

## B.P.BERNSTEIN MANDATE

### 1. INTERPRETATION

- 1.1 The headnotes to clauses of this Mandate are inserted for reference purposes only and shall in no way govern or affect the interpretation thereof.
- 1.2 Unless inconsistent within the context, the expressions set forth below shall bear the following meanings:
- 1.2.1 **“Account”** means the Client’s bank account as specified in Schedule 2;
- 1.2.2 **“Activities”** means the investment and trading activities performed by BP Bernstein in respect of the Securities;
- 1.2.3 **“Applicable Legislation”** means the SSA and the JSE Equities Rules and Directives as amended from time to time and any replacement legislation;
- 1.2.4 **“BP Bernstein”** means BP Bernstein (Proprietary) Limited (Registration No 2005/044092/07), a private company duly incorporated according to the company laws of South Africa, and a member of the JSE;
- 1.2.5 **“Member’s CSDP”** means First National Bank, a division of FirstRand Bank Limited (Registration No. 1929/001225/06), a registered bank duly incorporated and registered according to the banking and company laws of South Africa;
- 1.2.6 **“Member’s Nominee”** means Barmont Nominees (Proprietary) Limited (Registration No 1965/003790/07) a private company duly incorporated according to the company laws of South Africa;
- 1.2.7 **“Member’s CSP”** means Computershare (Outsourcing) Limited (Registration No : 2000/005316/06), a private company duly incorporated according to the company laws of South Africa.
- 1.2.8 **“Business Day”** means a day (other than Saturdays, Sundays and official public holidays in South Africa), which is a day on which commercial banks settle Rand payments in Johannesburg and on which the relevant exchange on which the Securities are listed is open for business and settles trades in the Securities;
- 1.2.9 **“Client”** means \_\_\_\_\_
- 1.2.10 **“CSDP”** means a Central Securities Depository Participant as defined in the rules of STRATE;
- 1.2.11 **“CSP”** means a custody services provider;

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- 1.2.12        **“Discretionary Services”** means BP Bernstein will provide services of a discretionary nature for a Client in respect of the Activities;
- 1.2.13        **“ Derivatives “** mean for the purpose of this mandate, share instalments, warrants and options which are listed on the JSE equities trading system;
- 1.2.14        **“JSE”** means the JSE Limited, a licensed exchange regulated in terms of the SSA, 2004;
- 1.2.15        **“Mandate”** means this Member Mandate together with any schedules hereto;
- 1.2.16        **“Parties”** means the Client or BP Bernstein, or both of them as the context requires;
- 1.2.17        **“Risk Disclosure Brochure”** means the brochure setting out the risks involved with any investment in the Securities;
- 1.2.18        **“Securities”** means equity securities, which are JSE listed securities traded on the JSE equities trading system. This is the computer system or systems and associated network or networks operated or used by the JSE for the purpose of providing a market for the trading of equity securities.
- 1.2.19        **“Share Instalments”** means a JSE listed share instalment;
- 1.2.20        **“Signature Date”** means the date of the signature of the Party last signing this Mandate in time;
- 1.2.21        **“SSA”** means the Securities Services Act, 2004;
- 1.2.22        **“STRATE”** means STRATE Limited, a central securities depository regulated in terms of the SSA;
- 1.2.23        **“Transaction”** means a transaction in the Securities; and
- 1.2.24        **“Warrant”** means a JSE listed warrant.
- 1.3            When any number of days is prescribed in this Mandate, the same number of days shall be reckoned inclusively of the first and exclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the immediately following Business Day.
- 1.4            In the event that the day for payment of any amount due in terms of this Mandate should fall on a day which is not a Business Day, then the relevant date for payment shall be the following Business Day.
- 1.5            Where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail.
- 1.6            Any reference to a statute in this Mandate is to that statute as at the Signature Date and as amended or re-enacted from time to time and shall include any succeeding statute.
- 1.7            The rule of construction that, in the event of ambiguity, the contract shall be interpreted against the Party responsible for the drafting or preparation of the Mandate, shall not apply.

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1.8 Capitalised terms not specifically defined in this Mandate shall bear the meaning generally ascribed thereto in the financial services industry in South Africa.

1.9 The Schedules to this Mandate form an integral part hereof and words and expressions defined in this Mandate shall bear, unless the context requires otherwise, the same meaning in such Schedules.

## 2. **INTRODUCTION**

2.1 BP Bernstein is a member of the JSE and is authorised to perform trading and investment services in respect of JSE listed securities on the JSE equity trading system.

2.2 This mandate shall commence on the signature date.

## 3. **THE SERVICES**

3.1 The Client authorises BP Bernstein to provide it with the following Services:

3.1.1 Discretionary Services ☐

3.2 BP Bernstein will at all times when providing the Services adhere to the best execution principle, taking reasonable care to obtain the result which is best available to the Client, while at all times acting in accordance with the terms and conditions of this Mandate.

3.3 BP Bernstein will not accept cash deposits in excess of ZAR5 000 (Five Thousand Rand) from the Client into any bank account operated by BP Bernstein.

## 4. **DISCRETIONARY SERVICES**

4.1 In the event that BP Bernstein is to provide Discretionary Services to the Client, the Client authorises BP Bernstein to provide the Discretionary Services in accordance with the following investment strategies:

4.1.1 Conservative ☐

4.1.2 Balanced ☐

4.1.3 Growth ☐

4.1.4 Other ☐

4.2 The abovementioned investment strategies will accord to the following methodology:

### 4.2.1 **Conservative**

The objective is to earn returns comparable to the prevailing interest rates.

### 4.2.2 **Balanced**

The objective is to outperform inflation over a minimum period of 3 (three) years.

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4.2.3 **Growth**

The objective is to outperform inflation over a minimum period of 5 (five) years. Investment to be mainly in equity Securities.

4.2.4 **Other**

The objective is to:

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4.3 The return on any capital and capital invested in accordance with the investment strategies referred to in clause 4.1 above is in no way guaranteed by BP Bernstein.

4.4 BP Bernstein will not perform the Discretionary Services for the primary purpose of maximising its income.

4.5 The various investment strategies are reviewed on a quarterly basis, and the various weightings in a portfolio will also be realigned to ensure that the portfolio remains in line with the investment strategy.

4.6 BP Bernstein will not conduct Transactions in derivative instruments on the Client's behalf without obtaining the Client's prior written consent, which consent can only be given once BP Bernstein has confirmed to the Client in writing that it considers such a Transaction to be appropriate to the Client's investment objectives.

5. **INVESTMENT OBJECTIVES**

BP Bernstein is required to obtain appropriate information regarding the Client's financial situation, investment experience, particular needs and objectives in terms of the Applicable Legislation when providing Discretionary Services to the Client. The Client undertakes to provide BP Bernstein with such information when requested by BP Bernstein to do so. The Client shall provide BP Bernstein with all the information as required in terms of Schedule 4 of the Mandate.

6. **THE ACTIVITIES**

6.1 BP Bernstein shall act as agent of the Client and shall treat the Client as principal in respect of all Services provided to and for the Client.

6.2 In terms of the Applicable Legislation, all Securities held by BP Bernstein in safe custody shall be registered in the name of BP Bernstein's Nominee on behalf of the Client as beneficial owner.

6.3 All uncertificated Securities shall be held in the electronic register maintained by BP Bernstein's CSDP with STRATE, subject to the Applicable Legislation.

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- 6.4 The Client hereby authorises BP Bernstein to sign any documentation (including certificates of ownership or other certificates) relating to the Securities or necessary to give effect to the terms of this Mandate, or to obtain such a certificate from any appropriate tax authority which may be required by any regulations made by any relevant tax authority or any other regulatory authority in any jurisdiction, whether governmental or otherwise, relating to income tax, any other tax levied or ownership. For such purpose, BP Bernstein may disclose to any such tax authority such information relating to the Client as BP Bernstein shall determine to be necessary, usual or appropriate to such purpose.
- 6.5 BP Bernstein may at its sole discretion refuse to accept any Securities tendered for safe custody by the Client, if BP Bernstein determines that acceptance would be illegal or contrary to any applicable rules of any exchange or market, or if BP Bernstein reasonably suspects that any Securities are tainted by fraud.
- 6.6 All cash deposits including interest, dividends, proceeds of disposals and cash ("**Cash**"), received by BP Bernstein for the Client's account arising from the Services provided in terms of this Mandate, shall be paid for the Client's credit and in the Client's name into JSE Trustees (Proprietary) Limited ("**JSET**") in terms of the Applicable Legislation, unless the Client instructs BP Bernstein to pay such cash into the Account.
- 6.7 Payments will only be made into the Account. BP Bernstein is not authorised to make third party payments.
- 6.8 The Client authorises BP Bernstein to retain or to withdraw any Cash deposited by BP Bernstein on the Client's behalf in JSET in such amounts as are actually required:
- 6.8.1 from time to time to pay for Securities on the Client's behalf;
  - 6.8.2 to effect such other payments as are strictly necessary in the operation of this Mandate;
  - 6.8.3 to discharge a debt due to BP Bernstein from the Client whether in respect of the fees due under this Mandate or otherwise, provided BP Bernstein has provided the Client with prior notice of its intention to do so; and
  - 6.8.4 deal with cash as contemplated in this clause 8.

## 7. **SETTLEMENT OF TRANSACTIONS**

- 7.1 Should the Client fail to put BP Bernstein in a position to settle a purchase or sale of a Security within any period which may be set out in the Applicable Legislation:
- 7.1.1 the Client forfeits its rights to the Transaction, including the right to enforce the performance of the Transaction;
  - 7.1.2 BP Bernstein shall assume as principal the rights to and obligations of the Client to settle the Transaction;
  - 7.1.3 in respect of a purchase, BP Bernstein shall immediately sell the Securities purchased for the account of the Client;
  - 7.1.4 in respect of a sale, BP Bernstein shall immediately buy the Securities sold for the account of the Client;

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- 7.1.5 the Client shall pay BP Bernstein the difference between the purchase and selling consideration, plus any additional interest, fees, penalties, compensations paid and administration fees incurred by BP Bernstein in terms of the Applicable Legislation that are directly attributable to the forfeited trade; and
- 7.1.6 if there is any amount still owing by the Client after BP Bernstein has taken the steps set out in 7.1.3 and 7.1.5 above, BP Bernstein may also sell any other Securities of the Client which BP Bernstein holds for the Client.

## 8. **FEES**

- 8.1 In consideration for the Services to be provided by BP Bernstein in terms of this Mandate, BP Bernstein shall be entitled to the fees set out in a Schedule 3 as agreed with the Client from time to time. BP Bernstein shall provide the Client with 30 (thirty) days written notice of any change in fees as reflected in Schedule 3.
- 8.2 BP Bernstein is specifically authorised to debit such fees and expenses (together with interest, if applicable) to the Account. In addition, BP Bernstein is specifically authorised to realise any of the Client's Securities, that may be held by BP Bernstein's Nominee should there be insufficient cash available to settle BP Bernstein's fee, provided always that BP Bernstein has given the Client prior written notice before realising any Securities in these circumstances.
- 8.3 Should this Mandate be terminated during any calendar month, BP Bernstein's fee in respect of that month shall be payable on the date of termination.

## 9. **REPORTING**

- 9.1 BP Bernstein shall furnish the Client with a written statement reflecting the Securities and cash held at JSET on the Client's behalf, at the date of the statement, on a monthly basis.

## 10. **CONTRACT NOTES AND ORDER CONFIRMATION**

BP Bernstein will issue the Client with a contract note in respect of all Transactions executed in Securities on behalf of the Client. The contract note will be issued before 12h00 on the Business Day following the Transaction and shall serve as a confirmation of such Transaction.

## 11. **CLIENT VERIFICATION**

- 11.1 BP Bernstein is committed to complying with national and international law, rules and regulations regarding the combating of criminal activities, money laundering and terrorist financing. This Mandate and all information concerning the Client, is therefore subject to verification, processing and screening and BP Bernstein reserves the right to decline this Mandate.
- 11.2 The Client hereby consents to and authorises BP Bernstein to make such enquiries and obtain such information as BP Bernstein considers reasonable and appropriate, in order for BP Bernstein to satisfy its regulatory obligations which BP Bernstein is subject, as specified in clause 11.1 above.

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- 11.3 The Client shall provide BP Bernstein with all personal particulars as required in terms of Schedule 1 of the Mandate.

12. **CONFIDENTIALITY**

The Parties shall not disclose any information acquired or obtained by virtue of the terms and conditions of this Mandate relating to the Party, unless the written consent of the other Party has been obtained beforehand or the disclosure of such information is required in terms of the Applicable Legislation or any other law.

13. **SALE OF SHARES**

The Client may not sell any JSE listed share unless:

- 13.1 the paper share certificate has been converted into an electronic record of ownership;
- 13.2 the Client has at least the equivalent number of that specific share on their account; or
- 13.3 the Client has already purchased at least the equivalent number of that specific share; or
- 13.4 prior to the sale, the Client has made arrangements to borrow the equivalent number of that specific share.

14. **LIABILITY AND INDEMNITY**

- 14.1 For the avoidance of doubt, it is agreed that a Party shall in no circumstances be liable to the other Party for special, indirect or consequential damages arising as a result of any breach by a Party of any provision of this Mandate.
- 14.2 Nothing in this Mandate shall exclude or restrict any obligation which BP Bernstein has under the Applicable Legislation in relation to the Client, or any liability which BP Bernstein may incur under the applicable regulations in respect of a breach of any such obligation. Nor shall anything in this Mandate require the Client to indemnify or compensate BP Bernstein to any extent prohibited by the applicable legislation.
- 14.3 The Client agrees to pay or reimburse BP Bernstein all BP Bernstein's costs and expenses (including legal expenses on an attorney and own client scale) together with any tax payable thereon, reasonably incurred in connection with the enforcement of any of BP Bernstein's rights under this Mandate and or in relation to any of the Services.
- 14.4 BP Bernstein shall not be liable for any losses, expenses and/or damages which the Client may suffer, whether or not direct, indirect, special or consequential arising from the management of the investments in terms of this Mandate, unless such losses, expenses and/or damages are directly attributable to the willful default, fraud or gross negligence of BP Bernstein or any employee or agent of BP Bernstein and the Client hereby irrevocably waives any claim/s it may have in this regard.

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15. **RISK DISCLOSURES**

By the Client's signature to this mandate, the Client acknowledges that he/she has read and understood the contents of the separate Risk Disclosure Brochure provided to the Client by BP Bernstein.

16. **TERMINATION**

- 16.1 This Mandate may be terminated by either Party by giving 30 (thirty) days written notice to the other Party.
- 16.2 If BP Bernstein ceases to be a Member of the JSE, this Mandate shall terminate with immediate effect.
- 16.3 If the Client commits any act of insolvency or is sequestrated in terms of the Insolvency Act, 1936, this Mandate shall terminate with immediate effect.

17. **REPRESENTATIONS AND WARRANTIES**

- 17.1 The Client and/or BP Bernstein (as appropriate) hereby make the representations and warranties set out in this clause 17 to and for the benefit of each other, and acknowledges that the other will rely on the same.
- 17.2 It is duly authorised and empowered under its constitutional documents to enter into and perform its obligations under this Mandate and the Transactions contemplated hereby, and that all internal authorisations and approvals have been obtained.
- 17.3 This Mandate is a legally binding obligation binding on it and enforceable against it in accordance with its terms.
- 17.4 The Client has taken its own legal and taxation advice, that it has not sought or relied on any representation or warranty made outside the terms of this Mandate by BP Bernstein or any of BP Bernstein's officers, employees or agents, and that the entry of the Client into this Mandate is solely on the basis of its own judgement.
- 17.5 All funds and Securities of the Client which may be placed with BP Bernstein are from a legitimate source and are not the proceeds of unlawful activities as defined in the Prevention of Organised Crime Act, 1998.
- 17.6 Each Party shall be entitled to rely on the representations and warranties made by the other and set out above, and shall be under no duty to make enquiry as to the accuracy or otherwise of the same, and shall not be bound by any imputed or constructive knowledge of any such inaccuracy in such representations and warranties.

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18. **TELEPHONE CALLS**

In order to assist in monitoring compliance with the Applicable Legislation and to avoid misunderstandings, telephone conversations between the Client or any person authorised by the Client and employees of BP Bernstein may be recorded with or without use of an automatic tone warning device by either Party. The recordings shall be and will remain the sole property of the Party making them and will be accepted by either Party as *prima facie* evidence of the orders, instructions or conversations so recorded. Either Party may deliver copies or transcripts of such recordings to any court or regulatory authorities.

19. **CORPORATE ACTIONS**

19.1 BP Bernstein shall provide the Client with all and any information actually received by the Nominee or BP Bernstein in respect of any corporate action but unless instructions are received from the Client at least 48 (forty eight) hours prior to the closing time for any election in respect of a corporate action, the Client consents to and authorises BP Bernstein to select at its discretion the option which BP Bernstein reasonably determines to be the most beneficial to the Client.

19.2 BP Bernstein shall use its best efforts to comply with any instructions received from the Client concerning action to be taken by BP Bernstein in relation to clause 19.1. The Client agrees that where Securities are held by a Nominee, BP Bernstein shall only be obligated to pass on promptly such instructions to the Nominee and BP Bernstein indemnifies the Client against any loss arising out of BP Bernstein's delay in passing on such instruction to the Custody Services Provider. The Client acknowledges that the terms of business of a Nominee may contain provisions relating to the giving of instructions and any action permitted in the absence of such instruction. Such provisions shall be binding on the Client.

19.3 Notwithstanding the provisions of clause 19.1 above, in the event that no instructions to the contrary are received or that circumstances make it impractical for BP Bernstein to obtain any timely instruction, BP Bernstein shall be entitled in its sole discretion (such discretion to be exercised reasonably) to take any action in relation to the Securities, including without limitation the exercise of any rights attached thereto and the satisfaction of liabilities arising there from or any other action on behalf of the Client which BP Bernstein considers is necessary or desirable to safeguard the Securities or further the Client's interests.

20. **SEVERABILITY**

It is agreed that each clause of this Mandate is severable, the one from the other, and if any clause is found to be defective or unenforceable for any reason by any competent court, then the remaining clauses shall be of full force and effect and continue to be of full force and effect.

21. **ADDRESSES**

21.1 Each Party chooses the address set out opposite its name below as its address at which all notices, legal processes and other communications must be delivered for the purposes of this Mandate.

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21.1.1 **BP Bernstein:** BP Bernstein (Proprietary) Limited

Unit 7

## 1 Parade on Kloof

Oriel

Telefax: (011) 479 3411

Attention: Mrs A Schultz

21.1.2            **The Client:**            Name:

Address:

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Telefax: \_\_\_\_\_

Attention:

21.2 Any notice or communication required or permitted to be given in terms of this Mandate shall be valid and effective only if in writing but the Parties shall be competent to give notice by telefax.

21.3 Any Party may by written notice to the other Party change its chosen address to another physical address, provided that the change shall become effective on the fourteenth day after the receipt of the notice by the addressee.

21.4 Any notice to a Party contained in a correctly addressed envelope; and

21.4.1 sent by prepaid registered post to it at its chosen address; or

21.4.2 delivered by hand to a responsible person during ordinary business hours at its chosen address.

21.5 shall be deemed to have been received in the case of clause 21.4.1, on the seventh business day after posting (unless the contrary is proved) and, in the case of clause 21.4.2 on the day of delivery.

21.6 Any notice by telefax to a Party at its telefax number shall be deemed to have been received within 2 hours of transmission where it is transmitted during normal business hours or within 12 hours of the first business day after it is transmitted where it is transmitted outside those business hours, provided that the transmitting Party has received a fax confirmation from the receiving Party unless the contrary is proved.

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- 21.7 Notwithstanding anything to the contrary contained in this clause 21, a written notice or communication actually received by a Party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen address.

22. **SINGLE AGREEMENT**

- 22.1 This Mandate replaces any pre-existing Mandate or agreement entered into between BP Bernstein and the Client.
- 22.2 This Mandate, together with the schedules attached hereto, constitutes a single agreement between the Parties dealing with the matters outlined herein and the Parties would not otherwise enter into any Transaction in relation to the Services otherwise than in accordance with this Mandate.
- 22.3 This Mandate shall apply in respect of all Transactions entered into between the Parties in relation to the Activities and the Services and all Transactions entered into between BP Bernstein and a third party that the Client asks BP Bernstein to enter into as its agent, and in respect of all related matters referred to in this Mandate.

23. **GOVERNING LAW**

The entire provisions of this Mandate shall be governed by and construed in accordance with the laws of the Republic of South Africa. Furthermore the Parties hereto hereby irrevocably and unconditionally consent to the non-exclusive jurisdiction of the South Gauteng High Court, Johannesburg in regard to all matters arising from this Mandate.

24. **CERTIFICATES**

In the event of a dispute between the Parties, a certificate signed by any director of BP Bernstein (whose appointment, authority or qualifications need not be proved), to the effect that the Client is indebted to BP Bernstein or that a Transaction has been executed, shall be *prima facie* proof of such indebtedness or that the said Transaction was executed.

25. **GENERAL**

- 25.1 No Party shall have any claim or right of action arising from any undertaking, representation or warranty not included in this document.
- 25.2 No failure by a Party to enforce any provision of this Mandate shall constitute a waiver of such provision or affect in any way a Party's right to require the performance of such provision at any time in the future, nor shall a waiver of a subsequent breach nullify the effectiveness of the provision itself.
- 25.3 Nothing in this Mandate shall constitute an agreement to waive or in any way avoid applying rights, powers, privileges or rules of any relevant exchange.
- 25.4 No agreement to vary, add to or cancel this Mandate shall be of any force and effect unless reduced to writing and signed by or on behalf of the Parties to this Mandate.
- 25.5 No Party shall be entitled to cede any of its rights or delegate any of its obligations under this Mandate without the prior written consent of the other Party.

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26. **COUNTERPARTS**

This Mandate may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, all of which when so executed shall be an original but all such counterparts together shall constitute one and the same instrument.

**SIGNED** at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ in the presence of the undersigned witness.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
For and on behalf of  
**BP BERNSTEIN (PROPRIETARY)  
LIMITED**  
Name:  
Capacity:  
Who warrants his/her authority hereto

SIGNED at \_\_\_\_\_ on this the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ in the presence of the undersigned witness.

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Client Signature  
Name :  
Capacity :  
Who warrants his/her authority hereto

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## Name of person/s responsible for the company

**SCHEDULE 2**

**ACCOUNT DETAILS**

**Banking Details**

Bank:

Branch Code:

Account Name:

Account Number:

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**SCHEDULE 3**

**FEE SCHEDULE**

1. BP Bernstein will charge a basic fee on all agency deals. BP Bernstein will notify the Client of this fee in writing.
2. VAT is payable on all brokerage fees and the Client shall indemnify BP Bernstein for all taxes, fees or other charges levied on BP Bernstein from time to time by virtue of the Services BP Bernstein is providing the Client.
3. The Client will be given 30 days written notice of any fee increases.

4. **Current Brokerage Scale**

4.1 Basic Charge of R120 per deal

1% for transactions up to R25,000

0.7% for transactions from R25,001 to R100,000

0.6% for transactions from R100,001 to R500,000

0.4% for transactions from R500,001 to R1,000,000

0.3% for transaction over R1,000,000

4.2 Additional charges on brokerage

STT (Securities Transfer Tax) - .25% of the value of the transaction

INS (Insider Trading Levy) – 0.0003% of the value of the transaction

SET – R11.25 minimum up to R200, 000 thereafter 0.005623% of the consideration

5. **Administration Fees**

- 5.1 A minimum non-refundable fee of R350 per annum, including VAT, will be charged to the Client. This cost will cover all administrative expenses incurred by BP Bernstein including the holding of assets in safe custody, collection of dividends, execution of Client instructions, administration of share splits and consolidations and other corporate actions.

- 5.2 With respect to interest earned on Client funds deposited with JSET, BP Bernstein will deduct an administration charge of 1% on this interest earned on a pro rata basis

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6. **Discretionary Services Fee**

All Discretionary Services to be provided to a Client will be charged for monthly in arrears and calculated at 1% per annum, excluding VAT, of the total value of the Client's portfolio.

7. **Banking Details**

All fees shall be paid into BP Bernstein's bank account specified below:

Account Name: BP Bernstein (Pty) Limited

First National Bank: Corporate Account Services

Account Number: 50970032039

Branch Number: 255005

Reference: The Client name or account number with ourselves

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**Schedule 4**

## Risk Analysis for JSE authorised investments

Client Name	
Date of completion	
Portfolio Manager	

**Current Financial situation**

1. What is your age?
  - ☐ 20 -40 years (4)
  - ☐ 41-50 years (3)
  - ☐ 51-60 years (2)
  - ☐ Over 60 years (1)
  
2. Describe your current employment situation.
  - ☐ Full time employed (4)
  - ☐ Part time employed (3)
  - ☐ Retired (2)
  - ☐ Unemployed (1)
  
3. How certain are you that your various income sources will continue in the future?
  - ☐ Very certain (4)
  - ☐ Quiet certain (3)
  - ☐ Slightly uncertain (2)
  - ☐ Extremely uncertain (1)
  
4. To what extent is this/would this be your only investment (apart from your home and car)
  - ☐ I have plenty of other assets (this is/would be less than 25% of my assets) (4)
  - ☐ I have a large amount of other assets (this is /would be between 25% and 50% of my assets) (3)
  - ☐ I have a fair amount of other assets (this is/would be between 50% and 75% of my assets) (2)
  - ☐ I have few other assets (this is/would be between 75% to 100% of my assets) (1)

**Investment Time Horizon**

5. What is your investment horizon?
  - ☐ Less than 3 years (< 3 years) (1)
  - ☐ Greater than 3 years (> 3 years) (2)
  - ☐ Greater than 5 years (> 5 years) (3)

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**Investment Objective**

6. What is your investment objective?
- ☐ Protection of capital (1)
  - ☐ Primarily income generation (2)
  - ☐ Reasonable inflation beating returns (net of tax and costs) over 3 years and longer (3)
  - ☐ High potential investment returns over 5 years and longer, whilst accepting severe capital losses in between. (4)

**PLEASE NOTE THAT WE DO NOT OFFER ANY INVESTMENTS THAT WILL EITHER GUARANTEE THE CAPITAL INVESTED OR GUARANTEE YOUR CAPITAL AND RETURN.**

7. What percentage would you want to draw as an income from this investment on an annual basis?
- ☐ No income (4)
  - ☐ 0% to 8% (3)
  - ☐ 9% to 15% (2)
  - ☐ Over 15% (1)
8. My investment return expectations from the investment are :
- ☐ to be in line with inflation (1)
  - ☐ to achieve a return of inflation plus 2% (2)
  - ☐ to achieve a return of inflation plus 3.5% (3)
  - ☐ to achieve a return of inflation plus at least 5% (4)

**Knowledge and level of understanding of investments**

9. What statement best describes your investment knowledge?
- ☐ I have limited knowledge and rely exclusively on my financial advisor (1)
  - ☐ I have general understanding of financial markets and follow their progress occasionally (2)
  - ☐ I have a good working knowledge of financial markets and follow the markets actively (3)
  - ☐ I have considerable knowledge, manage my own portfolio, and follow the financial markets daily. (4)
10. Have you previously invested in any of the following financial asset classes/products?
- |                               |                                   |   |
|-------------------------------|-----------------------------------|---|
| <input type="checkbox"/> Cash | <input type="checkbox"/> Property | <input type="checkbox"/> Other: Specify _____ |
| <input type="checkbox"/> Bond | <input type="checkbox"/> Shares   |   |
11. What is your understanding of compound interest?
- ☐ None (1)
  - ☐ Moderate (2)
  - ☐ Good (3)
  - ☐ Excellent (4)

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 Witness (Initial)

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 Client (Initial)

**Risk Tolerance**

12. When you think of the word “**risk**” in a financial context which of the following words comes to mind first?
- ☐ Danger (1)
  - ☐ Uncertainty (2)
  - ☐ Opportunity (3)
13. How much of your investment can you afford to lose ?
- ☐ None (1)
  - ☐ 10% (2)
  - ☐ 15% (3)
  - ☐ More than 15% (4)
14. Do you have sufficient funds set aside to cover most emergencies?
- ☐ Yes (4)                      ☐ No (1)
15. Investments can go up or down in value. If you invest R200, 000 by what value could the investment fall in the short term before you start to feel uncomfortable?
- ☐ Any fall would make me uncomfortable (1)
  - ☐ If the investment dropped to a value between R180, 000 to R200, 000 (2)
  - ☐ If the investment dropped to a value between R150, 000 to R180, 000 (3)
  - ☐ If the investment dropped to a value less than R150, 000 (4)
15. Compared to others how do you rate your willingness to take financial risk ?
- ☐ Low (1)
  - ☐ Average (2)
  - ☐ High (3)
  - ☐ Very High (4)
16. Some investors are more willing than others to accept periodic declines in their portfolio values as a trade-off for potentially higher long-term returns. Which response best represents your feelings toward the following statement?
- “I am willing to experience potentially large and frequent declines in the value of my investment if it will increase the likelihood of achieving high long-term returns.”
- Strongly disagree   ☐ 1   ☐ 2   ☐ 3   ☐ 4                      Strongly agree
17. You are considering placing one quarter of your investment funds in a single investment. This investment is expected to earn about twice the bank deposit rate. However, unlike a bank fixed deposit, this investment is not protected against loss of the money invested.
- How low would the chance of a loss have to be for you to make the investment?
- ☐ Zero, i.e. no chance of a loss (1)
  - ☐ Very low chance of loss (2)
  - ☐ Moderate low chance of loss (3)
  - ☐ 50% chance of loss (4)

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 Witness (Initial)

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 Client (Initial)

18. If your portfolio dropped by 11% after investing for six months, how might you react?
- ☐ Immediately sell all my investments and cash out (1)
  - ☐ Wait until market recovers, sell some of my investments, and establish a lower risk strategy (2)
  - ☐ Hold current portfolio allocation and remain focused on my long term investment goals (3)
  - ☐ Hold current portfolio and possibly take action to buy more at a lower price to lower my average cost (4)

**Constraints :**

Are there any constraints that the investment advisor should be made aware of. These would include but not limited to the following :

- Emotional ties to a company
- Social investing
- Client cannot invest in certain industries such as tobacco, liquor and casino stocks
- Reluctance to pay income taxes, results in the client holding onto stocks ignoring the principal risk involved
- Liquidity

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Points Scored

Model Portfolio based on the points scored

Model Portfolio	Points Score
Conservative	0-35
Balanced	36-55
Growth	56-75

If the client chooses an investment strategy not addressed by the model portfolios, we then have to address whether the objective and risk profile are in agreement.

Notes: \_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Witness (Initial)

\_\_\_\_\_  
Client (Initial)

Are you prepared to accept the following terms and conditions pertaining to the investment objective :

	Yes/No	Initial
<b>Conservative Portfolio</b>  Income levels should be compared to interest rates. If more capital is withdrawn from the investment than capital growth, your investment capital will reduce.		
<b>Balanced Portfolio</b>  Reasonable investment returns outperforming inflation over a minimum period of three years. Investment capital is not guaranteed and returns are subject to market conditions, i.e. the investment capital may be subject to some volatility over the investment period, that is that losses can occur		
<b>Growth Portfolio</b>  Long term growth invested for a minimum of 5 years. Investment capital is mainly invested in equities and as a result the investment capital is not guaranteed nor the return thereof. Invested capital will be subject to market conditions and volatility.		
<b>Other strategy :</b>  		

**Declaration :**

- I the client undertake to notify BP Bernstein in writing of any change of its financial circumstances and/or investment objectives.
- I am aware that past investment returns of any portfolio are not indicative of any future returns and investment values may increase or decrease from time to time.
- I have read all the questions and I have answered each one truthfully and correctly.
- I am aware that my financial adviser will rely on the results derived from the guide and that my failure to answer all the questions or to provide true and correct answers will result in an incorrect profiling with incorrect and inappropriate investment decisions flowing from that
- I am aware that BP Bernstein (Pty) Limited does not guarantee my capital or warrant any positive financial or investment returns and/or investment growth in the portfolio selection made in terms of the questionnaire
- I understand and comprehend the risks involved in investing in the investment portfolios I have selected

\_\_\_\_\_  
Signature of client

\_\_\_\_\_  
Signature of Portfolio Manager

Date : \_\_\_\_\_

Reviewed by Chief Investment Officer :      Date \_\_\_\_\_