

VERSION 4 INVESTMENT MANAGER TERMS & CONDITIONS (ITRANSACT ETF PORTFOLIOS)

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:

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 from time to time be appointed to administer the Portfolios;
- “Application Form” means the New Business Application Form which has been or will be completed by or on behalf of the Investor for the purposes of investing in the Portfolios;
- “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;
- “Mandate” means this agreement;
- “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 the Investor by the Administrator;
- “Portfolios” means the Itransact Securities Investment Plan Portfolios, administered by the Administrator;
- “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 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 under the Portfolios and any additional portfolio of Securities which may be made available by the Administrator from time to time.

2 APPOINTMENT

- 2.1. The Investor hereby appoints the Investment Manager as the Investor’s discretionary financial services provider in respect of the Portfolios, with effect from the date on which the Investor’s account in respect of the Portfolios is opened by the Administrator. The Investment Manager accepts such appointment.
- 2.2. It is recorded that at the time of entering into the Mandate, the Investment Manager is authorised in terms of FAIS as a Discretionary Financial Services Provider in respect to the following financial products:
 - 2.2.1. Securities and Instruments: Shares
 - 2.2.2. Securities and Instruments: Money market instruments
 - 2.2.3. Securities and Instruments: Bonds
- 2.3. The Investment Manager undertakes to fulfil its obligations in terms of this agreement in good faith and to act with due care, diligence and skill, in the best interests of the Investor at all times.

3. POWERS AND AUTHORITIES OF THE ASSET MANAGER

- 3.1. Subject to the provisions of the Mandate and any applicable law, the Investor hereby grants the Investment Manager full discretion to manage the Segregated Portfolios selected by the Investor from time to time, together with any amount held for the benefit of the Investor in the Cash Fund, without prior consultation with, prior notice to or further authority or consent from the Investor.
- 3.2. The Investor authorises the Investment Manager to give the Administrator instructions to buy, sell or otherwise deal with the Securities held in the Segregated Portfolios, in accordance with the Mandate. The Investor further authorises the Investment Manager to instruct the Administrator to purchase Securities from amounts held in the Cash Fund for the benefit of the Investor.
- 3.3. The Investment Manager shall have the authority to:
 - 3.3.1. use the services of its own staff or that of another authorised financial services provider to assist it to perform its obligations under this agreement;
 - 3.3.2. appoint one or more authorised representatives to represent it in the performance of its obligations under this agreement and delegate all or any of its powers and authorities in terms of this agreement to any such authorised representative.

4. INVESTMENT OBJECTIVES AND CONSTRAINTS

- 4.1. The investment objectives that apply to the Segregated Portfolios are set out in the Product Information. Each Segregated Portfolio aims to achieve its objective(s) by offering the Investor exposure to a spectrum of asset classes such as domestic listed equity, commercial property and bonds, obtained through the direct holding of low cost, passively managed Exchange Traded Funds (“ETFs”) in a risk profiled segregated portfolio. The asset allocation of each Segregated Portfolio has been designed with careful consideration of the long term performance of capital markets. The Segregated Portfolios shall be periodically rebalanced to keep them aligned with their targeted asset allocation. Only ETFs listed on the Johannesburg Stock Exchange will be held in the Segregated Portfolios. The Segregated Portfolios generally aim to be fully invested, but cash may be held from time to time. The Investor is referred to the Product Information for more detail regarding the objective of each Segregated Portfolio and its risk and return profile.
- 4.2. Investments will be realised where the Investment Manager in its sole discretion (subject to compliance with the Mandate) believes that the Investor would be better served by disinvestment at that particular time.
- 4.3. The Investor acknowledges that market movements and other events may cause the relative weightings of Securities held in the Segregated Portfolios to change and deviations from asset allocation parameters applicable to a Segregated Portfolio may therefore occur until a Segregated Portfolio is rebalanced as provided for in clause 4.1.

5. FEES

- 5.1. The Investment Manager shall be paid an annual investment management fee of 0.25% (zero point two five per cent) of the value of the investments held in the Portfolios, together with VAT thereon at the applicable rate. This annual investment management fee shall be calculated using the daily market value of each Security held by the Investor under the Portfolios and shall be deducted Quarterly by the Administrator from the cash balance held for the benefit of the Investor in the Cash Fund and paid to the Investment Manager. 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 their investment from the Portfolio, the Administrator will recover and pay to the Investment Manager the pro rata portion of the annual investment management fee due. This will be done before the realisation proceeds are paid out.
- 5.2. The Investment Manager may amend the investment management fee specified in clause 5.1 and in the Application Form on 60 days prior written notice to the Investor.
- 5.3. The Investment Manager shall not receive any commission, incentives, fee reductions or rebates from an administrative FSP or product supplier.

6. DISTRIBUTIONS AND CASH BALANCES

- 6.1. Distributions shall be reinvested, in accordance with clause 7 of section 12 of the Application Form. The Investment Manager shall instruct the Administrator on a Quarterly basis, how distributions should be reinvested, subject to the provisions of clause 7 of section 12 of the Application Form.
- 6.2. The Investment Manager shall, on a Quarterly basis, instruct the Administrator regarding the purchase of Securities for the Segregated Portfolios with any cash balances held for the benefit of the Investor in the Cash Fund, as provided for in clause 3.11 of section 12 of the Application Form.

7. REGISTRATION OF SECURITIES HELD FOR THE BENEFIT OF THE INVESTOR

Securities held under the Portfolios shall at all times be held in the name of the Nominee Company.

8. RECEIPT OF FUNDS

All funds must be paid by the Investor into the bank account stipulated in the Application Form. The Investment Manager shall not at any time receive or hold the Investor's funds.

9. REPORTING

The Investment Manager shall furnish the Investor with reports on the Portfolios, as required by the provisions of FAIS. Such reports may, at the Investor's request in writing, be provided in electronic format.

10. VOTING RIGHTS AND PROVISION OF INFORMATION

- 10.1. The Investment Manager shall be authorised to exercise the Investor's voting and other rights in respect of any Security underlying the Portfolios.
- 10.2. The Investor hereby confirms that the Investment Manager 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.

11. TERMINATION OF MANDATE

- 11.1. The Mandate may be terminated by either the Investor or the Investment Manager on 60 days prior written notice to the other party (see clause 14 for provisions relating to the giving of notice).
- 11.2. On termination of the Portfolios by the Administrator (as provided for in clause 16 of section 12 of the Application Form), the Mandate shall terminate automatically.

12. EXEMPTION, INDEMNITY AND INSURANCE

- 12.1. Subject to clause 12.2, the Investment Manager shall not be liable for, and the Investor hereby indemnifies the Investment Manager against, any claims for loss, expense or damage which the Investor may suffer in respect of any Segregated Portfolio managed by the Investment Manager on behalf of the Investor, however such loss, expense or damage may arise or be suffered.
- 12.2. The exemption and indemnity in clause 12.1 shall not extend to any loss, expense or damage which arises as a result of the fraud, dishonesty or negligence of the Investment Manager or any director, employee, officer or agent of the Investment Manager.
- 12.3. The Investment Manager 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.
- 12.4. The Investment Manager shall, if and to the extent required in terms of FAIS, arrange and maintain, at its own expense, insurance cover in respect of any liability which may be incurred by the Investment Manager in connection with this agreement. The Investment Manager shall on request from the Investor furnish the Investor with written confirmation of the amount of such insurance cover.

13. RISKS AND RESPONSIBILITY

- 13.1. The Investor expressly acknowledges and confirms:
 - 13.1.1. that the Investor understands and is aware of the various risks that are involved in holding and dealing in Securities;
 - 13.1.2. that the Investment Manager does not guarantee the repayment of the Investor's original investments and/or the performance of investments or make any representation concerning either of these matters;
 - 13.1.3. that there is an investment risk associated with all asset classes, including foreign investments that are exposed to currency risk;
 - 13.1.4. that the Investor accepts such risks, which may result in financial loss, and agrees that the Investor shall not hold the Investment Manager liable for resulting financial loss;
 - 13.1.5. that it approves of the investment objectives and constraints that apply in terms of clause 4 and the Product Information.
- 13.2. The Investment Manager shall have no responsibility or liability with respect to the transmission or safe-keeping of any Securities or cash held under the Portfolios or the acts or omissions of any custodian or other third parties with respect thereto.

14. CONTACT DETAILS AND NOTICES

- 14.1. The Investment Manager's contact details are as follows:

Sunstrike Capital (Pty) Ltd
Telephone 021 412 1581
Fax 086 762 1957
Cel 083 441 8883
Postal Address PO Box 6191 Roggebaai Cape Town 8001
Street Address Cube Workspace Unit C Icon Building Lower Long Street Cape Town 8001
info@sunstrikecapital.co.za
www.sunstrikecapital.co.za

The Investment Manager will notify the Investor in writing of any change to such details.

- 14.2. The Investor's contact details are those specified in section 1 of the Application Form.
- 14.3. Any notices that are required to be given by the Investor to the Investment Manager must be given in writing and must be sent to the Investment Manager by fax using the fax number that applies in terms of clause 14.1, hand delivered to the street address that applies in terms of clause 14.1 or posted by registered post to the postal or street address that applies in terms of clause 14.1.
- 14.4. Any notices that are required to be given by the Investment Manager to the Investor must be given in writing and must be sent to the Investor using the contact details referred to in clause 14.2.
- 14.5. Any notice that is -
 - 14.5.1. delivered by hand and acknowledged in writing by the party to whom it is addressed, shall be presumed, until the contrary is proved, to have been received by that party at the time of delivery;
 - 14.5.2. is posted by prepaid registered post from an address within the Republic of South Africa, shall be presumed, until the contrary is proved, to have been received by the party to whom it is addressed on the seventh day after the date of posting;
 - 14.5.3. is transmitted by fax during normal business hours, shall be presumed, until the contrary is proved, to have been received on the date of successful transmission thereof.

15. GENERAL

- 15.1. This Mandate, read with the Application Form where required, constitutes the entire agreement between the parties regarding its subject matter.
- 15.2. No amendment or agreed cancellation of this Mandate will be valid unless it is in writing and signed by both parties.
- 15.3. No indulgence which one party (“the grantor”) may grant to the other (“the grantee”) shall be a waiver of any of the rights of the grantor and the grantor will not be prevented from exercising any rights that it may have at any time against the grantee.
- 15.4. Each provision of this Mandate is divisible from the other provisions. If any provision is or becomes unenforceable, the enforceability of the other provisions will not be affected.
- 15.5. This Mandate shall be governed by and interpreted in accordance with the laws of the Republic of South Africa and the parties consent to the exclusive jurisdiction of the South African courts.