

## AGREEMENT ENTERED INTO BETWEEN

**CIDEL (PTY) LIMITED**  
[Reg No 2000/025900/07]  
duly represented by

(hereinafter referred to as CIDEL)

AND

as more fully set out in the **Particulars Schedule** hereto  
(hereinafter referred to as CLIENT)

### WHEREBY IT IS AGREED THAT

1. This agreement is a mandate as contemplated in terms of the Financial Advisors and Intermediary Act (FAIS) – Act 31 of 2002. Reference to “this agreement” means this document together with all the annexures and schedules attached hereto. The headnotes in this agreement are intended for reference purposes only and are not to be used in the interpretation of the agreement.
2. The words and phrases used in this agreement shall, unless the contrary appears, have the meaning ascribed to them in the SECA, the FMCA and any relevant conditions promulgated under the SECA or the FMCA (hereinafter referred to as the “applicable legislation”).

### AUTHORISATION

3. The CLIENT hereby authorises CIDEL, an approved discretionary financial service provider, to advise the CLIENT with regard to investments, implement the investment decisions of the CLIENT, to invest in the investments set out below (referred to as “investments”), and to manage the investments (referred to as “services”) subject to the terms and conditions contained in this agreement and the applicable legislation.
4. CIDEL shall exercise its authority subject to the **Full Discretion Schedule**. To this end, the CLIENT hereby appoints CIDEL as the CLIENT’s duly authorised agent for and on CLIENT’s behalf to enter into any transaction, to take all necessary steps and sign all necessary documents in accordance with this agreement, both in the Republic of South Africa and, if and when permitted by law and if provided for in terms of the attached **Foreign Investment Schedule**, in foreign countries in respect of the following investments (both as defined in the applicable legislation and as ordinarily defined):
  - 4.1. listed and unlisted securities and financial instruments, provided that in respect of foreign securities and financial instruments the CLIENT has also completed the **Foreign Investment Schedule**, and which schedule contains important information in relation to the risks inherent in such investments;
  - 4.2. money market instruments, including but not limited to, notes, negotiable certificates of deposit, commercial paper or other debt instruments;
  - 4.3. warrants to subscribe for the investments referred to in 4.1 and 4.2 above;
  - 4.4. depository receipts or other instruments relating to the investment referred to in 4.1, 4.2 and 4.3;
  - 4.5. unit trusts and similar schemes;
  - 4.6. unregulated financial instruments;
  - 4.7. financial instruments regulated in terms of foreign law;
  - 4.8. investments similar to or related to any of the foregoing; and
  - 4.9. investments similar to or related to any of the foregoing as contemplated in the applicable legislation.

At no stage, shall CIDEL solicit or market any investment product, as described above, where these products are not regulated in South Africa.

### TREATMENT OF FUNDS AND INVESTMENTS

5. If necessary and upon the introduction of a central depository or electronic scrip registry as approved by the Johannesburg Securities Exchange (JSE), the CLIENT’s investments (or part thereof) may be deposited by CIDEL for safe custody in such depository or registry through a member of the JSE of CIDEL’s choice.
  - 5.1. Unless the CLIENT notifies CIDEL to the contrary, any such investments shall be held in an account in the name of the nominee of the member of the JSE with whom CIDEL deposits such investments.
  - 5.2. The CLIENT authorises CIDEL to deposit any such investments in fungible consolidated share certificate form (“Jumbo Certificates”) and to withdraw any such investments from safe custody for the purposes only of:
    - 5.2.1. delivering the investments to the CLIENT or upon termination of this agreement. In such case, the investments will be sent at the CLIENT’s risk by courier or registered post to the CLIENT’s domicilium address as stipulated in the Particulars Schedule or to such other address duly stipulated by the CLIENT;
    - 5.2.2. dealing with the investments as may actually be required in fulfilling this agreement;

- 5.2.3. lodging the investments on CLIENT’s behalf with any person or entity in terms of an order of court or a special resolution of the issuer of the investments;
- 5.2.4. where the investments are held in Jumbo Certificates with other investments not owned by the CLIENT, to facilitate the sale of such other investments;
- 5.2.5. any other purpose pursuant to or arising from this agreement.
6. It is specifically recorded that CIDEL may not exercise the rights attaching to any investments for CIDEL’s own purpose or interest.
7. All cash receipts, including interest, dividends, proceeds of disposals of investments, received by CIDEL and / or arising from CIDEL’s exercise of its authority, shall be paid by CIDEL to the CLIENT on receipt thereof subject to the following:
  - 7.1. In the event that this agreement is terminated, or in the event that the CLIENT has duly instructed CIDEL to realise and repay to the CLIENT the investments (or any portion thereof), CIDEL shall pay any cash into the CLIENT’s bank account as stipulated in the **Particulars Schedule**.
  - 7.2. CIDEL is authorised to retain or to withdraw from any funds received for and on behalf of the CLIENT from time to time -
    - 7.2.1. to effect such payments as are necessary in the operation of this agreement; and
    - 7.2.2. to discharge a debt due to CIDEL from the CLIENT whether in respect of the management fees due under this agreement or otherwise.
8. The CLIENT acknowledges that neither CIDEL nor any third party whom CIDEL instructs on the CLIENT’s behalf will be required to make any payment to the CLIENT’s order without written instruction to that effect from the CLIENT together with an appropriate indemnity.

### REMUNERATION

9. The CLIENT shall remunerate CIDEL for the services as set out in the **Remuneration Schedule**.

### WARRANTIES AND INDEMNITIES

10. Unless otherwise specified in the **Particulars Schedule** hereto:
  - 10.1. the CLIENT warrants that all investments as the CLIENT may deliver or cause to be delivered to CIDEL in terms of this agreement are not subject to any lien or charge and that they shall remain free of any such lien or charge;
  - 10.2. all investments other than cash and bearer instruments managed by CIDEL in terms of this mandate shall be registered in CLIENT’s name or the name of a nominee (nominated for this purpose by the CLIENT in the **Particulars Schedule**) on the CLIENT’s behalf and for the CLIENT’s benefit.
11. The CLIENT hereby indemnifies CIDEL and any third party with whom CIDEL contracts for and on behalf of the CLIENT and holds CIDEL and any such third party harmless from:
  - 11.1. any and all loss, harm, claims, damages, liabilities, costs and expenses pursuant to any *bona fide* investment made or managed by CIDEL in terms of this agreement;
  - 11.2. any and all loss, harm, claims, damages, liabilities, costs and expenses pursuant to any *bona fide* advice from CIDEL relied on by the CLIENT;
  - 11.3. any and all claims, damages, liabilities, costs and expenses, which may be claimed against CIDEL by reason of the operation of this agreement;
  - 11.4. any income tax or other tax or levy of whatsoever nature in respect of which the CLIENT may become liable or which may become payable pursuant to anything done by CIDEL for and on the CLIENT’s behalf in terms of this agreement, and in particular -
    - 11.4.1. tax on interest accruing for the CLIENT’s benefit on any amount deposited by CIDEL in terms of this agreement; and
    - 11.4.2. tax on the increase in value of any investments administered or managed by CIDEL for and on the CLIENT’s behalf.
  - 11.4.3. In this regard, the CLIENT:
    - 11.4.3.1. undertakes to refund to CIDEL on demand any amount which CIDEL may be called upon to pay by any revenue authority in respect of any such interest or gain; and
    - 11.4.3.2. authorises CIDEL to realise any / all investments and to pay any such amount out of the investments and / or realised proceeds of the investments.
- 11.5. Nothing herein contained shall absolve CIDEL from liability for loss suffered by the CLIENT through any act of fraud, theft, bad faith, dishonesty or gross negligence on CIDEL’s part. Notwithstanding the foregoing CIDEL shall not be liable for any act whatsoever, whether of fraud, theft, bad faith, dishonesty, gross negligence, in the event of the insolvency or subsequent sequestration or liquidation of such third party’s estate or otherwise on the part of any third party, or on the part of an such third party’s employees.
12. The CLIENT further acknowledges that CIDEL has given no warranties whether in relation to the investments or otherwise howsoever, save as provided in this agreement.

### RISK DISCLOSURE, INCLUDING INVESTMENTS IN WRAP FUNDS, STRUCTURED FUNDS AND HYBRID FUNDS

13. The CLIENT acknowledges that the CLIENT has been informed of the risks inherent in the investments set out in this mandate and, where appropriate, has been handed copies of any specific risk disclosure documents published from time to time by specific financial markets. In

addition, the CLIENT accepts that such risk may result in financial loss to the CLIENT.

- 13.1. In this regard, and without limiting the generality of clause 13, the CLIENT further acknowledges that he has received the:
- 13.1.1. **Risk Disclosure Statement Schedule**, which contains important information regarding the risks of investments in futures and options; and
- 13.1.2. **Investments in Wrap Funds, Structured Funds and Hybrid Funds Schedule**, which contains important information regarding the nature of, costs for and risks associated with wrap funds, structured funds, hybrid funds and fund-of-funds collective investment schemes.

#### **COMMENCEMENT AND TERMINATION**

14. This agreement shall commence at the date of signature hereof, and may be terminated by not less than thirty days notice by either party to the other party.
15. Should this agreement be terminated for any reason whatsoever, no penalty shall become due to either party in respect of such termination. Such termination shall not, however, affect any outstanding order or transaction placed on the CLIENT's behalf prior to the termination of this agreement or any legal rights or obligations which may then already have arisen.
16. Subject to what is set out herein, if CIDEL ceases to be a duly authorized financial services provider, as defined in the applicable legislation, this agreement shall automatically terminate with immediate effect.

#### **CONFIDENTIAL INFORMATION**

17. CIDEL will not disclose to any other client or third party not legally entitled thereto, any confidential information or knowledge about the CLIENT which CIDEL may obtain in pursuance of this agreement.
18. Unless otherwise specifically stated in any advice given by CIDEL, any advice given by CIDEL:
- 18.1. is given solely for the CLIENT's benefit;
- 18.2. is strictly limited to the matters stated therein and does not apply, by implication or otherwise, to any other matters;
- 18.3. may not without the prior written consent of CIDEL be –
- 18.3.1. relied on by any other person;
- 18.3.2. disclosed, except to persons who, in the ordinary course of the CLIENT's business, have access to the CLIENT's papers and records and on the basis that such persons will make no disclosures of such advice;
- 18.3.3. filed with a governmental agency or other agency or quoted or referred to in the public domain.
19. The CLIENT consents to the recording by CIDEL of any telephone conversations between the CLIENT and CIDEL and any employee of CIDEL and acknowledges that this is an international practice and is used solely for the purpose of resolving any disputes which may arise concerning telephonic advice or instruction.

#### **NOTICES**

20. The parties choose *domicilium citandi et executandi* at the following addresses:
- 20.1.1. CIDEL at 3<sup>rd</sup> Floor, South Tower, Nelson Mandela Square, Fifth Street, Sandown;
- 20.1.2. The CLIENT at \_\_\_\_\_
- \_\_\_\_\_
21. or such other physical addresses as they or either of them may at any time advise the other, in writing, provided that any *domicilium* selected by either party shall be selected in the Republic of South Africa and any change shall only become effective on receipt of notice in writing by the other party of such change.
- 21.1. All notices shall be valid and effective only if in writing.
- 21.2. Any notice may be given or sent by sending same by hand or by fax or by electronic mail to the addresses referred to in clauses 20.1.1 and 20.1.2 or to the following addresses:
- 21.2.1. CIDEL at  
Hand delivery 3<sup>rd</sup> Floor, South Tower, Nelson Mandela Square, Fifth Street, Sandown  
Electronic Mail Cidel (Pty) Ltd c/o [mgreen@Cidel.com](mailto:mgreen@Cidel.com)  
Fax+27 11 783 8431
- 21.2.2. The CLIENT at the addresses and fax numbers stipulated in the Particulars Schedule.
- 21.3. Any notice so sent shall be deemed to have been received on the day on which the same shall have been delivered/transmitted.
- 21.4. In proving receipt, it shall be sufficient to prove that the letter containing the notice was properly addressed and transmitted or, in the case of delivery by hand, that the signature of the addressee or any person in apparent authority at the *domicilium citandi et executandi*, has been obtained.
- 21.5. Notwithstanding anything to the contrary herein contained, a notice actually received by either party from the other party shall be an adequate notice to either party notwithstanding that it was not sent to or

delivered at its chosen addresses and / or fax numbers and / or *domicilium citandi et executandi*.

- 21.6. Where correspondence is transmitted to the CLIENT through an electronic medium, the CLIENT assumes the risk of such electronic communication and CIDEL shall not be liable to the CLIENT or any other person receiving the electronic communication for, or in respect of, any direct, indirect or consequential liability, loss, cost or damage any kind or nature arising from the electronic communication, whether such liability, loss, cost or damage arises as a result of the destruction of data, system malfunction, interruption of communication links or for any other reason whatsoever.

#### **CESSION**

22. The CLIENT shall not cede any of his / her rights or assign any of his / her obligations under this agreement without the prior written consent of CIDEL.
23. CIDEL is specifically authorised at any time and upon not less than one calendar month's notice in writing to the CLIENT to cede and assign all CIDEL's rights and obligations in and under this agreement to any third party who is authorised to manage investments in terms of the applicable legislation. Such cessionary and assignee shall, unless this mandate is thereupon terminated by the CLIENT, assume all such rights and obligations with effect from the first day of the calendar month following such notice period. Failing such termination, the CLIENT shall be deemed to have consented to such cession and assignment.

#### **GENERAL**

24. This agreement constitutes the entire agreement between the parties and supersedes and novates all negotiations, discussions, correspondence, promises, undertakings and communications made prior to the signing hereof.
25. No variation of the terms and conditions of this agreement, including any agreement to vary the provisions of this clause, shall be of any force or effect, unless reduced to writing and signed by CIDEL and the CLIENT.
26. The CLIENT acknowledges that he is fully acquainted with this agreement, including the **Risk Disclosure Statement Schedule** and the **Investments in Wrap Funds, Structured Funds and Hybrid Funds Schedule** attached hereto, the contents of which he knows and understands and furthermore acknowledges that these terms and conditions apply to the **Schedules** and at the time of signing this agreement, this document was complete in all respects, and that all the terms contained in this document were embodied herein at the time of signing.
27. CIDEL will obtain and transmit to CLIENTS any information which they are legally bound to by law, unless the CLIENT specifically requested that no such information be provided.
28. CIDEL will not vote in behalf of its CLIENTS in respect of their financial products.

#### **REMUNERATION SCHEDULE**

The CLIENT agrees and undertakes to remunerate CIDEL for the services as follows:

- In the event that the CLIENT elects to make use only of CIDEL's advice, a fee of R1 200,00 (One Thousand Two Hundred Rands) per hour plus Value Added Tax;
- In the event that the CLIENT elects to make use of all the services, an annual administration fee equal to 1,25% of the market value of the CLIENT's portfolio at the end of every quarter plus Value Added Tax, payable in arrears and calculated at the end of the relevant calendar quarter.

Failing payment of remuneration as per clause 2 above, the administration fee shall be recovered by CIDEL from the investments.

CIDEL may at times, receive commission, incentives, or rebates from a product supplier for placing a CLIENT'S funds with them. This fee shall never be charged to the CLIENT or deducted from the CLIENT'S investments.

The CLIENT hereby indemnifies CIDEL and holds CIDEL harmless against all and any losses which the CLIENT may suffer as a result of any action or omission on CIDEL's part pursuant to the recovery of the remuneration from the investments.

#### **PARTICULARS SCHEDULE**

The CLIENT's particulars are those set out herebelow, read together with the attached **Confidential Client Profile and Questionnaire**.

Name Of Bank: \_\_\_\_\_

Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_

The CLIENT warrants that the information set out herein and the attached **Confidential Client Profile and Questionnaire** is true and correct.

**FULL DISCRETION SCHEDULE**

The CLIENT hereby authorises CIDEL to manage the investments in its sole and full discretion in order to achieve the investment objectives set out below. This means that CIDEL's mandate is an unlimited mandate to act on the CLIENT's behalf in order to achieve the investment objectives without it being necessary to obtain further authority or consent from the CLIENT to effect any transaction in terms hereof.

It is recorded that the CLIENT's investment objectives and risk preference are those set out in the attached **Confidential Client Profile and Questionnaire**.

**FOREIGN INVESTMENT SCHEDULE**

The CLIENT hereby authorises CIDEL to manage in its discretion investments which are listed and / or traded primarily outside the Republic of South Africa, namely any investment anywhere in the world;

The CLIENT agrees that in executing this agreement, CIDEL may act through Cidel Bank and Trust Inc. of Bridgetown, Barbados ("the foreign investment agent"), who is regulated by the Financial Services Regulator of Barbados.

CIDEL shall ensure that the foreign investment agent will in respect of the foreign investments, give similar undertakings and comply with similar obligations as those of CIDEL as set out in this agreement

All investments other than cash or bearer instruments shall be registered and, where applicable, held in a central depository or electronic scrip registry, in the name of a nominee on your behalf and for your benefit, subject to any relevant legislation.

CIDEL shall furnish the South African Reserve Bank, or other authorised regulatory body, any information reasonably required, including, without limitation, on a quarterly basis, confirmation that the foreign investment agent still holds the foreign investments. On termination of the foreign investments, the funds will be repatriated to the Republic of South Africa.

The CLIENT acknowledges that the CLIENT has received a copy of the terms and conditions that apply to this schedule, has been informed of the risks inherent in the investments set out above and, where appropriate, has been handed copies of any specific risk disclosure documents published from time to time by specific financial markets. In addition, the CLIENT accepts that such risk may result in financial loss to the CLIENT.

**RISK DISCLOSURE STATEMENT SCHEDULE****RISK DISCLOSURE STATEMENT AS REQUIRED BY SAFEX TO BE GIVEN BY ALL MEMBERS OF THE EXCHANGE TO CLIENTS**

This risk disclosure statement is made pursuant to the Rules of the Exchange.

The risk of loss arising from contracts can be substantial. You should carefully consider whether such investments are suitable for you in the light of your circumstances and financial resources. You should be aware of the following points:

1. If the market moves against your position, you may, in a relatively short time, sustain a total loss of the funds placed by way of margin or deposit with your broker. You may be required to deposit a substantial additional sum, at short notice, to maintain your margin balances. If you do not maintain your margin balances your position may be closed out at a loss and you will be liable for any resulting deficit.
2. Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where trading is suspended or restricted at times of rapid price movement.
3. Where permitted, placing a stop-loss order will not necessarily limit your losses to the intended amounts, for market conditions may make it impossible to execute such orders at the stipulated price.
4. A spread or straddle position may be as risky as a simple long or short position and can be more complex.
5. Markets in contracts can be highly volatile and investments in them carry a substantial risk of loss. The high degree of "gearing" or "leverage" which is often obtainable in trading these contracts stems from the payment of what is a comparatively modest deposit or margin when compared with the overall contract value. As a result, a relatively small market movement can, in addition to achieving substantial gains, where the market moves in your favour, result in substantial losses which may exceed your original investment where there is an equally small movement against you.
6. When your broker deals on your behalf, you should do so only in the type of contracts listed on the Exchange. Should you deal in futures contracts not listed on the Exchange, then you do so at your own risk.
7. Prior to the commencement of trading, you should require from your broker written confirmation of all current commission, fees and other transaction charges for which you will be liable.
8. Brokers may also be dealers trading for their own account in the same markets as you, in which case their involvement could be contrary to your interests.
9. Your broker's insolvency or that of any other brokers involved in your contracts may lead to your positions being closed out without your consent.
10. You should carefully consider whether your financial position permits you to participate in a syndicate. Areas of particular concern are:
  - a) charges for management, advisory and brokerage fees;
  - b) the performance record of the syndicate and for how long it has been operating;
  - c) the credibility of management.
11. Your broker should explain to you the meaning of the various terms set out herein so that you are fully aware of their significance.

12. Your broker is required to disclose and explain to you in terms of Section S.25 of the Financial Markets Control Act, 1989 ("The Act") in respect of unsolicited calls. The working of Section 25 of the Act is set out in the Schedule attached to this risk disclosure statement.

13. If you have any doubts or concerns regarding the risks in trading financial futures you may contact SAFIA or SAFEX for more detailed information before signing the acknowledgment. (Attached to this statement).

This brief statement cannot disclose all risks of investments in financial futures. They are not suitable for many members of the public and you should carefully study such investments before you commit funds to them. They may also have tax consequences and on this you should consult your lawyer, accountant or other tax advisor.

**INVESTMENTS IN WRAP FUNDS, STRUCTURED FUNDS AND HYBRID FUNDS SCHEDULE**

This Risk Disclosure Statement is made pursuant to the Conditions applicable to CIDEL in terms of the Financial Advisors and Intermediary Act 31 of 2002

The risk of loss arising from investments in collective investment schemes changes significantly in accordance with the type of collective scheme invested in on your behalf. Collective investment schemes may comprise of any one or more of the following:

1. A collective investment scheme means any scheme or arrangement in pursuance of which members of the public are invited or permitted to require an interest or undivided share (whether called a unit or by any other name) in one or more groups of assets (whether called a portfolio or by any other name) of such scheme and to participate proportionately in the income or profits derived therefrom.
2. A fund of funds is a scheme whereby a single collective investment scheme itself invests in a group or collection of collective investment schemes.
3. A hybrid fund refers to a fund that employs an investment strategy designed to group together specific unit portfolios of one or more collective investment scheme(s) and one or more listed security/securities for the purpose of the management of investments and where the client retains individual beneficial ownership of his or her investments. It is not necessarily a collective investment scheme, although a collective investment scheme may adopt this strategy.
4. A structured fund refers to a fund that employs an investment strategy designed to group two or more listed securities for the purpose of the management of investments and where the client retains individual beneficial ownership of his or her investments. It is not necessarily a collective investment scheme, although a collective investment scheme may adopt this strategy.
5. A wrap fund refers to a fund that employs an investment strategy designed to group together specific unit portfolios of one or more collective investment schemes for the purpose of the management of units in those unit portfolios and where the client retains individual beneficial ownership of his or her investments. It is not necessarily a collective investment scheme, although a collective investment scheme may adopt this strategy.

**COST AND RISK**

It is not our policy to levy any additional charges or incur any additional costs with regard to investments in the aforementioned funds and/or schemes. In the event that we are instructed to invest in such funds and/or schemes or, in the exercise of our discretion (if applicable), should we choose to invest in such funds and/or schemes, we will provide you with full details of any additional costs (if applicable) and risks (if applicable).

SIGNED by the parties at the following places and on the following dates respectively –

<u>PLACE</u>	<u>DATE</u>	<u>SIGNATURE</u>	<u>WITNESS</u>
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\_\_\_\_\_  
CLIENT

\_\_\_\_\_  
for and on behalf of CIDEL who warrants  
he is duly authorised hereto.