

These terms and conditions apply to investments made through the Itransact Securities Investment Plan Portfolios.

## 1 DEFINITIONS

### The following terms have the meanings given to them below:

- “Administrator” means Automated Outsourcing Services (Pty) Ltd (company registration number 1997/013802/07), trading as Itransact, an administrative financial services provider licensed in terms of FAIS, or such other party that may be appointed to administer the Portfolios in terms of clause 16.3;
- “Application Form” means the New Business Application Form of which these terms and conditions are a part;
- “Business Day” means any calendar day which is not a Saturday, Sunday or official public holiday in South Africa;
- “Cash Fund” means the bank account held in the name of the Nominee Company through which transactions in Securities under the Portfolios are settled;
- “FAIS” means the Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended or replaced from time to time;
- “FICA” means the Financial Intelligence Centre Act, No. 38 of 2001, as amended or replaced from time to time;
- “Investment Manager” means the investment manager (who must be an authorised Category II financial services provider in terms of FAIS) appointed by the investor in terms of investing in the Itransact Securities Investment Plan Portfolios
- “Investor” means an investor in whose name the Administrator has opened an account, in accordance with these terms and conditions and includes a natural person, a legal person, the trustee(s) of a trust and a partnership;
- “Mandate” means the discretionary investment management mandate given by the Investor to the Investment Manager;
- “Nominee Company” means Investors Independent Nominee (Pty) Ltd, a nominee company which is approved to operate in the STRATE environment and which is approved in terms of FAIS to act as independent nominee for the Administrator, or such other nominee company, with the same approvals, as may be notified to Investors by the Administrator;
- “Portfolios” means the Itransact Securities Investment Plan Portfolios, more fully described in clause 2;
- “Product Information” means the product brochure and fact sheets relating to the Portfolios, made available by the Administrator and/or the Investment Manager;
- “Quarterly” means at three-monthly intervals which do not necessarily coincide with calendar quarters;
- “Securities” means the shares and other financial instruments which are listed on a stock exchange and made available to Investors by the Administrator from time to time through the Portfolios and includes securities in exchange traded products;
- “Segregated Portfolio” means a portfolio of Securities which an Investor may invest in, as listed in the Application Form and any additional portfolio of Securities which may be made available from time to time.

## 2 THE SECURITIES INVESTMENT PLAN PORTFOLIOS

- 2.1 The Portfolios allow Investors to invest in Segregated Portfolios, managed by the Investment Manager. The Investor may invest in one or more of these Segregated Portfolios (see the Application Form).
- 2.2 The Investor, in terms of the Mandate, appoints the Investment Manager to manage the Securities held in the Segregated Portfolio(s) selected by the Investor on a full discretionary basis and the Investment Manager is therefore solely responsible for selecting the Securities held in each such Segregated Portfolio from time to time.
- 2.3 An investment in the Portfolios shall be subject to these terms and conditions and to the terms and conditions of the Mandate.
- 2.4 Securities acquired under the Portfolios will be held in the name of the Nominee Company, for the benefit of the Investor. The Nominee Company will maintain a register recording the beneficial ownership of all Securities held in its name.
- 2.5 The Nominee Company will keep a record of the amount held in the Cash Fund which is attributable to each Investor.
- 2.6 The Administrator performs all administration functions in respect to the Portfolios. The Administrator is entitled to delegate any administration function to a suitable third party.
- 2.7 The Investment Manager shall give instructions relating to the purchase and sale of Securities held in each Segregated Portfolio directly to the Administrator and the Administrator shall, subject to these terms and conditions, act on such instructions.
- 2.8 While the Investor selects which Segregated Portfolio or Segregated Portfolios to invest in, only the Investment Manager may instruct the Administrator regarding the selection of Securities to be held in each Segregated Portfolio. An instruction from the Investor or any other person (other than the Investment Manager) to sell or purchase a specific Security in a Segregated Portfolio cannot be carried out. (See clause 14.4 for the consequences of such an instruction.)

### 3 INVESTING IN THE PORTFOLIOS

#### General conditions that apply to making investments in the Portfolios:

- 3.1 This application for investment will not be accepted until all the details and documentation requested in the Application Form have been supplied to the Administrator, the Mandate, duly signed by or on behalf of the Investor, has been provided to the Administrator, any outstanding requirements in terms of this application and in terms of any law have been met to the Administrator's satisfaction and in the case of a lump sum investment, the full amount to be invested has been received in the specified bank account.
- 3.2 The Administrator reserves the right, in its sole discretion, to decline an application for investment.
- 3.3 The Administrator will advise an applicant, using the contact details provided in the Application Form, that an Application Form has been received and if there is any outstanding information and/or documentation. Once the application has been accepted, the Administrator will open an account in the name of the Investor and funds received will be invested in accordance with these terms and conditions. The Administrator will inform the Investor, within 7 days, of the Investor's account number and will provide details of the Segregated Portfolio(s) purchased.
- 3.4 If in any instance funds are received from an Investor or prospective Investor, but information and/or documentation is outstanding, if such outstanding information and/or documentation is not provided within 14 Business Days of notification by the Administrator of the outstanding item(s), funds will be returned to the Investor and the application (whether for a new or additional investment) will be cancelled.
- 3.5 Investments in the Portfolios are subject to such minimum investment amounts as determined by the Administrator from time to time. The minimums that currently apply are set out in the Application Form.
- 3.6 The cut-off times and timing standards applicable to investments in the Portfolios are set out in clause 21.

#### Regular investments by debit order:

- 3.7 Investments in the Portfolios may be made by debit order, subject to the following:
  - 3.7.1 Should the Investor wish to invest a fixed sum regularly in the Segregated Portfolios via debit order, the appropriate sections on the Application Form authorising the debit order, must be completed. Accounts will be debited on either the 3rd, 15th or the 25th day of the calendar month, unless the applicable day is not a Business Day, in which case the debit order will operate on the next Business Day..
  - 3.7.2 A debit order instruction will be loaded for the next scheduled debit order run in the month that the Application Form has been submitted, but subject to clause 3.7.3.
  - 3.7.3 Debit order instructions must be received by the Administrator at least 10 Business Days prior to the desired action date. Instructions received after that period will be processed in the following month.
  - 3.7.4 Any Securities acquired on behalf of the Investor will only be held for the benefit of the Investor after the debit order has been cleared by the Investor's bank. Should such amount not be cleared within 40 days of the debit order having been submitted, any Securities acquired will be sold by the Administrator and any loss incurred on such sale will be recovered from the Investor by the Administrator, together with the rejection charge referred to below.
  - 3.7.5 Debit orders that are rejected by the Investor's bank will attract a rejection charge which charge will be charged by the Administrator to the Investor. The amount of such rejection charge is set out in the Application Form, but this amount is subject to such increase as the Administrator may determine from time to time. Furthermore, when the debit order is re-submitted, the price at which the Securities are purchased will be the price applicable on the day that the debit order is resubmitted.

#### Lump sum investments:

- 3.8 Lump sum investments may be made. Should the Investor wish to invest a lump sum in any of the Segregated Portfolios, the appropriate sections of the Application Form must be completed and proof of payment of funds (together with such other requirements as may be stipulated by the Administrator from time to time) must be provided to the Administrator

#### Once Off Electronic Collection by the Administrator

Electronic once off lump sum collection instructions must be received by the Administrator at least 3 Business Days prior to the chosen collection date. Instructions received after that period will be processed on the next sequential collection date. Note that each lump sum collection is limited to increments of R500 000 per collection. Securities shall only be acquired on behalf of the Investor after the investor's bank has cleared such funds. This could take up to 40 days of the debit order having been submitted to the investor's bank.

#### Electronic Internet Transfer

Electronic internet transfers may take up to two days to appear in the Product bank account and will only be processed upon furnishing the Administrator with proof of deposit.

#### Additional investments:

- 3.9 Once an account has been opened by the Administrator in the Investor's name, the Investor may make additional contributions and/or adjust his/her/its level of contributions by completing the applicable Additional Investment Form, which is available from the Administrator.

**Conditions that apply to the purchase of Securities through the Portfolios:**

- 3.10 All investments made pursuant to this application will be subject to the rules and/or conditions that govern the investment in question, as determined from time to time by law and/or by the investment provider/product supplier. Such rules and/or conditions may be obtained from the investment provider/product supplier.
- 3.11 Securities cannot be sub-divided and a fraction of a Security cannot be purchased. Where the Administrator is unable to acquire whole Securities, any cash balances will be held in the Cash Fund and interest, at the rate paid from time to time on the account, will accrue for the Investor's benefit on such balances. On a Quarterly basis, such cash balances shall be used in accordance with the instructions from the Investment Manager, to buy the maximum number of whole Securities that can be purchased for the Segregated Portfolio(s), after accruing for any fees and costs payable (see the Application Form).
- 3.12 The Administrator will arrange for the purchasing of Securities through the brokerage selected by the Administrator from time to time for this purpose. Orders for the purchase of identical Securities are aggregated. The cost per Security to each Investor is that Investor's proportionate share of the total cost of acquiring the identical Securities purchased under the Portfolios on the relevant Business Day, (including all applicable fees and charges as set out in the Application Form).
- 3.13 The Administrator usually arranges for the acquisition of Securities through the market at the best offer price available at the time the order is placed. Prices at which Securities are acquired cannot be guaranteed or determined in advance and no price limits on orders can be accepted.

**4 THE FINANCIAL INTELLIGENCE CENTRE ACT**

In terms of FICA, the Administrator, the Investment Manager and/or the intermediary through whom the Investor's investment has been made, is required to satisfy themselves of the identity of a client before entering into a business relationship or concluding a single transaction with a client. In order to achieve this, the Investor will be required to provide certain information of a personal and financial nature. The FICA documentation required is detailed in the FICA Documentation Checklist appended to the Application Form and the Administrator may require the Investor to provide such additional information as may be required from time to time in order to satisfy the requirements of FICA and/or any internal rules or procedures that the Administrator may have in this regard.

**5 INTEREST ON NEW INVESTMENTS AND DISPOSALS**

- 5.1 No interest shall be payable to the Investor in respect of any funds received for investment into the Portfolios, unless the funds have not been processed for investment by the time that one completed Business Day after the receipt of the funds and all the information and documentation required by the Administrator has expired.
- 5.2 Should the Investor dispose of the whole or part of any Segregated Portfolio, no interest shall be payable on the proceeds of the sale if such proceeds are paid to the Investor before the end of the first complete Business Day after receipt of the proceeds by the Nominee Company.
- 5.3 No interest shall be payable to the Investor during the execution of any instruction from the Investor to switch between Segregated Portfolios unless the Administrator does not adhere to the timing standards set out in clause 21.5.
- 5.4 Any interest that becomes payable to an Investor shall be paid at the call rate earned in the applicable bank account on the funds in question.

**6 REPORTING TO INVESTORS**

- 6.1 Statements will be provided to Investors as required by FAIS. The investor has given consent to the administrator to provide the other FSP with such reports on their behalf. The investor may consent in writing, to the Administrator or other FSP, to not receive the statement because the other FSP or the investor is able to access the information continuously as made available by the Administrator through other means such as the internet or facsimile.
- 6.2 Quarterly statements are evidence of the Investor's ownership of the Securities acquired under the Portfolios and should be retained indefinitely. The statements will also record the price at which Securities have been bought and sold for the Investor's benefit and should be retained for tax purposes.
- 6.3 Should the Administrator not receive any notification within 30 days of any statement having been sent to the Investor that the statement contains errors or is not a true reflection of the Investor's investment, the Administrator shall be entitled to regard the statement as being correct in every way.
- 6.4 Tax certificates reflecting taxable income, capital gains and/or capital losses, as applicable for the financial year, will be sent to Investors by the Administrator annually.

**7 DISTRIBUTIONS**

- 7.1 Distributions accrue to the Investor as and when they are declared and will be automatically reinvested, but clauses 7.2 and 7.3 will apply.
- 7.2 A realignment process is followed on a Quarterly basis and, subject to clause 7.3, the amount held in the Cash Fund for the benefit of the Investor is used, in accordance with the instruction of the Investment Manager, to buy the maximum number of whole Securities that can be purchased for the Segregated Portfolio(s), after accruing for any fees and costs payable (see the Application Form).

- 7.3 In all instances, no Securities will be purchased unless and until the cash balance held for the Investor's benefit in the Cash Fund is sufficient to purchase at least one whole Security. Any balance of un-invested cash will be held in the Cash Fund, with interest accruing at the rate paid from time to time on the account, for the benefit of the Investor and added to future contributions for later investment on a Quarterly basis.

## **8 SALE OF ALL OR PART OF A SEGREGATED PORTFOLIO**

A sale of an Investor's holdings may take place either when the Investor instructs the Administrator to sell the whole or part of a Segregated Portfolio held by the Investor (as provided for in clause 8.1) and pay the proceeds of the sale to the Investor or when the Investment Manager gives an instruction to the Administrator for the sale of Securities, in the course of managing the Segregated Portfolios in terms of the Mandate.

### **Sale of the whole or part of a Segregated Portfolio on the Investor's instruction:**

- 8.1 Subject to the conditions and restrictions described in these terms and conditions, the Administrator will procure the sale of the whole or part of any Segregated Portfolio upon receiving a written and signed instruction from the Investor, on the Administrator's Repurchase Form, to sell such holding and pay the proceeds of such sale to the Investor. Should the Investor give an instruction to the Administrator for the sale of part of any Segregated Portfolio, Securities held in the applicable Segregated Portfolio will, to the extent reasonably possible, be sold so that the relative weightings of the different Securities held in the Segregated Portfolio are not affected by the sale. Note that it is not possible to give an instruction to sell a specific Security held in a Segregated Portfolio and instructions for a sale must stipulate either a Rand amount to be sold, a percentage of the Segregated Portfolio to be sold or a sale of the whole Segregated Portfolio. An Investor wishing to sell a specific Security or specific Securities, will be required to terminate his/her/its investment in the Segregated Portfolio or participation in the Portfolios (see clause 14.4).
- 8.2 If a sale instruction is received for an Investor's entire holding where investments are made by debit order, such debit order will continue unless cancelled at the Investor's instruction.
- 8.3 The Administrator cannot arrange for the sale of any Securities held outside the Portfolios.
- 8.4 No payment will be made into a third party's bank account or into a foreign bank account under any circumstances.
- 8.5 If the market value of a Segregated Portfolio will fall below an amount which is determined by the Administrator from time to time and reflected on the Administrator's Repurchase Form, as a result of the sale of a portion of a Segregated Portfolio, a full redemption of the Segregated Portfolio will automatically be processed.
- 8.6 See clause 21.4 for cut off times and timing standards that apply to the sale of all or part of a Segregated Portfolio on the Investor's instruction.

### **Sale of Securities held in a Segregated Portfolio on the Investment Manager's instruction:**

- 8.7 The Investment Manager may at any time, in carrying out its functions under the Mandate, instruct the Administrator to sell Securities held in the Segregated Portfolios.

### **General provisions applicable to all sales, whether instructed by the Investor or the Investment Manager:**

- 8.8 The Administrator will procure the sale of all of the Securities for which sale instructions have been received, through the brokerage selected by the Administrator from time to time for this purpose, at the best bid price available at the time the order is placed. Prices cannot be guaranteed or determined in advance and no price limits on orders can be accepted. The proceeds of sale of Securities will be the Investor's proportionate share of the total proceeds realised from the sale of identical Securities on that Business Day, less the applicable fees and charges as as in the Application Form.
- 8.9 A 40 day holding period applies to any part of a Segregated Portfolio bought by debit order and such part of a Segregate Portfolio may not be sold until such holding period has expired.

## **9 TRANSFER OF SECURITIES OUT OF THE PORTFOLIOS**

Note that Securities may not be transferred out of the Portfolios. Should an Investor wish to terminate the Investor's participation in the Portfolios, the Investor will be required to sell the Investor's entire holding in the Portfolios.

## **10 CESSIONS**

### **Outright cession/transfer of ownership:**

- 10.1 Outright cessions are not permitted and the Investor may not transfer the beneficial ownership of the Securities held for his/her/its benefit within the Portfolios.

### **Security cessions:**

- 10.2 Security cessions are permitted. Any cession of the Investor's rights must be in writing and signed by the Investor. The Administrator will only note the cession in its records and act in accordance therewith on receipt of written notification of the cession from the Investor together with such additional information as the Administrator may require.

**11 SWITCHING BETWEEN SEGREGATED PORTFOLIOS**

- 11.1 In order to switch between the Segregated Portfolios that are available, the Investor must complete the Administrator's Switch Form and provide the completed form to the Administrator. The Investor must ensure that such switch is appropriate for the Investor, taking into account the Investor's financial circumstances, needs and objectives.
- 11.2 This will involve sales and purchases in the market.
- 11.3 All fees and charges applicable to sales and purchases will apply (see the Application Form).
- 11.4 See clause 21.5 for cut off times and timing standards that apply.
- 11.5 Note that while the Investor may switch between Segregated Portfolios, only the Investment Manager may give instructions to change the Securities held within a Segregated Portfolio.

**12 RIGHTS OF BENEFICIAL OWNERS OF SECURITIES**

- 12.1 The Investor hereby confirms that the Administrator shall not be required to provide the Investor with any information that any product supplier, including, but not limited to a collective investment scheme or listed company, is obliged to disclose in terms of any law. Annual financial statements and documentation relating to other official announcements by Security providers can, however, be requested by the Investor as if he/she/it was a registered holder of Securities outside of the Portfolios. Investors have the same rights in respect of Securities held for their benefit via the Portfolios as direct holders of Securities.
- 12.2 The Investor will be timeously notified by the Administrator of any matters or proposals requiring his/her/its attention as the beneficial owner of Securities held via the Portfolios.

**13 FEES AND CHARGES**

- 13.1 The fees and charges specified in the Application Form are charged by the Administrator and other parties involved in transactions.
- 13.2 The fees charged by the Administrator may be varied by it, on three months' prior written notice to the Investor. The Administrator will notify the Investor of changes to any fees or charges charged by other parties, excluding the Investment Manager whose fees are dealt with in the Mandate.
- 13.3. Where the Investor has appointed a Financial Services Provider for the purposes of the Portfolios, the initial and annual Financial Advisor fees, specified in the Application Form, will only be paid out once the amount owing exceeds such minimum amount as the Administrator may determine from time to time. The annual fee shall be calculated as a percentage of the daily market value of each Security held by the Investor under the Portfolios and paid monthly from the cash balance held for the benefit of the Investor in the Cash Fund. If there are insufficient funds held for the benefit of the Investor in the Cash Fund, the minimum number of Securities will be sold to pay the fee. Securities will be sold across an Investor's holdings, in proportion to such holdings.
- 13.4 The Investor authorises the Administrator to pay the annual investment management fee payable to the Investment Manager in terms of the Mandate and specified in the Application Form, to the Investment Manager. The annual investment management fee shall be paid Quarterly from the cash balance held for the benefit of the Investor in the Cash Fund. If there are insufficient funds held for the benefit of the Investor in the Cash Fund, the minimum number of Securities will be sold to pay the fee. Securities will be sold across an Investor's holdings, in proportion to such holdings.
- 13.5 The annual administration fee, as specified in the Application Form, shall be calculated as a percentage of the daily market value of each Security held by the Investor under the Portfolios and deducted Quarterly from the cash balance held for the benefit of the Investor in the Cash Fund. If there are insufficient funds held for the benefit of the Investor in the Cash Fund, the minimum number of Securities will be sold to pay this fee. Securities will be sold across an Investor's holdings, in proportion to such holdings. Should the Investor wish to withdraw his/her/its investment from the Portfolios, the Administrator will recover the pro rata portion of the annual administration fee due. This will be done before the realisation proceeds are paid out.
- 13.6 If, in any instance, there are insufficient funds held for the benefit of the Investor in the Cash Fund to pay any fee or charge, the Administrator shall be entitled to realise Securities held by the Investor under the Portfolios in order to pay such fee or charge. In such instance, Securities will be sold across an Investor's holdings, in proportion to such holdings.

**14 TERMINATION OF PARTICIPATION BY THE INVESTOR**

- 14.1 Investors may close their account at any time by giving a written and signed instruction acceptable to the Administrator. On receipt by the Administrator of such an instruction, the Investor's entire holding under each Segregated Portfolio will be sold and the proceeds paid out to the Investor. The time standards set out in clause 21.4 will apply. If notice to terminate a debit order is received on or after a debit order action date, the debit order will proceed and the contribution received will be invested.
- 14.2 In the event that an Investor cancels a debit order investment into a Segregated Portfolio, the Investor's existing investment in the Segregated Portfolio will continue unless the Administrator is instructed to close the Investor's account in terms of clause 14.1.
- 14.3 In the event that an Investor gives notice of termination of the Mandate to the Investment Manager, the Investor shall immediately notify the Administrator in writing that such notice has been given and this shall be treated by the Administrator as a termination of the Investor's participation in the Portfolios (see clause 14.1).

- 14.4 Should the Investor or any other person (other than the Investment Manager) instruct the Administrator to purchase or sell a specific Security, such instruction will not be carried out. In this instance, the Administrator shall contact the Investor or the Investor's Financial Services Provider (as referred to in clause 20) to ascertain whether the Investor wishes to terminate the Investor's investment in a Segregated Portfolio (as provided for in clause 8), to close the Investor's Portfolio account or to withdraw the instruction. The Investor shall be required to notify the Administrator in writing of the Investor's decision in this regard and until such written notification is received, the Investor's participation in the Portfolios shall continue, without any sale taking place. Should the Investor instruct the Administrator in writing to terminate the Investor's participation in the Portfolios, clause 14.1 shall apply.

## **15 DEATH OF AN INVESTOR**

- 15.1 On the death of an Investor, the Investor's Securities held under the Portfolios will form part of the Investor's deceased estate. No beneficiary nominations may be made. On receipt of notice of death of the Investor, the Administrator will only act on instructions from the executor of the deceased estate, as appointed by the Master of the High Court and will only do so once it has been provided with certified copies of the Investor's death certificate and the Letters of Executorship, together with any other information or documents that the Administrator may require.

## **16 TERMINATION OF THE PORTFOLIOS BY THE ADMINISTRATOR, CHANGE OF ADMINISTRATOR AND ALTERATIONS TO THE PORTFOLIOS**

- 16.1 The Administrator may terminate the Portfolios by giving at least three months' prior written notice to all Investors. On termination of the Portfolios, the Mandate shall terminate automatically. At the end of the period of notice, the Administrator will close all Portfolio accounts and transfer the respective Securities to the Investor's custodian account free of charge, where such custodian has been nominated by an Investor. Where no custodian has been nominated, the Securities will continue to be held by the Nominee Company. All cash balances attributable to an Investor will be paid to the Investor. If payments continue to be made to the Administrator after the termination date, the Administrator will hold such payments on account until instructions are received from the Investor.
- 16.2 The Administrator may amend the terms and conditions of the Portfolios on three months' written notice to Investors; provided that this does not apply to fees and charges which are dealt with in the Application Form and in clause 13.
- 16.3 The Administrator may appoint another party to administer the Portfolios in its place in which case all its rights and obligations under the Portfolios will be ceded and assigned to such new Administrator, without obtaining the Investor's consent. Any such change will be communicated to Investors.
- 16.4 If, for any reason, further investments in any Security are suspended or a Security ceases to be listed on a stock exchange the Administrator will, as soon as reasonably possible, inform the Investor and the Investment Manager of the suspension or delisting, as the case may be and the Investor's contributions which would otherwise have been invested in the affected Security will be held in the Cash Fund until alternative instructions are received or in the case of a suspension, until such suspension is lifted. In all instances the Administrator shall deal with suspended or delisted Securities held under the Portfolios as required by and subject to the requirements of any applicable law, stock exchange and/or regulator.

## **17 RISKS AND RESPONSIBILITY**

- 17.1 The Administrator is not in a position to give advice as to whether direct investment in Securities or participation in the Portfolios is suitable for any Investor. The Investor acknowledges that no reliance has been placed on advice given by the Administrator and that the Administrator acts solely as executor of all instructions given.
- 17.2 The Administrator cannot be held liable for any loss that may be suffered by the Investor, except for loss which results directly from the Administrator's own negligence, fraud or wilful misconduct. The Investor indemnifies the Administrator against any claims and/or losses arising from the performance of the Administrator's functions in respect of the Portfolios, unless such claim and/or loss is directly attributable to the Administrator's negligence, fraud or wilful misconduct.
- 17.3 The Administrator shall not under any circumstances whatsoever be liable for any indirect or consequential cost, damage, loss or liability, unless this limitation is not permitted by law.
- 17.4 It is always the Investor's responsibility to ensure that any instruction and/or documentation sent to the Administrator is actually received by the Administrator.
- 17.5 If the Administrator can prove that it has sent any information or document to the Investor, using contact details provided by the Investor, the Administrator shall not be liable should such information or document not be received by the Investor.
- 17.6 The Administrator shall not be liable for any loss that the Investor may suffer as a result of any act or omission of any third party which provides the Securities or is otherwise involved in the transactions that take place under the Portfolios. The Investor specifically acknowledges that the Administrator does not control and cannot be held responsible for any time calculation standards, practices and procedures of such third parties or their delaying any sale or their refusal to allow sales at a specific date or price.
- 17.7 The Administrator shall not be liable for any loss caused by a delay in executing any instruction or transaction where such delay results from a cause which is beyond the reasonable control of the Administrator.
- 17.8 The Administrator does not in any way guarantee the performance of the investments.

- 17.9 As with all stock exchange investments, the market price of Securities will fluctuate according to market conditions, general sentiment and other factors. The price at which Securities trade on the applicable stock exchange and the income derived from Securities may go up or down and the Investor has no guarantee that he/she/it will recoup the original amount invested. Past performance is no guarantee of future returns. The Investor should consult a professional advisor if he/she/it requires assistance or advice.
- 17.10 The value of investments in foreign currency may fluctuate materially due to changes in exchange rates.
- 17.11 The onus rests with the Investor to ensure that no legislation or law in the Investor's jurisdiction is contravened as a consequence of investing in the Portfolios.

## **18 TAXATION CONSEQUENCES**

- 18.1 Investors should seek their own professional tax advice. The Investor acknowledges that no advice has been received from and no representations have been made by the Administrator in relation to the tax consequences of investing in the Securities held under Plan.
- 18.2 The Administrator cannot be held responsible for any tax, duty or levy of whatever nature imposed by any local, provincial, national or other authority which impacts on the Investor's investment in the Plan. The Investor shall be liable to pay any such tax, duty or levy and where required to do so, the Administrator shall withhold any such tax, duty or levy and pay it to the relevant authority.
- 18.3 Withholdings Tax on Dividends is a tax on local dividends received by the beneficial owner of a share. The rate at which tax will be withheld will be 15% unless exemption has been received from the South African Receiver of Revenue. If exemption has been received the rate may be less than that of 15%. If any of your investments such as a Collective Investment Scheme receives dividends, you may be liable for Withholdings Tax. The fund in the Collective Investment Scheme will receive dividends from its underlying investments free of any taxes. When the fund makes a distribution of the dividends received to the end investor the fund will be required to withhold the applicable percentage of tax from the deemed dividend portion. Where the fund is acquired through an intermediary such as Linked Investment Services Platform, it will be up to the intermediary to withhold the tax and pay this over to SARS. The Administrator of this product is such an intermediary, and is therefore required to withhold the tax on the dividend component of any distribution declared by applicable funds and pay this tax over to South African Receiver of Revenue.

### **Exemption for Investors**

Certain investors will be exempt from Withholdings Tax on Dividends while others may pay a reduced rate of tax. It is your responsibility to advise AOS if you are either exempt or liable for Withholdings Tax on Dividends at a reduced rate.

### **The entities listed directly below are all exempt from Dividend Tax:**

- a company which is resident in South Africa
- the Government, provincial government or municipality (of the Republic of South Africa)
- a public benefit organisation (approved in terms of s30(3) of the Income Tax Act)
- a trust contemplated in section 37A of the Income Tax Act
- an institution body or board contemplated in section 10(1)(cA) of the Income Tax Act
- a fund contemplated in section 10(1)(d)(i) or (ii) of the Income Tax Act
- a person contemplated in section 10(1)(t) of the Income Tax Act (CSIR, SANRAL etc)
- a shareholder in a registered micro business as defined in the Sixth Schedule to the Income Tax Act to the extent that the aggregate amount of the dividends paid by that registered micro business to its shareholders during the year of assessment in which that dividend is paid does not exceed R200 000
- a person that is not a resident and the dividend is a dividend contemplated in paragraph (b) of the definition of "dividend" in section 64D

### **Requirements for Investors**

If you are not an entity or person listed above as being exempt from Withholdings Tax on Dividends then you will not be required to do anything and should select the block called "Not Exempt" AOS will withhold 15% of the dividend and pay it to SARS on your behalf. If you are an entity or person listed in the exemption list then you will be required to complete and sign a declaration form and return it to the Administrator. Where you are a juristic entity the declaration will need to be accompanied by a resolution giving the signatory the relevant authority to sign the declaration. A declaration may be obtained by contacting the Administrator.

## **19 ELECTRONIC INSTRUCTIONS AND RECORDS**

The Investor specifically agrees that the Administrator is entitled (subject to these terms and conditions) to act on all instructions and applications received via fax, e-mail or other electronic means made available by the Administrator which appear to emanate from the Investor or the Investor's duly authorised representative (including the Investment Manager and the Investor's financial services provider/representative). The Administrator shall not be liable for any losses suffered by the Investor or any other party as a result of the usage of the mode of communication selected by the Investor. In particular, the Administrator will not be liable for any losses that may result from fax or electronic transmission of instructions and/or applications.

The Investor specifically indemnifies the Administrator against any losses, claims or damages which arise from the Administrator acting on such instructions and/or applications, notwithstanding that it may later be proved that any such instructions and/or applications were not provided by the Investor or the Investor's duly authorised representative. The Investor agrees that the electronic records of all instructions and applications processed by or on behalf of the Investor shall be deemed to be an accurate reflection of the contents of such instructions and applications, unless proven otherwise.

## 20 THE INVESTOR'S FINANCIAL SERVICES PROVIDER (THIS DOES NOT REFER TO THE ASSET MANAGER)

- 20.1 The Investor will, in respect of this application and all future dealings, until the Administrator is advised otherwise in writing, deal with the Administrator through the financial services provider (FSP) whose details appear in the Application Form or the FSP's representative named in the Application Form. Such FSP or representative is appointed by the Investor to be the Investor's authorised agent for the purposes of effecting, maintaining and servicing this investment provided that;
- 20.1.1 this authority does not extend to the exercise of any discretion in regard to the selection of Securities held under the Portfolios. This discretion is given to the Investment Manager in terms of the Mandate and may only be exercised by the Investment Manager on behalf of the Investor; and
- 20.1.2 all instructions to the Administrator must be signed by the Investor or the Investor's duly authorized signatory (or guardian in the case of a minor) and may not be signed by the FSP on behalf of the Investor.
- 20.2 The Investor acknowledges that the Investor's FSP or representative may be entitled to certain fees for services rendered to the Investor, as agreed to by the Investor and set out in the Application Form. The Investor authorises the Administrator to pay any such fees to the FSP/representative from any amount held in the Cash Fund for the benefit of the Investor and/or by realising the Investor's Securities. The Administrator will only make payment of such fees once such fees are over such minimum amount as the Administrator may determine from time to time. If the Investor terminates his/her/its relationship with the FSP or representative through whom this application is submitted to the Administrator and intends continuing to deal with the Administrator through another FSP or representative that the Administrator has authorised to market its products, the Investor shall inform the Administrator of this fact in writing, who in turn will notify the terminated FSP and/or representative of this fact. The Administrator shall thereafter continue to pay any fees to the new FSP or representative, unless advised to the contrary by the Investor.

## 21 TIMING STANDARDS RELATING TO CERTAIN TRANSACTIONS

**The Administrator will use its best endeavours to ensure that any instructions received from the Investor or the Investor's authorised representative (including the Investor's FSP/representative and the Investment Manager) are carried out within a period reasonable to the nature of the instruction and, where applicable, in accordance with the Administrator's own timing standards set out below. There may, however, be circumstances beyond the Administrator's control which result in it not being able to adhere to its timing standards. In such circumstances the Administrator shall not be liable for any losses which may result from the failure to adhere to its timing standards.**

### 21.1 New business

**Any Application Form received by the Administrator, which is fully and correctly completed and signed, has all required FICA and other documentation (including the Mandate, duly signed by or on behalf of the Investor) attached and where the funds reflect in the applicable bank account before 11h00 on any Business Day, will be processed on the Administrator's system on the following Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the application will be treated as if it had been received before 11h00 on the next Business Day. The Investor will receive the price applicable on the day of processing, as determined in accordance with clause 3.12. Internet banking payments may take up to 2 Business Days to reflect in the applicable bank account. Please note that in accordance with banking legislation, cheque deposits will need to undergo a clearing period of 10 calendar days within the Rand Monetary Area and 15 calendar days outside the Rand Monetary Area. The funds will therefore only be available for investment after the clearing period has lapsed.**

**Specific provisions relating to new debit order investments are set out below.**

### 21.2 Additional Investments

**Any Additional Investment Form received by the Administrator, which is fully and correctly completed and signed, has all required FICA and other required documentation attached and where the funds reflect in the applicable bank account before 11h00 on any Business Day will be processed on the Administrator's system on the following Business Day or the Business Day thereafter. If this takes place after 11h00 on any Business Day, the additional investment application will be treated as if it had been received before 11h00 on the next Business Day. The Investor will receive the price applicable on the day of processing, as determined in accordance with clause 3.12. Internet payment transactions may take up to 2 Business Days to reflect in the applicable bank account. Please note that in accordance with banking legislation, cheque deposits will need to undergo a clearing period of 10 calendar days within the Rand Monetary Area and 15 calendar days outside the Rand Monetary Area. The funds will therefore only be available for investment after the clearing period has lapsed.**



Specific provisions relating to additional investments by debit order are set out below.

### **21.3 Debit Orders**

Any debit order instruction, whether in respect of a new application or an additional investment, received by the Administrator, fully and correctly completed on the applicable form and signed, 10 Business Days or more before the applicable debit order date, shall be loaded before the next scheduled debit order run. If received less than 10 Business Days before the next scheduled debit order run, the debit order will be processed in the following month.

### **21.4 Sale of whole or part of a Segregated Portfolio by Investor**

**21.4.1** Subject to the provisions below, any instruction received by the Administrator from the Investor before 11h00 on any Business Day to sell all or part of a Segregated Portfolio, which instruction is permitted in these terms and conditions and is fully and correctly completed on the applicable form and signed, will be processed on the following Business Day or the Business Day thereafter. If receipt takes place after 11h00 on any Business Day, the instruction will be treated as if it had been received before 11h00 on the next Business Day. The Investor shall receive value for the price on the day of processing, as determined in accordance with clause 8.8.

**21.4.2** Should the Investor's banking details provided on the Administrator's applicable instruction form differ from the banking details which the Administrator has on record for the Investor, proof of bank details must be provided before the sale instruction will be executed by the Administrator.

**21.4.3** To execute a sale through a brokerage can take up to 3 Business Days and it can take up to a further 2 Business Days after that to make payment into the Investor's bank account. Payment of the proceeds of a sale of all or part of a Segregated Portfolio into the Investor's bank account will therefore generally take place 5 Business Days after the sale of Securities takes place.

**21.4.4** A 40 day holding period applies to any part of a Segregated Portfolio bought by debit order and such part of a Segregated Portfolio may not be sold until such holding period has expired.

**21.4.5** Where a sale instruction is received within the first 21 Business Days of the commencement of an investment, the Administrator reserves the right to make payment of the proceeds only after 21 Business Days have elapsed from the date that the Securities in question were purchased.

### **21.5 Switches between Segregated Portfolios**

A switch between Segregated Portfolios will involve sales and purchases in the market. Any instruction received by the Administrator to switch between Segregated Portfolios, fully and correctly completed on the applicable form and signed, before 11h00 on any Business Day will be processed on the following Business Day or the Business Day thereafter. If receipt takes place after 11h00 on any Business Day, the instruction will be treated as if it had been received before 11h00 on the next Business Day. The Investor will receive the sale and purchase prices applicable on the day of processing, as determined in accordance with clause 8.8 for sales and clause 3.12 for purchases.

### **21.6 Ittransact and it's appointed category II asset manager re-balance portfolios monthly.**

For this purpose two consecutive working days on two fixed monthly dates shall be set aside in every month. Should any of these two days fall on a non-working date then that date shall be moved onward to the earliest subsequent working day that is unused for said purpose. The dates set aside for this are the 17th and the 18th of every month. On and during said re-balance dates there shall be a freeze on investor transactions on all portfolios. The purpose of this freeze is to resolve potential conflicts arising from investor transactions that overlap with trades that result from the re-balance process on the same day; thereby ensuring safe and proper administration of the portfolios.

## IMPORTANT DISCLOSURES

### DISCLOSURE IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARIES SERVICES ACT 37 OF 2002

#### COMPANY INFORMATION

Registered Name	Automated Outsourcing Services (Pty) Ltd
Branded As	Itransact
Registration Number	1997/013802/07
FSP License Number	650
Compliance Officer	Moonstone Compliance (Pty) Ltd
Compliance Telephone	011 5616600
Compliance Email	compliance@itransact.co.za
Key Individuals	Mark Baisley, Mark Gill
Professional Indemnity and Fidelity Cover	Hollard Insurance

#### PRODUCTS APPROVED

##### Category I (Intermediary Services)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Deposits defined in the Banks Act – exceeding 12 months and 12 months or less.

##### Category III (Administrative FSP)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Long-term Deposits and Short-term Deposits.

#### COMPLAINTS RESOLUTION POLICY

The Administrator is committed to comply with FAIS since the purpose of this act is to protect the Investor. A complaints resolution system is in place, details of which you may obtain from the legal section on [www.itransact.co.za](http://www.itransact.co.za) or by contacting us.

#### CONFLICT OF INTERESTS MANAGEMENT POLICY

A Conflict of Interest Management Policy has also been adopted. If you have any queries in this regard, please do not hesitate to contact us.

#### CONTACT DETAILS

##### Financial Advisor Support Centre

Telephone 086 143 2383 | Fax 086 743 6959 | Email [info@itransact.co.za](mailto:info@itransact.co.za)

##### Investor Support Centre

Telephone 086 146 8383 | Fax 086 743 6959 | Email [investor@itransact.co.za](mailto:investor@itransact.co.za)

[www.itransact.co.za](http://www.itransact.co.za)