeemed on a Trading Day;

**Creation Fee**

the fee payable by an Applicant or Authorised Participant to the Company for the issue of the AfricaRhodium Debentures applied for by such Applicant, the amount currently as at the date of this Prospectus thought to be sufficient being an amount equal to R5,000 (excluding VAT);

**Creation Notice**

a notice delivered by or on behalf of an current or prospective AfricaRhodium Debenture Holder applying to create AfricaRhodium Debentures, which creation notice shall comply

with all relevant requirements of the relevant AfricaRhodium Debenture Conditions and shall be in the form of Annexure E to this Prospectus;

**CSDP**

a person accepted by the Central Securities Depository as a participant in terms of the Financial Markets Act;

**Custodian**

in respect of the AfricaPlatinum ETF, the AfricaGold ETF and the AfricaPalladium ETF, JPMorgan Chase Bank, N.A., a national banking association organised under the laws of the United States of America, acting through its London branch as custodian in respect of the AfricaRhodium ETF, the AfricaRhodium Custodian(s), or such other custodian as may be appointed by the Company from time to time;

**Custody Agreements**

the written agreements (as amended, novated and/or replaced from time to time) concluded between the Company and the Custodian(s) dated 8 October 2013 and 10 November 2015, in terms of which, inter alia, the Custodian(s) are appointed as custodian of the Commodities held by the Company from time to time;

**Debenture**

an AfricaGold, AfricaPalladium, AfricaPlatinum or AfricaRhodium Debenture or any other debenture issued by the Company which references a particular Commodity, as applicable;

**Debenture Conditions**

the AfricaRhodium Debenture Conditions or the AfricaPlatinum Debenture Conditions or the AfricaPalladium Debenture Conditions or the AfricaGold Debenture Conditions, as applicable;

**Debenture Holder**

in relation to any Debenture, the person or entity whose name is entered in the Register as the holder of such Debenture;

**Delivery Date**

in relation to the exercise of any Delivery Option, the date which is the later of:

- (a) the fifth Trading Day after the Redemption Date of the AfricaRhodium Debentures in respect of which such Delivery Option has been exercised if the Delivery Option has been exercised in

	respect of AfricaRhodium Debentures; or
	(b) the Delivery Date specified in the Redemption Notice pursuant to which such Delivery Option is exercised;
<b>Delivery Option</b>	the right and option of any Qualifying Debenture Holder redeeming one or more Blocks of AfricaRhodium Debentures to require the Company, under the AfricaRhodium Debenture Conditions, to sell to such Qualifying Debenture Holder a quantity of Rhodium equal to the Reference Quantity of the AfricaRhodium Debentures so redeemed;
<b>Dematerialised</b>	the process whereby physical debenture certificates and other documents of title are replaced with electronic records evidencing ownership of Debentures for the purposes of the Central Securities Depository System and recorded in a sub-register of Debenture Holders maintained by a CSDP or broker;
<b>Dematerialised Debenture</b>	a Debenture that has been Dematerialised;
<b>Dollars or US Dollars</b>	the lawful currency of the United States of America;
<b>Enforcement Notice</b>	in respect of each Debenture, a notice served by the Security Trust or, in the case of creditors being entitled to take action directly against the Company, a notice deemed to be served by the Security Trust on the Company pursuant to the Debenture Conditions following an Event of Default;
<b>ETF(s)</b>	the AfricaRhodium ETF or the AfricaPlatinum ETF or the AfricaPalladium ETF or the AfricaGold ETF, as applicable;
<b>ETF Value</b>	in respect of the AfricaRhodium ETF and on any day, the Reference Quantity in respect of an AfricaRhodium Debenture issued multiplied by the Rhodium Reference Price on such day converted at the US Dollar/ZAR foreign exchange rate as published on Bloomberg at the time of conclusion of that Rhodium Reference Price;
<b>Event of Default</b>	the occurrence of any of the following events: (a) the Company being wound up or

liquidated (in each case, whether provisional or final), provided that an offer of compromise in terms of section 115 of the Companies Act on terms and conditions approved by the Debenture Holders by a Extraordinary Resolution to that effect and in circumstances where the Company is solvent shall not constitute a winding-up of the Company for purposes of this sub-paragraph (a); or

- (b) the Company having any application or other proceedings brought against it, in terms of which the Company is sought to be wound up or placed in liquidation (whether provisional or final); or
- (c) subject to the proviso in sub-paragraph (a) which shall apply mutatis mutandis, the Company committing any act which is or would, if the Company were a natural person, be an act of insolvency as defined in the Insolvency Act, 24 of 1936;
- (d) subject to the proviso in sub-paragraph (a) which shall apply mutatis mutandis, the Company compromising or attempting to compromise with or attempting to defer payment of debt owing by it to its creditors generally;
- (e) subject to the proviso in sub-paragraph (a) which shall apply mutatis mutandis, any procedural steps being taken by the Company with a view to effecting a compromise or arrangement with its creditors generally;
- (f) any resolution is proposed for the commencement of business rescue proceedings in relation to the Company;
- (g) the Company ceasing to carry on the Company's Business in a normal and regular manner or materially changing the nature of the Company's Business or, through an official act of the Company's Board, the Company threatening to cease to carry on the Company's Business;
- (h) any liquidator (whether provisional or

final), receiver, business rescue practitioner, administrator or other similar official is appointed to the Company or any of its assets;

**Exchange Control Regulations**

the Exchange Control Regulations, 1961 promulgated in terms of section 9 of the South African Currency and Exchanges Act, 9 of 1933;

**Exchange Control Rulings**

the exchange control rulings issued to authorised dealers by the Financial Surveillance Department of the South African Reserve Bank under the powers delegated by the Minister of Finance which contain the permissions, conditions and limits applicable to transactions in foreign exchange that may be undertaken by Authorised Dealers;

**Extraordinary Resolution**

a resolution passed at a properly constituted meeting of Debenture Holders by a majority consisting of not less than 75% (seventy-five percent) of the number of Debentures represented at that meeting (present in person or by Proxy and voting whether on a show of hands or on a poll);

**FICA**

the Financial Intelligence Centre Act, 38 of 2001;

**Financial Markets Act**

the Financial Markets Act, 19 of 2012;

**Form of Proxy**

an instrument in writing signed by an AfricaRhodium Debenture Holder holding a Certificated Debenture or, in the case of an AfricaRhodium Debenture Holder holding a Certificated Debenture which is a company or other juristic person, signed on its behalf by a Representative of the company or juristic person appointing a Proxy;

**Fund Administrator**

Maitland Group South Africa Limited or such other fund administrator as may be appointed by the Company in terms of the Fund Management Agreement;

**Fund Management Agreement**

the written fund management agreement (as amended, novated and/or replaced from time to time) concluded between the Company and the Fund Administrator dated 18 October 2013, in terms of which, inter alia, the Fund Administrator is appointed by the Company to

administer certain affairs of the Company and the Company's Business and to perform certain calculation functions in connection with the Company's Business;

**Good Delivery Standard**

the refining standard and weights in respect of Rhodium means rhodium sponge with a minimum purity of 99.90% (refined by any LPPM registered good delivery refiner) and stored in terms of the current industry best practice packaged in tough, tamper-proof containers, each with an unique serial number. Each container's label bears indications of its contents' net weight and purity, as defined in the section entitled "*Market Overview*" on page 36 above

**Guarantee**

in respect of an ETF, the guarantee granted by the applicable Security Trust to the applicable Debenture Holders under that ETF and other creditors in respect of that ETF;

**Guardian's Fund**

the statutory trust established in terms of Chapter V of the Administration of Estates Act, 1965;

**IFRS**

the relevant International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body;

**Indemnity**

in respect of an ETF, the indemnity agreement concluded by the Company in favour of the applicable Security Trust for that ETF in terms of which the Company indemnifies that Security Trust against any claims, losses or liabilities which that Security Trust may suffer or incur as a result of or in connection with the Guarantee issued by such Security Trust;

**Initial Offer**

the first offer to be made by the Company to qualifying investors in South Africa to subscribe for AfricaRhodium Debentures referencing a maximum of 1,000,000 fine troy ounces of Rhodium as described in this Prospectus;

**Initial Quantity**

in relation to an AfricaRhodium Debenture, the quantity of Rhodium to which that AfricaRhodium Debenture was referenced and linked on the Issue Date which, in respect of the AfricaRhodium Debentures issued pursuant

to the Initial Offer, shall be 1/100 fine troy ounces of Rhodium, and in respect of each Subsequent Issue shall be the Reference Quantity of the AfricaRhodium Debentures already in issue as at the Issue Date of the AfricaRhodium Debentures issued under such Subsequent Issue;

**Issue Date**

in relation to an AfricaRhodium Debenture, the date of actual issue of that AfricaRhodium Debenture;

**JSE**

the Johannesburg Stock Exchange, the exchange operated by JSE Limited (registration number 2005/022939/06);

**JSE Guarantee Fund**

the guarantee fund established and operated by the JSE as a separate guarantee fund in terms of the rules of the JSE, as required by sections 8(1)(h) and 17(2)(w) of the Financial Markets Act, or any successor fund;

**JSE Listings Requirements**

Section 19 of the listings requirements and debt listings requirements, as applicable, published by the JSE from time to time;

**LBMA**

the London Bullion Market Association;

**Letter of Allocation**

a letter of allocation issued by the Company to a successful Applicant in respect of the AfricaRhodium Debentures to be issued to the holder of such letter of allocation upon fulfilment of the Conditions to Issue;

**LPPM**

the London Platinum and Palladium Market;

**Locally Sourced**

the Rhodium being from South African sources;

**Management Agreement**

the written management agreement (as amended, novated and/or replaced from time to time) concluded between the Company and the Manager dated 5 March 2014, in terms of which, inter alia, the Manager is appointed by the Company to manage certain affairs of the Company and the Company's Business and to advise the Company in relation to the conduct of certain aspects of the Company's Business;

**Manager**

SBSA, or such other manager of the Company as may be appointed by the Company in terms of the Management Agreement;

<b>Market Maker</b>	SBSA, in its capacity as such or such other marker maker appointed by the Company from time to time;
<b>Monthly Charge</b>	in respect of an ETF, an amount sufficient to, inter alia, meet the monthly fees and expenses of the Company from time to time which are attributable to or apportioned to that ETF, which fees and expenses are funded through the sale of the relevant Commodity which that ETF references. The amount currently thought as at the date of this Prospectus to be sufficient to meet such fees and expenses in respect of the AfricaRhodium ETF is 0.75% per annum of the Rhodium underlying the AfricaRhodium ETF held by the Company from time to time in excess of 250 fine troy ounces of Rhodium;
<b>NAV</b>	in respect of the Africa Rhodium ETF at any time, the total value of the relevant underlying Rhodium for the AfricaRhodium ETF, less the liabilities attributable to or apportioned to the AfricaRhodium ETF, divided by the total number of AfricaRhodium Debentures outstanding under the AfricaRhodium ETF at such time;
<b>Nominated Account</b>	the relevant Allocated Account or Unallocated Account of a Qualifying Debenture Holder into which the Sale Commodity to be delivered to such Qualifying Debenture Holder pursuant to the exercise of a Delivery Option shall be credited;
<b>Offer Price</b>	in relation to each AfricaRhodium Debenture, the price (expressed in Rand) at which such AfricaRhodium Debenture is issued on the Issue Date thereof, being an amount calculated with reference to the value of the Initial Quantity of the Rhodium linked to that AfricaRhodium Debenture as at the Issue Date thereof and published on SENS;
<b>Participating Broker</b>	SBG Securities Proprietary Limited, or such other participating broker as may be appointed from time to time;
<b>Portfolio Composition File</b>	in respect of the AfricaRhodium ETF, the file created by the Fund Administrator after close of trading on each Trading Day setting out the amount of the Rhodium required for the

	creation or redemption of AfricaRhodium Debentures under the AfricaRhodium ETF on the following Trading Day;
<b>Priority of Payments</b>	the priority in which creditors of the Company are to be repaid, as set out in Condition 9 of the Debenture Conditions;
<b>Prospectus</b>	this prospectus, together with the annexures attached hereto;
<b>Proxy</b>	a person duly appointed under a Form of Proxy to act for and on behalf of an AfricaRhodium Debenture Holder holding a Certificated Debenture in connection with any meeting or proposed meeting of AfricaRhodium Debenture Holders;
<b>Qualifying Applicant</b>	an Applicant owning and holding at least 250 fine troy ounces of Rhodium with the Custodian and who satisfies the Manager and Fund Administrator that it is in possession of all necessary licences, consents and approvals that are required to buy, own, be in possession of and/or otherwise deal in Rhodium;
<b>Qualifying Debenture Holder</b>	an AfricaRhodium Debenture Holder holding 1 (one) or more Blocks of AfricaRhodium Debentures and who satisfies the Manager and Fund Administrator that he is in possession of all necessary licences, consents and approvals that are required to buy, own, be in possession of and/or otherwise deal in Rhodium;
<b>Rand or ZAR</b>	Rand, the legal currency of South Africa;
<b>Redemption Date</b>	in relation to an AfricaRhodium Debenture, the date on which such AfricaRhodium Debenture is actually redeemed in accordance with the AfricaRhodium Debenture Conditions;
<b>Redemption Fee</b>	the fee payable by an AfricaRhodium Debenture Holder on the redemption of an AfricaRhodium Debenture held by it, the amount currently thought as at the date of this Prospectus to be sufficient being an amount equivalent to R5,000 (excluding VAT);
<b>Redemption Notice</b>	a notice delivered by or on behalf of an AfricaRhodium Debenture Holder exercising its right to require the redemption of all or some of the AfricaRhodium Debentures held

by it, which redemption notice shall comply with all relevant requirements of the relevant AfricaRhodium Debenture Conditions and shall be in the form of Annexure E to this Prospectus;

**Redemption Value**

in relation to an AfricaRhodium Debenture and as at the Redemption Date thereof, an amount equal to the Sale Proceeds realised or that would have been realised by the Company pursuant to a sale of the Reference Quantity of Rhodium to which the AfricaRhodium Debenture is linked;

**Reference Quantity**

in relation to an AfricaRhodium Debenture, the specific quantity of Rhodium to which the AfricaRhodium Debenture is referenced and linked as at any given point in time, calculated in accordance with the following formula:

$$RQ = \frac{IQ}{\left(\frac{1}{1-L}\right)^{D/365}}$$

Where:

**RQ** = the Reference Quantity to be determined, expressed in troy ounces;

**IQ** = the Initial Quantity of that AfricaRhodium Debenture, expressed in fine troy ounces;

**D** = the number of days between the Issue Date of the first AfricaRhodium Debenture issued and the Redemption Date of the AfricaRhodium Debenture in respect of which the Reference Quantity is to be determined; and

**L** = the Monthly Charge for the AfricaRhodium ETF, which Monthly Charge accrues daily and will be deducted monthly in arrears;

**Register**

the register of AfricaRhodium Debentures, which register shall, in the case of Dematerialised Debentures, be kept by the Central Securities Depository and, in the case of Certificated Debentures, be kept by the Transfer Agent;

<b>Representative</b>	a person authorised by a resolution of a corporate AfricaRhodium Debenture Holder's directors or other governing body to act as its representative in connection with any meeting or proposed meeting of AfricaRhodium Debenture Holders;
<b>Rhodium</b>	physical Rhodium in the form of sponge and complying with the Good Delivery Standards;
<b>Rhodium Reference Price</b>	in respect of a Business Day, the price of Rhodium calculated in accordance with the provisions entitled " <i>Rhodium Reference Price</i> " under the heading " <i>Market Overview</i> " on page 36 above and as displayed on the Rhodium Reference Price Source on such Business Day;
<b>Rhodium Reference Price Source</b>	the website maintained on behalf of the Company by the Manager at <a href="http://www.standardbank.co.za">http://www.standardbank.co.za</a> ;
<b>Sale Commodity</b>	the Rhodium to be sold by the Company to a Qualifying Debenture Holder exercising a Delivery Option in terms of a Commodity Sale Agreement;
<b>Sale Proceeds</b>	in respect of Rhodium, the proceeds realised by the Company from the sale of Rhodium by an Authorised Participant, on its behalf, on redemption of all or any of the AfricaRhodium Debentures issued by it which reference Rhodium, being an amount equal to the proceeds realised by the Authorised Participant from the sale of Rhodium in the spot market at the best available price, less the costs of arranging and completing such sale, storage costs, insurance costs, any other associated costs and all applicable Taxation payable in connection with such sale;
<b>SBSA</b>	The Standard Bank of South Africa Limited (registration number 1962/000738/06);
<b>Security</b>	any mortgage, pledge, lien, equity option, encumbrance, charge, assignment, right of set-off, adverse right or interest whatsoever, including any mortgage bond, notarial bond, hypothecation, assignment, cession <i>in securitatem debiti</i> , deposit by way of security or any other agreement or arrangement (whether conditional or not and whether relating to existing or to future assets), having

the effect of providing a security interest or preferential treatment to a person over another person's assets (including set-off, title retention or reciprocal fee arrangements) or any agreement or arrangement to give any form of security or preferential treatment to a person over another person's assets, but excluding statutory preferences, howsoever created or arising;

**Security Agreement**

in relation to an ETF, the security agreement concluded between the Company and the applicable Security Trust for such ETF, pursuant to which the Company grants to and in favour of that Security Trust Security over all the Company's right, title and interest in and to the Company's holdings of the relevant Commodity held in the applicable Allocated Account and Unallocated Account of the Company;

**Security Trust**

in respect of the AfricaRhodium Debentures, the Africa Rhodium Security Trust, and in respect of the AfricaPlatinum Debentures, the AfricaPlatinum Security Trust, and in respect of the AfricaPalladium Debentures, the AfricaPalladium Security Trust, and in respect of the AfricaGold Debentures, the AfricaGold Security Trust respectively;

**SENS**

the Stock Exchange News Service, an office of the JSE;

**Settlement Agent**

a CSDP approved in terms of the Applicable Procedures to perform electronic net settlements of both funds and scrip on behalf of market participants;

**South Africa**

the Republic of South Africa;

**Subsequent Issue**

an issue of further AfricaRhodium Debentures by the Company to one or more specifically named subscribers therefor made subsequent to the date of the Initial Offer, on the basis as described in this Prospectus;

**Taxes**

all taxes, duties, assessments, levies and/or governmental charges (including any penalty in respect thereof and interest thereon) payable to any governmental authority or any political sub-division thereof or any authority or agency therein or thereof having the power to tax,

including income tax, VAT and regional services levies;

**Trading Day**

a day on which trading takes place on the JSE;

**Transaction Documents**

collectively:

- (a) the Debenture Conditions;
- (b) the Bridge Facility Agreement;
- (c) the Account Bank Agreement;
- (d) the Fund Management Agreement;
- (e) the Management Agreement;
- (f) the Transfer Agency Agreement
- (g) the Custody Agreements;
- (h) each Indemnity;
- (i) each Guarantee;
- (j) each Security Agreement;
- (k) the Africa Funds Issuer Owner Trust Deed; and
- (l) the memorandum of incorporation of the Company,

all as amended, novated and/or replaced from time to time;

**Transfer Agent**

SBSA, or such other transfer agent as appointed by the Company in terms of the Transfer Agency Agreement;

**Transfer Agency Agreement**

the written transfer agency agreement (as amended, novated and/or replaced from time to time) concluded between the Company and the Transfer Agent dated 24 October 2013, in terms of which, inter alia, the Transfer Agent is appointed by the Company to provide certain transfer agency services to the Company in relation to the Debentures;

**Transfer Form**

the written form for transfer of any AfricaRhodium Debenture evidenced by a certificate in a form approved by the Transfer Agent and signed by the transferor and the transferee;

**Unallocated Account**

an unallocated account held with the Custodian to which a quantity of Rhodium may be credited;

**VAT**

value added tax levied in terms of the Value Added Tax Act, 1991 and any other Tax of a similar nature.

All references in this Prospectus to any Act, regulation, commodity reference price (including but not limited to the Rhodium Reference Price) or other statutory provision shall be a reference to such Act, regulation, commodity reference price (including but not limited to the Rhodium Reference Price) or other statutory provision as amended, substituted and/or re-promulgated from time to time and for the time being.

All reference in this Prospectus to a time of day shall, unless otherwise specifically indicated, be a reference to time in Johannesburg, South Africa.

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**DIRECTOR'S SIGNATURES**

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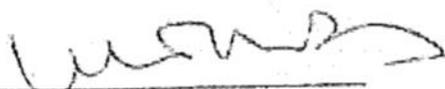
7.B.23

By order of the Board

26 November 2015

Registered office:  
32 Fricker Road, Illovo, 2196

SIGNED IN Rosebank ON 26 November 2015 BY OR ON BEHALF OF THE DIRECTORS OF  
AFRICA ETF ISSUER (RF) LIMITED



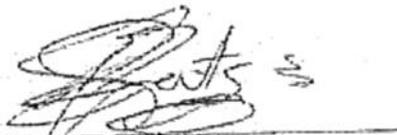
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DAVID PETER TOWERS  
CHAIRMAN



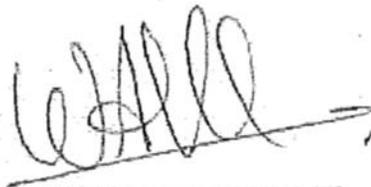
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JOHANN ERASMUS  
DIRECTOR



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VICTOR BOTSI  
DIRECTOR



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WESLEY MARTENS  
DIRECTOR

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## ANNEXURE A - TERMS AND CONDITIONS OF THE AFRICARHODIUM DEBENTURES

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The terms and conditions subject to and in accordance with which the AfricaRhodium Debentures will be issued are as follows. 7.C.3(a) - (d)

### 1. Interpretation

#### 1.1 Definitions

In these AfricaRhodium Debenture Conditions words and phrases defined in the section of the Prospectus headed "Interpretation" shall have the same meaning when used in these AfricaRhodium Debenture Conditions, unless the context clearly indicates a contrary intention.

#### 1.2 Construction

- (a) In these AfricaRhodium Debenture Conditions, unless a contrary intention appears, a word or expression which denotes:
  - (i) any gender shall include the other genders;
  - (ii) a natural person shall include an artificial or juristic person and *vice versa*; and
  - (iii) the singular shall include the plural and vice versa.
- (b) Any reference to a statute, regulation, commodity reference price (including but not limited to the Rhodium Reference Price) or other legislation shall be to that statute, regulation, commodity reference price (including but not limited to the Rhodium Reference Price) or other legislation as at the date of the Prospectus and as amended, re-promulgated or substituted from time to time.
- (c) Any reference to any agreement or Transaction Document shall be to that agreement or Transaction Document as at the date of the Prospectus and as amended, novated and/or replaced from time to time.
- (d) Any word or expression defined in the Companies Act shall bear the same meaning where used in these AfricaRhodium Debenture Conditions as ascribed to it therein.
- (e) Any provision in a definition which is a substantive provision conferring a right or imposing an obligation on any party shall, notwithstanding that it is only a definition, be given effect to as if it were a substantive provision of these AfricaRhodium Debenture Conditions.
- (f) Where any number of days is prescribed or must be calculated from a particular day, such number shall be calculated as excluding such particular day and commencing on the next day.
- (g) References to days (other than references to Business Days), months and/or years shall be construed as references to calendar days, months and/or years.
- (h) If the last day of the number of days to be so calculated falls on a day which is not a Business Day, the last day shall be deemed to be the following Business Day.

- (i) References to a time of day shall, unless otherwise indicated, be references to time in Johannesburg, South Africa.
- (j) A reference to a **Condition** followed by a specific number shall be a reference to the corresponding numbered paragraph of these AfricaRhodium Debenture Conditions.
- (k) The use of the word **including** followed by specific examples shall not be construed as limiting the meaning of the general word preceding it and the eiusdem generis rule shall not be applied in the interpretation of such general wording or such specific examples.
- (l) Any word or expression defined within a particular Condition other than this Condition 1 (whether by incorporation by reference or otherwise), shall bear the meaning ascribed to it in that Condition wherever it is used in these AfricaRhodium Debenture Conditions.
- (m) Any rule of construction requiring that these AfricaRhodium Debenture Conditions be interpreted or construed against the party responsible for the drafting or preparation hereof, shall not be of any application.

## **2. Issue**

- 2.1 The Company shall, pursuant to the Initial Offer, issue AfricaRhodium Debentures referencing a maximum of 1,000,000 (one million) troy ounces of Rhodium.
- 2.2 The Company is entitled, without the consent of the then existing AfricaRhodium Debenture Holders, to issue further AfricaRhodium Debentures at any time, provided that the Conditions to Issue have been fulfilled as at the date of such issue and provided that, in any year, such AfricaRhodium Debentures do not reference more than 1,000,000 (one million) troy ounces of Rhodium without the approval of the South African Reserve Bank.

## **3. Form and Denomination**

- 3.1 The AfricaRhodium Debentures are secured debentures which shall be issued by the Company from time to time in initial denominations each linked to the value of an Initial Quantity of Rhodium. 7.C.3(c)
- 3.2 The value of each AfricaRhodium Debenture will be linked to the Reference Quantity of Rhodium from time to time. An AfricaRhodium Debenture Holder will, however, have no ownership right or beneficial interest in and to any Rhodium held by the Company from time to time. 7.C.2(b)  
7.C.2(d)
- 3.3 The AfricaRhodium Debentures will initially be issued as Dematerialised Debentures in terms of section 33 of the Financial Markets Act and will not be represented by any certificate or written instrument. However, the holder of a Dematerialised Debenture will be entitled to exchange such Dematerialised Debenture for a Certificated Debenture in accordance with section 33 of the Financial Markets Act. Any such exchange will be done in accordance with Condition 16. 7.C.3(a)  
7.C.2(a)

## **4. Status and security**

- 4.1 The AfricaRhodium Debentures constitute (subject to the provisions of this Condition 4) direct, unconditional, unsubordinated and secured obligations of the Company. The claims of each AfricaRhodium Debenture Holder under the AfricaRhodium Debentures shall rank pari passu with the claims of all other AfricaRhodium Debenture Holders under the AfricaRhodium Debentures. 7.C.2(f)

- 4.2 Upon the occurrence of an Event of Default, the rights of the AfricaRhodium Debenture Holders shall be limited to the extent that no AfricaRhodium Debenture Holder shall be entitled to enforce its rights under the AfricaRhodium Debentures against the Company or to take any action or institute any proceedings against the Company under the AfricaRhodium Debentures (whether to recover any amount payable by the Company under the AfricaRhodium Debentures or otherwise) but all such rights shall vest in the AfricaRhodium Security Trust. Should the AfricaRhodium Security Trust be sequestrated or wound up or should the Guarantee issued by the AfricaRhodium Security Trust and the Indemnity granted in favour of the AfricaRhodium Security Trust be or become unenforceable, then the AfricaRhodium Debenture Holders shall themselves be entitled to enforce their rights under the AfricaRhodium Debentures and to take action and institute proceedings directly against the Company should an Event of Default occur or should the AfricaRhodium Debentures otherwise become redeemable in terms of Condition 7.
- 4.3 The AfricaRhodium Security Trust shall bind itself in writing to the AfricaRhodium Debenture Holders as guarantor for and co-principal debtor in solidum with the Company for the due and punctual fulfilment by the Company of all of its payment obligations which it may incur to the AfricaRhodium Debenture Holders under the AfricaRhodium Debentures.
- 4.4 The liability of the AfricaRhodium Security Trust pursuant to the aforementioned Guarantee shall, however, be limited to the aggregate amount recovered by the Guarantor from the Company arising out of the Indemnity given by the Company to the AfricaRhodium Security Trust. The obligations of the Company under the Indemnity shall be secured by the Security Agreement concluded with the AfricaRhodium Security Trust in terms of which the Company grants Security in favour of the AfricaRhodium Security Trust over all of the Company's rights, title and interest in and to all of the Rhodium held by the Company in the relevant Allocated Account and Unallocated Account. In addition, all amounts recovered by the AfricaRhodium Security Trust pursuant to the aforementioned Guarantee shall be distributed by the AfricaRhodium Security Trust in accordance with the Priority of Payments.
- 4.5 The AfricaRhodium Debenture Holders are not entitled to institute, or join with any person in instituting, any proceedings for the Company to be liquidated or for the appointment of a liquidator, business rescue practitioner or similar officer of the Company or any of the Company's assets or revenues, until one year after the AfricaRhodium Security Trust has notified the AfricaRhodium Debenture Holders that it has no further assets or right to any assets of the Company available for the payment of any sums outstanding and owing by the Company under the AfricaRhodium Debentures.

## **5. Title**

- 5.1 Title to the AfricaRhodium Debentures will pass upon registration of transfer in accordance with Condition 17.
- 5.2 The Company and the Transfer Agent shall recognise an AfricaRhodium Debenture Holder as the sole and absolute owner of the AfricaRhodium Debenture registered in that AfricaRhodium Debenture Holder's name in the Register (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes and shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any AfricaRhodium Debenture may be subject.
- 5.3 In terms of existing law and practice, title to Dematerialised Debentures will be transferred through the Central Securities Depository System by way of book entries into the securities accounts of the relevant CSDP. Such transfers will not be recorded in the Register and the relevant CSDP (or its relevant nominee) will continue to be reflected in the Register as the

AfricaRhodium Debenture Holder in respect of such Dematerialised Debentures, notwithstanding such transfers.

## **6. Company's Undertakings**

The Company gives the undertakings set out in this Condition 6 in favour of the AfricaRhodium Debenture Holders and the AfricaRhodium Security Trust for so long as there are any AfricaRhodium Debentures in issue.

### **6.1 Corporate Status**

The Company shall:

- (a) do all such things as are necessary to maintain its corporate existence and to always hold itself out as an entity which is legally separate and independent from any other entity or group of entities and to correct any misunderstanding known to the Company regarding its separate identity; and
- (b) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required by all Applicable Laws to enable the Company to lawfully enter into and perform its obligations under the AfricaRhodium Debenture Conditions and each of the Transaction Documents to which it is a party and to conduct the Company's Business.

### **6.2 Comply with obligations**

The Company shall:

- (a) take such steps as are reasonable to enforce its rights under the AfricaRhodium Debentures and all other agreements (including the Transaction Documents) to which it is a party;
- (b) comply with, perform and observe all of its obligations under the AfricaRhodium Debentures and all other agreements (including the Transaction Documents) to which it is a party; and
- (c) comply with the Continuing Obligations referred to in Section 19.20 of the JSE Listings Requirements.

### **6.3 Maintain Accounting Records**

The Company shall:

- (a) prepare and keep proper and adequate Accounting Records in accordance with IFRS, the Companies Act and the JSE Listings Requirements; and
- (b) lodge timely returns thereof as required under all Applicable Laws.

### **6.4 Taxation**

The Company shall:

- (a) at all times maintain its tax residence in South Africa; and
- (b) timeously pay all Taxes as and when due (other than Taxes disputed by the Company in good faith).

## 6.5 **Listing on the JSE**

The Company shall use all reasonable efforts to obtain and maintain a listing of the AfricaRhodium Debentures on the JSE. If, however, it is unable to do so (having used such reasonable endeavours) or if the maintenance of such listing is found to be unduly onerous to the Company, and the Company is satisfied that the interests of AfricaRhodium Debenture Holders would not thereby be materially prejudiced, the Company shall instead use all reasonable endeavours to promptly obtain and thereafter maintain a listing of the AfricaRhodium Debentures on such other stock exchange/s as it may reasonably determine. Any de-listing of the AfricaRhodium Debentures from the JSE will be subject to the provisions of the JSE Listings Requirements.

## 6.6 **Other Information**

The Company shall supply such information as it is required by Applicable Laws (including the JSE Listings Requirements) and distribute same to its shareholder, the AfricaRhodium Debenture Holders and the AfricaRhodium Security Trust from time to time.

## 6.7 **Rhodium**

The Company will:

- (a) acquire or accept Locally Sourced Rhodium and store the Rhodium with the Custodian in accordance with Good Delivery Standards;
- (b) subject to Condition 6.7(c), ensure that all Rhodium of the Company is held in a segregated Allocated Account of the Company with the Custodian;
- (c) save as described in the Prospectus, ensure that no more than 400 fine troy ounces of Rhodium are at any time deposited in the Unallocated Account of the Company with the Custodian; and
- (d) only dispose of Rhodium standing to the credit of its Unallocated Account for the purpose of meeting its statutory costs and operating fees and expenses or where the quantity of Rhodium to be disposed of pursuant to a redemption of any AfricaRhodium Debentures in accordance with the provisions of these AfricaRhodium Debenture Conditions is not exactly equal to a multiple of whole Good Delivery Standards.

## 6.8 **Events of Default**

The Company shall promptly inform the AfricaRhodium Debenture Holders and the AfricaRhodium Security Trust, in accordance with the provisions of Condition 7.3, of the occurrence of an Event of Default.

## 6.9 **Independent Directors**

The Company shall ensure that at least 3 (three) directors of the Company are independent directors nominated by the Africa Funds Issuer Owner Trust and shall not recognise a quorum at any meeting of the Board unless 2 (two) of such independent directors are present at that meeting.

## 6.10 **Use of Proceeds**

The Company shall utilise the proceeds derived from the issue of the AfricaRhodium Debentures to acquire Rhodium, which is to be retained and used by the Company on the basis more fully described in this Prospectus. For purposes of the Commercial Paper Regulations it is recorded

that the "Ultimate Borrower", as defined in the Commercial Paper Regulations, of the net proceeds from the AfricaRhodium Debentures will be the Company.

**6.11 Further Issues**

The Company shall not issue any further AfricaRhodium Debentures unless, as at the date thereof, the Conditions to Issue have been fulfilled.

**6.12 Restrictions on Activities**

The Company shall not engage in any activity which is outside the scope of the restrictions placed on it in terms of its memorandum of incorporation or which is not in terms of or directly related to any of the activities which the Transaction Documents provide for or envisage that the Company will engage in.

**6.13 Negative Pledge**

The Company shall not dispose of, create or permit to subsist any encumbrance (unless arising by the operation of law) upon the whole or any part of the Company's assets or its revenues, present or future, or the Company's Business, save for any such encumbrance subsisting under or in connection with any Transaction Document and/or the Debenture Conditions.

**6.14 Indebtedness**

The Company shall not incur any indebtedness save as contemplated in the Prospectus and/or the Transaction Documents.

**6.15 Other**

The Company shall not, save to the extent contemplated in the Prospectus and/or the Transaction Documents:

- (a) have any subsidiaries, employees or premises;
- (b) consolidate or merge with any other person or entity or convey or transfer its properties or assets substantially as an entirety to any other person or entity;
- (c) alienate, dispose of, encumber, deal with or grant any options or present or future rights to acquire any of its assets or undertakings or any right, title or interest in and to such assets or undertakings and any interests, estate, right, title or benefit therein; or
- (d) consent to any variation or waiver of the terms of any of the AfricaRhodium Debenture Conditions and/or Transaction Documents other than in accordance with the Debenture Conditions, or
- (e) permit any party to the AfricaRhodium Debenture Conditions and/or any of the Transaction Documents or any other person whose obligations form part of the security created by the AfricaRhodium Debenture Conditions and/or the Transaction Documents to be released from such obligations, other than in accordance with the Debenture Conditions and/or the Transaction Documents,

unless prior approval of the AfricaRhodium Debenture Holders by way of an Extraordinary Resolution is obtained.

## **7. Redemption**

### **7.1 Optional Redemption at the instance of the Company**

7.C.2(g)

- (a) The Company may redeem all, but not some only, of the AfricaRhodium Debentures in full (but not in part) at their Redemption Value as at the date thereof, having given not less than 30 (thirty) and not more than 90 (ninety) Business Days' written notice to the AfricaRhodium Debenture Holders (which notice shall be irrevocable) if:
- (i) any of the Transaction Documents become illegal or unenforceable for any reason whatsoever and such illegality or unenforceability cannot be remedied by reasonable measures open to the Company; or
  - (ii) as a result of any change in or amendment to, the application or interpretation of any existing or new Applicable Law:
    - (A) the Company is or would be required to deduct or withhold from any payments on the AfricaRhodium Debentures any amounts as provided or referred to in Condition 14, and such requirement cannot be avoided by the Company taking reasonable measures available to it;
    - (B) there is otherwise a change to the Tax structure of the AfricaRhodium ETF from that existing as at the date of the Prospectus which would result in an increased Tax burden for the Company and such increased Tax burden cannot be avoided through reasonable measures available to the Company; or
  - (iii) the appointment of the Custodian is terminated and the Company is unable to find a suitable replacement custodian to hold its physical Rhodium on commercially reasonable terms; or
  - (iv) at any time after the first anniversary of the first Issue Date of the AfricaRhodium Debentures, the NAV of the AfricaRhodium ETF is less than ZAR100,000,000; or
  - (v) the Manager deems the continued operation of AfricaRhodium ETF unsustainable due to prevailing market conditions, including but not limited to the trading, liquidity and availability of Rhodium; or
  - (vi) the AfricaRhodium Debentures are delisted from the JSE and are not listed on any other exchange.
- (b) The Company may redeem all, but not some only, of the AfricaRhodium Debentures in full (but not in part) held by a specific AfricaRhodium Debenture Holder (as opposed to all of the AfricaRhodium Debenture Holders) at their Redemption Value as at the date thereof, having given not less than 10 (ten) and not more than 90 (ninety) Business Days' written notice to the relevant AfricaRhodium Debenture Holder (which notice shall be irrevocable) if the Company is reasonably of the view that the continued holding by such AfricaRhodium Debenture Holder of AfricaRhodium Debentures may result in the Company falling foul of the provisions of FICA, or any other Applicable Law.

### **7.2 Optional Redemption at the instance of AfricaRhodium Debenture Holder**

An AfricaRhodium Debenture Holder may redeem all or some of the AfricaRhodium Debentures held by him in full (but not in part) at their Redemption Value as at the date thereof, having given not less than 5 (five) Trading Days' notice to the Company (which notice shall be irrevocable) if, as at the date thereof, the Conditions to Redemption have been met. The Company's obligation to redeem is dependant on prevailing market conditions and the ability to sell Rhodium.

### 7.3 **Mandatory redemption following an Event of Default**

- (a) Upon the occurrence of an Event of Default, the Company shall promptly advise the AfricaRhodium Debenture Holders and the AfricaRhodium Security Trust of the occurrence of such event.
- (b) Upon the occurrence of an Event of Default, the AfricaRhodium Security Trust may in its discretion and shall if so directed by a Extraordinary Resolution of AfricaRhodium Debenture Holders deliver an Enforcement Notice to the Company stating that all AfricaRhodium Debentures are immediately to be redeemed, whereupon the Company shall be obliged to redeem all the AfricaRhodium Debentures at their Redemption Value at the date of the occurrence of such Event of Default in accordance with the Priority of Payments.
- (c) Upon receipt of any monies by the AfricaRhodium Security Trust, the AfricaRhodium Security Trust shall be obliged to apply such monies in accordance with the Priority of Payments.
- (d) Upon the occurrence of an Event of Default, no AfricaRhodium Debenture Holder shall be entitled to enforce its rights under the AfricaRhodium Debentures against the Company or to take any action or institute any proceedings against the Company under the AfricaRhodium Debentures (whether to recover any amount payable by the Company under the AfricaRhodium Debentures or otherwise) but all such rights shall vest in the AfricaRhodium Security Trust. Should the AfricaRhodium Security Trust be sequestrated or wound up or should the Guarantee issued by the AfricaRhodium Security Trust and the Indemnity granted in favour of the AfricaRhodium Security Trust be or become unenforceable, then the AfricaRhodium Debenture Holders shall themselves be entitled to enforce their rights under the AfricaRhodium Debentures and to take action and institute proceedings directly against the Company should an Event of Default occur or should the AfricaRhodium Debentures otherwise become redeemable in terms of this Condition 7.
- (e) The AfricaRhodium Security Trust shall not be required to take any steps to ascertain whether any Event of Default shall have occurred and until the AfricaRhodium Security Trust has actual knowledge or has been served with express notice thereof it shall be entitled to assume that no such Event of Default has taken place.

### 7.4 **Procedures for redemption**

- (a) All AfricaRhodium Debentures will be redeemed at their Redemption Value as at the Redemption Date thereof, in accordance with Condition 9. The Redemption Value will be calculated having regard to the Sale Proceeds realised (in the event where a Delivery Option is not exercised) or the Sale Proceeds that would have been realised at the Rhodium Reference Price (in the event of an exercise of a Delivery Option) from the sale by the Authorised Participant of the Reference Quantity of Rhodium on the Redemption Date of such AfricaRhodium Debentures. This Reference Quantity will be less than the

Initial Quantity as it will take into account the Monthly Charge for the AfricaRhodium ETF. Fractions of a fine ounce of Rhodium included in the Block Commodity Amount smaller than 0.001 of a fine ounce are disregarded. All Sale Proceeds will be converted into and paid in Rand at the Rand/US Dollar exchange rate quoted by SBSA on the relevant Redemption Date.

- (b) An AfricaRhodium Debenture Holder may, provided that the Conditions to Redemption are met, require the Company to redeem 1 (one) or more Blocks of AfricaRhodium Debentures at any time in accordance with Condition 7.2 by delivering to the Transfer Agent either directly, or through the Authorised Participant, CSDP or broker of the Participating Broker, a Redemption Notice indicating the number of Blocks of AfricaRhodium Debentures that are to be redeemed and the date on which such redemption is to take place. A message will then be forwarded from the AfricaRhodium Debenture Holder's CSDP to the Fund Administrator and the Company's CSDP. Delivery messages received by the Company's CSDP prior to 09h00 on any Trading Day will, if accepted, be deemed to have been received and dealt with on that Trading Day. If the delivery message is received by the Company's CSDP after the 09h00 deadline for the relevant Trading Day, the delivery message will automatically be dealt with and be deemed to have been received on the next Trading Day.
- (c) If a delivery message is accepted, the relevant AfricaRhodium Debenture Holder will receive confirmation of such acceptance from its broker or CSDP before close of business on the Trading Day on which the Company's CSDP received the delivery notice. In addition, the AfricaRhodium Debenture Holder shall receive confirmation of the Rhodium Reference Price used in calculating the Redemption Value, the actual Redemption Value to be paid and the Redemption Fee and costs (all of which shall be for the account of the AfricaRhodium Debenture Holder), together with details of the bank account into which such payment shall be made.
- (d) Payments in respect of the redemption of AfricaRhodium Debentures shall be made in accordance with Condition 12 and the Applicable Procedures relating to the redemption of debt securities.
- (e) Should any AfricaRhodium Debenture be a Certificated Debenture, the relevant AfricaRhodium Debenture Holder shall, prior to the redemption of such Debenture, surrender the certificate in respect of such Certificated Debenture so held by him to the Transfer Agent at least 5 (five) Business Days prior to the Redemption Date in respect thereof to allow for such Certificated Debenture to be Dematerialised prior to redemption.

## 7.5 Cancellation

All AfricaRhodium Debentures which are redeemed by the Company and submitted for cancellation shall forthwith be cancelled. All AfricaRhodium Debentures so cancelled shall be held by the Transfer Agent and cannot be re-issued or resold.

## 8. Delivery Option

### 8.1 Option Notice

- (a) Any AfricaRhodium Debenture Holder who is a Qualifying Debenture Holder shall have the right and option, exercisable contemporaneously with the delivery to the relevant Qualifying Debenture Holder's broker or CSDP of a notification that such Qualifying Debenture Holder wishes to redeem 1 (one) or more Blocks of AfricaRhodium

Debentures held by him, to deliver a written notification (**Option Notice**) to the Manager stating that the relevant Qualifying Debenture Holder requires the Company to sell to the relevant Qualifying Debenture Holder a quantity of Rhodium equal to the Reference Quantity of Rhodium of the AfricaRhodium Debentures so to be redeemed. Rhodium will only be delivered to the Qualifying Debenture Holder in unallocated form.

- (b) A Qualifying Debenture Holder who elects to exercise a Delivery Option:
  - (i) must have opened an Unallocated Account with the Custodian, into which the Company can transfer the relevant Sale Commodity on the Delivery Date.
  - (ii) will have the relevant Sale Commodity transferred to its Unallocated Account on the Delivery Date by the Company instructing the Custodian to credit the Sale Commodity to the Unallocated Account of the relevant Qualifying Debenture Holder; and
  - (iii) will be obliged to pay to the Company the Redemption Fee and any sales taxes and VAT including all administrative costs payable on the purchase price of the Sale Commodity in cash.
- (c) The Option Notice shall include:
  - (i) a description of the AfricaRhodium Debentures which are to be redeemed by the relevant Qualifying Debenture Holder;
  - (ii) the details of the Unallocated Account of the Qualifying Debenture Holder into which the relevant Sale Commodity is to be delivered; and
  - (iii) confirmation of the fact that the relevant Qualifying Debenture Holder is in fact a Qualifying Debenture Holder, accompanied by certified true copies of all relevant licences, consents, exemptions and the like.

## 8.2 Commodity Sale Agreement

Should a Qualified Debenture Holder exercise the Delivery Option and deliver an Option Notice to the Fund Administrator in accordance with Condition 8.1, the relevant Qualifying Debenture Holder and the Company shall be deemed to have entered into a sale agreement, being a Commodity Sale Agreement, on the following terms and conditions:

- (a) the Company shall sell the Sale Commodity to the relevant Qualifying Debenture Holder (**Purchaser**) and the Purchaser shall purchase the Rhodium from the Company on and with effect from the Redemption Date of the relevant AfricaRhodium Debentures redeemed by the Purchaser (**Sale Date**) as a single indivisible transaction;
- (b) the purchase price of the Sale Commodity (**Purchase Price**) payable by the Purchaser to the Company shall be an amount equal to the Redemption Value of the relevant AfricaRhodium Debentures redeemed by the Purchaser (**Relevant Debentures**), plus (i) any VAT payable on the sale and purchase of the Sale Commodity and (ii) any costs (including transportation and any administration costs) associated with the exercise of the Delivery Option, net of the Redemption Fee payable by the Purchaser in respect of the Relevant Debentures;
- (c) the Purchase Price shall be payable on the Sale Date by off-setting the obligation of the Purchaser to pay the Purchase Price and the Redemption Fee to the Company against the

obligation of the Company to pay the Redemption Value of the Relevant Debentures to the Purchaser;

- (d) the Purchaser shall, prior to the Sale Date, deliver to its broker or CSDP an irrevocable instruction in terms of which the Purchaser instructs the broker or CSDP to redeem the Relevant Debentures upon acknowledgement by the Company of set-off of the Redemption Value of such Relevant Debentures against the Purchase Price for the Sale Commodity. To the extent that the Purchaser fails to deliver such notice to its broker or CSDP prior to the Sale Date, the Purchaser hereby irrevocably and unconditionally authorises the Company to deliver such notice on the Purchaser's behalf;
- (e) to the extent any of the Relevant Debentures are Certificated Debentures, no notice of the nature referred to in Condition 8.2(d) in respect of that Certificated Debenture shall be given, but instead the Purchaser shall, and hereby does, instruct the Company to apply the Redemption Value of the Relevant Debentures that are Certificated Debentures that would be payable by the Company to the Purchaser against the obligations of the Purchaser to pay the Purchase Price to the Company;
- (f) each of the Purchaser and the Company acknowledges that discharge of the Purchase Price in accordance with the above provisions shall constitute full and final discharge by:
  - (i) the Company of its obligation to pay to the Purchaser the Redemption Value in respect of the Relevant Debentures; and
  - (ii) the Purchaser of its obligation to pay the Purchase Price to the Company;
- (g) the Company shall on the Delivery Date and against payment of the Purchase Price by the Purchaser in terms of the above provisions, instruct the Custodian to debit the Sale Commodity against the Allocated Account of the Company and to credit the Nominated Account with the Sale Commodity. The Purchaser shall be responsible for all costs, charges and expenses (including costs, charges and expenses in respect of insurance) incurred pursuant to the delivery of the Sale Commodity in accordance with the provisions of this Condition 8.2(g);
- (h) all risk and benefit in and to the Sale Commodity shall pass to the Purchaser on the Sale Date;
- (i) the Purchaser gives the Company the warranties (**warranties**) in Condition 8.2 (j) on the basis that:
  - (i) notwithstanding that the Company is or should be aware that any warranty is or may be incorrect, the Commodity Sale Agreement is entered into by the Company relying on the warranties, each of which is deemed to be both a material representation inducing the Company to enter into the Sale Agreement and an essential contractual undertaking by the Purchaser to ensure that the warranty is true and correct;
  - (ii) each such warranty shall conclusively be deemed to be material;
  - (iii) insofar as any warranty is promissory or relates to a future event, such warranty shall conclusively be deemed to have been given as at the date for fulfilment of the promise or for the happening of the event, as the case may be; and

- (iv) each such warranty shall be a separate and independent warranty and shall not be limited by any reference to, or inference from, the terms of any other warranty or by any other provision in the Commodity Sale Agreement;
- (j) the Purchaser warrants, represents and undertakes in favour of the Company that, as at the Sale Date:
  - (i) it is a company duly incorporated and validly existing under and in accordance with the laws of South Africa;
  - (ii) it has the legal capacity and the power to own its assets and to carry on its business as it is presently being conducted;
  - (iii) it has:
    - (A) the legal capacity and the power to enter into and perform under; and
    - (B) taken all necessary actions (whether corporate, internal or otherwise) to authorise its entry into and performance under,
 the Commodity Sale Agreement;
  - (i) the obligations expressed to be assumed by it under the Commodity Sale Agreement are legal and valid and are binding on, and enforceable against it;
  - (ii) the entry into the Commodity Sale Agreement and/or the performance of its obligations under the Commodity Sale Agreement does not and will not:
    - (A) contravene any Applicable Laws; and/or
    - (B) contravene any provision of its constitutive documents; and/or
    - (C) contravene, violate, cause a default and/or breach of the terms of, and/or otherwise conflict with any contract, agreement, indenture, mortgage or other instrument of any kind to which it is a party or by which it may be bound or which is binding upon its assets;
  - (iii) all authorisations, consents, approvals, resolutions, licences, exemptions, filings and registrations which are required, necessary or desirable under all Applicable Laws:
    - (A) to enable it to lawfully enter into, exercise its rights and comply with its obligations under the Commodity Sale Agreement; and
    - (B) to make the Commodity Sale Agreement admissible in evidence in South Africa,
 have been obtained or effected and are, and will for the duration of the Commodity Sale Agreement remain, in full force and effect;
- (k) the Company gives no warranties in relation to the Sale Commodity and such sale is accordingly done voetstoots, without any additional warranties express or implied, all of which are hereby expressly excluded;

- (l) should either the Company or the Purchaser breach any provision of the Commodity Sale Agreement and fail to remedy such breach within 5 (five) Business Days after receiving written notice from the aggrieved party to do so, then the aggrieved party shall be entitled, without prejudice to its other rights in law, to cancel the Commodity Sale Agreement or to claim specific performance of all of the defaulting party's obligations in terms of the Commodity Sale Agreement, whether such obligations are otherwise due for performance;
- (m) the Purchaser shall not be entitled to cede, assign, delegate or otherwise transfer any of his rights or obligations under the Commodity Sale Agreement to any third party;
- (n) the Commodity Sale Agreement shall in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by the laws of South Africa;
- (o) the Purchaser consents and submits to the non-exclusive jurisdiction of the High Court of South Africa, Gauteng Local Division, Johannesburg or any successor thereto in respect of any dispute or claim arising out of or in connection with the Commodity Sale Agreement;
- (p) all provisions of the Commodity Sale Agreement are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision of the Commodity Sale Agreement which is or becomes unenforceable, whether due to voidness, invalidity, illegality, unlawfulness or for any other reason whatever, shall, only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions of the Commodity Sale Agreement shall remain of full force and effect. The Purchaser and the Company declare that it is their intention that the Commodity Sale Agreement would be executed without such unenforceable provision if they were aware of such unenforceability at the time of execution hereof;
- (q) the Commodity Sale Agreement constitutes the sole record of the agreement between the Purchaser and the Company in relation to the subject matter hereof. Neither of them shall be bound by any express, tacit or implied term, representation, warranty, promise or the like not recorded herein. The Commodity Sale Agreement supersedes and replaces all prior commitments, undertakings or representations, whether oral or written, between the parties in respect of the subject matter hereof;
- (r) no addition to, variation, novation or agreed cancellation of any provision of the Commodity Sale Agreement shall be binding upon the either the Company or the Purchaser unless reduced to writing and signed by or on behalf of each of them; and
- (s) no indulgence or extension of time which either may grant to the other shall constitute a waiver of or, whether by estoppel or otherwise, limit any of the existing or future rights of the grantor in terms hereof, save in the event and to the extent that the grantor has signed a written document expressly waiving or limiting such right.

## **9. Priority of Payments**

All monies of the Company will be applied in the following order of priority and in each case if and only to the extent that payments of a higher priority have been made in full:

- (a) first, in meeting the Tax liability of the Company from time to time;

- (b) second, *pari passu* and *pro rata*:
  - (i) in repayment of all amounts owing by the Company (whether capital, interest or otherwise) to SBSA under the Bridge Loan Agreement; and
  - (ii) in payment of all fees and expenses payable by the Company which are attributable to, or allocated by the Manager (on the basis set out in the Management Agreement) to, the ETFs; and
- (c) third, after delivery of an Enforcement Notice, in payment of all amounts payable by the Company under and in terms of each Indemnity granted in favour of the Security Trusts and the Security granted in respect thereof in terms of the relevant Security Agreement; and
- (d) fourth, *pari passu* and *pro rata* in payment of the Redemption Value payable in terms of any of the Debentures to be redeemed as at any point in time.

## **10. Enforcement Limited**

10.1 Subject to Condition 10.2, the rights of the creditors of the Company, including AfricaRhodium Debenture Holders, bound in terms of the Priority of Payments will be limited to the extent that:

- (a) such creditors shall not institute, or join with any person in instituting, any proceedings for the Company to be wound-up, liquidated or placed under supervision, or for the appointment of a liquidator, business rescue practitioner or similar officer of the Company or of any or all of the Company's assets, until 1 (one) year after the Security Trusts inform the Debenture Holders that the Company has no further assets available for payment of any sums still outstanding and owing by the Company under the Debentures;
- (b) such creditors shall not levy or enforce any attachment or execution or take any proceedings with the levying of or enforce any attachment or execution upon or against any of the assets of the Company;
- (c) the liability of the Company to each such creditor from time to time shall be limited to the lesser of:
  - (i) the indebtedness of the Company to such creditor; and
  - (ii) the aggregate of the actual amount available for distribution by the Company to such creditor (or the Security Trusts on behalf of the Company) in accordance with the Priority of Payments,

and the payment of such amount that is available for distribution to the creditors in accordance with the Priority of Payments shall constitute a complete discharge of the Company's liability to such creditors;

- (d) such creditors shall not be entitled to take any action or proceedings against the Company to recover any amounts payable by the Company to them except under the Guarantees issued by the Security Trusts, provided that if any Security Trust is sequestered or wound-up, or should the Guarantee issued by the AfricaRhodium Security Trust and/or the Indemnity granted in favour of the AfricaRhodium Security Trust be or become unenforceable, then creditors of the Company pursuant to the AfricaRhodium ETF shall be entitled to take action themselves to enforce their claims directly against the Company should an Event of Default occur; and

- (e) such creditors shall not exercise or seek to exercise or take any proceedings for the exercise of the *exceptio non adimpleti contractus* or any right of set-off or counter payment against the Company.

10.2 Nothing contained in Condition 10.1 shall limit:

- (a) the exercise of any right or power by the AfricaRhodium Security Trust under the AfricaRhodium Security Trust 's Security and/or the Indemnity;
- (b) the entitlement of the AfricaRhodium Security Trust to:
  - (i) institute, or join with any person in instituting, any proceedings for the Company to be wound-up, liquidated or placed under supervision, or for the appointment of a liquidator, business rescue practitioner or similar officer of the Company or of any or all of the Company's assets or revenues, in the event that the AfricaRhodium Security Trust is unable (whether due to practical or legal impediments which, in the reasonable opinion of the AfricaRhodium Security Trust are not of a temporary nature) to enforce the AfricaRhodium Security Trust 's Security; and/or
  - (ii) levy or enforce any attachment or execution or take any proceedings with the levying of or enforce any attachment or execution upon or against the assets of the Company,
  - (iii) in accordance with the provisions of the Transaction Documents.

10.3 In the event that the AfricaRhodium Security Trust fails, for whatever reason, to make a claim in the winding-up, liquidation or supervision or business rescue proceedings of the Company pursuant to the Indemnity at least 10 (ten) Business Days prior to the first meeting of creditors, or should the liquidator or business rescue practitioner not accept a claim tendered for proof by the AfricaRhodium Security Trust pursuant to the Indemnity, then, in order to ensure the fulfilment of the provisions regarding the Priority of Payments, the creditors of the Company, including the AfricaRhodium Debenture Holders, bound in terms of the Priority of Payments shall be entitled to lodge such claims themselves, but:

- (a) any claim made or proved by such a creditor in the winding-up, liquidation or supervision or business rescue proceedings in respect of amounts owing to it by the Company shall be subject to the condition that no amount shall be paid in respect thereof to the extent that the effect of such payment would be that the amount payable to those creditors who have also so claimed and that rank prior to it in terms of the Priority of Payments would be reduced; and
- (b) if the liquidator or business rescue practitioner refuses to accept claims proved subject to the condition contained in Condition 10.3(a), then each such creditor shall be obliged to waive so much of its claim in respect of its subordinated debt as would enable such creditors that rank prior to it in the Priority of Payments to receive payment of their claims in full.

10.4 To the extent that any creditor of the Company bound to the Priority of Payments receives or recovers any amount other than in accordance with the Priority of Payments in respect of sums due to it by the Company and/or the Security Trusts (whether by set-off or otherwise), such creditor is obliged to pay such amount prior to the occurrence of an Event of Default, to the Company and subsequent to the occurrence of an Event of Default, to the relevant Security Trust,

which in each case shall pay over such monies, *mutatis mutandis*, in accordance with the relevant Priority of Payments.

## **11. Liability for Calculations**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purpose of these AfricaRhodium Debenture Conditions, whether by the Fund Administrator or otherwise, shall (in the absence of wilful default, negligence, bad faith or manifest error) be binding on the Company and the AfricaRhodium Debenture Holders and (in such absence as aforesaid) no liability to the AfricaRhodium Debenture Holders shall attach to the Company or the Fund Administrator in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 11.

## **12. Payment**

12.1 The Redemption Value in relation to each AfricaRhodium Debenture shall, in all instances where a Delivery Option has not been exercised, be paid by the Company in Rand in accordance with this Condition 12. Where a Qualifying Debenture Holder exercises a Delivery Option, payment of the Redemption Value shall be set-off against the Purchase Price of the Sale Commodity in accordance with Condition 8.

12.2 All monies payable on or in respect of each AfricaRhodium Debenture shall be paid by electronic funds transfer to the account in South Africa of the relevant AfricaRhodium Debenture Holder as set forth in the Register at 17h00 on the Business Day preceding the relevant Redemption Date or, in the case of joint AfricaRhodium Debenture Holders, the account of that one of them who is first named in the Register in respect of that AfricaRhodium Debenture, provided that no payment in respect of the redemption of such AfricaRhodium Debenture shall, in the case of Certificated Debenture, be made by the Company until 3 (three) Business Days after the date on which the certificates in respect of such Certificated Debenture to be redeemed has been surrendered to the Transfer Agent.

12.3 If the Company is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with Condition 12.2 (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, force majeure, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Company), the Company shall give notice to the AfricaRhodium Debenture Holders within 3 (three) Business Days of such inability arising. The Company will continue to attempt to make electronic funds transfer to the account in South Africa of such AfricaRhodium Debenture Holder until such time as the payment has been successful. Should the Company remain unsuccessful in making payment for 15 (fifteen) continuous Business Days, the Company will contact the relevant AfricaRhodium Debenture Holder or its CSPD and make such acceptable alternative payment arrangements deemed appropriate at the time. During the time that the Company has not been able to affect payment, it shall not incur any liability to the relevant AfricaRhodium Debenture Holder.

12.4 If several persons are entered into the Register as joint AfricaRhodium Debenture Holders then, payment to any one of them of any monies payable on or in respect of the AfricaRhodium Debentures shall be an effective and complete discharge by the Company of the amount so paid, notwithstanding any notice (express or otherwise) which the Company may have of the right, title, interest or claim of any other person to or in any AfricaRhodium Debenture or interest therein.

- 12.5 Payments in respect of Dematerialised Debentures will be made in accordance with the Applicable Procedures. The Company shall have no responsibility and shall not incur any liability in any respect for the records relating to, or payments made on account of Dematerialised Debentures, or for the maintaining, supervising or reviewing of any records relating to such Dematerialised Debentures.
- 12.6 Any monies payable by the Company in respect of an AfricaRhodium Debenture which are unclaimed by the relevant AfricaRhodium Debenture Holder for any reason whatsoever, including, without limiting the generality of the foregoing, by reason of a failure on the part of the relevant AfricaRhodium Debenture Holder to submit its bank account details to the Transfer Agent or a failure to submit the correct bank account details to the Transfer Agent for entry into the Register, for a period of 3 (three) years after the relevant Payment Date of the monies in question shall:
- (a) be paid over to the Guardian's Fund for and on behalf of the relevant AfricaRhodium Debenture Holder; and
  - (b) shall not bear interest,
- and such payment by the Company to the Guardian's Fund shall be a complete discharge by the Company of its relevant payment obligations under the AfricaRhodium Debenture in question.
- 12.7 Payments will be subject in all cases to any fiscal or other relevant Applicable Laws in the place of payment.

### **13. Claims on winding-up or liquidation of the Company**

Each AfricaRhodium Debenture Holder, by subscribing for or acquiring an AfricaRhodium Debenture, acknowledges and agrees that:

- (a) the value of each AfricaRhodium Debenture is linked to the Reference Quantity of Rhodium from time to time;
- (b) the Company will from time to time issue Debentures which are linked to or reference Commodities other than Rhodium;
- (c) on the winding-up or liquidation of the Company for any reason, any claim that such AfricaRhodium Debenture Holder may have as a creditor of the Company to be paid out of the proceeds of the realisation of the assets of the Company on such winding-up or liquidation shall be limited to a claim to be paid out of the proceeds of the realisation of the Company's Rhodium only and not any other Commodity that may be held by the Company. Each AfricaRhodium Debenture Holder accordingly waives any right it may otherwise have to be paid out of the proceeds of the realisation of any Commodity held by the Company other than Rhodium on any winding-up or liquidation of the Company.

Notwithstanding the provisions of this Condition 13, each AfricaRhodium Debenture Holder acknowledges and agrees that it shall have no ownership right or beneficial interest in and to any Rhodium held by the Company from time to time.

### **14. Taxation**

As at the date of issue of the Prospectus, all payments in respect of the AfricaRhodium Debentures will be made without withholding or deduction for or on account of any present or future Taxes imposed or levied by or on behalf of South Africa or any political subdivision or any

authority thereof or therein having power to tax, unless such withholding or deduction is required by Applicable Law. In that event, the Company shall make such payments after such withholding or deduction has been made (where applicable) and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Company shall not be obliged to make any additional payments to AfricaRhodium Debenture Holders in respect of such withholding or deduction.

## **15. Prescription**

An AfricaRhodium Debenture will become void unless presented for payment within a period of 3 (three) years after its Redemption Date.

## **16. Delivery, Dematerialisation, Exchange and Replacement of Certificates**

7.C.2(h)

- 16.1 The AfricaRhodium Debentures will initially be issued in the form of Dematerialised Debentures in the Central Securities Depository.
- 16.2 The AfricaRhodium Debenture Holder of Dematerialised Debentures may, in terms of the Applicable Procedures and through its nominated CSDP or broker, direct a written request to the Transfer Agent for a certificate representing the number of AfricaRhodium Debentures to be delivered by the Transfer Agent in exchange for such Dematerialised Debentures. The Transfer Agent shall deliver such certificate upon such written request no later than 14 (fourteen) days after receiving the written request of such AfricaRhodium Debenture Holder in accordance with the Applicable Procedures, provided that joint holders of Dematerialised Debentures shall be entitled to receive only one certificate in respect of that joint holding and delivery to one of those joint holders shall be delivery to all of them.
- 16.3 The holder of Dematerialised Debentures shall be obliged, if requested upon written notice of not less than 5 (five) Business Days by the Company to do so, to exchange such Dematerialised Debentures for Certificated Debentures (or such number of Certificated Debentures as such AfricaRhodium Debenture Holder may request in writing), in accordance with the Applicable Procedures if:
- (a) the Central Securities Depository notifies the Company that it is unwilling or unable to continue as depository for the Dematerialised Debentures and a successor central securities depository satisfactory to the Company and the JSE is not available;
  - (b) the Central Securities Depository System is closed for business for a continuous period of 14 (fourteen) days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business and a successor depository satisfactory system to the Company and the JSE is not available;
  - (c) the Central Securities Depository notifies the Company that it is unwilling or unable to continue as clearing system for the Dematerialised Debentures and a successor clearing system satisfactory to the Company and the JSE is not available; or
  - (d) the Company has become or will become subject to adverse Tax consequences, which would not be suffered were such Dematerialised Debentures to be exchanged for Certificated Debentures.
- 16.4 A person holding a Dematerialised Debenture may, in terms of the Applicable Procedures and through its nominated CSDP, direct a written request to the Transfer Agent for a certificate representing the number of Certificated Debentures to be delivered by the Transfer Agent in exchange for such Dematerialised Debentures. The Transfer Agent shall deliver such certificates

upon such written request no later than 10 (ten) Business Days (or in the case of an AfricaRhodium Debenture Holder resident outside of South Africa, 20 (twenty) Business Days) after receiving the written request of the holder of such Dematerialised Debentures in accordance with the Applicable Procedures. Upon issue of such certificate, the Company shall notify the Central Securities Depository that the AfricaRhodium Debentures are no longer held in Dematerialised form. Joint holders of Dematerialised Debentures shall be entitled to receive only 1 (one) certificate in respect of that joint holding and delivery to 1 (one) of those joint holders shall be delivery to all of them.

- 16.5 The Company may charge an AfricaRhodium Debenture Holder a reasonable fee to cover the actual costs of issuing a certificate. Separate costs and expenses relating to the provision of certificates and/or the transfer of AfricaRhodium Debentures may be levied by other persons, such as a CSDP and Strate Limited, under the Applicable Procedures and such costs and expenses shall not be borne by the Company. The costs and expenses of delivery of certificates by other than ordinary post (if any) and, if the Company shall so require, Taxes or governmental charges or insurance charges that may be imposed in relation to such mode of delivery shall be borne by the AfricaRhodium Debenture Holder. At the request of an AfricaRhodium Debenture Holder, the Company shall advise such AfricaRhodium Debenture Holder of all the abovementioned costs at the time.
- 16.6 Certificates may be collected by the relevant AfricaRhodium Debenture Holder from the Transfer Agent or, the request of the AfricaRhodium Debenture Holders, sent by post, provided that neither the Company nor its agents shall be liable for any loss in transit and the postal authorities shall be deemed to be the agent of the AfricaRhodium Debenture Holder for the purpose of any certificate posted in terms of this Condition 16.
- 16.7 If any certificate is mutilated, defaced, stolen, destroyed or lost it may be replaced at the office of the Company on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the furnishing of such indemnity as the Transfer Agent may reasonably require. Mutilated or defaced certificates must be surrendered before replacements will be issued.
- 16.8 Any person becoming entitled to Certificated Debentures in consequence of the death or insolvency of the relevant AfricaRhodium Debenture Holder may, upon producing evidence to the satisfaction of the Company and the Transfer Agent that he holds the position in respect of which he proposes to act under this Condition 16 or of his title, require the Company and the Transfer Agent to register such person as the holder of such AfricaRhodium Debentures or, subject to the requirements of this Condition 16, to transfer such AfricaRhodium Debentures to such person.

## **17. Transfer of Debentures**

- 17.1 Dematerialised Debentures may be transferred in terms of the Applicable Procedures in the Central Securities Depository's System. In order for any transfer of AfricaRhodium Debentures evidenced by a certificate to be effected through the Register and for the transfer to be recognised by the Company, each transfer of an AfricaRhodium Debenture:
- (a) must be embodied in the usual Transfer Form;
  - (b) must be signed by the relevant AfricaRhodium Debenture Holder and the transferee, or any authorised representatives of that registered AfricaRhodium Debenture Holder and/or transferee; and

- (c) must be made by way of the delivery of the Transfer Form to the Transfer Agent together with the certificate in question for cancellation or, if only part of the AfricaRhodium Debentures represented by a certificate is transferred, a new certificate for the balance will be delivered to the original AfricaRhodium Debenture Holder and the cancelled certificate will be retained by the Transfer Agent.
- 17.2 The transferor of any AfricaRhodium Debentures represented by a certificate shall be deemed to remain the owner thereof until the transferee is registered in the Register as the holder thereof.
- 17.3 All authorities to sign transfer deeds granted by AfricaRhodium Debenture Holders for purposes of transferring AfricaRhodium Debentures which may be lodged, produced or exhibited with or to the Company at any time at its registered office shall, as between the Company and the grantor of such authority be taken and be deemed to continue to remain in full force and effect, and the Company may allow same to be acted upon until such time as express notice in writing of the revocation of same shall have been given and lodged at the registered office of the Company at which the original authority was lodged, produced or exhibited (as the case may be).
- 17.4 Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instrument signed under the authority to sign and certified by any officer of the Company as being an order before the giving and lodging of such notice.
- 17.5 Before any transfer is registered, all relevant transfer Taxes (if any) must have been paid and evidence of such payment must be furnished together with such evidence as the Transfer Agent reasonably requires as to the identity and title of the transferor and the transferee.
- 17.6 No transfer will be registered while the Register is closed.
- 17.7 If a transfer is registered, then the Transfer Form (if any) and cancelled certificate (if any) will be retained by the Transfer Agent.

## **18. Register**

- 18.1 The Register shall be kept at the offices of the Transfer Agent. The Register shall contain the name, address and bank account details of the registered AfricaRhodium Debenture Holders. The Register shall show the date of such issue and the date upon which the AfricaRhodium Debenture Holder became registered as such. The Register shall reflect whether the AfricaRhodium Debentures are Dematerialised Debentures or Certificated Debentures and, in respect of Certificated Debentures, the Register shall show the serial numbers of certificates issued.
- 18.2 The Register shall be open for inspection during the normal business hours of the Transfer Agent to any AfricaRhodium Debenture Holder or any person authorised in writing by any AfricaRhodium Debenture Holder.
- 18.3 The Transfer Agent shall not record any transfer other than on Business Days, nor while the Register is closed.
- 18.4 The Transfer Agent shall alter the Register in respect of any change of name, address or bank account number of any of the AfricaRhodium Debenture Holders of which it is notified in accordance with these AfricaRhodium Debenture Conditions.

## **19. Listing and Trading**

- 19.1 The JSE has granted a listing of the AfricaRhodium Debentures on the "Exchange Traded Funds" sector of the JSE lists with effect from 04 December 2015.

- 19.2 Provided that the Board is satisfied that AfricaRhodium Debenture Holders would not be materially prejudiced thereby, the Company shall be entitled to procure additional listings of AfricaRhodium Debentures on such other exchanges as the Company in its discretion determine.
- 19.3 The JSE's approval of the listing is not to be taken in any way as an indication of the merits of the Company or the exchange traded funds conducted by it. The JSE has not verified the accuracy and truth of the contents of the Transaction Documents and to the extent permitted by law, the JSE will not be liable for any claim of whatever kind.

## **20. Notices**

- 20.1 For so long as the AfricaRhodium Debentures are held in their entirety by the Central Securities Depository, there may be substituted for publication as contemplated in Condition 20.2 the delivery of the relevant notice to Central Securities Depository, the settlement agents and the JSE for communication by them to the holders of Dematerialised Debentures.
- 20.2 Should any of the AfricaRhodium Debentures be held in the form of Certificated Debentures, all notices (including all demands or requests under these AfricaRhodium Debenture Conditions) to the AfricaRhodium Debenture Holders will be valid if:
- (a) mailed by registered post or hand delivered to their addresses appearing in the Register or published in a leading English language daily newspaper of general circulation in South Africa; and
  - (b) for so long as any of the AfricaRhodium Debentures are listed on the JSE, published in a daily newspaper of general circulation in Johannesburg.

Any such notice shall be deemed to have been given on the day of first publication or hand delivery or on the 7<sup>th</sup> (seventh) day after the day on which it is mailed (as the case may be).

- 20.3 Notices (including all demands or requests under these AfricaRhodium Debenture Conditions) to be given by any AfricaRhodium Debenture Holder shall be in writing and given by delivering the notice, together with a certified copy of the relevant certificate, to the Company at its registered office. For so long as all of the AfricaRhodium Debentures are Dematerialised, notice may be given by any AfricaRhodium Debenture Holder holding a Dematerialised Debenture to the Company through the AfricaRhodium Debenture Holder's relevant CSDP in accordance with the Applicable Procedures and in such manner as the Company and the relevant CSDP may approve for this purpose.
- 20.4 Any notice to the Company shall be deemed to have been received by the Company, on the 2<sup>nd</sup> (second) Business Day after being hand delivered to the registered office of the Company or on the 7<sup>th</sup> (seventh) day after the day on which it is mailed by registered post to the registered office of the Company (as the case may be), provided that any notice mailed from an address outside South Africa shall be deemed to have been received by the Company on the 14<sup>th</sup> (fourteenth) day after the date in which it was mailed.

## **21. Amendment of Conditions**

No amendment to these AfricaRhodium Debenture Conditions shall be made unless:

- 21.1 the AfricaRhodium Debenture Holders have consented to such amendment by an Extraordinary Resolution to that effect; and 7.A.7
- 21.2 the JSE has consented thereto.

## **22. Meetings of AfricaRhodium Debenture Holders**

### **22.1 Convening of meetings**

- (a) The Company or the AfricaRhodium Security Trust may at any time convene a meeting of AfricaRhodium Debenture Holders (**meeting**).
- (b) The AfricaRhodium Security Trust shall convene a meeting upon the requisition in writing of AfricaRhodium Debenture Holders holding AfricaRhodium Debentures referencing at least one-tenth of the aggregate quantity of the Rhodium held by the Company as at such point in time, upon and being given notice of the nature of the business for which the meeting is to be held.
- (c) Should the Company at any time wish to convene a meeting, it shall give written notice to the AfricaRhodium Security Trust and the AfricaRhodium Debenture Holders of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- (d) Should the AfricaRhodium Security Trust wish to convene a meeting, it shall give written notice to the Company and the AfricaRhodium Debenture Holders of the place, day and hour of the meeting and of the nature of the business to be transacted at the meeting.
- (e) All meetings of AfricaRhodium Debenture Holders shall be held in Johannesburg.

### **22.2 Requisition**

- (a) A requisition notice referred to in Condition 22.1 shall state the nature of the business for which the meeting is to be held and shall be deposited at the office of the Fund Administrator.
- (b) The Fund Administrator shall notify the Company and the AfricaRhodium Security Trust of the deposit of a requisition notice forthwith.
- (c) A requisition notice may consist of several documents in like form, each signed by one or more requisitionists.

### **22.3 Convening of meetings by requisitionists**

If the AfricaRhodium Security Trust does not proceed to cause a meeting to be held within 30 (thirty) Business Days of the deposit of a requisition notice, requisitionists who together hold AfricaRhodium Debentures referencing not less than 10% of the aggregate quantity of Rhodium held by the Company as at such point in time, may themselves convene the meeting, but the meeting so convened shall be held within 90 (ninety) Business Days from the date of such deposit and shall be convened as nearly as possible in the same manner as that in which meetings may be convened by the AfricaRhodium Security Trust. Notice of the meeting shall be required to be given to the Company and the AfricaRhodium Security Trust.

### **22.4 Notice of meeting**

- (a) Unless AfricaRhodium Debenture Holders holding AfricaRhodium Debentures referencing at least 70% of the aggregate quantity of Rhodium held by the Company as at such point in time agree in writing to a shorter period, at least 21 (twenty-one) days' written notice specifying the place, day and time of the meeting and the nature of the business for which the meeting is to be held shall be given by the AfricaRhodium

Security Trust or the Company, as the case may be, to each AfricaRhodium Debenture Holder.

- (b) The accidental omission to give such notice to any AfricaRhodium Debenture Holder, or the non-receipt of any such notice, shall not invalidate the proceedings at a meeting.

## 22.5 **Quorum**

- (a) A quorum at a meeting shall:
  - (i) for the purposes of considering a resolution other than one requiring an Extraordinary Resolution, consist of AfricaRhodium Debenture Holders present in person or by Proxy and holding AfricaRhodium Debentures referencing in aggregate not less than one third of the aggregate quantity of Rhodium held by the Company as at such point in time;
  - (ii) for the purposes of considering an Extraordinary Resolution, consist of AfricaRhodium Debenture Holders present in person or by Proxy and holding AfricaRhodium Debentures referencing in aggregate not less than a clear majority of the aggregate quantity of Rhodium held by the Company as at such point in time.
- (b) No business shall be transacted at a meeting of the AfricaRhodium Debenture Holders unless a quorum is present at the time when the meeting commences.
- (c) If, within 15 (fifteen) minutes from the time appointed for the meeting, a quorum is not present, the meeting shall, if it was convened on the requisition of AfricaRhodium Debenture Holders, be dissolved. In every other case the meeting shall stand adjourned to the same day in the third week thereafter, at the same time and place, or if that day is not a Business Day, the next succeeding Business Day, in which event, notice of the adjourned meeting shall be sent to every AfricaRhodium Debenture Holder. If a quorum (as referred to in Condition 22.5(a)) is not present at the adjourned meeting, the AfricaRhodium Debenture Holders then present in person or by Proxy will form a quorum for purposes of considering any resolution, including and Extraordinary Resolution.

## 22.6 **Chairperson**

The AfricaRhodium Security Trust or its duly authorised representative shall preside as chairperson at a meeting. If the AfricaRhodium Security Trust or its duly authorised representative is not present within 10 (ten) minutes of the time appointed for the holding of the meeting, the AfricaRhodium Debenture Holders then present shall choose one of their own number to preside as chairperson.

## 22.7 **Adjournment**

- (a) Subject to the provision of this Condition 22, the chairperson may, with the consent of, and shall on the direction of, the meeting, adjourn the meeting from time to time and from place to place.
- (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- (c) At least 14 (fourteen) days' written notice of the place, day and time of an adjourned meeting shall be given by the Company or the AfricaRhodium Security Trust (as the case may be) to each AfricaRhodium Debenture Holder and the Company or the AfricaRhodium Security Trust (as the case may be). In the case of a meeting adjourned in terms of Condition 22.7, the notice shall state that the AfricaRhodium Debenture Holders present in person or by Proxy at the adjourned meeting will constitute a quorum for purposes of considering any resolution.

#### 22.8 **How questions are decided**

- (a) At a meeting, a resolution put to the vote shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands, a poll is demanded by the chairperson or by any one of the AfricaRhodium Debenture Holders present in person or by Proxy.
- (b) Unless a poll is demanded, a declaration by the chairperson that on a show of hands a resolution has been carried, or carried by a particular majority, or lost, shall be conclusive evidence of that fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
- (c) A poll demanded on the election of a chairperson or on the question of the adjournment of a meeting shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs and the result of such poll shall be deemed to be the resolution of the meeting.
- (d) In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson shall not be entitled to a casting vote in addition to the vote, if any, to which he is entitled.

#### 22.9 **Votes**

- (a) On a show of hands every AfricaRhodium Debenture Holder present in person shall have 1 (one) vote. 7.A.6(b)
- (b) On a poll every AfricaRhodium Debenture Holder, present in person or by Proxy, shall have 1 (one) vote for each Debenture held by it.
- (c) The joint holders of AfricaRhodium Debentures shall have only 1 (one) vote on a show of hands and only 1 (one) vote in respect of the AfricaRhodium Debentures of which they are the registered holder and the vote may be exercised only by the holder whose name appears first in the Register in the event that more than one of such joint holders is present at the meeting in person or by Proxy.
- (d) The AfricaRhodium Debenture Holder in respect of Dematerialised Debentures shall vote at any such meeting on behalf of the beneficial holders of such Dematerialised Debentures in accordance with the instructions to the Central Securities Depository from the holders of Dematerialised Debentures in accordance with the Applicable Procedures.

#### 22.10 **Proxies and Representatives**

- (a) On a poll, votes may be given either in person or by Proxy. A Proxy shall be authorised in writing under a Form of Proxy.
- (b) A person appointed to act as Proxy need not be an AfricaRhodium Debenture Holder.

- (c) The Form of Proxy shall be deposited at the registered office of the Company or at the office where the Register is kept not less than 48 (forty-eight) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such Proxy proposes to vote, failing which, the Form of Proxy shall be invalid.
- (d) No form of Proxy shall be valid after the expiry of 2 (two) months after the date specified in it as its date of execution, unless it specifically provides otherwise, provided that no form of Proxy shall be valid after the expiration of 6 (six) months from the date named in it as the date of its execution. A Form of Proxy shall be valid for any adjourned meeting, unless the contrary is stated thereon.
- (e) A Proxy shall have the right to demand or join in demanding a poll.
- (f) A vote given in accordance with the terms of a Proxy shall be valid, notwithstanding the previous death or incapacity of the principal or revocation of the Proxy or of the authority under which the Proxy was executed or the transfer of AfricaRhodium Debentures in respect of which the Proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the Company at the office of the Transfer Agent more than, and that the transfer has been given effect to less than, 12 (twelve) hours before the commencement of the meeting or adjourned meeting at which the Proxy is to be used.
- (g) Any reference in these AfricaRhodium Debenture Conditions to an AfricaRhodium Debenture Holder present in person includes a duly authorised Representative of an AfricaRhodium Debenture Holder.

#### **22.11 Records**

- (a) The Company shall cause minutes of all resolutions and proceedings of meetings to be duly entered in books of the Company.
- (b) Any such minutes, if purporting to be signed by the chairperson of the meeting at which such resolutions were passed or proceedings held or by the chairperson of the next succeeding meeting, shall be admissible in evidence without any further proof, and until the contrary is proved, a meeting of AfricaRhodium Debenture Holders in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened and all resolutions passed thereat, or proceedings held, to have been duly passed and held.

#### **23. Governing Law**

The AfricaRhodium Debentures and all rights and obligations relating to the AfricaRhodium Debentures are governed by, and shall be construed in accordance with, the laws of South Africa.

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**ANNEXURE B - DOCUMENTS AVAILABLE FOR INSPECTION**

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7.G

Copies of the following documents are available for inspection during normal business hours at the offices of the Company at 32 Fricker Road, Illovo, 2196 until at least 10 (ten) Business Days after the closing date of the Initial Offer as set out in Section 2.2 (*Time and date of opening and closing of Initial Offer*) on page 16 of this Prospectus:

1. the memorandum of incorporation of the Company;
2. the Bridge Facility Agreement;
3. the Account Bank Agreement;
4. the Fund Management Agreement;
5. the Transfer Agency Agreement;
6. the Management Agreement;
7. the Custody Agreements;
8. each Authorised Participant Agreement;
9. each Indemnity;
10. each Security Trust Deed;
11. each Guarantee;
12. each Security Agreement;
13. the prospectus prepared for the initial issuance of the AfricaGold Debentures, the AfricaPalladium Debentures and the AfricaPlatinum Debentures
14. written consents of any director, expert, auditor, attorney, banker or broker of a company to be named to act in the capacity stated in this Prospectus and to use that person's name; and
15. the relevant power of attorney documents, or resolutions authorising the signing of this Prospectus. 7G.1(j)

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## ANNEXURE C - DIRECTORS OF THE COMPANY

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a) David Peter Towers (Chairman)

- Age: 52
- Occupation: Manager
- Business Address: 32 Fricker Road, Illovo, 2196
- Nationality: South African
- Qualifications and experience: B.Com, LLB, LLM (Wits).
  - David has been appointed to various fiduciary roles responsible for the independent governance of a wide range of investment vehicles, including securitisation schemes, structured finance special purpose vehicles and exchange traded funds. David has extensive experience of debt capital markets and structured finance having worked for several major banks and institutions. Before joining Maitland he worked at Moody's Investors Service where he was a lead analyst responsible for assessing various structured finance transactions. Prior to that he was Legal Counsel to the Bond Exchange of South Africa.
- Directorships/partnerships in the 5 (five) years preceding the date of this Prospectus:  
Per Annexure D

b) **Johann Steyn Erasmus** (Director)

- Age: 40
- Occupation: Banker
- Business Address: 1<sup>st</sup> Floor East Wing, 30 Baker Street, Rosebank 2196
- Nationality: South African
- Qualifications and experience: B.Com, LLB
  - Johann is an executive in the Corporate and Investment Banking division of The Standard Bank of South Africa Limited. He heads the Global Structuring Group responsible for special situation, cross asset class structuring, risk mitigation products and exchange traded products. Prior to that he was co-head of legal for the Corporate and Investment Banking division. Prior to joining The Standard Bank of South Africa Limited in 2001 he practiced as an admitted attorney.
- Directorships/partnerships in the 5 (five) years preceding the date of this Prospectus:  
N/A

c) **Victor Marokwane Botsi** (Director)

- Age: 42
- Occupation: Manager
- Business Address: 32 Fricker Road, Illovo, 2196
- Nationality: South African
- Qualifications and experience: Bluris and LLB
  - Victor joined Maitland in 2014 as Manager: Institutional Clients, Corporate Secretarial Services in the Johannesburg office and also responsible for the securitisation division. He is an admitted advocate of the High Court of South Africa and has 10 years' experience in the legal field gained in both the private and public sectors. He has further training and experience in corporate governance, compliance, money laundering and leadership. He has worked for the Financial Services Board, Sasria Limited, Nedbank, ABSA and the Department of Trade and Industry. As Director Legal Services at the latter organisation, he was involved in the drafting of the new Companies Act.
- Directorships/partnerships in the 5 (five) years preceding the date of this Prospectus: N/A

d) **Wesley Alan Martens** (Director)

- Age: 42
- Occupation: Manager Corporate Services
- Business Address: 32 Fricker Road, Illovo 2196
- Nationality: South African
- Qualifications and experience: Bcomm: Fin Econ

Wesley is a manager in the Corporate Services division of Maitland Group South Africa Limited, and is a commodity based fund manager. Before joining Maitland Group South Africa Limited in 2014, he worked for ABSA Capital in the commodities trading division.

- Directorships/partnerships in the 5 (five) years preceding the date of this Prospectus: N/A

**ANNEXURE D – DIRECTORSHIPS/PARTNERSHIPS IN THE 5 (FIVE) YEARS PRECEDING  
THE DATE OF THIS PROSPECTUS**

7.B.2(e)

(a) **David Peter Towers** (Chairman)

<b>COMPANY REG NO</b>	<b>NAME OF THE COMPANY</b>	<b>NATURE OF BUSINESS</b>	<b>DESIGNATION</b>	<b>DATE OF APPOINTMENT</b>
2003/021488/06	ABSA HOME LOANS 101 (RF) (PTY) LTD	HOME LOANS	DIRECTOR	10/11/2014
2013/022008/06	AFRICA EFT ISSUER (RF) LIMITED	ISSUER	DIRECTOR	24/04/2013
2006/024381/06	AMBER HOUSE FUND 1 (RF) LIMITED	HOME LOANS	DIRECTOR	18/05/2012
2012/065316/06	AMBER HOUSE FUND 2 (RF) LIMITED	HOME LOANS	DIRECTOR	11/07/2012
2013/020920/06	AMBER HOUSE FUND 3 (RF) LIMITED	HOME LOANS	DIRECTOR	08/02/2013
2013/148286/06	AMBER HOUSE FUND 4 (RF) LIMITED	HOME LOANS	DIRECTOR	22/08/2013
2005/023294/06	BLUE GRANITE INVESTMENTS NO.1 (PTY) LTD	INVESTMENTS	DIRECTOR	26/10/2011
2006/007779/06	BLUE GRANITE INVESTMENTS NO.2 (PTY) LTD	INVESTMENTS	DIRECTOR	26/10/2011
2006/020842/06	BLUE GRANITE INVESTMENTS NO.3 (PTY) LTD	INVESTMENTS	DIRECTOR	26/10/2011
2006/032191/06	BLUE GRANITE INVESTMENTS NO.4 (PTY) LTD	INVESTMENTS	DIRECTOR	26/10/2011
2001/000248/06	BLUE TITANIUM CONDUIT LTD	CONDUIT	DIRECTOR	17/11/2011
2012/176922/06	CPV POWER PLANT NO.1 BOND SPV (PTY) LTD	BONDS	DIRECTOR	30/09/2014

2012/219346/06	FOX STREET NO 1 (RF) LIMITED	INVESTMENTS	DIRECTOR	12/04/2013
2013/233927/06	FOX STREET NO 2 (RF) LIMITED	INVESTMENTS	DIRECTOR	18/12/2013
2014/027637/06	FOX STREET NO 3 (RF) LIMITED	INVESTMENTS	DIRECTOR	07/02/2014
2015/008549/06	FOX STREET NO 4 (RF) LIMITED	INVESTMENTS	DIRECTOR	13/01/2015
2002/013434/06	INDWA INVESTMENTS LIMITED	INVESTMENTS	DIRECTOR	08/02/2012
2007/010612/06	IVUZI INVESTMENTS LIMITED	INVESTMENTS	DIRECTOR	08/02/2012
2005/040050/06	NQABA FINANCE 1 (RF) LTD	FINANCE	DIRECTOR	10/05/2013
2002/006440/06	SHISA INVESTMENTS LIMITED	INVESTMENTS	DIRECTOR	25/06/2013
1991/002706/06	SOUTH AFRICAN SECURITISATION PROGRAMME (RF) LIMITED	SECURITISATION	DIRECTOR	01/11/2011
2000/014666/06	THE THEKWINI FUND 1 LIMITED	HOME LOANS	DIRECTOR	18/05/2012
2007/033225/06	THE THEKWINI FUND 8 PROPRIETARY LIMITED	HOME LOANS	DIRECTOR	18/05/2012
2011/001385/06	THE THEKWINI FUND 9 PROPRIETARY LIMITED	HOME LOANS	DIRECTOR	18/05/2012
2013/020930/06	THE THEKWINI FUND 11 PROPRIETARY LIMITED	HOME LOANS	DIRECTOR	08/02/2013
2005/007604/06	THE THEKWINI FUND WAREHOUSING CONDUIT PROPRIETARY LIMITED	HOME LOANS	DIRECTOR	18/05/2012
2012/030394/06	THE THEKWINI FUND 10 (RF) LIMITED	HOME LOANS	DIRECTOR	06/02/2012

2003/001625/06	GRAYSTON CONDUIT 1 (RF)  LIMITED	CONDUIT	DIRECTOR	27/01/2003
2014/064933/06	THE THEKWINI FUND 13 (RF)	HOME LOANS	DIRECTOR	28/03/2014
2014/106401/06	THE THEKWINI FUND 12 (RF)	HOME LOANS	DIRECTOR	28/03/2014
2013/198450/06	TABISTONE 06 (RF)	INVESTMENTS	DIRECTOR	24/10/2013

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## ANNEXURE E – FORM OF NOTICE

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### **Redemption Notice**

**Please read the Prospectus.**

**Terms not defined in this Redemption Notice shall have the same meanings attributed to them in the Prospectus.**

Please refer to the instructions below before completing this Redemption Notice.

1. This form should be properly completed and returned, marked "AfricaRhodium Debentures – Redemption Notice", to one of the parties mentioned below:
  - a. to his/her broker or, at the risk of the AfricaRhodium Debenture Holder, email/post it to the broker, who will lodge the application with its nominated CSDP; or
  - b. hand deliver his/her Redemption Notice to his/her nominated CSDP or, at the risk of the AfricaRhodium Debenture Holder post the application form to his/her CSDP.
2. Part B must be completed by emigrants from the Republic of South Africa.
3. A separate form is required for each AfricaRhodium Debenture Holder.
4. If this Redemption Notice is signed on behalf of a company, close corporation, trust, pension or provident fund, it must be accompanied by a certified copy of the resolution authorising the signatories.
5. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the AfricaRhodium Debenture Holder's CSDP.
6. If an AfricaRhodium Debenture Holder has been widowed or divorced subsequent to acquiring the Africa Rhodium Debentures, documentary evidence of such status must be produced unless such evidence has already been registered by the Africa Rhodium Debenture Holder's CSDP.
7. Where the AfricaRhodium Debentures are held jointly, this Redemption Notice must be signed by all joint AfricaRhodium Debenture Holders.
8. If this Redemption Notice is signed under a power of attorney, such power must be produced unless it has already been registered by the AfricaRhodium Debenture Holder's CSDP or the documents bear the stamp of a broker.
9. If the AfricaRhodium Debenture Holder is a deceased estate, this Redemption Notice must be accompanied by the letters of executorship, unless such document has already been lodged with the AfricaRhodium Debenture Holder's CSDP or the document lodged bears the stamp of a broker.
10. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in the Republic of South Africa which has control of their blocked assets in Part B of this form. Failing such nomination, the proceeds due to such AfricaRhodium Debenture Holder

in accordance with the provisions of the Prospectus will be held by the AfricaRhodium Debenture Holder's CSDP, pending instructions from the AfricaRhodium Debenture Holder concerned.

To:

CSDP/Broker details: \_\_\_\_\_

**Part A –**

To be completed by all AfricaRhodium Debenture Holders wishing to redeem AfricaRhodium Debentures.

I/We the undersigned, hereby instruct you to redeem \_\_\_\_\_ of the AfricaRhodium Debentures comprising \_\_\_\_\_ Blocks held by me/us with effect from \_\_\_\_\_ ("Delivery Date").

I do/do not\*, simultaneously with the redemption of the AfricaRhodium Debentures held by me referred to above, wish to exercise the Delivery Option. In respect of the Delivery Option to be exercised by me/us we refer you to the Option Notice attached to this Redemption Notice as Schedule 1.\*\*

Yours faithfully

Signature:

Assisted by me (if applicable):

Date:

Surname:

First names (in full):

Title (Mr, Mrs, Miss, Ms, etc):

Postal address (preferably PO Box address), if other than registered address:

Telephone number:

Bank:

Branch:

Account Number:

Branch code:

Type of account (current/savings):

\* Delete as applicable.

\*\* The Delivery Option Notice is only to be completed in the event of an exercise of the Delivery Option.

**Part B – To be completed by all emigrants.**

Nominated authorised dealer:

Name of dealer:

Account number:

Approval reference:

## **SCHEDULE 1: DELIVERY OPTION NOTICE\***

**\*This Delivery Option Notice is only to be completed in the event of the exercise of a Delivery Option.**

I/We the undersigned, hereby exercise a Delivery Option in respect of \_\_\_\_\_ AfricaRhodium Debentures held by me in accordance with the provisions of the AfricaRhodium Debenture Conditions of the Prospectus. Please credit my Nominated Account (as described below) with the Sale Commodity to be delivered to me pursuant to the exercise of this Delivery Option as aforesaid:

I/We by my/our signature(s) hereto warrant, undertake and agree that:

- a) upon the exercise by me/us of this Delivery Option, a Commodity Sale Agreement shall be deemed to have been entered into between myself/ourselves and the Company on the terms and conditions set out in the Prospectus;
- b) I/We are Qualifying Debenture Holders and accordingly enclose herewith certified true copies of all relevant licences, consents, exemptions and the like evidencing my/our status as a Qualifying Debenture Holder as aforesaid.
- c) I/We confirm that I/We will be obliged to pay to the Company the Redemption Fee and any VAT payable on the purchase price of the Sale Commodity in cash. I/We shall be responsible for all costs, charges and expenses (including costs, charges and expenses in respect of insurance) incurred in the delivery of the Sale Commodity.

Yours faithfully

Signature:

Assisted by me (if applicable):

Date:

Surname:

First names (in full):

Title (Mr, Mrs, Miss, Ms, etc):

Postal address (preferably PO Box address), if other than registered address:

Telephone number:

Custodian:

Account Number:

Contact Details:

**CREATION NOTICE**

**To: AFRICA ETF ISSUER (RF) LIMITED (ACTING THROUGH ITS MANAGER STANDARD BANK)**

Telephone number (011) 415 4100	Email AfricaETF@standardbank.co.za	Your reference NEW Creation
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**CREATION APPROVAL AND ALLOCATION**

We confirm creation application and confirm the following:

Date:

Creation Date:

Settlement Date:

ETFRHO (Rhodium Debentures)

Number of \_\_\_Blocks consisting of \_\_\_\_\_ units valued at R\_\_\_\_\_ each with Nominal R

\_\_\_\_\_

Consideration: \_\_\_\_\_

Consideration ratio: 1 to \_\_\_\_\_ totalling \_\_\_\_\_ ounces

USD Price: \_\_\_\_\_

USD/ZAR Rate: \_\_\_\_\_

DELIVERY TO BDA ACCOUNT : 2853810

SCRIP ACCOUNT : 120031230004

Yours faithfully

Signature:

Surname: