

FIRST FLOOR
THE GABBA
THE CAMPUS
57 SLOANE STREET
BRYANSTON 2191

Online Securities Limited
(REG NO 99/00509/06)
CFD Terms and Conditions

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Contract for Difference ("CFD") - Terms of Business for Customers

These Terms of Business, together with any Schedule(s), and accompanying documents, as amended from time to time, (this "Agreement") sets out the terms of the contract between you and us. It is, therefore, in your interests to read it carefully. Please let us know as soon as possible if there is anything which you do not understand.

RISK WARNING

CFD's provide investors with leveraged exposure to an underlying security. This has the effect of magnifying profits and losses and consequently trading in CFD's carries significantly more risk than traditional equity investments, therefore the CFD product is only suitable for experienced and sophisticated clients. In particular investors should note that profits and losses on CFD trades can be many times the original trade size. Depending on the nature of a trade, losses may be unlimited. You should therefore only trade in CFD's if you are prepared to accept the attendant degree of risk. A worst case scenario should always be anticipated before entering into a trade as the value of a CFD contract is calculated on a continuous basis and investors have the responsibility to ensure that amounts transferred to meet their variation margin responsibilities are cleared timeously.

1. GENERAL INFORMATION

- 1.1 Our Capacity: We act as principal and not as agent on your behalf.
1.2 Your Capacity: You act as principal and not as an agent (or trustee) on behalf of someone else. If you are not acting in a principal capacity, please let us know as we have supplemental terms that are suitable for use by agents or trustees.

2. SCOPE AND APPLICATION

- 2.1 Scope of this Agreement: This Agreement sets out the basis on which we will deal in and arrange deals in investments, enter into transactions and provide such other services as agreed in writing from time to time. This Agreement governs each transaction entered into or outstanding between us on or after the execution of this Agreement.
2.2 Commencement: This Agreement supersedes any previous agreement between us on the same subject matter and takes effect when you signify your acceptance of this Agreement. You acknowledge that you have not relied on or been induced to enter into this Agreement by a representation other than those expressly set out in this Agreement.
2.3 Rules of conduct: We are obliged by the JSE Rules to comply with certain rules of conduct. However, we assume no greater responsibility or fiduciary duty, other than that imposed by the JSE Rules or the express terms of this Agreement.

3. APPLICABLE REGULATIONS AND EXCHANGE REQUIREMENTS

- 3.1 Subject to Applicable Regulations: This Agreement and all Transactions are subject to Applicable Regulations so that:
(i) if there is any conflict between this Agreement and any Applicable Regulations, the latter will prevail; (ii) nothing in this Agreement shall exclude or restrict any obligation which we have to you under Applicable Regulations; (iii) we may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations; (iv) all Applicable Regulations and whatever we do or fail to do in order to comply with them will be binding on you; and (v) such actions that we take or fail to take for the purpose of compliance with any Applicable Regulations shall not render us or any of our directors, officers, employees or agents liable.
3.2 JSE action: If the JSE (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, the JSE) takes any action which affects a transaction, then we may take any action which we, in our reasonable discretion, consider desirable to correspond with such action or to mitigate any loss incurred as a result of such action. Any such action shall be binding on you.

4. NO ADVICE

- 4.1 Execution only: We deal on an execution only basis and do not advise on the merits of particular transactions, their taxation consequences or the composition of any account.
4.2 Own judgement and suitability: In asking us to enter into any transaction, you represent that you have been solely responsible for making your own independent appraisal and investigations into the risks of the transaction. You represent that you have sufficient knowledge and experience to make your own evaluation of the merits and risks of any transaction. We give you no warranty as to the suitability of the products traded under this Agreement and assume no fiduciary duty in our relations with you.
4.3 Incidental information: Where we do provide trading recommendations, market commentary or other information:
(a) this is incidental to your dealing relationship with us. It is provided solely to enable you to make your own investment decisions and does not amount to advice;
(b) we give no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the tax consequences of any transaction;
(c) where information is in the form of a document containing a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on contrary to that restriction;
(d) you accept that prior to dispatch, we may have acted upon it ourselves or made use of the information on which it is based. We do not make representations as to the time of receipt by you and cannot guarantee that you will receive such information at the same time as other customers. Any published research reports or recommendations may appear in one or more screen information service.

5. CHARGES AND PAYMENTS

- 5.1 Charges: You will pay, forthwith upon demand, charges, fees and commissions based upon the Agreement or as otherwise notified to you in advance, and all taxes (other than taxes payable by us in respect of our own profits and gains), duties (including stamp duties) and levies in respect of Transactions and all charges, fees and expenses of eligible nominees and eligible custodians in connection with the holding of your investments (collectively, "Charges"). Such Charges will normally be deducted in full by us, with or without notice to you, from your Account at any time after we act on the relevant instructions, exercise the relevant right or make the relevant payment.
- 5.2 Payments: All payments to us under this Agreement shall be made from time to time to the bank account designated by us for such purpose. All such payments shall be made by you without any deduction or withholding.
- 5.3 Remuneration and sharing charges: We may receive remuneration from, or share charges with, an associate or other third party in connection with Transactions carried out on your behalf. Details of such remuneration or sharing arrangements will be made available to you on request.
- 5.4 Default interest: If you fail to pay us any amount when it is due, we reserve the right to charge you interest (both before and after any judgment) on any such unpaid amount calculated at the rate as reasonably determined by us to be the cost of funding such overdue amount. Interest will accrue on a daily basis and will be due and payable by you as a separate debt.
- 5.5 Payments and deliveries net: Unless we expressly agree with you in writing (or give you written notice) to the contrary, all payments and deliveries between us shall be made on a net basis and we shall not be obliged to deliver or make payment to you or both (as the case may be) unless and until we have received from you the appropriate documents or cleared funds.
- 5.6 Taxes: You shall at all times be fully responsible for payment of all taxes due and for the making of all related claims whether for exemption from withholding taxes or otherwise, for filing any and/or tax returns and for providing any relevant tax authorities with all necessary information in relation to any investment business we carry on for or with you or any investments which we hold on your behalf.

6. MATERIAL INTEREST & CONFIDENTIALITY

6.1 Material interests: Your attention is drawn to the fact that when we deal with you or for you, we or an associate or some other person connected with us may have an interest, relationship or arrangement that is material.

Without limiting the nature of such interests, examples include where we or an associate could be:

- (a) dealing in the investment, a related investment or an asset underlying the investment, as principal for our (or its) own account or that of someone else. This could include selling to you or buying from you and also dealing with or using the services of an intermediate broker or other agent who may be an associate;
- (b) matching (e.g. by way of a cross) your Transaction with that of another customer by acting on his behalf as well as yours;
- (c) buying from you and selling immediately to another customer, or vice versa;
- (d) holding a position (including a short position) in the investment concerned, a related investment or asset underlying the investment;
- (e) quoting prices to the market in the investment, a related investment or asset underlying the investment;
- (f) advising and providing other services to associates or other customers who may have interests in investments or underlying assets which conflict with your own. You accept that we and our associates may have interests which conflict with your interests and may owe duties which conflict with duties which would otherwise be owed to you, and consent to our acting in any manner which we consider appropriate in such cases.
- 6.2 No liability to disclose or account: We will comply with Applicable Regulations binding on us, but we shall be under no further duty to disclose any interest to you, including any benefit, profit, commission or other remuneration made or received by reason of any transaction or any matching transaction.

7. CONFLICT OF INTERESTS

- 7.1 Disclosure to you: We shall not be obliged to disclose to you or take into consideration any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our directors, officers, employees or agents but does not come to the actual notice of the individual or individuals dealing with you.
- 7.2 Soft Commission: We may from time to time deal on your behalf with someone whom we have an agreement which permits us (or another member of our group) to receive goods or services in return for transacting investment business with them.

8. PERSONAL DATA

- 8.1 Disclosure to others: We will treat all information we hold about you as private and confidential even when you are no longer a customer. We will not disclose any information we hold about you to others except; (i) to the extent we are required to do so by any Applicable Regulations; (ii) where there is a duty to the public to disclose; (iii) where our interests require disclosure; or (iv) at your written request or with your consent.
- 8.2 Our use of information: You agree that we and other companies in our group may hold and process by computer or otherwise any information we hold about you and may use any of that information to administer and operate your account and to provide any service to you, to monitor and analyse the conduct of your account, to assess any credit limit or other credit decision (as well as the interest rate, fees and other charges to be applied to your account) and to enable us to carry out statistical and other analysis. You agree that we may disclose that information to other companies in our group for these purposes.
- 8.3 Disclosure of information: We may also disclose information we hold about you to those who provide services to us or act as our agents, to any person to whom we transfer or propose to transfer any of our rights or duties under this Agreement and to licensed credit reference agencies or other organisations that help us and others make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks.
- 8.4 Marketing: Subject to information provided by you in the account opening form, we may analyse and use the information we hold about you to enable us to give you information (by post, telephone, email or other medium, using the contact details you have given us) about products and services offered by us (or by other companies in our group or selected third parties) which we believe may be of interest to you.
- 8.5 Access to information: In terms of the Promotion of Access to Information Act 2 of 2000 you may have a right of access some or all of the information we hold about you. If you wish to obtain further information, please contact us in writing or visit "www.psg-online.co.za/documentation/accessmanual.pdf."

9. INSTRUCTIONS AND BASIS OF DEALING

- 9.1 Placing of instructions: You may give us instructions in writing (including fax), by email or other electronic means or orally (including by telephone), unless we tell you that instructions can only be given in a particular way. If any instructions are received by us by telephone, computer or other medium we may ask you to confirm such instructions in writing. We shall be authorised to follow instructions notwithstanding your failure to confirm them in writing. Instructions, whether confirming or revoking an instruction, commitment, notice or request, given to us shall not take effect unless actually received by us.
- 9.2 Authority: We shall be entitled to act for you upon instructions given or purporting to be given by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instructions.
- 9.3 Cancellation of instructions: We can only cancel your instructions if we have not acted upon those instructions.
- 9.4 Right not to accept orders: We may, but shall not be obliged to, accept instructions to enter into a Transaction. If we decline to enter into a proposed Transaction, we shall not be obliged to give a reason. We shall promptly notify you accordingly.
- 9.5 Aggregation of orders: We may combine your order with our own orders and orders of other clients. By combining your orders with those of other customers we must reasonably believe that this is in the overall best interests of our customers. However, on occasions aggregation may result in you obtaining a less favorable price.
- 9.6 Best and Timely execution: You agree that we do not owe a duty of best execution.
- 9.7 Confirmations: Confirmations shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you objection in writing within one Business Day or we notify you of an error in the confirmation within the same period.
- 9.8 Performance and settlement: You will promptly deliver any instructions, money, documents or property deliverable by you under a Transaction in accordance with that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations under the relevant matching transaction on an Exchange or with an intermediate broker.
- 9.9 Amendments: Once given, instructions may only be withdrawn or amended with our consent.
- 9.10 Position limits: We may require you to limit the number of open positions which you may have with us at any time and we may in our sole discretion close out any one or more Transactions in order to ensure that such position limits are maintained.
- 9.11 Market abuse and conduct: You shall observe the standard of behavior reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behavior reasonably expected of persons in our position.
- 9.12 Risk measures: Online reserves the right to close down a position in terms of Online's risk measures.

10. CLIENT MONEY

- 10.1 Paying money to third parties: On your instructions, we may pay money received from you to a third party (e.g. an exchange, intermediate broker, OTC counterparty or clearing house) to hold or control in order to effect a Transaction through or with that person or to satisfy your obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction.
- 10.2 Interest: We shall pay interest on money standing to your credit in your account.
- 10.3 Right of application of client money: Where any obligations owing to us from you (whether present or future, actual or contingent) under this Agreement are due and payable to us, we shall cease to treat as client money so much of the money held on your behalf as equals the amount of those obligations. You agree that we may apply that money in or towards satisfaction of all or part of those obligations due and payable to us. For the purposes of these client money terms, any such obligations other than fees and commissions become immediately due and payable, without notice or demand by us, when incurred by you or on your behalf.

11. MARGINING ARRANGEMENTS

- 11.1 Margin call: You agree to pay us on demand such sums by way of margin as are required from time to time under the Rules of any relevant Exchange (if applicable) or as we may in our discretion reasonably require for the purpose of protecting ourselves against loss or risk of loss on present, future or contemplated Transactions under this Agreement. If at any point in time you indicate you will not meet a margin call under this Agreement or after one business day you fail to provide suitable evidence of meeting a margin call, we will be entitled to close out the position and use any collateral or cash held by us for that purpose, including investments held on your behalf. If at any point in time you fail to meet a call for margin payments made on you, and / or in our absolute discretion if it is considered that you could have insufficient funds available in your account to protect ourselves against loss on present Transactions under this Agreement, we will be entitled to close out the position immediately and use any collateral or cash held by us for that purpose, including investments held on your behalf.
- 11.2 Form of margin: Margin shall be provided by or on behalf of you in cash or collateral acceptable to us as determined by us in our absolute discretion.
- 11.3 Security interest: As a continuing security for the performance of all your obligations (whether actual or contingent, present or future) to us under or pursuant to this Agreement ("Secured Obligations") you grant to us, with full title guarantee, a first fixed security interest in all non-cash margin now or in the future provided by you to us or to our order or under our direction or control or that of an Exchange or otherwise standing to the credit of your account under this Agreement or otherwise held by us or our Affiliated Companies or our nominees on your behalf.
- 11.4 Further assurance: You agree to execute such further documents and to take such further steps as we may reasonably require perfecting our security interest over, be registered as owner of or obtain legal title to the margin, secure further the Secured Obligations, enable us to exercise our rights or to satisfy any market requirement.
- 11.5 Substitution: You may not withdraw or substitute any property subject to our security interest without our consent.
- 11.6 Negative pledge: You undertake neither to create nor to have outstanding any security interest whatsoever over, nor to agree to assign or transfer, any of the margin transferred to us, except a lien routinely imposed on all securities in a clearing system in which such securities may be held.
- 11.7 Power to charge: You agree that we may, free of any adverse interest of yours or any other person, grant a security interest over margin provided by you to cover any of our obligations to an intermediate broker or Exchange, including obligations owed by virtue of the positions held by us or other of our customers.
- 11.8 Power of sale: If an Event of Default (failure to meet margin calls) occurs, we may exercise the power to sell all or any part of the margin. We shall be entitled to apply the proceeds of sale or other disposal in paying the costs of such sale or other disposal or towards satisfaction of the Secured Obligations.
- 11.9 General lien: In addition and without prejudice to any rights to which we may be entitled under this Agreement or any Applicable Regulations, we shall have a general lien on all property held by us or our associates or our nominees on your behalf until the satisfaction of the Secured Obligations.

12. REPRESENTATIONS AND WARRANTIES

12.1 Representations and warranties: You represent and warrant to us on the date this Agreement comes into effect and as of the date of each Transaction that:

- (a) you have reached the age of 21 years or over and have full capacity to enter into this Agreement;
- (b) you have all necessary authority, powers, consents, licenses and authorisations and have taken all necessary action to enable you lawfully to enter into and perform this Agreement and such Transaction and to grant the security interests and powers referred to in this Agreement;
- (c) the persons entering into this Agreement and each Transaction on your behalf have been duly authorised to do so;
- (d) this Agreement, each Transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;
- (e) no Event of Default (failure to meet margin calls) or any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) an Event of Default (a "Potential Event of Default") has occurred and is continuing with respect to you or any Credit Support Provider;
- (f) you act as principal and sole beneficial owner (but not as trustee) in entering into this Agreement and each Transaction;
- (g) any information which you provide or have provided to us in respect of your financial position, domicile or other matters is accurate and not misleading in any material respect;
- (h) you are willing and financially able to sustain a total loss of funds resulting from Transactions and trading of such Transactions is a suitable investment vehicle for you;
- (i) except as otherwise agreed by us, you are the sole beneficial owner of all margin you transfer under this Agreement, free and clear of any security interest whatsoever other than a lien routinely imposed on all securities in a clearing system in which such securities may be held.

13. JURISDICTION OF SOUTH AFRICAN COURTS

The mandate shall be governed by and construed in accordance with the laws of the Republic of South Africa. The parties irrevocably and unconditionally agree that the Courts of the Republic of South Africa are to have exclusive jurisdiction regarding all proceedings, transactions, and applications, disputes or the like which may arise out of or in connection with this mandate.

PLEASE SEE AND AGREE TO APPENDIX A : MATERIAL OBLIGATION FOR CFD TRANSACTIONS ON PAGE 5 BELOW

APPENDIX A : MATERIAL OBLIGATION FOR CFD TRANSACTIONS

1. CFD Trading

- Clients wishing to trade for more than R 1 million must either submit a balance sheet or have an ungeared share portfolio with Online equal to 50%.
- Client to deposit or transfer sufficient cash margin into BDA account before the execution of any transactions (10% cash margin Top 40 shares & 15% cash margin other ALSI 100 shares). Client's initial margin deposit will only be returned on close out of underlying CFD position.
- Client available cash position to be computed for margin purposes net of variation margin required to fund 100% of computed market loss on share portfolio.
- No CFD transaction may be executed without client meeting cash margin requirements.
- Commission is levied on full underlying CFD trade value and debit interest at a rate of SAFEX+2% is levied on full value of underlying long CFD positions opened.
- Client will however earn credit interest at SAFEX -2% on margin deposits and full underlying value of short CFD position opened.
- Should client wish to sell short, then settlement division to source shares in the market prior to execution of the sale.
- In the event that client's CFD position underlying share is removed from the ALSI Top 100 share list then client will be obliged to close out underlying CFD position within 10 working days from date underlying CFD position share no longer included in the ALSI Top 100 share list.
- In the event that client's CFD position underlying share is suspended from trading on the JSE then market value of share will be deemed to be nil and client will be obliged within 5 working days from date the share is suspended to fully fund underlying CFD position.

2. Variation Margin

- CFD client prior day exposure report to be reviewed each morning and clients to be notified electronically by 10h00 should they need to top up variation margin deposit due to adverse market movements on share portfolio account.
- Dealer to reach IFA and / or client electronically via email to advise that the CFD position will be closed out during that trading day due to the margin shortfall.
- In event that the client fails to deposit extra funds to adjust his cash margin position by 16:00 after email notification then following steps to be taken:
 - o Dealer to then close out clients CFD position to cover shortfall by no later than 16h00 on that same trading day.
 - o Dealer to execute trade on the client's designated stock account.

SIGNED at	_____	on	_____
Client	Name _____	Signature _____	
As Witness	Name _____	Signature _____	

SIGNED at	_____	on	_____
For ONLINE SECURITIES LIMITED , 1 st Floor The Gabba The Campus, 57 Sloane Street Bryanston 2191	Name _____	Signature _____	
As Witness	Name _____	Signature _____	