

**Form 1**

**SATRIX INVESTMENT PLAN – NEW BUSINESS APPLICATION FORM**

Please complete this application form and submit it by fax to 011 388 8558 / 021 413 1940 or E-mail to [satrix@aospartner.com](mailto:satrix@aospartner.com). No application form is considered complete without the relevant FICA documentation and proof of payment if you are making a lump sum deposit. Should you have any queries concerning this New Business Application form, please contact our Call Centre on: 086 1100 670 (International Dialling: +27 11 561 6890).

**FICA CHECKLIST**

Below are the requirements for an individual:

- A clear copy of ID document;
- A clear copy of proof of residence document;
- Proof of South African banking details (must reflect bank name, acc. holder's full name and bank acc. no.) No internet and credit card banking details will be accepted. – refer to FICA documentation checklist


Should you wish to invest in the name of a Minor, Company, Close Corporations, Partnership etc. please see the attached FICA Documentation Checklist following the Terms and Conditions.

**COMMUNICATION WITH THE SATRIX INVESTMENT PLAN**

Please send all communication (including quarterly statement) via:      Email                          Post   

**(Please note, where no preference is indicated, email will be used for communication by Automated Outsourcing Services (Pty) Ltd ("the Administrator"))**

**1. INVESTOR DETAILS**

Investor Type:    Individual        Company        CC        Trust        Partnership        Other   

Title:  First Names:

Surname / Registered Name:

Nationality:  Resident of South Africa:     Yes     No

Identity / Passport No.:  Date of birth:

Income Tax No. (if applicable):

Occupation:  Gender:     Female     Male

Vat Registration Number (if applicable):

Residential Address / Trading Address:

Postal Code:

Postal Address:

Postal Code:

Home Tel No.:  Office Tel. No.:

Fax No.:  Cellular No.:

E-mail Address:

**2. THIRD PARTY APPLICANT / AUTHORISED REPRESENTATIVE OF A LEGAL BODY**

(If you are opening an account for a person other than yourself, the name of this person in which the investment is made is filled in under Section 1. The details of the contact person who is responsible for the investment must be filled in under Section 2)

Title:  First Names:

Surname:  Relationship:

Identity / Passport No.:  Gender:  Female  Male

Home Tel No.:  Office Tel. No.:

Fax No.:  Cellular No.:

E-mail Address:

**3. PARENT / LEGAL GUARDIAN**

(where an investment is made on behalf of a minor (less than 18 years of age), particulars of the parent or legal guardian need to be furnished)

Title:  First Names:

Surname:  Relationship:

Identity / Passport No.:  Gender:  Female  Male

Home Tel No.:  Office Tel. No.:

Fax No.:  Cellular No.:

E-mail Address:

**4. INVESTOR BANK DETAILS**

(This bank account must be in the name of the investor or the legal guardian in the case of a minor as per section 3).

Name of account holder:

Bank:

Account No.:  Account Type: Cheque  Savings  Transmission

Branch Name:  Branch Code:

**Please include your proof of a South African bank account with this application form (copy of cancelled cheque or current bank statement which reflects bank name, acc. holder's full name and bank acc. no.) Please note that no internet or Credit Card statements will be accepted. No payments will be made to third party bank accounts.**

**5. INVESTMENT DETAILS**

Source of Funds: Salary  Policy  Donation  Gift  Savings  Investment  Inheritance

Other (Please specify):

**5 (a) LUMP SUM INVESTMENT**

**Please note:** you can make once-off (lump sum) investments, regular debit order investments or both.

Total lump sum investment amount (minimum single investment: R1000 per security) R

Split over each security as follows:

Satrix 40:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Satrix INDI:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Satrix FINI:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Satrix SWIX:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Satrix RESI:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Satrix DIVI:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Satrix RAFI**:	R	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>			<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Distribution Instruction\*:  Re-invest  Pay out

**\*NB: All distributions less than R100.00, per portfolio, will automatically be re-invested.**



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Signature of bank account holder

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Date (ccyy-mm-dd)

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## 6. FEE SCHEDULE

Annual administration fee: (calculated daily and deducted quarterly)

Total Investment Per Fund	Fee
R0 to R100 000	0,80%
R100 000 to R250 000	0,75%
R250 000 to R1 000 000	0,70%
R1 000 000 to R3 000 000	0,50%
R3 000 000 or more	0,45%

### Transaction Fees

Debit order fee: R3.50

Stock brokerage fees: 0.10% (buying and selling)

Nominal Strate and Investor Protection levies will also be charged.

Where a financial adviser is used, commissions will be charged (as scheduled in Section 8).

All fees quoted are exclusive of VAT. VAT will be levied where applicable

## 7. INVESTOR DECLARATION

(This declaration must be signed by all investors).

The Investor, or where applicable, his authorized signatory, by appending his signature hereto, states and declares that he/she has read and understood the terms and conditions pertaining to this investment product and the investment media selected; warrants that all statements given by him in the application form are true and correct in every respect and that such statements, together with the Investment Confirmation, shall form the basis of the contract, which is to be entered into with Satrix Managers (Pty) Ltd, as well as the contract between the Investor and the Financial Service Provider/ Representative.

The Investor acknowledges that he/she is aware of and understands the fees and commissions applicable to this investment, and the risks associated with the investment choice.

The investor agrees that the responsibility to assure receipt of any instruction by the Administrator via fax or e-mail remains the responsibility of the investor

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Signed at

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Signature of Investor (or duly authorised person/s for minor investors)

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Date (ccyy-mm-dd)

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Signature of Contact Person or Legal Guardian (if Section 2 or 3 of this application is applicable)

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Date (ccyy-mm-dd)

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**8. FINANCIAL SERVICE PROVIDER (If applicable)**

(If you are not using a Financial Adviser, this section of the application form does not need to be completed)

Name of Financial Service Provider / Brokerage: Financial Service Provider / Brokerage Code: Name of Representative: Representative Code:  Other Reference: Branch Name:  Branch Code: Trading Address:  Postal Code: Postal Address:  Postal Code: Office Tel No.:  E-mail Address: Fax No.:  Cellular No.: 

Financial Service Provider Commission:

Initial Upfront Commission on investment  (Max 3%)Annual Service Fee  (Max 1% p.a.)**FINANCIAL SERVICE PROVIDER DECLARATION (If applicable)**

The Financial Service Provider / Representative, by appending his signature hereto, states and declares that he/she has read and understood the terms and conditions pertaining to this investment product and the investment media selected; warrants that all statements given by him in the application form are true and correct in every respect and that such statements, together with the Investment Confirmation, shall form the basis of the contract, which is to be entered into, between the Investor, and Satrix Managers (Pty) Ltd, as well as the contract between the Investor and the Financial Service Provider / Representative (if applicable).

The Financial Service Provider / Representative further acknowledges and warrants that he/she has personally explained all the features of the product to the Investor.

The Financial Service Provider / Representative declares and confirms in terms of the Financial Intelligence Centre Act, No 38 of 2001 (FICA) that:

- he/she has taken all reasonable steps to establish the identity of the Investor before entering into a business relationship with him, or concluding a single transaction with him.
- he/she has verified the client information in accordance with the requirements set out in Section 21 of the FICA.
- he/she has obtained copies of the Investor's identification document and any other verification documentation required in terms of Section 22 of FICA, and is keeping record of the required documents.

The Financial Service Provider / Representative acknowledges that he/she has personally explained all the fees and commissions including all the risks associated with the investment choice, to the client.

Signed at

Signature of authorised Financial Service Provider / Representative

Date (ccyy-mm-dd)

**9. CONTACT DETAILS****Satrix Investment Plan**

Contact Details	Postal Address	Physical Address
Satrix Contact Centre : 086 110 0670 Fax Johannesburg: +27 (011) 388 8558 Fax Cape Town: +27 (021) 413 1940 Email: <a href="mailto:satrix@aospartner.com">satrix@aospartner.com</a> Website: <a href="http://www.satrix.co.za">www.satrix.co.za</a>	PO Box 4769 Randburg 2125	15 Philips Street Randburg

## FICA Documentation Checklist

**Due Diligence Requirements – New Applicants must send the following applicable FICA documents**

**Together with a fully completed New Business Application form.**

**Additional or updated documentation may be requested in certain circumstances.**

**Please ensure that the information provided on the FICA documentation is clear and certified if a copy.**

**All FICA documents must be less than 3 months old except for income tax forms / property insurance policy schedules.**

**If a Financial Service Provider (FSP) / Representative is utilised, a certified copy of the FSP license is required.**

Individual	Trust
<p style="text-align: center;"><b>Identification</b></p> <p><u>Clear copy of one of the following:</u></p> <ul style="list-style-type: none"> <li>• Current valid passport</li> <li>• National identity card or document</li> <li>• Armed Forces identity card</li> </ul> <p style="text-align: center;"><b>Confirmation of address</b></p> <p><u>Clear copy of one of the following, confirming Name and Address:</u></p> <ul style="list-style-type: none"> <li>• A utility bill</li> <li>• A council tax bill / assessment</li> <li>• An income tax form / extract</li> <li>• A property insurance policy schedule</li> <li>• A most recent lease / rental agreement</li> <li>• Affidavit (<b>NB:</b> this must be declared by the investor and not a third party).</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Proof of South African Banking details – either: <ul style="list-style-type: none"> <li>- Cancelled Cheque or Bank Statement (no internet or credit card statement accepted)</li> <li>- A letter from Bank confirming banking details</li> </ul> </li> <li>• Proof of Income Tax Number</li> </ul>	<p style="text-align: center;"><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Trustees – as per individual requirements, or company requirements for corporate trustees</li> <li>• Extract of Trust Deed pages showing name of Trust, parties to the Trust and signature pages</li> <li>• Letter of Authority from Master (SA Trust) or Foreign Regulator (Foreign Trusts) to Trustees</li> </ul> <p style="text-align: center;"><b>Confirmation of address</b></p> <ul style="list-style-type: none"> <li>• Trust – as per individual requirements</li> <li>• Trustees – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Authorised signatory list including specimen signatures</li> <li>• Proof of Trust banking details – as per individual requirements</li> <li>• Proof of VAT registration (if applicable)</li> <li>• Proof of Income Tax Number</li> </ul>
<p style="text-align: center;"><b>Investing in Name of Minor</b></p> <ul style="list-style-type: none"> <li>• Minor – Certified copy of birth certificate</li> <li>• Legal Guardian – as per individual requirements</li> <li>•</li> </ul>	<p style="text-align: center;"><b>Investor Clubs and Stokvels</b></p> <ul style="list-style-type: none"> <li>• Copy of constitution / founding document</li> <li>• Copy of register of participants</li> <li>• Letter electing and authorising person to act on behalf of the club / stokvels</li> <li>• Representative – as per individual requirements</li> <li>• Administrator reserves the right to request FICA documents for all participants</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Authorised signatory list including specimen signatures</li> <li>• Proof of Club and Stokvel banking details – as per individual requirements</li> </ul>
<p style="text-align: center;"><b>Company</b></p> <p style="text-align: center;"><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Certificate of Incorporation (CM1, CM22 and CM29)</li> <li>• Board resolution authorising the investment (and / or approval to act as trustee if a corporate trustee)</li> <li>• Directors – as per individual requirements</li> <li>• All shareholders holding 25% or more of voting rights at a general meeting – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Confirmation of address</b></p> <ul style="list-style-type: none"> <li>• Company – CM1, CM22 and CM29</li> <li>• Directors – as per individual requirements</li> <li>• Name(s) and address(es) of all directors</li> <li>• All shareholders holding 25% or more of voting rights at a general meeting – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Authorised signatory list including specimen signatures</li> <li>• Proof of Banking details – as per individual requirements</li> <li>• Proof of VAT registration (if applicable)</li> <li>• Proof of Income Tax Number</li> </ul>	<p style="text-align: center;"><b>Partnership</b></p> <p style="text-align: center;"><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Latest Annual Reports and Accounts</li> <li>• Resolution of the partners to invest</li> <li>• All Partners – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Confirmation of address</b></p> <ul style="list-style-type: none"> <li>• All Partners – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Authorised signatory list including specimen signatures</li> <li>• Proof of Banking details – as per individual requirements</li> <li>• Proof of VAT registration (if applicable)</li> <li>• Proof of Income Tax Number</li> </ul> <hr/> <p style="text-align: center;"><b>Closed Corporations</b></p> <p style="text-align: center;"><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Founding Statement and Certificate of Incorporation</li> <li>• Resolution of the members to invest</li> <li>• Members – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Confirmation of address</b></p> <ul style="list-style-type: none"> <li>• Close Corporation – CK1 and CK2</li> <li>• Members – as per individual requirements</li> </ul> <p style="text-align: center;"><b>Related due diligence</b></p> <ul style="list-style-type: none"> <li>• Proof of Banking details – as per individual requirements</li> </ul>

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|  | <ul style="list-style-type: none"><li>• Proof of VAT registration (if applicable)</li><li>• Proof of Income Tax Number</li></ul> |
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**Source of funds** (the proceeds to be invested need to have been accumulated and invested legitimately):

- Declaration on the application advising how the funds have legitimately arisen (from which legitimate activity, event or circumstances)

## **TERMS AND CONDITIONS**

### **1. Definitions**

- 1.1 The administrator of the Satrix Investment plan is Automated Outsourcing Services (Pty) Ltd ("AOS"), or any other institution appointed by Satrix Managers (Pty) Ltd to administer the investment plan accounts and trading activities;
- 1.2 "business day" is any calendar day which is not a Saturday, Sunday or public holiday within the Republic of South Africa;
- 1.3 "distributions", are distributions declared in respect of Satrix securities held for the benefit of a participant;
- 1.4 "investment plan account" is an account opened by the Administrator in favour of a participant in the plan, on receipt of a completed New Business Application Form from that participant.
- 1.5 "nominee company" is Satrix Nominees (Pty) Ltd which registers Satrix securities on behalf of participants.
- 1.6 "participant" is a person for whom a Satrix investment plan account has been opened by the Administrator in terms of the rules of the plan.
- 1.7 "plan" is the Satrix investment plan more fully described in 2 below.
- 1.8 "Satrix Managers", is a collective investment scheme management company (Satrix Managers (Pty) Ltd), registered with the Financial Services Board ("FSB"). Satrix Managers (Pty) Ltd (Registration Number 2004/009205/07) is registered by the FSB as the collective investment scheme management company for the Satrix 40 Trust, Satrix Fini Trust, Satrix Indi Trust, Satrix Swix Top 40 Trust, Satrix Resi Trust, Satrix Dividend Plus Trust and Satrix Rafi Trust.
- 1.9 "Satrix securities" are Johannesburg Stock Exchange Ltd listed Collective Investment Schemes issued by Satrix Managers that replicate the dividend and price performance of a particular index.
- 1.10 "type of Satrix security" is a particular class of Satrix security including, without being limited to, Satrix 40, Satrix Fini, Satrix Indi, Satrix Swix Top 40, Satrix Resi, Satrix Divi and Satrix Rafi index securities.

### **2. The Plan**

- 2.1 Under the plan the nominee company will acquire Satrix securities as nominee for and on behalf of participants. Satrix securities acquired by the nominee company in terms of the plan will be allocated as between participants (the beneficial owners of Satrix securities acquired by the nominee company pursuant to the plan), and registered in the names of Investment Plan participants.
- 2.2 Under the plan, a participant can on the terms and conditions set out herein:-
- 2.2.1 Acquire Satrix securities -
- 2.2.1.1 by contributing a fixed amount to the plan (equal to or exceeding R300 per type of Satrix security), every month, quarter, semi-annually or annually by debit order, which amounts will be used for acquiring Satrix securities for the benefit of the participant.
- 2.2.1.2 by contributing a lump sum to the plan (the minimum initial lump sum is an amount of R1,000 per type of Satrix security), which amount will be used for acquiring Satrix securities for the benefit of the participant.
- 2.2.1.3 by reinvesting into the plan distributions declared in respect of Satrix securities held for the benefit of that participant.
- 2.2.2 Sell Satrix securities held within the plan by giving a written and signed instruction to the Administrator to sell Satrix securities held for the benefit of that participant.
- 2.2.3 Transfer Satrix securities -
- 2.2.3.1 held within the plan for the benefit of a particular participant to another/other participant/s in the plan;
- 2.2.3.2 or into or out of the plan;
- 2.3 The Administrator has been appointed by Satrix Managers (the issuer of Satrix securities) to administer the plan, by giving a written and signed instruction to the Administrator.

### **3. Ways to invest**

The plan offers the following ways to invest:

#### **3.1 Regular savings - monthly debit order**

- 3.1.1 Should the participant wish to invest a fixed sum regularly in Satrix securities (on a regular basis, via debit order) the appropriate sections on the New Business Application Form (Form 1) must be completed and sent to the Administrator. That section includes a direct instruction to a bank or building society to transfer a fixed sum to the Administrator on a regular basis, by debit order, on either the 3rd or the 25th day of each calendar month. Should the 3rd or the 25th day fall on a non-business day, then the debit order will operate on the next business day. Please note that the debit order instruction will be loaded for the next scheduled debit order run in the month that the application form has been submitted, as long as the timings as per the debit order section of the application form has been adhered too. Should you require your debit order to start in a different month, this should be clearly specified on the application form.
- 3.1.2 The minimum amount the participant may invest is R300 per type of Satrix security per debit order. Debit order instructions must be received by the Administrator at least 10 business days prior to the desired action date. Instructions received after that period will be processed in the following month.
- 3.1.3 Any Satrix securities so acquired will be held by the nominee company and only passed to the benefit of the participant after the debit order has been cleared by the participant's bank. Should such amount not be cleared within 40 days of the debit order having been submitted, any Satrix securities so acquired will be sold by the Administrator and any loss incurred on such sale will be recovered from the participant by the Administrator, together with a rejection charge.
- 3.1.4 Debit orders that are rejected by the participant's bank will attract a rejection charge of R100 per rejection, which charge will be levied by the Administrator. . Furthermore, when the debit order is re-submitted, the price at which the selected Satrix securities are purchased will be the price applicable on the day that the debit order is re-submitted.

#### **3.2 Lump sum investment**

- 3.2.1 Should the participant wish to invest a lump sum in Satrix securities, the appropriate sections of the New Business Application Form (Form 1) must be completed and sent to the Administrator together with a proof of payment of funds to "Satrix Nominees (Pty) Ltd ", subject to an initial minimum of R1,000 per type of Satrix security. Please note that if all outstanding documentation is not furnished within 21 days of the first request, your funds will be refunded and the application cancelled.
- 3.2.2 Any Satrix securities acquired by cheque will be held by the nominee company and only passed to the benefit of the participant after the lump sum amount has been cleared by the participant's bank. Should such amount not be cleared within 15 days of the date of purchase of securities, any Satrix securities so acquired will be sold by the Administrator and any loss incurred on such sale will be recovered from the participant by the Administrator.

#### **3.3 Additional investments**

Once an investment plan account has been opened by the Administrator in the participant's name, the participant may adjust his/her level of contributions by completing the Additional Investment Form (Form 2), which is available from the Administrator or on the Satrix website (<http://www.Satrix.co.za>). Please note that if all outstanding documentation is not furnished within 21 days of the first request, your funds will be refunded and the application cancelled.

#### **3.4 Income reinvestment**

The participant may elect to reinvest distributions which accrue to him/her in respect of Satrix securities held within the plan for the purchase of additional Satrix securities. Distributions of less than R100 will, however, be automatically reinvested. The reinvestment election will apply only to distributions greater than R100. The participant will indicate this election in the initial New Business Application Form. The participant may change his/her election by written instruction to the Administrator or on completion of new instructions on an Additional Investment Form. Notwithstanding an election to reinvest distributions, no Satrix securities will be purchased unless and until the cash balance in the participant's investment plan account is sufficient to purchase at least one Satrix security.

#### **3.5 Interest on new investments and disposals**

- 3.5.1 No interest shall be payable to the participant in respect of any new investment, unless all completed documents have been received (including the relevant due diligence) by the Administrator prior to the stipulated cut-off on any given day, and the investment has not been processed within turnaround time as stipulated on the application forms. Only after the above requirements have been met, shall interest become payable at the call rate earned by Satrix Nominees from time to time in its bank account.
- 3.5.2 Should the participant effect a disposal of any investment, no interest shall be payable on any funds held by the Administrator resulting from the liquidation of the underlying Satrix securities, if such funds are paid to the participant within the stipulated period of 7 working days after the instruction has been processed. Thereafter, interest shall become payable at the call rate earned by Satrix Nominees e in its bank account.

#### **4. Acquisition of Satrix securities**

- 4.1 On a quarterly basis a realignment process is followed. This means that all amounts in participants' investment plan cash accounts with a sufficient balance to acquire at least one security are aggregated and used to buy the maximum number of Satrix securities, after accruing for any fees and costs payable, at a time chosen in the Administrator's discretion during the following business day.
- 4.2 The Administrator normally procures the acquisition (by the nominee company) of Satrix securities through the market at the best offer price available at the time the order is placed. Prices at which Satrix securities are acquired cannot be guaranteed or determined in advance and no price limits on orders can be accepted.
- 4.3 If the Administrator does not, on any given business day, fully invest all funds available for investment under the plan (i.e. funds held in investment plan accounts and available for investment) then uninvested balances will be carried forward to the following business day. Fractions of a Satrix security cannot be acquired. Any balance of uninvested cash will be held and added to future contributions for later investments. The cost per Satrix security to each participant is that participant's proportionate share of the total cost of acquiring the Satrix securities purchased under the plan on the relevant business day, (including commissions and transaction charges as set out in paragraph 10 below).

#### **5. Client identification**

- 5.1 In terms of the Financial Intelligence Centre Act, 38 of 2001, the Administrator or the intermediary through whom the participant's investment into the investment plan has been made, is required to satisfy themselves of the identity of their clients before entering into a business relationship with such a client, or concluding a single transaction with him/her. In order to achieve this, the participant will be required to provide certain information of a personal and financial nature, in order for identification and verification process to be carried out. (The FICA documentation required is detailed in the FICA Documentation Checklist appended to the New business Application form – Form 1).
- 5.2 The Administrator will usually be able to identify lump sum amounts deposited by the participant by reference to the cheque or direct debit instruction sent to them to pay the investment. Generally, if a cheque or direct debit transaction is drawn on a South African bank or building society in the participant's name, the Administrator will be considered to having identified him/her. In the event that the participant cannot be identified via the means of payment, the Administrator will request an alternative, acceptable means of identification. The Administrator will not be permitted to remit the proceeds of any sale or distribution until acceptable identification is provided.
- 5.3 The information required will vary depending on the nature of the participant. To facilitate client identification it is necessary that certain additional documentation accompany all application forms in the name of natural persons, clubs, societies, closed corporations, trusts and companies. The Administrator requires certified copies of the identity documents for proof of identification of natural persons, founding statements and trust deeds for proof of identification of trusts, trustees and beneficiaries and registration numbers in respect of companies and close corporations. The Administrator also requires minutes of the meeting of the relevant entity showing the intention to make an investment in the plan and appointing the signatories. Specimen signatures are also required with full names and contact details together with copies of the identity documents of the relevant signatories.
- 5.4 The Financial Intelligence Centre Act, also requires that the client should provide proof of current residential address (e.g. municipal lights, water & rates or telephone account). If this is not available, an affidavit confirming the client's residential address can be provided by a financial services provider/representative or attorney. Proof of banking details are also required (cancelled bank current account cheque or bank statement).
- 5.5 The participant also acknowledges and warrants that the money, which he/she is investing, is not derived from the proceeds of unlawful activities, as defined in the Prevention of Organised Crime Act, 1998.

#### **6. Sale of Satrix securities**

- 6.1 The Administrator will procure the sale by the nominee company of all or part of any holding of Satrix securities upon receiving a written and signed instruction (Satrix Investment Plan - Repurchase Form) (Form 3) to that effect from the participant wishing to sell his or her Satrix securities. There is, however, a 40 day holding period on Satrix securities bought with the most recent debit order. The Administrator will not procure the sale of Satrix securities to the value of less than R1,000. Should the remainder of the securities fall below R1,000, the instruction will be deemed to be a full repurchase.
- 6.2 The Administrator must receive from the participant by 11h00 - South African time - on a business day, via post or fax (021 413 1940 or 011 388 8558), a written and signed Repurchase form (Form 3) to sell, in order for a sale to be carried out the following business day.
- 6.3 If a sale instruction is received for the entire holding of a participant on an existing regular savings account (i.e. an investment plan account receiving regular contributions by way of monthly debit order), The direct debit order will continue unless cancelled at the participant's instruction. Telephone instructions cannot be accepted and the Administrator cannot procure the sale of any Satrix securities held outside the plan.
- 6.4 The Administrator will procure the sale of all of the Satrix securities for which sale instructions have been received from a participant, at its discretion through the market at the best bid price available at the time the order is placed, or to other buyers, including participants. Prices cannot be guaranteed or determined in advance and no price limits on orders can be accepted. The proceeds of sale due to each participant will be his or her proportionate share of the total proceeds realised from the sale

through the plan of Satrix securities on that business day, less the transaction charges set out in paragraph 10 below, and will be credited to the participant's bank account on the business day following the normal settlement period, which will be 7 working days after the complete instruction has been received before the required cut-off time . **No payment will be made into a third party's bank account or into a foreign bank account under any circumstances.**

## **7. Registration of Satrix Securities**

- 7.1 The Administrator will advise the participants by SMS message, if mobile contact details are provided, that transaction documents have been received, and if any outstanding documentation is required. Once the transaction has been processed, the Administrator will inform the participant, within 7 days of processing the completed New Business Application Form, of the client account number and number of securities purchased.
- 7.2 All Satrix securities purchased under the plan are held in the name of the investor in the nominee company.
- 7.3 Quarterly statements are the participant's proof of ownership of the Satrix securities acquired under the plan on his/her behalf, and should be retained indefinitely. The transaction advice notes and quarterly statements will also record the price at which Satrix securities have been bought and sold by the plan for the participant's benefit and should be retained for tax purposes. Should the participant's investment be equivalent to less than R1,000 the participant will receive an annual statement. Should further statements be required, the participant may contact the Call Centre on 0861 100 670.
- 7.4 Normally Satrix securities held within the plan will be sold through the Administrator. Should the participant wish to sell Satrix securities held within the plan through a stockbroker or bank, there will be a delay in transacting the sale. Such sales will necessitate the transfer of the participant's holding of Satrix securities out of the nominee company into the participant's nominated broker account. This process will involve the procedure as set out in paragraph 8 below and the charges set out in paragraph 10 below.

## **8. Transfer of Satrix securities**

- 8.1 Satrix securities may be transferred out of the plan to another registered custodian or a stockbroking custody account. This is done by forwarding a written and signed instruction (a CSDP Transfer Form) (Form 6) to the Administrator, and paying a transfer fee (details of which appear in paragraph 10) and, if required, stamp duty. Participants transferring Satrix securities out of the plan should note that Satrix securities held outside the nominee company cannot be sold through the plan and would have to be sold through a bank or stockbroker and their charges paid.
- 8.2 The participant may transfer Satrix securities held for his/her benefit within the plan to another person (who will then in turn become a participant, if he/she is not already a participant), provided that a written and signed instruction (a Transfer Form) (Form 7) has been submitted to the Administrator, stating the beneficiary's existing investment plan account details (if applicable). If the beneficiary is not an existing participant, this instruction should be accompanied by a completed New Business Application Form. In addition, the stamp duty and the transfer charges as set out in paragraph 10 below have to be paid.

## **9. Rights and benefits of a participant holding Satrix securities via the plan**

### **9.1 Distributions**

- 9.1.1. Distributions accrue to the participant as and when they are declared by the trustees of the relevant underlying portfolio to holders of a particular type of Satrix security.
- 9.1.2. The participant may reinvest his/her distributions in additional Satrix securities or, by marking the appropriate box on the New Business Application Form provided, distributions will be paid to the participant. Notwithstanding an election to reinvest a distribution, no purchase will be made until the balance in the investment plan account is sufficient to purchase at least one Satrix security.
- 9.1.3. The Administrator will transfer funds electronically to the participant's bank account when paying out distributions to guard against fraud and theft. Please include the bank details on the New Business Application Form to facilitate this process. Distributions of less than R100 will automatically be reinvested. Distribution payments will be made within 7 working days after the dividend payment has been made by Satrix Managers. Where investors have elected to have their distribution paid out and payment cannot be made due to incorrect banking details provided etc, the distributions will be reinvested into the investors cash fund until such time that updated banking details have been provided.
- 9.1.4. In the case of the Satrix Rafi 40, as a total return fund, no reinvestment of distributions is required because all dividends are automatically reinvested on the date of receipt by the asset manager.

### **9.2 Annual Financial Statements and other official announcements by Satrix securities**

These can be requested by the participant, as if he/she was a registered holder of Satrix securities outside of the plan. Participants in the plan have the same rights in respect of Satrix securities held for their benefit via the plan as do direct holders of Satrix securities.

### **9.3 Other matters**

- 9.3.1 The participant will be timeously notified by the Administrator of any matters or proposals requiring his/her attention as the beneficial owner of Satrix securities held via the plan.
- 9.3.2 If for any reason, the plan is suspended in respect of further investment in Satrix securities the Administrator will inform the participant of the suspension and his/her contributions will be held in the investment plan account until the suspension is lifted or alternative instructions are received.
- 9.3.3 Cessions are permitted on the plan. In the case of outright cessions all rights in terms of the securities are transferred to the new owner (cessionary). In the case of collateral security cessions, the securities serves as security for a loan and the cessionary's claim to the investment is limited to the amount of the cedent's liability.
- 9.3.4 Death of participant – no beneficiaries may be nominated on death of the participant, the securities will form part of the deceased's estate's assets. The Administrators will only act on instructions from Executor of the estate as appointed by the Master of the Court.

### **10. Transaction charges**

The following transaction fees are charged by the Administrator and other related parties. The fees charged by the Administrator may be varied by it, upon three months prior written notice to the participants.

#### **10.1 Acquisition of Satrix securities**

- 10.1.1 Participants can subscribe directly for Satrix securities, in which case no commission to financial advisors or other intermediaries will be payable. However, if the participant is introduced to the plan through the plan's distribution network, direct marketing agent and/or an independent Financial Services Provider ("FSP")/Representative, an agreed commission percentage will be payable. Such commission will be paid by the Administrator to the distribution network, direct marketing agent and/or the independent financial advisor as the case may be.
- 10.1.2 VAT will be payable on the commissions contemplated in paragraph 10.1.1 above and will be for the account of the participant.
- 10.1.3 Stockbroker's commissions, incurred by the Administrator, in effecting the acquisition of Satrix securities for and on behalf of the participant, are for the account of the participant. The stockbroker's commission currently negotiated by the Administrator, amounts to 0.10% (plus VAT) of the relevant transaction value.
- 10.1.4 The administration fee is R3.50 (excluding VAT) per monthly debit order.
- 10.1.5 The legislated Investor Protection Levy (0.0002% plus VAT) and a nominal STRATE settlement fee will also be deducted by the Administrator and is for the participants account.

#### **10.2 Sale of Satrix securities**

On the sale of Satrix securities by the plan on the participant's behalf, no charges will be levied by the Administrator other than actual stockbroker's commissions incurred (plus VAT) and the outstanding pro rata service charge being a Investor Protection Levy (0.0002% plus VAT) and a nominal STRATE settlement fee.

#### **10.3 Service charge**

- 10.3.1 A service charge, as per the table in the above application, is calculated on a tiered basis, per annum excluding VAT, based on the amount invested in each Satrix product. The annual service charge is calculated daily and will be deducted quarterly from the cash balance in the participant's investment plan account. If necessary, the minimum number of Satrix securities will be sold to recover this charge. Should the participant wish to withdraw his/her investment from the plan, either through the sale or transfer of Satrix securities, it is necessary for the Administrator to recover that accrued pro rata portion of the service charge. This will be done before the Satrix securities are transferred or before the proceeds are paid out.
- 10.3.2 The FSP/Representative will charge one of the following initial fee bands per lump sum and recurring investment in agreement with the client: 0% or 0.5% or 1.0% or 2.0% or 3.0%. This commission will only be paid out once the amount owing exceeds R200.

#### **10.4 Transfer of Satrix securities**

- 10.4.1 In the event of a participant transferring Satrix securities held in a custodian account outside the plan into the plan or vice versa, a transfer fee of R150 (excluding VAT) will be charged per transfer evidencing the Satrix securities in question. This fee is due and payable to the Administrator upon instruction for the transfer.
- 10.4.2 The Administrator reserves the right to pass on or charge the participant with any stamp duty or other duty or tax payable on or in respect of transfers into or out of the plan where there is a change of beneficial ownership.

#### **10.5 Switch of Satrix securities**

10.5.1 In the event of a participant switching from one Satrix security to another, a Switch form (Form 5) must be completed for this purpose.

10.5.2 Due to the fact that a switch involves a sale and purchase in the market, stockbrokers commissions, Capital Gains Tax, Investor Protection Levy (0.0002% plus VAT) and a nominal STRATE settlement fee will be applicable and passed on by the Administrator to the participant in respect of switches.

## **11. Termination of participation**

11.1 Subject to paragraph 12 below, participants may close their investment plan account at any time by giving a written and signed instruction acceptable (Form 3) to the Administrator. If notice regarding regular savings debit orders is received before the action date of a debit order in a particular month, any uninvested balance will be returned to the participant. If notice is received later than such date, any regular savings contributions received that month will be invested. Participation will automatically terminate on receipt by the Administrator of a notice of death. Any notice should include an instruction for the Satrix securities in question to be transferred out of the plan or for the Satrix securities to be sold and paid into the Estate Late bank account. Any uninvested cash balance will then be returned to the existing participant (or his/her estate, as the case may be).

11.2 In the event that a participant cancels his or her fixed monthly savings investment (debit order), but wants to retain his or her Satrix securities, the investment will continue to be held on his or her behalf in the nominee company.

## **12. Termination of and alterations to the plan**

12.1 Subject to paragraph 11 above, Satrix Managers may terminate the plan only by giving at least three months prior written notice to all participants. At the end of the period of notice the Administrator will close all investment plan accounts, and transfer Satrix securities to participants custodian accounts free of charge, and return all cash balances. If payments continue to be made to the Administrator after the termination date, the Administrator will hold such payments on account until instructions are received from the participant.

12.2 Satrix Managers may amend the terms and conditions of the plan, including, but not limited to, the minimum and maximum amounts accepted for investment and the charges set out in paragraph 10, after giving three month's written notice to participants. Satrix Managers, in its discretion and without notice to participants, may make available via the plan other types of Satrix security that Satrix Managers may have in issue from time to time.

12.3 Satrix Managers may also appoint another company to act as administrator in its place. Notice of such amendment or appointment will normally be given to participants.

## **13. Reporting to participants**

13.1 Investment Plan account details will be confirmed to all new participants.

13.2 Statements will be sent to qualifying participants quarterly [refer to 7.3]. The participant may request a statement from the Administrator at any time, by written, faxed or telephonic request. Statements can also be accessed on the Administrator's internet site.

13.3 Should the Administrator not receive any notification within 30 days of the statement having been sent out to the participant, that the statement contains errors, or is not a true reflection of the participant's investment, then the Administrator shall be entitled to regard the statement as being correct in every way.

## **14. Expenses of the plan**

The Administrator collects and distributes the fees and charges referred to in paragraph 10 above. The operating expenses of the plan are paid by the Administrator.

## **15. Risks and responsibility**

The Administrator is not in a position to give advice as to whether direct investment in Satrix securities or participation in the plan is suitable for any single participant and cannot be held liable for any loss that may be suffered by the participant, except as a result of the Administrator's own default or negligence. As with all stock exchange investments, the market price of Satrix securities will fluctuate according to market conditions, general sentiment and other factors. The price at which Satrix securities trade on the JSE Securities Exchange South Africa and the income derived from Satrix securities may go up or down and the participant has no guarantee that he will recoup the original amount invested. A participant should consult a professional advisor if he/she requires assistance or advice.

## **16. Taxation Consequences**

16.1 Currently Satrix is exempt from income tax on all income which has been received or accrued to the Satrix portfolio and which is distributed by way of a dividend to holders of participatory interests in the year of receipt or accrual. Any capital gain or loss realised by Satrix on the disposal by it of securities held in the Satrix portfolios must be disregarded (i.e. Satrix will not be liable for Capital Gains Tax on any realignments within the portfolios). No VAT will be payable in respect of the issue, allotment or transfer of ownership of a participatory interest.

- 16.2 If participatory interests are held as trading stock (and not as a long term investment), then the proceeds of sale thereof will be of a revenue nature and will be included in "gross income" for tax purposes. If participatory interests are held as a capital investment, any proceeds will be subject to Capital Gains Tax.
- 16.3 A holder of participatory interest which is a pension, provident or retirement annuity fund will be exempt from income tax on any income distributed by Satrix and must disregard any capital gain or capital loss on the disposal of a participatory interest.
- 16.4 A holder of participatory interest which is an untaxed policyholder fund of a long term insurance company will be exempt from income tax on any income distributed by Satrix and will not realise a taxable capital gain on the disposal of a participatory interest.
- 16.5 Holders of participatory interests who do not fall into any of the categories referred to above should consult their tax advisors for advice regarding the tax treatment of distributions received by them on their participatory interests.

## **17. Investment Mandate**

- 17.1 The investment policy of the Satrix portfolio shall be to track the applicable Index as closely as possible, by buying only index constituent securities in the same weightings in which they are included in the Index and selling only securities which are excluded from the Index from time to time as a result of quarterly Index reviews or corporate actions or which are required to be sold to ensure that the portfolio holds Index securities in the same weighting as they are included in the Index.
- 17.2 The portfolio shall not buy or sell securities for the purpose of making a profit nor for any purpose other than tracking the Index.
- 17.3 As a further objective, the securities held by the portfolio shall be managed to generate income for the benefit of investors. In this regard Satrix Managers is permitted to engage in scrip lending of the underlying securities, the income from which will be applied for the benefit of the respective portfolios.

## **18. General**

- 18.1 The Administrator will use its best endeavours to ensure that any instructions received from the participant or his FSP/Representative are carried out within a period reasonable to the nature of the instruction, and in accordance with the Administrator's own timing standards, which the Administrator may vary within reason when required through business circumstances. Due to the fact that any selected Satrix securities are supplied by third party product suppliers, there may be circumstances beyond the Administrator's control, which might lead to it not being able to adhere to its timing standards.
- 18.2 The Satrix securities will be administered by the Administrator on behalf of the participant, but always subject to any terms and conditions that the party offering the investment may require. These terms and conditions, or any other documentation which might be applicable, copies of which may be obtained from such third parties on request.
- 18.3 Should the participant elect to deal with the Administrator through the FSP/Representative whose details may appear on the New Business Application / Additional Investment Form, in respect of an application, it will be assumed that all future dealings will also, until the Administrator is advised otherwise, take place through the FSP/Representative. Such FSP/Representative is appointed by the participant to be his authorised agent for the purposes of effecting, maintaining and servicing this investment. The participant acknowledges that the FSP/Representative may be entitled to certain fees, as agreed between them and set out in the application forms, for the services he renders to the participant. The participant authorises the Administrator to deduct any such fees from his investment and to pay any such fees to the FSP/Representative once such fees accumulated above R200. If the participant terminates his/her relationship with the FSP/Representative through whom this application is submitted to the Administrator, and intends continuing to deal with the Administrator through another FSP/Representative that the Administrator has authorised to market its products, the participant shall inform the Administrator of this fact in writing, who in turn will notify the terminated FSP/Representative of this fact. The Administrator shall thereafter continue to pay any fees to the new FSP/Representative, unless advised to the contrary by the participant.
- 18.4 The participant may elect to deal directly with the Administrator and submit an application form, without utilizing a FSP/Representative, in which case all instructions and correspondence for the maintenance and servicing of this investment will take place directly between the Administrator and the participant.
- 18.5 The FSP/Representative through whom the application for an investment is being made confirms that it is an authorised FSP licensed (certified copy of FSP license must be supplied) in terms of the Financial Advisory and Intermediary Services ("FAIS") Act, 2003 to provide financial services in respect of the Satrix securities to which the application relates. (For the purposes of this application, a reference to an FSP shall include a Representative of such FSP, if the participant is in fact being provided with a financial service through such a Representative, and the FSP confirms further that such Representative is also "Fit and Proper" in terms of the FAIS Act to provide financial services in respect of the Satrix securities to which the application relates.)
- 18.6 Should the participant have entered into a discretionary mandate with a discretionary FSP/Representative, in terms of which the mandated party may exercise a discretion on behalf of the participant as to the selection of Satrix securities to be invested in, then such mandate together with the certified copy of FSP license, shall accompany the application form, and remain in force until cancelled in writing by the participant, a copy of which cancellation notice shall be supplied to the Administrator. If such a mandate is in place, then the Administrator shall be entitled to accept instructions from the discretionary FSP/Representative mandated by the participant to so vary the selection of Satrix securities.

## **19. Electronic Transactions**

The participant agrees and consents that the Administrator is entitled to implement all instructions and applications received via e-mail or fax which may appear to emanate from the participant provided that the instructions or applications comply with the necessary FICA and due diligence requirements as detailed on the FICA check list and the various application forms. The Administrator and/or Satrix Managers is indemnified against any losses, claims or damages arising from acting on such instructions or applications, notwithstanding that it may later be proved that any such instructions were not provided by the participant. The participant agrees that the electronic records of all instructions and applications processed by/or on behalf of the participant shall constitute prima facie proof of the contents of such instructions and applications.

## DOCUMENTATION CHECKLIST

The following items must accompany the New Business Application Form (refer to FICA Documentation Checklist):

- Copy of Identity Document or Passport;
- Copy of utility bill, showing investor's current residential address (e.g. municipal lights, water and rates account, telephone account), or proof of investor's residential address (e.g. affidavit by Financial Services Provider/Representative or Attorney);
- Proof of deposit ;
- Proof of South African bank details [must reflect the bank name, acc. Holder's full name and bank acc. No.] No internet or Credit Card statements will be accepted;
- Proof of approved Discretionary Financial Services Provider/Representative Mandate (if applicable);
- Copy of FSP license and proof of VAT Registration Certificate (if applicable).

## TIMING STANDARDS RELATING TO CERTAIN ADMINISTRATIVE PROCEDURES

1. The following cut-off times are applicable to enable such instruction to be processed by AOS:

- 1.1 New business: Any New Business Application Form received by the Administrator, (fully and correctly completed, signed, all required FICA documentation attached and the funds deposited and are reflected in the product bank account) before 11h00 will be processed on the AOS system the same or following day and the investor shall receive the price on such day. Please note that if all outstanding documentation is not furnished within 21 days of the first request, your funds will be refunded and the application cancelled.
- 1.2 Additional Investment: Any Additional Investment Application Form received by the Administrator, (fully and correctly completed, signed, all required due diligence attached and the funds deposited and are reflected into the product bank account) before 11h00 will be processed the same day or the following day and the investor shall receive the price on such day. Please note that if all outstanding documentation is not furnished within 21 days of the first request, your funds will be refunded and the application cancelled.
- 1.3 Debit Order: Any debit order instruction (new or additional) received by the Administrator, (fully and correctly completed, and signed) 10 working days before the 3<sup>rd</sup> of the month or the 25<sup>th</sup> of the month, shall be loaded before the next scheduled debit order run. Please note that if all outstanding documentation is not furnished within 21 days of the first request, your funds will be refunded and the application cancelled.
- 1.4 Repurchases: Any instruction received by the Administrator to repurchase (fully and correctly completed and signed) before 11h00 will be processed the same or following day and the investor shall receive value for the price on such day.
  - 1.4.1 Should the participants banking details provided on the Repurchase Form differ to the banking instructions recorded on the participants account, proof of bank details must be provided before the sale of securities will be executed by the Administrator on the market.
  - 1.4.2 Payment of the proceeds of the said repurchase shall then take place into the investor's bank account 7 (seven) business days later. Payment of the proceeds of a repurchase instruction within the first 21 (twenty one) days of the commencement of the investment will only be made after the 21 (twenty one) days have elapsed.

## COMPLAINTS PROCEDURE

Definition of Complaint: A customer complaint is any customer expression of dissatisfaction or grievance involving a service or product provided in terms of the Investment Plan whether oral or in writing (including via electronic communications e.g. email, facsimiles) and regardless of whether justified or not.

Guide to making a Complaint

1. If you have a complaint, please get in touch with the Administrator Tel.: 0861 100 670, Email: [satrix@aospartner.com](mailto:satrix@aospartner.com)) and inform them of that complaint.
2. Here are some guidelines to assist you in lodging your complaint effectively- and details of what to do next if the complaint remains unresolved.
  - Try first to contact the person you originally dealt with. If you have not had contact with any one at the Administrators before, please email: [satrix@aospartner.com](mailto:satrix@aospartner.com), or call 0861 100 670.
  - It's usually best to put your complaint in writing. If you phone, ask for the name of the person you speak to. You may need to refer to this later.

- Keep your communication short and to the point. Set out the facts clearly and in a logical order. State your complaint and request for action.
- Enclose any correspondence relevant to your complaint. Keep a copy of any letters between you and the company. You may need to refer to them later.
- If you fail to receive service from the Administrator that satisfies your complaint, you may wish to contact Satrix Managers (Pty) Ltd directly.

Date of release 24 May 2010