

## GENERAL TERMS AND CONDITIONS

1. In the event of a conflict between the applicable legislation and the provisions of the Mandate, Appendixes and the Schedules hereto, the provisions of the applicable legislation shall prevail.
2. By your signature at the foot of the Mandate, in the sections forming part hereof and the Schedules hereto, you acknowledge that you are a client of ISEC and authorise us to manage your Investments as set out in Schedule A attached (“the Investments”) subject to the terms and conditions contained herein, in the Schedules hereto and also to the applicable legislation. We shall, in particular, in managing your Investments comply with all relevant provisions of the applicable legislation. You acknowledge that you accept the settlement obligations in respect of JSE Authorised Investments, as set out in the rules and summarised in Section 17 below.
3. Our management of the Investments shall be conducted on the basis set out in the option selected and signed by you in Section C of the Mandate. To this end, you hereby appoint us as your duly authorised agent to purchase and sell and enter into any transaction in accordance with your chosen option, both in the Republic of South Africa and, where permitted by law, in foreign countries in respect of all Investments as listed in schedule A in terms of the applicable legislation, from time to time.
4. **Risk Acknowledgement and Indemnities**
  - 4.1 You acknowledge that you have been made aware by ISEC of the risks pertaining to Investments as disclosed in the applicable schedules, including inter alia, the following:
    - 4.1.1 The buying and selling of Securities;
    - 4.1.2 Foreign Investments and the concomitant currency exchange risks associated therewith;
    - 4.1.3 The buying and selling of listed Derivative Instruments, as referred to in the risk disclosure documents issued by SAFEX, as attached in Schedule B;
    - 4.1.4 Alternative Investments; and
    - 4.1.5 Insurance Retirement and Endowment share portfolios.
  - 4.2 You accept such risks, which may result in financial loss and for which ISEC shall not be held responsible.
  - 4.3 ISEC shall incur no liability for any claims for any loss or damage which you may suffer; howsoever such loss or damage may arise or be suffered, in respect of the Investments managed by ISEC on your behalf
  - 4.4 You hereby indemnify ISEC and hold ISEC harmless in respect of any income tax or other tax or levy of whatsoever nature in respect of which you may become liable or which may become payable pursuant to anything done by ISEC on your behalf in terms of this mandate, and in particular:
    - 4.4.1 Tax on interest accruing for your benefit on any cash amount invested by ISEC in terms of this mandate; an
    - 4.4.2 Tax on the increase in value of any investment administered or managed by ISEC on your behalf and for your benefit
    - 4.4.3. Tax on all dividends paid by local companies.
  - 4.5 Furthermore, you undertake to refund ISEC on demand any amount which ISEC may be called upon to pay by any revenue authority in respect of any such interest or gain accruing for your benefit and further authorise ISEC to make such payments by realising Investments managed by ISEC on your behalf or under ISEC control.
  - 4.6 In the event of any failure, interruption or delay in performance of ISEC’s obligations resulting from acts, events or circumstances not reasonably within our control, including but not limited to industrial disputes, acts or regulations of any governmental or supranational bodies or authorities, breakdown, failure or malfunction of any telecommunications or computer services, ISEC shall not be liable or have any responsibility of any kind for any loss or damage incurred or suffered by you as a result
  - 4.7 You hereby indemnify any third party with whom we contract on your behalf and hold us or any such third party harmless from: any loss incurred on your behalf pursuant to any bona fide investment made by us with such third party in terms of the Mandate; and any and all claims, damages, liabilities, costs and expenses, including reasonable attorney’s fees, which may be brought against us by reason of the operation of your account with respect to investments made for you with third parties.
  - 4.8 Nothing herein contained shall however absolve the firm from liability for loss suffered by you or any other person through any act of

fraud, theft, bad faith, dishonesty or gross negligence on our part or on the part of our employees.

- 4.9 The afore going notwithstanding, we assume no liability whatsoever for any act of fraud, theft, bad faith, dishonesty or gross negligence on the part of any third party as mentioned above, or on the part of any such third party's employees. Nor do we assume any liability in the event of the insolvency or subsequent sequestration or liquidation of such third party's estate.

## **5. Confirmations and Contract Notes**

- 5.1 Where a contract note or a confirmation of a transaction is transmitted to you through an electronic medium, ISEC will not be liable to you or any other person receiving the contract note or confirmation for or in respect of any direct, indirect or consequential liability, loss, damage or cost of any kind or nature arising by virtue of the fact that the contract note or confirmation is sent through an electronic medium, and whether or not as a result of the destruction of data, system malfunction, interruption of communication links or any other problem over which ISEC has no control.
- 5.2 In respect of each transaction or contract entered through the exchange on your behalf or between us, ISEC will issue a contract note via post or transmit via electronic means acceptable to the JSE, a confirmation of the transaction to you or to your order. The information provided on the contract note and/or the confirmation will be in compliance with the rules and directives, as well as, the applicable legislation.
- 5.3 ISEC may open and utilise a designated suspense account in terms of the rules and transactions in the same equity Security, transacted on the same day may be allocated at an average price to your account.
- 5.4 Where you are not a managed client:
- 5.4.1 You shall be obliged to notify ISEC of any errors on the contract notes by 18h00 on the first business day after the date of transaction after which such documents will be considered conclusive.
- 5.4.2 Where transactions in the same equity Security, transacted on the same day have been allocated at an average price to your account the prices and times of each transaction will be available from ISEC on request.

## **6. Monthly Statements**

- 6.1 ISEC shall furnish you with a monthly statement of account as at BDA month-end, by electronic means, showing the minimum information as prescribed in the applicable legislation. The information shall include, inter alia, details of all Investments held on your behalf at the date of the statement of account, any change in the Investments held on your behalf, including any cash held by JSET on your behalf at the date of the statement of account. Such details shall include but shall not be limited to, the date of change in the Investments during the month and the amount of interest paid by JSET (JSE Trustees (Pty) Ltd) in respect of all the cash held on your behalf by JSET.
- 6.2 Any dispute in respect of a monthly statement should be reported to ISEC within five (5) business days after receipt of statement, failing which, and in the absence of evidence to the contrary, the statement will be presumed to be correct.

## **7. Custody**

### **7.1 Services**

- 7.1.1 ISEC shall open and maintain a safe custody account ("Account") for you for the safe keeping of your Investments.
- 7.1.2 Investments accepted for deposit will be credited to the Account as at the relevant trade date, value date, actual settlement date or such other date as ISEC in its absolute discretion may determine. If Investments accepted for deposit are credited to the Account prior to actual receipt by ISEC or its Custodial Agent and are not subsequently received, ISEC shall be entitled to reverse such credits.
- 7.1.3 Unless instructions are received from you to the contrary, ISEC shall not be under any obligation to notify you of or provide you with or take any action in relation to:
- 7.1.3.1 any information, notices, circulars or annual reports received concerning any meeting of holders of an investment;

7.1.3.2 exercising of voting, subscription, conversion or any other rights;

7.1.3.3 take-overs, other offers or capital re-organisations.

ISEC shall use all reasonable efforts to comply with any Instructions received from you concerning action to be taken by ISEC in relation to this sub-paragraph 7.1.3. You agree that where an Investment is held by a third-party custodian (“Custodial Agent”), ISEC shall only be obligated to pass on promptly such Instructions to the Custodial Agent. You acknowledge that the terms of business of a Custodial Agent may contain provisions relating to the giving of Instructions and any action permitted in the absence of such Instructions. Such provisions shall be binding on you.

7.1.4 If you are not a managed client you must advise ISEC of your choice for an elective corporate action in writing by no later than 14h00 three (3) days prior to the record date for that corporate action.

7.1.5 Notwithstanding the provisions of sub-paragraphs 7.1.3 and 7.1.4 above, in the event that no Instructions to the contrary are received by ISEC or that circumstances make it impractical for ISEC to obtain any or any timely Instructions,

ISEC shall be entitled in its absolute discretion to take any action in relation to the Investments, including without limitation the exercise of any rights attached thereto and the satisfaction of liabilities arising there from or any other action on your behalf which ISEC considers is necessary or desirable to safeguard your Investments or further your interests. Such election shall be binding on you for all purposes and you agree and undertake to abide thereby and you shall have no claim against ISEC arising from any loss or damage of whatever nature that may be sustained by you as a result.

7.1.6 You hereby authorise ISEC to sign any certificates of ownership or other certificates, forms or other documentation relating to the Investments 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, ISEC may disclose to any such tax authority such information relating to you as ISEC shall determine to be necessary, usual or appropriate for such purpose.

7.1.7 ISEC shall, unless Instructions are received from you to the contrary, as soon as is reasonably practical, account to you for all dividends, interest, capital and other rights (together, “Income”) accruing to you and received by ISEC or its Custodial Agent, except that ISEC shall be authorised to deduct or withhold any sum on account of any tax which in the opinion of ISEC is required to be so deducted or withheld, or where ISEC is liable or accountable to do so by law or practice of any relevant revenue authority of any jurisdiction. In accounting for tax, or making deductions or withholding of tax, ISEC may estimate the amounts required to be deducted or withheld, and in the event that the amount deducted or withheld is in excess of the actual liability, the excess shall be refunded to you as soon as is reasonably practical.

7.1.8 ISEC shall, where appropriate, make certification as to your residence but shall not be required to take any other action to ensure Income is received gross and shall not be required to make any tax reclamation unless agreed in writing in a side letter to this Mandate.

7.1.9 Transactions in Investments undertaken by the Client will only be settled by ISEC upon receiving Instructions from you. You agree that any such transactions will be settled by ISEC or its Custodial Agent on a free of payment or delivery basis only and will be at the Client’s own risk.

7.1.10 ISEC is hereby authorised to attend, vote at and otherwise take part in all meetings in relation to the Investments held in custody on your behalf and to sign proxies for the purpose of voting thereat or for any other purpose connected therewith, unless written instructions are received from you by 14h00 three (3) days prior to the date upon which the proxy forms are to be lodged with issuers.

## 7.2. Deposit of Investments

7.2.1 ISEC may at its absolute discretion refuse to accept any Investment tendered for deposit by you, if ISEC determines that the acceptance would be illegal or contrary to any applicable rules of any exchange or market, or if ISEC reasonably suspects that an investment is tainted by fraud.

7.2.2 Subject to paragraph 3 and sub-paragraph 7.2.1 above, you and ISEC shall agree from time to time the normal categories of other

Investments, and the markets in which such other Investments are to be dealt in, which may be deposited under the terms of the Mandate and, if you intend to tender other additional Investments to ISEC under this paragraph which fall outside such categories or markets, you shall give 30 days' (or such lesser period as ISEC may agree) notice to ISEC of your intention to tender additional other Investments of such other categories or markets. At any time during such period, ISEC may notify you that it shall decline to accept such additional other Investments if it determines that the custody facilities suitable for holding additional other Investments of that particular category or in that particular market are not reasonably available to it on terms reasonably acceptable to ISEC. ISEC is entitled to treat an Investment accepted for deposit as fungible and may hold such Investments in fungible consolidated share form ("jumbo certificates") and may at any time allocate a specific Investment to you. Any such treatment or allocations shall be binding on you. Furthermore, ISEC may move such Investments from one electronic entry to another or withdraw any such Investment from safe custody but only for the purposes of:

- 7.2.2.1 transferring the Investments to you or upon termination of our Mandate. In such case, the Investments will be sent at your risk by courier or registered post to your address stipulated in the "Mandate" or to such other address as you notify us in writing;
- 7.2.2.2 dealing with the Investments as may actually be required in fulfilling this Mandate
- 7.2.2.3 lodging the Investments on your behalf with any person or entity in terms of an order of court or a special resolution of the issuer of the Investments;
- 7.2.2.4 to the extent permitted by the applicable legislation, lending any Investments to a third party approved by us, in terms of a written agreement and against the provision to us of satisfactory security for the return of equivalent Investments;
- 7.2.2.5 where the Investments are held in jumbo certificates with other Investments not owned by you, to facilitate the sale of such other Investments;
- 7.2.2.6 any other lawful purpose in terms of this Mandate.

7.2.3 You agree that an investment accepted for deposit may be held in the physical possession of ISEC, a nominee company or with a Custodial Agent in a custody account in the name of ISEC designated for Client Investments or, at your own risk, in accordance with your Instructions.

7.2.4 Your Investments shall be held by us in safe custody reflected as an electronic entry in such depository or registry subject to any relevant legislation and the rules. If ISEC is not an account holder in such depository or registry, then ISEC shall be entitled to create an electronic entry in respect of the Investments in the depository or registry through a participant of our choice.

Notwithstanding anything contained in this sub-paragraph 7.2.5 unless you notify us to the contrary, any such Investments shall be held to your order via the participant's nominee or our nominee.

7.2.5 Where an investment accepted for deposit is held outside the Republic of South Africa in a different jurisdiction, you accept that the practice for separate identification of the Client's Investment and the settlement, legal and regulatory regimes applying in that particular jurisdiction may be different from those applying in the Republic of South Africa.

7.2.6 An investment accepted for deposit may be pooled with that of one or more other Clients as a result of which, your investments may not be identifiable by separate certificates, other physical documents of title or electronic record, save as reflected in your account.

### 7.3 Registration and recording

You agree that legal title to an investment accepted for deposit may be registered or recorded in the record of legal entitlement either in our name, a nominee company, a Custodial Agent, ISEC or at your own risk, in the name of any other person in accordance with your instructions. Provided that in respect of all JSE listed securities traded on any JSE trading system shall be registered in the name of our nominees "Easy Nominees (RF)(Pty) Ltd" as nominee on your behalf for your benefit.

### 7.4 Fees and expenses

7.4.1 In consideration of the Custody Services to be provided under this paragraph you shall pay to ISEC such fees from time to time and set out in the applicable schedule, as amended from time to time.

7.4.2 ISEC may be required to make cash disbursements for taxes, duties, statutory charges and for other expenses as are applicable in respect of Services provided under this Mandate. You agree that any such disbursements, including all other agreed fees and

expenses (including any taxes due thereon) may, at the absolute discretion of ISEC, be deducted or withheld from any amount which is received by ISEC for your account or which is payable by ISEC to you or, at its option, to debit to the Account any amount payable to ISEC under this Mandate.

7.4.3 If you default in paying any amount when it is due, we may require that you pay us on demand interest, which will accrue and fall due on a daily basis at the prime rate plus 2%.

## **8. JSE Trustees (Pty) Ltd**

8.1 All cash deposits including interest, dividends, proceeds of disposals and cash, received by us for your account arising from the management of your Investments in terms of this Mandate, shall be paid by us for your credit and in your name directly into JSE Trustees (Proprietary) Limited (“JSET”) in terms of the rules unless we pay the cash over to you in terms of your specific instructions on receipt of it.

8.2 Where this Mandate is terminated, or where you have instructed us by notice in writing to realise and repay to you any portion of the Investments under our management, we shall pay any cash into your bank account as stipulated in the client information section annexed hereto.

8.3 You authorise us to retain or to withdraw from any cash deposited by us on your behalf in JSET such amounts as are actually required to:

8.3.1 pay for Investments purchased on your behalf;

8.3.2 effect such other payments as are strictly necessary in the operation of this Mandate;

8.3.3 cover administration costs in managing your funds in JSET. Such amount shall not exceed 1% per annum of such cash balances, from time to time; and

8.3.4 discharge a debt due to us from you in respect of the management fees due under this Mandate or otherwise.

8.4 Nothing in this Mandate affects your right to require us to pay to you, on written request from you, any cash deposited by us on your behalf in JSET or to deliver to you, or, in respect of uncertificated securities, transfer to your order, on request, any Investments held by us on your behalf. You however agree not to use your account with us as a banking facility.

8.5 No third-party payments will be made on your behalf from your account without an original written and signed request from you, which instructs us to make the payment/s and absolves us from all or any liability relating to all aspects of such payments. Such payments will be the subject of a special fee in terms of the fee schedule, from time to time, which you hereby agree to accept, which will be debited to your account.

## **9. Dual Capacity**

ISEC is hereby authorised to have a personal interest as a principal in any transaction for the purchase and sale of certain securities on your behalf. ISEC is not obliged to disclose such interest to you specifically prior to entering into any transaction in which ISEC may have such a personal interest.

## **10. Responsibilities and warrants in terms of FICA and risk management**

10.1 ISEC is required to authenticate a client’s identity in terms of the Financial Intelligence Centre Act (Act No. 38 of 2001) (“FICA”) and the rules before it can open an account or deal on the client’s behalf. You are required to provide ISEC with original or certified copies of documentation as listed. Furthermore, you acknowledge and agree, ISEC may use other means as it deems appropriate, to provide further authentication as well as assist ISEC in terms of its risk management analysis of its prospective client. You agree to advise ISEC as soon as practicable of any change of your personal particulars.

10.2 ISEC is required to request for updated personal information from time-to-time to ensure ISEC’s understanding of the purpose and intended nature of the business relationship, and to ensure that the information ISEC has about you are still accurate and relevant. Failure to provide the requested information might lead to the termination of the business relationship.

10.3 In terms of FICA, cash transactions exceeding a prescribed limit must be reported to the Financial Intelligence Centre (“FIC”) (“threshold reporting”) – In terms of the rules, the limit for receiving cash receipts has been set at R5 000 (five thousand rand) and it is our obligation to report all cash receipts of R5 000 or greater made into our client trust account to FIC. You are advised not to deposit cash of R5 000 or more. Any such deposit will be subject to a special fee in terms of the fee schedule, from time to time, which you hereby agree to accept,

which will be debited to your account. (Cash is defined as (a) coin and paper money of the Republic or of another country that is designated as legal tender and that circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue; (b) travellers' cheques.

10.4 Terms of Section 29(1) of FICA – “A person who carries on a business or is in charge of or manages a business or who is employed by a business and who knows or suspects that -

- the business has received or is about to receive the proceeds of unlawful activities;

- a transaction or series of transactions to which the business is a party -

10.4.1 facilitated or is likely to facilitate the transfer of the proceeds of unlawful activities;

10.4.2 has no apparent business or lawful purpose;

10.4.3 is conducted for the purpose of avoiding giving rise to a reporting duty under this Act; or

10.4.4 may be relevant to the investigation of an evasion or attempted evasion of a duty to pay any tax, duty or levy imposed by legislation administered by the Commissioner for the South African Revenue Service; or

10.4.5 the business has been used or is about to be used in any way for money laundering purposes, must, within the prescribed period after the knowledge was acquired or the suspicion arose, report to the Centre the grounds for the knowledge or suspicion and the prescribed particulars concerning the transaction or series of transactions.”

10.4 By your signature at the foot of the Mandate you warrant that:

10.4.1 none of your activities are in contravention of the provisions of FICA and as a consequence insofar as you are aware, you are not involved in any unlawful practice and your funds have not been derived from or obtained by any unlawful activity whatsoever in any jurisdiction; and

10.4.2 the information furnished by you to ISEC for the purposes of complying with the provisions of FICA is in all respects true and correct.

## 11. Charges and Fees

11.1 In consideration for the services to be provided by us in terms of this Mandate, we shall be entitled to the management fees set out in the applicable schedule as amended from time to time. We are specifically authorised to realise any investment held by us in terms of this Mandate should there be insufficient cash available to settle our agreed fee. Should our Mandate be terminated during any calendar month our fee in respect of that month shall be payable on the date of termination.

11.2 Charges: a basic charge, brokerage and VAT (where applicable), is payable on all transactions, as well as any other levies or charges that may be instituted by the JSE, from time to time, as recoverable from clients.

11.3 Purchases, certain transfers and certain scrip loans are subject to Securities Transfer Tax, whichever is applicable.

11.4 Other charges will be levied for certain actions and functions performed on your behalf as and when they occur as set out in the applicable schedule as amended from time to time. Such charges may be revised at the discretion of ISEC without prior notice.

11.5 The fees charged and agreed in the mandate may be varied by ISEC from time to time. Any variation of the fees shall be by way of written notification or by general notification to you prior to its implementation. Where applicable, fees and charges are subject to VAT.

11.6 If you default in paying any amount when it is due, we may require that you pay us on demand interest, which will accrue and fall due on a daily basis at the prime rate plus 2%.

## 12. Cession and Delegation

ISEC is specifically authorised to, at any time, upon not less than one calendar month's notice in writing to you, cede and delegate all its rights and obligations in and under this mandate to any other party who is authorised to manage Investments in terms of the applicable “FMact” (Financial Markets Act [Act No. 19 of 2012]) and the “FAIS” (Financial Advisory and Intermediary Services Act [Act 37 of 2002]) legislation. Such assignee shall, unless this mandate is thereupon terminated by you, assume all such rights and obligations with effect from the first day of the calendar month following such notice period. Failing termination by you, it shall be deemed that you have consented to such cession and delegation.

13. You consent to ISEC recording all or any telephone conversations between yourself and any member of ISEC's staff and acknowledge that this is an international practice and is used solely for the purpose of resolving any disputes which may arise concerning telephonic advice or instructions, except where the mandate has been transferred in terms of clause 12 above.
14. Subject to that set out above, if this firm for any reason ceases to be a member of the JSE Limited or its business ceases to be part of member's business, this Mandate shall automatically terminate.
15. You choose as your respective domicilium citandi et executandi for the purpose of the service of all notices and process pursuant to this Mandate and the Schedules hereto your respective physical and postal addresses appearing in Section A, unless you have advised us of other physical and postal addresses by notice in writing.

## **16. General Provisions**

- 16.1 No addition to or variation or amendment of this Mandate shall be binding unless contained in a written document signed by or on behalf of both ISEC and yourself.
- 16.2 No term, provision, condition or representation relating to the subject matter hereof, not contained herein or in the schedules or appendices hereto shall be binding on either ISEC or yourselves.
- 16.3 Any notice given in terms of this Mandate shall be given in writing and shall be deemed, unless the contrary is proved, if:
  - 16.3.1 delivered by hand, to have been received on the date of delivery;
  - 16.3.2 transmitted by facsimile or email, to have been received on the date of transmission; and
  - 16.3.3 sent by post, to have been received ten (10) days after the date of posting.
- 16.4 The Schedules annexed hereto and as amended from time to time by written notice to you, shall be binding as if specifically incorporated into the Mandate until cancelled by ISEC by notice in writing.

## **17. Client Settlement Obligations and Information**

### **17.1 Pre-trade general settlement obligations**

- 17.1.1 Settlement will take place applying the market convention that parties to a transaction have a contractual obligation to cause such transaction to settle on a specific day, settlement day (which is three business days after the trade was done).
- 17.1.2 A controlled client must: sign a custody mandate before any cash or securities are received by the member for the client; receive a receipt from the member for any physical securities delivered for their account.
- 17.1.3 A controlled client may not place an order to buy an equity security unless sufficient funds are available on the clients account to ensure that the member will be in a position to settle the transaction on the first business day after the trade date
- 17.1.4 A controlled client may not place an order to sell an equity security unless:
  - the equity securities to be sold are held in uncertificated form by the member's CSDP; or
  - they are able to evidence to a member that they own the equity securities to be sold in uncertificated form and that such securities will be available for settlement-on-settlement date; or
  - another transaction has been concluded which provides for an equivalent amount of equity securities being available for settlement-on-settlement date; or
  - a satisfactory borrowing arrangement is in place which provides for an equivalent amount of equity securities being available for settlement-on-settlement date.
  - a corporate action provides for an equivalent amount of equity securities being available for settlement-on-settlement date; or
  - the equity securities are being moved between registers and the securities will be available on the South African register for settlement.

### **17.2. Post trade obligations**

A controlled client shall, by no later than 16h00 on the first business day after the trade date, ensure that the member will be in a position to settle the transaction on settlement date, either by providing the equity securities or funds required to settle the transaction to the member or by entering into an arrangement with the member to facilitate settlement of the transaction.

### 17.3. In the event that there is a client breach of their settlement obligations

- 17.3.1 If a client breaches his settlement obligations as set out in the rules, subject to any agreement with the client or notification to the client to the contrary, and to any action taken by the JSE Settlement Authority (“JSA”) in terms of the rules or the failed trade procedures set out in the rules, the member may:
- in respect of a sale transaction, buy such equity securities for the account of the client and claim the difference between the selling consideration of such securities and the purchase consideration for such securities, including interest;
  - in respect of a purchase transaction, sell such equity securities for the account of the client and claim the difference between the purchase consideration of such securities and the selling consideration for such securities, including interest; and
  - sell for the account of such client so many of any other equity securities belonging to such client and held by or in the custody of such member; or so many of any other equity securities due to be received by the member on the relevant settlement date in respect of any purchase transaction previously entered into by such client with or through the member, as is necessary to realise an amount equal to the amount still owing by the client in respect of such securities, after the sale or purchase of the equity securities in terms of rules as the case may be.
- 17.3.2 The client shall be liable for any losses, costs and charges incurred, or charges imposed, by the member in relation to the original transaction which was the subject of the breach and any transactions executed in terms of the rules as set out in 17.3.1 above.
- 17.3.3 In the event that a that neither the client, the member nor the JSE is able to ensure that a transaction will settle on the settlement date, then a trade is considered as a failed trade and shall be dealt with in the following manner –
- 17.3.3.1 The Settlement Authority will match a failed trade against an opposite transaction or transactions represented by one or more contract notes, being mindful of any apparent implications for the parties concerned.
- 17.3.3.2 The Settlement Authority will advise the non-failing member that its transaction has been selected in terms of rule 17.3.3.1.
- 17.3.3.3 If the non-failing party is a client, the Settlement Authority will transfer the original transaction of the non-failing party to a proprietary account of the non-failing member.
- 17.3.3.4 The Settlement Authority will book an opposite settlement transaction through STRATE between the failing member and the non-failing member for the same quantity and at the same price as the non-failing party’s original transaction.
- 17.3.4 The transaction selected in terms of the above rules shall be closed at a price to be determined by the JSE, in consultation with the Market Controller. This price may differ from the original trade price and will include compensation for the party whose transaction is being closed. The compensation shall be determined in accordance with the methodology set out in the directives. The difference shall be due from the member who effected the failed trade to the CS of the parties whose trades have been closed by the JSA. The settlement of such amount forms part of the settlement group which contains the failed trade. This rule is binding on members and clients and applies to an agent acting on behalf of a client.

### 18. Margining of transactions

- 18.1 Where a member is required to provide margin to the JSE for a client’s unsettled equity transactions as by the end of day on the business day after the trade date, because, in the event of a sale, there are insufficient equity securities to cover the transaction, or in the first event of a purchase, there are insufficient funds on the account (either due to a sale transaction not yet being concluded or failure of sufficient funds being deposited) for the purchase, then the member may recover such margin from the client to the extent of the margin relating to that particular client as calculated by the JSE.
- 18.2 The member shall then refund the client forthwith upon repayment of the margin by the JSE to the member.

### 19. Complaint procedure

- 19.1 In the event that you are of the opinion that you have suffered, or are likely to suffer, financial prejudice as a result of:
- contravening or failing to comply with any instruction given by, or agreement / mandate entered into by yourself with ISEC;
  - contravening or failing to comply with the rules and the directives of the JSE;
  - acting dishonestly, negligently or recklessly; or
  - treating you the client unreasonably or unfairly.

Then, you need to advise ISEC's Compliance Officer of your complaint either by Fax for the attention of "The Compliance Officer" (011) 489-5499; telephonically at (011) 489-5400 or via email to [compliance@isec.co.za](mailto:compliance@isec.co.za).

19.2 In terms of the JSE Rules, ISEC must respond to a client's complaint within 4 weeks of receiving the complaint or, within such period, provide the complainant with an appropriate explanation as to why the member is not, at that time, in a position to respond and must indicate when ISEC will respond

19.3 In the event that you are not satisfied with the resolution from ISEC, the complainant may lodge an unresolved complaint, in writing, with the Director: Market Regulation, c/o The JSE Ltd, giving full particulars of the matter concerned. In order for an unresolved complaint to be considered by the JSE Surveillance Department, the complaint must be lodged with the Director: Surveillance within 4 weeks of the receipt by the complainant of the member's response referred to above and within 6 months of the conduct by the member giving rise to the complaint. An unresolved complaint which is lodged subsequently will be considered, provided that failure to lodge the complaint within the relevant period was through no fault of the client.

19.4 If the JSE Surveillance Department is unable to facilitate a resolution of the complaint within 4 weeks of lodgement of the complaint with it, the Director: Surveillance will refer the unresolved complaint to the Company Secretary of the JSE to be dealt with in terms of the dispute resolution rules.

The dispute resolution rules only apply:

- where the amount in dispute is in excess of R2 000;
- where the dispute is not the subject of existing litigation;
- in the case of a dispute that a client has with a member, where the amount in dispute either does not exceed R500 000 or,
- where the amount in dispute exceeds R500 000, if the consent of both parties to proceed has been obtained;
- in the case of a dispute that a member has with a client, if the consent of the client to proceed has been obtained.