

# FNB Tax-Free Unit Trust Terms and Conditions



Please read these Terms and Conditions carefully. These Terms and Conditions explain your rights and duties in connection with this product offering. These Terms and Conditions will apply to you and you agree that the FirstRand Group can assume that you have read and agreed to be legally bound to these Campaign rules. Please read and understand the last page of "Declarations" you bound yourself to regarding this offering.

## Definitions

**"Administrator"** means FNB Investor Services Proprietary Limited, registration number 2011/139123/07 or its successors in title, an authorised administrative financial services provider ("FSP") in terms of FAIS and administrator of this Contract with FSP number 44341. The Administrator is part of the FirstRand Group.

**"Advice Suite"** means the call suite within FNB and its representatives, who are available for the Investor to contact for financial advice relating to this investment, which is licensed as an authorised FSP in terms of FAIS with FSP number 624.

**"Anniversary Date"** means the date on which the Contract commenced as set out in the "Duration and the right to cancel" clause below. In the event that the Contract resulted from a transfer, the Anniversary Date will be the same date as the Anniversary Date before the transfer.

**"Applicable Legislation"** means in relation to this investment, including but not limited to:

- Financial Advisory and Intermediary Services Act No. 37 of 2002 ("FAIS");
- Financial Intelligence Centre Act No. 38 of 2001 ("FICA");
- Collective Investments Schemes Control Act No. 45 of 2002 ("CISCA");
- Foreign Account Tax Compliance Act ("FATCA");
- Electronic Communications and Transactions Act 25 of 2002 of South Africa ("ECT");
- Income Tax Act No. 58 of 1962 ("Income Tax Act");
- Prevention of Organised Crime Act No. 121 of 1998 ("POCA");
- Protection of Constitutional Democracy against Terrorist and Related Activities Act No. 33 of 2004 ("POCDATARA");
- Protection of Personal Information Act No. 4 of 2013 ("POPI");
- Exchange Control Regulations; and/or
- Any other applicable enacted legislation and regulations which may be replaced or amended from time to time.

**"ASISA"** means the Association for Savings and Investments South Africa.

**"Business Day"** means any day other than a Saturday, Sunday or South African public holiday. Day and Business Day have the same meaning except where calendar days are referred to in the context of cancelling the Investor's Contract. "Contract" means collectively, these terms and conditions, the completed electronic mandate, and all other instructions which the Investor provides to the Administrator.

**"FNB"** means First National Bank, a Division of FirstRand Bank Limited, with registration Number 1929/001225/06, an authorised FSP.

**"FSCA"** means the Financial Sector Conduct Authority an independent agency established by the Financial Sector Regulation Act No. 9 of 2017 to oversee the South African financial services industry in the public interest.

**"Funds"** means approved collective investment schemes managed by the Manco in terms of CISCA.

**"Fund Fact Sheets"** means the minimum disclosure document providing important disclosures for each Fund. These can be viewed on the Website.

**"Investor"** means the legal owner of the Contract and the terms you, your and holder shall have a corresponding meaning.

**"Manco"** means the management company which is an approved collective investment schemes manager in terms of CISCA, regulated by the FSCA and a full member of ASISA.

**"Nominee Company"** means the independent company approved by the FSCA that holds the assets in safe custody on behalf of Investors.

**"Product Selection Tool"** means an electronic tool which allows the Investor to select certain Funds and financial products as investments under the Contract.

**"Robo Advisor"** is an electronic tool which provides automated advice and assists the Investor in choosing a suitable financial product and/or Fund aligned to the Investor's goal and information. The Robo Advisor is not based on a full financial needs analysis and has been designed to use the information you have provided, to recommend a product and/or Fund that would help you meet your investment goals.

**"Ring-fenced"** or **"Ring-fencing"** means the suspension of a disinvestment instruction of the Investor's Funds in accordance with CISCA.

**"SARS"** means the South African Revenue Services.

**"Security Cession"** means an agreement in terms of which the Investor cedes its rights to the Contract as security for its obligation to the Security Cessionary. For the avoidance of doubt, a Contract may not be partially ceded as a Security Cession and must be ceded in its entirety.

**"Security Cessionary"** means the person or institution who is the beneficiary of the proceeds of the Contract pursuant to a Security Cession. This person holds the Contract as security for the Investor's obligations owed to them. The Security Cessionary does not replace the Investor as the original the Contract holder.

**"the FirstRand Group"** means FirstRand Bank Limited, registration number 1966/00 1753/06, and includes any division, subsidiary, affiliate or its assigns of the FirstRand Group or such subsidiary or affiliate's division, subsidiary, affiliate or its assigns, as well as service providers, suppliers, its associates, cessionaries, delegates or successors in title and/or appointed third parties.

**"Website"** means [www.fnb.co.za](http://www.fnb.co.za)

## Product information

### General product information

1. The total value of all Contributions (whether lump sum and/or recurring) to Tax-Free Investments are limited (please refer to the Statutory Limits Table on the Website for these limits), in aggregate during any year of assessment, irrespective of the number of Tax-Free Investments that You may have and regardless of which service provider You hold such Tax-Free Investments with. If an Investor contributes in excess of this limit, an amount equal to 40% (forty percent) (or such rate as may be determined by the Minister of Finance from time to time) of the excess will be deemed to be an amount of income tax payable by the Investor in respect of that year of assessment.
2. Your Contributions to the Tax-Free Unit Trust Account will automatically be rejected or reduced if they exceed the annual contribution limit (please refer to the Statutory Limits Table on the Website for these limits). This limit relates to Contributions across various Tax-Free Products and does not include any other investments that You may have.
3. The market value of the investment is increased by positive investment returns, additional Contributions and allocations of dividends and interest earned. No interest will be earned on any investment made in accordance with Shari'ah.
4. Any amount received by or accrued to You in respect of a Tax-Free Unit Trust Account that complies with the annual and lifetime limits will be exempt from income tax. In determining the aggregate capital gain or capital loss of the Investor in respect of any year of assessment, any capital gain or capital loss in respect of the disposal of Unit Trusts that are included in the Tax-Free Unit Trust Account should be disregarded for income tax purposes.
5. If You terminate Your Tax-Free Unit Trust Account, it will have the effect of reducing the Tax-Free nature of Your lifetime Contributions by the relevant amount.
6. Due to the nature and structure of this investment product You are not entitled to nominate Beneficiaries. On your death, your investment will

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- form part of Your estate and will be dealt with in terms of the instructions of the executor of Your estate where necessary.
- The Investor may select any of the Funds as made available from time to time as the underlying investments of this Contract.
  - The value of the investment is directly linked to the value and performance of the underlying Funds.
  - The market value of the investment is increased by positive investment returns, additional contributions and allocations of dividends and interest earned.
  - The market value of the investment is reduced by negative investment returns, any relevant fees, charges and disinvestments. The value of distributions received from your investment will be reduced by any applicable withholding tax that we as a regulated intermediary are required to withhold. Redemptions of your investment may give rise to a further income tax or capital gains tax liability.
  - There is no guarantee of the value, performance or capital of the investment or the underlying Funds.
  - Due to the nature and structure of this investment product, on the death of the Investor, the Investor's investment will form part of the Investor's estate and will be dealt with in terms of the instructions of the executor of the Investor's estate.
  - The Investor may cede this Contract as a Security Cession to a natural person or legal entity.
  - In the case of a Security Cession, the Administrator will require a copy of the Security Cession. Once received, the Administrator will note the Security Cession and confirm this to the Investor in writing. Written confirmation signed by the Investor specifying the cession and details of the Security Cessionary must be provided to the Administrator. Furthermore, FICA documents are required by the Administrator. The Security Cession may be cancelled once the Administrator has been notified in writing by the Security Cessionary. The Administrator requires written authority from the Security Cessionary if the Investor requires a switch and/or surrender.
  - For the purposes of Dividends Tax and if applicable, You undertake in terms of the section 64H(2)(a) (bb) of the Income Tax Act No 58. of 1962 to forthwith inform the Administrator in writing should the circumstance affecting the exemption applicable to You (the beneficial owner) change or should You (the beneficial owner) cease to be the beneficial owner.
  - There is no cooling off period applicable to this investment. The Investor may sell all the Investor's Funds and disinvest the Investor's entire investment at the ruling unit price and subject to these terms and conditions.
  - For further information on the Funds please refer to the Fund Fact Sheets.
  - The Investor is required to follow the standard FNB processes to make any changes regarding the Investor's contact details. The Investor can contact the Administrator to change its bank account details.
  - All communication will be sent to the Investor via email. A welcome pack will be sent to the Investor confirming the Investor's investment no later than 5 (five) Business Days after receipt of the Investor's application.
  - All communication and correspondence is also available on the Website.
  - Valuation statements will be made available on the Website Quarterly and on an ad hoc basis.
  - The Administrator cannot make third party payments. All payments must be made directly to the Investor.

## Processing timelines and information

- The following options are available when investing:
  - Initial lump sum; or
  - Additional lump sum; and/or
  - Recurring investment by way of a debit order.
- The Administrator can only make changes to the Investor's investment once the Administrator has received a valid instruction. A valid instruction is a completed instruction form or online instruction that is signed and dated and is sent to the Administrator with all the supporting documents required. Once the Administrator has received the Investor's instruction, the Administrator will validate it using its normal verification process.
- The Administrator aims to process valid instructions within a maximum of 2 (two) Business Days. However, this depends on when the Administrator receives the request and the volume of instructions that are received

- on that day. Instructions received by 2pm(T) will be processed on T+1. Instructions received after 2pm on T will be processed on T+2. Please note for investments, the instruction can only be processed once the Administrator has a confirmation that the money is reflecting in the Administrator's bank account.
- The Funds available for investments could have different timing standards. Such timing standards are available on the specific Fund Fact Sheets.
- Any income distribution made within a Fund will be automatically re-invested, net of any applicable withholding tax.
- The Investor will earn interest on overnight balances at a rate advised by the Administrator (which may be amended from time to time). Interest will be added to the investment amount before investment. Please refer to [www.fnb.co.za/rates](http://www.fnb.co.za/rates) for the applicable interest rate.

## Switching unit trusts administered by the same Manco

We will sell the unit trust on day one and invest units on day one. The unit price received for the Manco will be the closing price of that day and this investment will reflect on your statement the next day. This will not be applicable where You have chosen to have this investment managed in accordance with Shari'ah.

## Switching unit trusts administered by different Mancos

We will sell the unit trust on day one and invest units on day two. The unit price received for the Manco will be the closing price of that day and this investment will reflect on your statement the next day.

## Withdrawals

Proceeds from withdrawals will only be paid into the Investor's nominated bank account once the Administrator receives the unit price and the cash from the Manco. All payments can only be made in South African Rands into a South African based current or savings account held in the Investor's name with FNB.

## Debit orders

The Investor acknowledges that the debit order authority provided to the Administrator may be ceded or assigned to a third party if the Contract is also ceded or assigned to that third party, but in the absence of such assignment of the Contract, this debit order authority cannot be assigned to any third party.

The Investor agrees that although the debit order authority provided to the Administrator may be cancelled by the Investor, such cancellation will not cancel the Contract. The Investor shall not be entitled to any refund of amounts which have been withdrawn while the debit order authority provided was in force, if such amounts were legally owing to the Administrator.

The Investor understands that the debit order authority authorised will be processed through a computerised system provided by the South African Banks.

The Investor also understands that details of each withdrawal will be printed on the Investor's investment statement. A unique identification number should enable the Investor to identify the Contract.

The clearance period of recurring debits are forty (10) calendar days and units bought with a debit order, can only be redeemed after forty (10) calendar days.

## Lump sum and additional lump sum

The Administrator will debit the Investor's selected bank account for a once—off debit within 3 (three) Business Days of receiving a valid and complete electronic mandate and supporting documents or on the date specified on the electronic mandate.

We will deduct the money on the date specified and invest units on the selected date for the debit order instruction. The unit price received for the Manco will be the closing price of that day and this investment will reflect on your statement the next day.

The clearance period of direct debits are forty (40) calendar days and units bought with a once off debit, can only be redeemed after forty (40) calendar days.

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## Recurring monthly contributions via debit order

If the Investor's chosen recurring debit order collection date falls on a non-Business Day, it will be processed on the next Business Day. The Investor's nominated bank account will be debited on the collection debit order date.

If the Investor selects an annual escalation of the Investor's recurring investment, the escalation date that the Investor selects on the application will be the Investor's Anniversary Date. If no date is indicated, the date of the Investor's initial investment will be the Investor's Anniversary Date.

We will deduct the money on the date specified and invest units on the selected date for the debit order instruction. The unit price received for the Manco will be the closing price of that day and this investment will reflect on your statement the next day.

## Financial advice and fees

- The recommendation that the Investor has been provided with is limited to the information and responses provided by the Investor during the product selection tool process. The Product Selection Tool has been designed to use the information provided by the Investor to recommend a product that would help the Investor to meet its investment goals. Where applicable, the banker/consultant is only assisting the Investor with inputting the Investor's details into the Product Selection Tool. The Investor's banker/consultant is not accredited to render advice.
- The Investor may choose whether to make use of the Advice Suite or deal directly with the Administrator or through the Website.
- In the event that the Investor would prefer comprehensive advice with an in-depth needs' analysis, the Investor can contact the Advice Suite on 087 736 894 1.
- Where the Investor has elected not to use a financial advisor, the Administrator will not provide the Investor with any advice. The selection of the investment will be entirely at the Investor's discretion.
- The Investor will only be provided with information and only queries of an administrative nature will be responded to by the Administrator.
- Should the Investor decide to remove the Investor's financial advisor; this instruction must be made in writing to the Administrator. Please note that access to certain investments/solutions may be limited to certain financial advisors and by removing or changing the Investor's financial advisor the Investor's access to these investments/solutions may be restricted.
- The recommendation from the Product Selection Tool is not based on a full needs' analysis. The Investor's decision to invest as per this investment is at the Investor's own discretion.
- There are fees involved with investing. These fees exclude value added tax, unless stated otherwise.
- The applicable fees will be disclosed in the appropriate Record of Advice/ Investors' Product Selection Tool report.
- Where applicable, these fees are levied from the investment and the Administrator will proportionately sell units to cover such fees.
- The types of fees that may be deducted from the Investor's Contract are:

Fee type	Initial fee %	Annual fee %
Administration fee	0%	Flat rate of 0.25%
Investment management fee	0%	Refer to fund fact sheet
Advice fee	0%	Flat rate of 0.25%

- Where applicable, annual fees are accrued daily, based on the market value of the Unit Trust at the end of the previous Business Day. Fee accrual period are fixed as per the calendar month.
- All fees, charges and prices are published in the pricing guide which are subject to change the Administrators discretion.

## Legal rights and responsibilities

- These terms and conditions are available on the Website. The electronic mandate and these terms and conditions as well as any ancillary

documentation form the basis of the Contract between the Administrator and the Investor. All other instructions which the Investor provides to the Administrator shall also form part of this Contract. In terms of Section 11 of ECT and the common law of contract, these terms and conditions are valid, binding and enforceable.

- All the investments on the investor platform are held in the name of FNB Investor Nominees (RF) Proprietary Limited under registration number 2012/20243 1/07 ("FNB Investor Nominees"). FNB Investor Nominees holds the assets in safe custody for the Investor's exclusive benefit.
- The Administrator may amend these terms and conditions from time to time. The latest version of this mandate terms and conditions will be made available on the Website. The Administrator will notify the Investor when a new mandate terms and conditions is placed on the Website. The Investor agrees that the latest version of the mandate terms and conditions will apply with effect from the date on which the new mandate terms and conditions are made available on the Website.
- The Investor's Contract shall be governed by all Applicable Legislation. Should changes to Applicable Legislation impact the Contract, the terms and conditions of this Contract may be amended and will be made available on the Website as soon as reasonably possible. The latest copy of the terms and conditions posted on the Website will govern this relationship.
- The Administrator has a conflict of interest management and complaints resolution policies which are available on the Website.
- The Administrator holds adequate professional indemnity and fidelity insurance cover as per the Applicable Legislation.
- The Administrator will confirm changes, provide statements and process instructions.
- The Administrator reserves the right to withhold the processing of any instructions until all required information is received and reserves the right to withhold the processing of any unclear, incomplete, unlawful, inaccurate or ambiguous instructions submitted by the Investor or financial advisor.
- When the Administrator is notified that a Manco has Ring-fenced a sell instruction, the Administrator will cancel a sell or switch instruction. The Administrator will then resubmit the Investor's instruction the following Business Day for trade at the price of that day. Should the instruction be Ring-fenced again, the Administrator will follow the Ring-fencing process. This means that it could take up to twenty (20) Business Days for the proceeds to be available.
- The Administrator may vote on the Investor's behalf in any ballot that affects the unit trusts the Investor selected. The Administrator will exercise the vote in the Investor's best interests at its sole discretion. Should the Administrator choose not to vote on the Investor's behalf, the Investor will be requested to cast the Investor's own vote.
- The Investor warrants that all information and declarations provided in the attached mandate terms and conditions as well as in all supporting documentation in connection with this application are true, correct and accurate in every respect.

## How we treat your personal information

For the purposes of this clause, the FirstRand group of companies means, and references to "we", "us" or "our" are references to: the FirstRand group of companies, and all affiliates, associates, cessionaries, delegates, successors in title or third parties (authorised agents and contractors), when such parties are acting as responsible parties or operators in terms of applicable privacy laws, unless stated otherwise.

Your personal information (which, for the purposes of this clause, includes special personal information) will be held by entities within the FirstRand group of companies.

To better understand the entities that form part of the FirstRand group of companies and how your personal information is treated, please refer to FirstRand's Privacy Notice which forms part of this clause. The Privacy Notice can be found on our platform, website or you can contact us to request a copy.

By utilising any solutions offered by us, you acknowledge that in order to: - conclude and fulfil contractual terms or obligations to you;



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- comply with obligations imposed by law; or
- to protect or pursue your, our, or a third party's legitimate interests, including offering solutions that best meet your needs;
- your personal information may be processed through centralised functions and systems across entities in the FirstRand group of companies and may be used for the purposes, in the manner, and with the appropriate controls as set out in our Privacy Notice.

Where it is necessary to obtain consent for processing outside of this clause, we will explicitly seek your consent separately.

We want to ensure that you fully understand how your personal information may be used. We have described the purposes for which your personal information may be used in detail in our Privacy Notice. We have also set out further information about accessing, correcting or objecting to the processing of your personal information in our Privacy Notice. We strongly advise that you read our Privacy Notice.

For the purposes of these terms and conditions the responsible party is the party with whom you are contracting a solution (utilising a product or service), as well as other entities in the FirstRand group of companies, which are listed in our Privacy Notice as responsible parties. For the contact details of these responsible parties, please see our Privacy Notice.

## Regulatory screening

The Administrator is obliged to stop or prevent any breach of anti—money laundering, counter financing of terrorism or economic or trade sanctions laws or regulations, be they local, international or voluntarily subscribed to by the FirstRand Group. The Administrator in Its reasonable discretion can, without limiting its authority to take any other measures it considers necessary, do any of the following things if it considers it is necessary to do so in terms of the obligations or commitments included below:

- Verify the identity of any Investor as well as that of any persons (whether natural or juristic) related to or acting on behalf of or involved with such Investor. This includes, but is not limited to, mandated persons, trustees, directors, signatories, shareholders and related entities. This may be done before the initiation of any contractual relationship and as often as is legally required thereafter by the Administrator or such other entity appointed by the Administrator to perform such a function;
- Refuse to do business with any Investor that it considers to be undesirable,
- Will not willingly and knowingly do business with, or facilitate payments on behalf of, any Investor included on any sanction lists as prescribed by legislation or used by the Administrator in the management of its risk, or that is linked to any person included in such sanction lists, or who is linked to any countries that are subject to sanctions or the government agencies of such sanctioned countries;
- End its relationship with an Investor, Monitor any transactions and instructions,
- Request further information before acting on any instruction and/ or transaction;
- Verify any transaction, instruction or recipient before processing such transaction or instruction which may result in a delay in the Administrator carrying out the instruction or transaction;
- Refuse to carry out any instruction or transaction; and Place a hold on any investment.
- The Administrator shall not be liable for any loss or damage of whatsoever nature suffered by any person and arising from such a refusal to do business (including making a payment) with an Investor pursuant to the above. Authorities may require the disclosure of information related to the Contract arising out of or in connection with anti— money laundering, counter—terrorism financing, or economic or trade sanctions laws or regulations and such disclosure by the Administrator will not be a breach of any duty of confidentiality owed by the Administrator to the Investor.

## FATCA and other foreign tax reporting obligations

FATCA was passed into US law on 18<sup>th</sup> March 2010 as part of the Hiring Incentives to Restore Employment Act. FATCA targets tax non-compliance by United States ("U.S.") taxpayers with foreign accounts, its primary aim is to reduce the levels of tax avoidance by U.S. citizens and entities through Foreign Financial Institutions ("FFIs"). In addition to FATCA, the Organisation for Economic Co-operation and Development's ("OECD") Common Reporting Standard ("CRS") multilateral agreement has been signed by SARS and implemented in 2016. The CRS imposes similar identification and reporting requirements on FFI's as FATCA, with a focus on all other foreign account holders and foreign controlling persons. The Administrator is a registered FFI with the Internal Revenue Services ("IRS") and is required to comply with FATCA and the CRS. As a result, we are obliged to report to SARS on all accounts maintained by the Administrator on behalf of account holders who are tax resident in a foreign jurisdiction or have any tax obligation for any tax in such jurisdictions at the end of each tax year in order to fulfil our obligations stipulated in the applicable FATCA and CRS regulations.

The Investor agrees to provide the Administrator with all the information it needs to report to SARS in terms of the above standards and requirements.

As a financial institution, the Administrator is not allowed to give tax advice; if you have any Questions about this section or defining your tax residency status, please speak to your tax advisor or local tax authority. You can also find out more at the Organisation for Economic Co-Operation and Development automatic exchange of information portal, which may assist you in determining your tax residency.

The cost of your investment is calculated using the weighted average cost method. Should you elect an alternative method, we advise that you contact your tax advisor in this regard. Note that we are obliged to report certain amounts earned in your account to SARS as part of our obligation under the Tax Administration Act 28 of 2011 ('VAA'). The information reported to SARS will be provided to you in the form of an annual tax certificate. Should you have any Queries around the information contained in the certificate, please speak to your portfolio manager. Additionally, should you be unsure of how to use this information, please speak to your tax advisor.

Please be aware that reporting of joint accounts to regulatory authorities is not possible under the current regulatory reporting model. Should you wish to open an account with one or more beneficial owner of the assets held therein, please be aware that only one tax certificate will be issued in the name of one of the account holders. As a result, any proof of joint ownership when filing your tax return(s) will have to be furnished by yourself.

Please note further that you undertake to inform the Administrator in writing of any change of your tax status within thirty (30) days of the change of the disclosed status. The Administrator will not be held liable for any tax consequences that arise out of your failure to do so.

## Duration and the right to cancel

The Contract commences on the date on which the Administrator satisfies itself that all the requirements pertaining to the Contract have been met and notifies the Investor that the investment is open and remains in effect:

1. Until terminated by either party on reasonable notice in writing not exceeding 30 (thirty) days; or
2. Until terminated immediately by notice in writing:
  - a) if there is a breach of material term of the Contract; or
  - b) if The Investor is found guilty of conduct which will in the opinion of the Administrator adversely affect the reputation, business risks or business costs of the Administrator,
  - c) if any information given by the Investor to the Administrator is not true or the Investor fail to disclose complete information at the time of entering into this Contract or entering into any investment transaction in terms of this Contract and this information if it had been truthfully or fully disclosed would have affected the decision of the Administrator to enter into this Contract or to maintain this Contract in force.

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This Contract will terminate automatically if the Administrator is not registered as a Financial Services Provider with the FSCA for any reason.

If this Contract is terminated for any reason whatsoever, the Investor will not have any claim against the Administrator arising from termination of this Contract but the Administrator will not terminate any investment which cannot by law or according to its terms be terminated before maturity unless the Investor unreasonably refuse to transfer any investment that is capable of transfer to another product supplier or investment or unless the Investor engages in any unlawful activity whether in connection with this Contract or not.

If any dispute arises between the Investor and the Administrator whether it is unreasonable for the Administrator to transfer any investment to another product supplier or another investment nominated by the Administrator on termination of this Contract the dispute will be dealt with in accordance with the complaints procedure set out herein.

In addition, both parties shall be subject to the proper settlement of all transactions and any amounts due to the Administrator at the date of termination and shall not affect any warranties, undertakings or indemnities made by the Investor under this Contract, which shall remain in full force and effect. Any amount due to the Administrator at the date of termination shall become due and payable on demand. In the event of any such termination, the Administrator will as soon as practicable, deliver to the Investor all the Investor's investments and cash which it then holds, subject in every case to the prior payment, satisfaction and discharge of all liabilities outstanding from the Investor to the Administrator.

## Indemnification and liability

1. The Investor is responsible for compensating the Administrator for all direct losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) (together referred to as "Loss/es") which may be suffered or incurred by the Administrator as a result of or in connection with the Investor's breach of this Contract, including but not limited to a breach of any warranty, undertaking or declaration given by the Investor.
2. This right to compensation shall survive any termination of this relationship. The Administrator shall not be liable for:
  - Any Loss suffered or incurred by the Investor as a result of or in connection with the provision of the services unless and to the extent that such loss is suffered or incurred as a result of the Administrator's or its employees' fraud, theft, bad faith, dishonesty gross negligence or willful default;
  - Any Loss due to actions taken by the Administrator according to its rights under this Contract, or;
  - Any consequential or other indirect damage or Loss suffered or incurred by the Investor or any third party whether arising from the Administrator's negligence or otherwise, whether or not such loss or damages was foreseeable, indirect or consequential loss including, but not limited to, loss of profit/revenue, anticipated savings, business transactions or goodwill; or
  - Any act of fraud, theft, bad faith, dishonesty or gross negligence on the part of any third party, its affiliates or such third party's employees. The Administrator will not be legally responsible to the Investor if the third party becomes insolvent, placed under business rescue or its estate is sequestrated or is subject to any such proceedings.
3. The Administrator shall not be liable for any interruption, malfunction, downtime or other failure of any electronic systems or any component part thereof for whatever reason.
4. Whilst all efforts are made to ensure all information provided to the Investor is correct, the Administrator disclaims any liability for any direct, indirect or consequential damages or Losses that the Investor may incur from using or relying on the information contained herein. The Investor will indemnify the Administrator or any third party with whom the Administrator contracts on the Investor's behalf:
  - If the Investor does not comply with the Investor's duties under this Contract or the Applicable Legislation;

- For any bona fide investment the Administrator makes for the Investor under this Contract;
  - For any direct, indirect or consequential loss or damage because the Investor chose to give the Administrator payment instructions in writing;
  - If the Investor does not receive an electronic confirmation of a transaction because of any of the following the destruction of data, system malfunction, interruption of communication links or any other problem over which the Administrator has no control;
  - Any Loss or damage incurred by the Investor as a result of any transaction relating to the investments under this Contract made by the Administrator in good faith; and
  - For any Loss or damage, which the Administrator or any other party may incur as a result of:
    - (a) The operation of the Investor's account in accordance with this Contract; or
    - (b) Any instruction or election from the Investor; or
    - (c) Any instruction or conduct of an authorised representative duly appointed by the Investor or any third-party purporting to act on the Investor's behalf, whether as a result of the action of such party outside the scope of this Contract from the Investor, or otherwise.
5. The Investor hereby indemnifies the Administrator from any direct special, consequential or indirect losses, cost or damages that the Investor may suffer due to Ring-fencing.

## Cession of Contract

The Investor agrees that the Administrator can at anytime on not less than 30 (thirty) calendar days' notice in writing to the Investor, transfer all of its rights and obligations in and under this Contract to a third party that is a Financial Services Provider (as defined in FAIS) without the client's consent and without the client having to re-sign a new mandate with the new Financial Services Provider. Such cessionary and delegatee will, unless this Contract is terminated by the Investor in the period provided for this, assume all such rights and obligations with effect from the first day of the calendar month after the notice period. The Administrator will give clients notice of any contemplated cession of this mandate and contractual rights and obligations to another authorised Financial Services Provider and the client will have the right to opt out of the cession by cancelling this mandate.

## Islamic Law Terms, Conditions and Undertakings

The Administrator has appointed and consulted the FirstRand Shari'ah Advisory Committee specialising in Islamic Jurisprudence, which consists collectively of Islamic scholars who are conversant in Shari'ah principles and practices (the "SAC"). The SAC is entrusted with the responsibility of ensuring that the investments offered by the Administrator under this Contract comply with Shari'ah. If You have chosen to have this Contract managed in accordance with Shari'ah, any disputes arising out of this Contract shall be determined by the SAC in accordance with its internal rules.

## Complaints

1. The Investor is entitled to contact the Administrator to complain if the Investor is not satisfied with the administration of the Investor's investment or services provided by contacting the client services team. The Administrator will follow the complaints resolution process when investigating the Investor's complaint. A copy of the process is available on the Website.
2. The Investor may contact the compliance department if the Investor is not satisfied with the outcome of the complaints resolution process, should the Investor's complaint remain unresolved after the Investor's consultation with the compliance department, the Investor may escalate the Investor's complaint to the FAIS Ombud.

# FNB Tax-Free Unit Trust Terms and Conditions



## Contact details

### Administrator

6 Merchant Place  
9 Fredman Drive,  
Sandton  
2196  
South Africa

PO Box 653780  
Benmore 2010  
South Africa

### Client Services Team

Telephone number: 0873 468 378  
Email: [fnbhorizonseries@fnb.co.za](mailto:fnbhorizonseries@fnb.co.za)  
Website: [www.fnb.co.za](http://www.fnb.co.za)

### Complaints Department

Email address: [care@fnb.co.za](mailto:care@fnb.co.za)  
Postal address: PO Box 653780, Benmore, 2010

### Ombud for FAIS

Telephone number: 086 066 3274 / 012 762 5000  
Email address: [info@faisombud.co.za](mailto:info@faisombud.co.za)  
Physical address: 125 Dallas Avenue Menlyn Central, Waterkloof Glen,  
Pretoria, 0010  
Postal address: PO Box 41, Menlyn Park, 0063

### The Information Regulator (South Africa)

Telephone number: +27 (0) 12 406 J818  
Facsimile number: +27 (0) 86 500 3351  
Email address: [inforeg@justice.gov.za](mailto:inforeg@justice.gov.za)  
Address: SALU Building, 316 Thabo Sehume Street, Pretoria

## Declarations

By accepting these terms and conditions and this Contract:

1. I warrant that all information and declarations provided by myself in connection with this investment are true, correct and accurate in every respect and undertake to inform the Administrator of any changes thereto as well as any facts or circumstances in future that may impact my legal status as a Client of the Administrator.
2. I/we confirm that should the information provided be incorrect or untrue, I may be held personally liable to any penalties or criminal charges that may arise.
3. I confirm that the Administrator has not given me any advice in respect of the tax, legal, accounting, regulatory and/or financial consequences of this investment.
4. I confirm that the money that I am investing in terms of this application form is not derived from the proceeds of any unlawful activities as defined and contemplated in POCA.
5. I fully understand the information and the risks that come with this investment and that no returns on this investment are guaranteed.
6. I hereby indemnify the Administrator against any liability for any loss or damage suffered by me as a result of inaccurate or incomplete or late submission of information contained herein.
7. I understand that FNB operates a Website and if I make use of that Website or the services available to me on it, I will be legally bound to the additional terms and conditions applicable thereto. I understand that these terms and conditions apply to you in addition to the terms and conditions in this Contract. I understand that the terms and conditions will also apply to any person who uses the Website on my behalf.