

STONEHAGE FLEMING ASSET MANAGEMENT (PTY) LTD

TERMS AND CONDITIONS



STONEHAGE
FLEMING

NOW AND FOR FUTURE GENERATIONS

These Terms and Conditions (“the Terms”) set out the rules applicable to Stonehage Fleming Asset Management (Pty) Ltd (“SFAM”) investment service and to the investment mandate (“the Mandate”) entered into between SFAM and a client (“the Client”).

1. INVESTMENT PRODUCTS

The Client authorises SFAM to manage the following investments on behalf of the Client:

- Securities. (Instruments listed on the Johannesburg Securities Exchange)
- Foreign securities. (Instruments listed on foreign exchanges)
- Collective investment schemes. (“CIS”) (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 trust 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 there from and including a;
 - CIS Hedge Fund
 - Foreign collective investment schemes carried on outside the Republic; and
 - Collective Investment Scheme as defined in the Collective Investment Scheme Control Act, 45 of 2002.
- Bonds (Instruments listed on the Bond Exchange of South Africa)
- Wrap Funds (An investment strategy employed by an Financial Services Provider where two or more products are selected and grouped together for the purpose of the management of investments and where the Client retains individual beneficial ownership of his or her investments)
- Hybrid funds (An investment strategy employed by an Financial Services Provider where specific unit portfolios of one or more collective investment scheme(s) and one or more listed security/securities are selected and grouped together for the purpose of the management of investments and where the Client retains individual beneficial ownership of his or her investments)
- Fund of funds (A unit portfolio that, apart from liquid assets and approved securities, consists solely of units or any other form of participation in unit portfolios of unit trust schemes or other similar schemes, other than schemes in property shares)
- Alternative Investments (Hedge Funds and Private Equity)
- Long-term insurance products (Subcategories B1, B1-A, B2, B2A and C)
- Sinking funds (Term policies with no life assured)
- Endowment policies (Term policies with life assured)
- Debentures and Promissory Notes
- Cash (Including long- and short term deposits.)
- Structured Deposits
- Retail Pension Benefits
- Pension Fund Benefits
- Warrants
- Other _____ Funds for investment shall either be paid to a member of the exchange or to a registered financial institution.



2. SPECIAL POWER OF ATTORNEY

As part of the Mandate, the Client shall sign the special power of attorney contained in Annexure A of the Mandate.

3. STONEHAGE FLEMING SECURITIES PLATFORM

Brokerage services provided through the Stonehage Fleming Securities Platform, are provided by SASB, registration number 2014/027273/07, a registered Financial Services Provider (FSP 28779) in terms of a brokerage agreement entered into between the two parties.

SFAM does not provide advice or discretionary services in respect of derivatives products. In circumstances where the Client would like to buy, sell, hold or receive services in respect of derivative products on the Stonehage Fleming Securities Platform, the Client will be required to sign a mandate directly with SASB or its relevant SAFEX and YIELDX division.

The Client authorises SFAM to act as introducer of derivative products and services required by the Client and provided by SASB.

SFAM has a revenue sharing arrangement in place with SASB whereby part of the revenue generated from all brokerage executed on the Stonehage Fleming Securities Platform, is shared with SFAM.

4. RISK DISCLOSURE

SFAM uses its discretion to invest on the Client's behalf with due care and diligence. There is a risk associated however with investing in financial products involved. The value of the investments and income may rise as well as fall, and there is a risk that the Client may suffer financial losses.

The Client does not have a claim against SFAM in the event of the realization of this risk unless it can be proved that the losses were due to negligence, fraud, misconduct or dishonesty by the SFAM or its staff.

The Client acknowledges the risk as explained to him in respect of local investments and acknowledges and understands the risk associated with foreign investments and in particular the effect the currency rates have on such investments. These risks include:

- Access to performance information.
- Investments may be subject to different tax regimes that may change without warning and which may influence investment returns.
- Exchange control measures may change in the country of investment and it may influence the accessibility to the invested capital.
- If the Rand exchange rate strengthens it may create a loss of capital or reduced returns when the money is converted back into Rand.

5. REGISTRATION OF INVESTMENTS

SFAM shall register the investments that it from time to time holds on behalf of the Client in the name of:

- The Client;
- A Financial Sector Conduct Authority ("FSCA") approved nominee company of SFAM or of a nominee company within the group of companies of which SFAM forms part;
- A nominee company of a member of a stock exchange and/or a financial exchange through which SFAM deals; and/or



- FSCA approved independent custodian of a Linked Investment Services Provider (LISP) through which SFAM deals.

6. VOTING ON BEHALF OF CLIENTS

SFAM may vote on behalf of the Client in respect of securities or Collective Investment Schemes.

7. TREATMENT OF FUNDS

- The Client shall deposit all funds for management in terms of the Mandate into a designated bank account, or such other approved account or financial institution as set out in the Annexures to the Mandate.
- SFAM shall be entitled to transfer monies from the custodian account to other institutions and/or funds in terms of the Mandate.
- Any cash accruals which become available shall be re-invested by SFAM in terms of the Mandate unless the Client in writing instructs SFAM otherwise.
- Cash accruals as mentioned above shall be credited to the Client accounts on a monthly basis.
- Should the Client wish to implement standing instructions, the instructions must be provided to SFAM in writing.

8. EXECUTION PROVISIONS

The Services provided for in the Mandate are provided by SFAM on the basis that it, or a subsidiary or associated company of SFAM (“Connected Person”) may:

- From time to time have an interest in an investment transaction proposed or entered into on behalf of the Client,
- Make investments on behalf of the Client which are not regulated by the codes of any stock exchange or investment exchange or regulatory authority.
- SFAM shall be entitled to utilise the services of its own staff, its duly appointed representatives or any other approved financial services provider to provide any of the services provided for in this agreement.

9. REMUNERATION

The Client shall remunerate SFAM for the management of investments on behalf of the Client as set out in below:

- SFAM’s Annual Management Fee
Annual Management Fees as agreed under ‘Section Five – Fees’ of the Mandate are levied by SFAM for the services rendered in terms of the Mandate and are payable monthly directly to SFAM. Where fee rebates or commissions (excluding fees relating to the Stonehage Fleming Securities Platform) are received by SFAM, such fees and commissions are set off against the SFAM Annual Management Fee payable by the Client. Only the balance of the fees charged by SFAM net of any fee rebates received (excluding fees relating to the Stonehage Fleming Securities Platform) shall be charged to the Client. Any amounts invested into Stonehage Fleming BCI Flexible Fund of Funds will be excluded from the calculation of SFAM’s Annual Management Fee.
- Segregated equity portfolio management fee
An annual segregated equity portfolio management fee as agreed in ‘Section Five – Fees’ of the Mandate paid monthly directly to SFAM. This segregated equity portfolio management



fee will be levied by SFAM where Client money is invested by SFAM into ordinary and preferred listed equities traded on the JSE Securities Exchange.

- Cash management – Administration fee on cash balances

An administration fee at a percentage as agreed under ‘Section Five – Fees’ of the Mandate shall be charged for cash balances held within the custody and cash accounts.

- Brokerage Fees

Brokerage and other fees may be payable on the Stonehage Fleming Securities Platform, as disclosed in ‘Section Five – Fees’ and Annexure C of the Mandate, in accordance with SFAM’s revenue sharing arrangement with SASB.

- Fund Solutions - fees paid in respect of third party managers

This management fee will apply where Client money is placed into fund solutions managed by 3rd parties on behalf of SFAM. The 3rd party manager earns a management fee which is charged within the fund.

10. FEE SHARING AND OTHER INCENTIVES

- SFAM may receive commissions, incentives, fee reductions and/or rebates (collectively “rebates”) from a LISP, collective investment scheme or member of a licensed exchange for placing the Client’s funds with them, and shall disclose these to the Client.
- Where such rebates are received by SFAM (excluding the revenue sharing agreement relating to the Stonehage Fleming Securities Platform) these shall be credited to the Client’s account. Consequently such rebates as applicable in respect of each client’s account will be deducted from the calculation of the management fee charged by SFAM (as outlined in paragraph 9). This excludes any other fees as agreed in Section Five of the Mandate. Note that the revenue sharing agreement relating to the Stonehage Fleming Securities Platform is not rebated to the client’s account as a credit against the annual management fee.
- SFAM has a revenue sharing arrangement in place with SASB, whereby 40% of the revenue generated from all brokerage executed on the Stonehage Fleming Securities Platform is shared with SFAM.

11. REPORTING

SFAM shall provide the Client with printed and/or electronic format consolidated reports and statements in respect of his investments following each financial quarter.

12. NON-SOLICITATION

The Client acknowledges that it is fully aware of the restrictions in respect of unregulated investments and has not been solicited by SFAM to enter into such investments, and in particular into any unregulated international investments.

13. TRANSFER OF FUNDS

The Client authorises SFAM to retain or to withdraw from any cash deposited by the Client or SFAM on behalf of the Client such monies as are actually required:

- From time to time to pay for investments purchased on behalf of the Client;
- To transfer from one authorised investment to another;
- To effect such other payments as are necessary in the operation of the Mandate; and
- To discharge a debt due to SFAM by the Client whether in respect of the remuneration due to SFAM under the Mandate or otherwise.



SFAM shall not be obliged to make any payments to third parties on behalf of the Client, unless required by law.

14. DISCLOSURE

The Client undertakes to provide SFAM with all such information and supporting documentation as SFAM may be obliged to provide in terms of legislation (i.e. the Financial Intelligence Centre Act No. 38 of 2001), including but not limited to that information and supporting documentation set out in the Annexure hereto.

The Client consents to SFAM disclosing any such information provided by the Client in terms of the point above as may be required in terms of legislation.

15. INDEMNITY

Notwithstanding the termination of the Mandate for any reason, the Client indemnifies SFAM and any third party with whom SFAM contracts on behalf of the Client and holds it and any such third party harmless from:

- Any loss incurred on behalf of the Client pursuant to any bona fide investment made by SFAM in terms of the Mandate; and
- Any and all claims, damages, liabilities, costs and expenses, including reasonable attorney fees, which may be brought against SFAM by reason of the operation of the Client's account.

Nothing herein contained shall however absolve SFAM or any third party with whom SFAM contracts from liability for loss suffered by the Client or any other person through any act of fraud, theft, bad faith, dishonesty or gross negligence on the part of SFAM, the third party or their respective employees.

Notwithstanding the aforesaid, SFAM assumes no liability whatsoever for any act of fraud, theft, bad faith, dishonesty or gross negligence on the part of any third party as mentioned above, or on the part of any such third party's employees. Nor does SFAM assume any liability in the event of the insolvency or subsequent sequestration or liquidation of such third party's estate.

16. DOMICILIUM

The parties hereby designate as their domicilium citandi et executandi for all purposes of this agreement the following addresses:

- In respect of SFAM:
Stonehage Fleming Asset Management (Pty) Ltd: Maitland House 1, River Park, Gloucester Road, Mowbray, Cape Town, 7700, RSA, or such other address as may be communicated by the Financial Services Provider to the Client in writing from time to time.
- In respect of the Client, the physical address as noted in Section One of the Mandate or such other address as may be communicated by the Client to SFAM in writing from time to time.

Each party shall co-operate with the other party and execute and deliver to the other party such instruments and documents and take such other actions as may be reasonably requested from time to time in order to carry out, evidence and confirm their rights and the intended of the Mandate.

Any consent or approval required to be given by a party in terms of the agreement contained in the Mandate shall not be unreasonably withheld, unless expressly otherwise provided in the Mandate.



17. DATA PROTECTION

For an explanation on how we collect, use and disclose your personal data and your rights as a data subject, please see our privacy notice.

18. TERMINATION OF MANDATE

Any amendment of any provision of the Mandate shall be in writing and shall be by means of a supplementary or new agreement between SFAM and the Client.

The information as set out in the Annexures to the Mandate may be amended by SFAM from time to time and such amended Annexures shall be forwarded by registered mail to the Client at the address specified in paragraph 15 above. Should the Client fail to object in writing to the amendments to the annexures within 14 (fourteen) calendar days of receipt thereof, the Client shall be deemed to have agreed to the amendments in all respects.

SFAM or the Client shall be entitled to terminate the Mandate after notice in writing of not less than 30 (thirty) calendar days and not more than 60 calendar days.

SFAM shall be entitled to conduct due diligence to ensure that the Client or its investments do not contravene any legislation and in such event SFAM, in its sole opinion, may terminate the Mandate with immediate effect.

Upon termination of the Mandate SFAM shall return to the Client all cash, assets and documents of title and shall provide the Client with a detailed final statement of account. If the assets and documents of title are in possession of a custodian or nominee company, SFAM shall issue an instruction to such custodian or nominee company to return such assets or documents of title to the Client.

With regard to investments in a CIS, provided SFAM is able to do so, investments shall be transferred in accordance with the instructions of the Client out of the bulk account of the independent custodian of the LISP held with a CIS, into an account with such scheme to be held in the name of the Client or the custodian of another LISP. Where the Client is not the beneficial owner of the units (e.g. pension fund or underwriting insurer) the transfer of the units is subject to the rules of the pension fund or the contract of the insurer.

Where SFAM is unable to transfer the units direct to the Client, the units will be reduced to cash, which will be returned to the Client as set out above.

Termination of the Mandate for any reason shall not preclude SFAM from continuing to receive remuneration in respect of any investment or product in which the Client remains invested subsequent to the termination of the Mandate.

Termination of the Mandate shall not affect such of the provisions of the Mandate as expressly provide that they will operate after such termination or which of necessity must continue to have effect after such termination (for example in the event that the Client remains invested in any product or investment subsequent to termination), notwithstanding that the clauses themselves do not expressly provide for this.



