

## B. AOS TERMS AND CONDITIONS

### 1. INTRODUCTION

- 1.1. This document contains the terms and conditions applicable to your investment in the Product and sets out the rights and responsibilities of the parties involved.

### 2. DEFINITIONS

- 2.1. The following terms have the meanings given to them below:

Word / Phrase	Meaning
<b>Administrator</b>	Automated Outsourcing Services (Pty) Limited (with company registration number: 1997/013802/07), is the company that is approved by the Financial Services Board to provide administration services in respect of financial products on the instructions of an Investor.
<b>Business Day</b>	This is any day apart from a Saturday, Sunday or official South African Public holiday. In this document day and business day have the same meaning, except where the clause specifically states “calendar” days.
<b>Investment Account</b>	This is the account opened by the Administrator for you through which the Product and transactions in relation thereto, is administered.
<b>Investment Application</b>	This is an electronic application completed by the investor.
<b>Investment Product</b>	This is a product chosen by you, with the express intention to earn a return on your investment.
<b>Investor – “the Investor or you”</b>	This is the person or legal entity that invests in the Product when loading money into the CHIPS eWallet.
<b>Investors Independent Nominee (Pty) Limited – “the Nominee” or “Value Store”</b>	This is Investors Independent Nominee (Pty) Limited (with company registration number: 2009/003227/07) is the company that has been approved as a nominee company to hold assets in trust on behalf of the Investor who has contracted with an administrative financial service provider.
<b>Merchant</b>	Please refer to CHIPS eWallet App Terms and Conditions for definition.
<b>Cash Product</b>	This is the asset-backing facility to the eWallet which allows contributions by you and other investors to be pooled, and which is either / and: a) a bank account opened with a registered bank in the name of the Investors Independent Nominee (Pty), or / and b) a portfolio under a collective investment scheme (i.e. a unit trust fund) administered by a unit trust manager; and limited to money market or equivalent low risk funds. Based on deposits made by the Investor, the proportional ownership expressed in Units is assigned to the investor’s Investment Account.
<b>Product Provider</b>	This is the company that is authorised to administer the Product in terms of a) the Banks Act, or b) the Collective Investment Schemes Control Act

	It has entered into an agreement with the Administrator to allow the Product to be available for investment on the Investment Platform.
<b>Smart Safes</b>	Please refer to CHIPS eWallet AppTerms and Conditions for definition.
<b>Units</b>	This is your interest in or share of the assets held in the Product. The amount of your contribution determines the number of Units you acquire.
<b>eWallet</b>	This is the CHIPS Wallet App as defined in Section A hereto.
<b>Investment Platform</b>	This is the infrastructure and systems provided by the Administrator.

### 3. DOCUMENTS THAT FORM THE BASIS OF THE INVESTMENT

3.1. The investment agreement is based on:

- Your Investment Application generated and submitted CHIPS eWallet as part of the CHIPS eWallet registration process, duly accepted by the Administrator
- Your supporting documents as provided during the CHIPS eWallet registration process
- The most recent Minimum Disclosure Document (where the Product is a unit trust portfolio) issued by the unit trust manager
- The terms and conditions applicable to your investment in the Cash Product and/or Investment Product
- Any later instructions from you that has been accepted by the Administrator
- Any later amendment to the terms and conditions of the Cash Product and Investment Product.

### 4. LAWS THAT APPLY TO THE INVESTMENT

4.1. The investment is subject to all the relevant laws of South Africa. Please note that changes to or replacements of any applicable law may change the terms and conditions. The most important laws that apply to you and the investment are:

4.1.1. *Collective Investment Schemes Control Act – “the Act”*

This Act controls the administration of collective investment schemes and its unit trust portfolios. It must be read with the main deed entered into between the unit trust manager and its trustee.

4.1.2. *Financial Intelligence Centre Act – “FICA”*

This Act requires that the Administrator establish and verify your identity before accepting your Investment Application to prevent money laundering and terrorist financing.

4.1.3. *Financial Advisory and Intermediary Services Act – “FAIS”*

This Act controls the activities of anybody who gives advice or provides intermediary services to investors about certain financial products. It requires that such persons be licensed and that professional behaviour be controlled through codes of conduct.

4.1.4. *Banks Act*

This Act regulates the conduct of banks.

4.1.5. *Income Tax Act*

This Act deals with taxation of income, including dividends and capital gains, and any deductions that are allowed to be made in respect of such income.

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## **5. HOW THE CASH PRODUCT WORKS IN RELATION TO THE WALLET**

- 5.1. You have to make investments into and retain investments in the Product to use the eWallet. When you use the eWallet to buy or sell goods and services, a real-time transfer of ownership of Units takes place between you and the Merchant.
- 5.2. The Administrator keeps an Investment Account for the Investor.
- 5.3. The value of your Investment Account is directly linked to the value of your Units in the Cash Product, and is reflected as money available in your eWallet.
- 5.4. The value of the Investment Account is increased by further contributions and is reduced by fees, expenses and charges. Where the Investor selected an Investment Product, the value of the Investment Account will also be increased by positive investment returns and decreased by negative returns.
- 5.5. The Investor is the registered owner of this investment which is held in custody, on behalf of the Investor, with an approved nominee company, the Investors Independent Nominee (Pty) Ltd.
- 5.6. During the course of the investment, any income or positive investment returns from the Cash Product will be paid to the Administrator as part of its administration fee, unless the Investor selected an Investment Product.
- 5.7. The Administrator must be instructed to disinvest from the Cash Product, and the proceeds realised will be paid to the Investor's designated bank account.

## **6. YOUR RIGHTS AND RESPONSIBILITIES**

- 6.1. Read the information about the investment carefully
  - 6.1.1. Please read this document, information during the registration process and all marketing media associated with the Product before making your investment. You are responsible for your investment in the Product and must consider whether this mechanism is right for you.
  - 6.1.2. It is your responsibility to understand the consequences of investing in the Product from a financial, legal, tax, accounting and regulatory perspective; all the fees and charges payable, and make sure that you understand the risk and returns of the Product. Every investment has some degree of risk and it is possible to lose some or all of the money invested.
- 6.2. Obtain independent, professional advice
  - 6.2.1. If you need financial, legal or tax advice or assistance in respect of investing or participation in the Product, it is your responsibility to consult with a professional investment, financial, legal and/or tax advisor.
- 6.3. Become an investor
  - 6.3.1. You start investing in the Product by registering on the CHIPS eWallet App and providing supporting documents to the Administrator through the upload facility of the App. You will become an Investor once the Administrator has completed the applicable verification process and your first contribution has been received in the bank account. Through the CHIPS eWallet App the Administrator will inform you of the acceptance of your application.
- 6.4. Provide complete and accurate information

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- 6.4.1. You must complete the Administrator's application and other electronic forms and ensure that all of the information, including any supporting documentation, is accurate, clear and complete.
  - 6.5. Send instructions to the Administrator
    - 6.5.1. The Administrator receives and accepts your instructions. Only electronic instructions will be accepted by the Administrator. All your electronic instructions to the Administrator must be completed using the App made available by the Administrator.
  - 6.6. Adhere to Administrator timelines
    - 6.6.1. All documentation required by the Administrator must be delivered to the Administrator in accordance with the timelines set out in this document. If you fail to adhere to the timelines, the Administrator may delay the processing of your instruction.
  - 6.7. Comply with FICA and keep details and supporting documents updated
    - 6.7.1. You must comply with certain requirements under FICA before the Administrator will activate your profile as a user and allow subsequent instructions. You must provide the Administrator with certain information of a personal and financial nature required for purposes of identification and verification or confirm that you hold this information.
    - 6.7.2. You warrant that the money which you are investing is not the proceeds of unlawful activities or related to terrorist financing activities and understand that the Administrator may request proof from you regarding the source of these funds at any time. You must update your personal and banking details should these change and provide the Administrator with new supporting documentation. All supporting documents must be clear and readable, less than 3 (three) months old and copies must be correctly certified.
  - 6.8. Make contributions under the Product
    - 6.8.1. The Administrator will only accept cash payments through Smart Safes and Merchants. Your contributions must be paid into the Administrator's Nominee bank account in South African Rand, by way of the methods made available by the Administrator. There is no obligation on the Administrator to ensure contributions are made by you, or on your behalf. You can stop contributing at any time. Please note that where applicable fees and charges will continue to be levied against your Investment Account.
  - 6.9. Read statements and report errors
    - 6.9.1. The Administrator will make electronic statements available to you on demand.
  - 6.10. Withdraw part or all of your investment
    - 6.10.1. You may withdraw some or all of your investment by selling the Units in the Cash Product at any time. Withdrawals from Investment Products will be limited to any Business Day. When you withdraw part or all of any Investment Product, you may be taxed on capital gains (CGT). The entire amount requested, after deducting any fees and charges payable, and/or any tax, will be paid once all processing and regulatory requirements have been met.
  - 6.11. Transfer ownership
    - 6.11.1. You may transfer ownership of the Investment Account backing the eWallet to another person or entity at any time by instructing the Administrator via the App. When you transfer part or all of any Investment Product, you may be taxed on capital gains (CGT). The entire amount requested, after
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deducting any fees and charges payable, and/or any tax, will be transferred once all processing and regulatory requirements have been met.

## **7. THE ADMINISTRATOR'S RIGHTS AND RESPONSIBILITIES**

### **7.1. Act with honesty and integrity**

7.1.1. The Administrator must act with honesty, fairness, skill, care and diligence in all dealings with you.

### **7.2. Communicate with you**

7.2.1. The Administrator will communicate with you via electronic means only. Any reference to "written" or "in writing" will be to an electronic notification via the App.

7.2.2. The Administrator will communicate when this is required by law, for the purposes of carrying out its duties as Administrator or to provide you with information from the Product Provider that may be relevant to your investment in the Product. Any details that you may have changed via the App, will be available for your review via the App.

### **7.3. Accept, reject and process your instructions**

7.3.1. The Administrator may accept or reject your application or any subsequent instructions. The Administrator is responsible for the processing of your instructions. The Administrator will usually process instructions according to the timelines below or within a period that is reasonable given the nature of the instruction.

7.3.2. Sometimes the Administrator may not be able to keep to its timing standards because of factors beyond its reasonable control or extraordinary events that cause disruptions. In this case, neither the Product Provider nor the Administrator is responsible for any losses due to it not adhering to its timing standards.

### **7.4. New applications**

#### **7.4.1. Cash Product**

Any fully and correctly completed application which has all required documentation attached, received and accepted by the Administrator, and where the contributions reflect in the applicable bank account on the day of receipt of the application, will be processed on the Administrator's system on the same day or the Business Day thereafter.

#### **7.4.2. Investment Product**

Any fully and correctly completed application which has all required documentation attached, received and accepted by the Administrator, and where the contributions reflect in the applicable bank account before 10h00 on any Business Day, will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 10h00 on any Business Day, the application will be treated as if it had been received before 11h00 on the next Business Day. Internet banking payments may take up to 2 Business Days to reflect in the applicable bank account.

### **7.5. Additional contributions**

#### **7.5.1. Cash Product**

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Any fully and correctly completed additional contribution application which has all required documentation attached, received and accepted by the Administrator, and where the contributions reflect in the applicable bank account on the day of receipt of the application, will be processed on the Administrator's system on the same day or the Business Day thereafter.

7.5.2. Investment Product

Any fully and correctly completed additional investment instruction which has all required documentation attached, received and accepted by the Administrator, and where the funds reflect in the applicable bank account before 10h00 on any Business Day will be processed on the Administrator's system on the same Business Day or the Business Day thereafter. If this takes place after 10h00 on any Business Day, the additional Investment Application will be treated as if it had been received before 10h00 on the next Business Day.

7.6. Withdrawals

7.6.1. Cash Product

Any fully and correctly completed withdrawal application which has all required documentation attached, received and accepted by the Administrator, will be processed on the Administrator's system on the same day or the Business Day thereafter.

7.6.2. Investment Product

Processed on the same or following Business Day, when the Administrator has received a fully and correctly completed instruction before 10h00. Although a withdrawal will show on your statement within 2 Business Days, it may take longer for the payment to show in your bank account.

Notes:

- Investors wishing to redeem Units amounting to more than 5% of the total market value of the Investment Product must provide the Administrator with at least 7 Business Days' written notice of such redemption. If this notice is not received by the Administrator, it may treat such withdrawal as only having taken place on the 7th Business Day after such instruction is received. However, where the amount to be redeemed exceeds 10% of the total market value of the Investment Product, the actual date of withdrawal will be determined by mutual agreement.
- Units in the Investment Product will be bought and sold at the net asset value price in accordance with the requirements of CISCA and the relevant Deed, or other applicable legislation, where applicable.
- The net asset value price is calculated using the forward pricing methodology. The net asset value can be defined as the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the portfolio, divided by the number of Units in issue.
- The repurchase of Units in the Investment Product may be suspended in terms of CISCA under specific conditions. This is referred to as ring-fencing and will delay the payment to you of any withdrawal value.

7.7. Deduct and pay fees and charges

7.7.1. The Administrator will collect and distribute the investment and/or transaction charges and fees payable in respect of your Investment Account.

7.8. Bank interest or income distributions

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- 7.8.1. There may be a return on the investment in the Cash Product in the form of bank interest or an income distribution. Except where you selected an Investment Product, the amount of the interest earned will be paid to the Administrator as part of its administration fee, which interest may be shared with the investor at the sole discretion of the Administrator.
- 7.8.2. You therefore agree that you will not receive interest or other earnings on the funds that the Administrator handles and places in the Product, except where you selected an Investment Product. In consideration for your use of the eWallet, you irrevocably pay and assign to the Administrator any ownership right that you may have in any interest that may accrue on funds held in the Cash Product, which is not an Investment Product. This assignment applies only to interest earned on your funds, and nothing in this Agreement grants the Administrator any ownership right to the principal of the funds you maintain in the Cash Product. Income distributions earned on Investment Products, as selected by the investor, are excluded from this clause.
- 7.9. Make payments
- 7.9.1. When you withdraw a part of or the entire balance of your eWallet invested in the Cash Product, the Administrator will make payments to you, in South African Rand in accordance with the CHIPS eWallet Terms and Conditions.
- 7.10. Deduct and pay dividend withholding tax
- 7.10.1. Dividend withholding tax will be applicable should you choose to invest in an Investment Product, that pays dividends. The Administrator is responsible for the withholding and payment of dividend withholding tax to the South African Revenue Service. The tax will be deducted before reinvestment/payment of any dividend. The amount of tax payable is based on a number of factors, e.g. residential status. The default tax rate for South African residents is currently 20%. You are responsible for informing the Administrator if you are exempt from payment of this tax, or to indicate your status to ensure the correct tax rate is applied.
- 7.11. Protect your personal information
- 7.11.1. The Administrator will keep your information confidential and protect it. The Administrator may however process your personal information to provide financial services, prevent fraud and money laundering. The Administrator may send your personal information by electronic or other means for processing to third parties, but only with the express intention to provide you with a service related to your investment.

## **8. FEES AND CHARGES**

- 8.1. All the fees and charges payable in respect of your investment are set out in the App. With your participation in the Product, you acknowledge, declare and confirm that you understand what fees and charges are payable.
- 8.2. All fees and charges are subject to change, and the Administrator will give you (three) month's written notice of such change.

## **9. EXCLUSIONS, RISKS AND RESPONSIBILITY**

- 9.1. Advice

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- 9.1.1. The Administrator and the Product Provider do not give advice as to whether investment in the Product is suitable for you and can therefore not be held liable for any loss or damage which you may suffer, except as a result of the Administrator's own default or negligence.
- 9.1.2. No communication of any nature received from the Product Provider or the Administrator in respect of the investment in the Product can be regarded as tax, legal, accounting or financial advice. You are responsible for obtaining your own professional advice about the consequences of this investment.
- 9.2. Investment guarantees
- 9.2.1. The return on your Investment Account is not guaranteed in any way and may be positive or negative. You carry all the investment risk which includes the possibility of losing capital. Where a capital loss occurs, a corresponding adjustment will be made to your Units.
- 9.3. Cooling-off period
- 9.3.1. A cooling-off period is a number of days after investment during which you are still entitled to terminate the investment. No cooling-off period is offered for this investment. You may however request a withdrawal of all or a part of your investment.
- 9.4. Losses suffered during administration
- 9.4.1. You are responsible for losses suffered as a result of:
- Delays in the processing or the rejection of your Investment Application for reasons beyond the Administrator's control. Included but not limited are:
  - If you or someone acting on your behalf submits unauthorised instructions;
  - If you provide us with incorrect information;
  - If a third party does anything illegal or invalid or does not do something they should have done;
  - If you fail to comply with FICA;
  - If the Administrator cannot verify your bank account details;
  - Any legal requirements, investment limits, timing standards, administrative practices and procedures that apply to the Product.
  - If any correspondence is lost in the mail.
  - A person acting for you act beyond the scope of their authority.
  - Changes in tax or other laws that affect the investment.
  - The failure or delay of any networks, electronic or mechanical devices, or any other form of communication used to process instructions.
  - A third party being in possession of or using information that you deem confidential.
  - Electronic transacting, whether via telephone, other electronic means or by fax.
- 9.5. Loans and security cessions
- 9.5.1. You cannot obtain a loan from the Product Provider or the Administrator via the Product. You also cannot use the investment as security for a loan, i.e. request the Administrator to record a security cession.
- 9.6. Switching from the Product
- 9.6.1. You may not switch between different types of Investment Products other than in accordance with the terms and conditions that apply to your participation in the Product.
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## 10. IMPORTANT DISCLOSURES

### 10.1. DISCLOSURE IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARIES SERVICES ACT 37 OF 2002

#### COMPANY INFORMATION

Registered Name	Automated Outsourcing Services (Pty) Ltd
Branded As	Itransact
Registration Number	1997/013802/07
FSP License Number	650
Compliance Officer	Moonstone Compliance (Pty) Ltd
Compliance Telephone	011 5616600
Compliance Email	compliance@itransact.co.za
Key Individuals	Mark Baisley, Mark Gill
Professional Indemnity and Fidelity Cover	Hollard Insurance

### 10.2. PRODUCTS APPROVED

#### 10.2.1. Category I (Intermediary Services)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Deposits defined in the Banks Act – exceeding 12 months and 12 months or less.

#### 10.2.2. Category III (Administrative FSP)

Long-term Insurance Category C; Retail pension benefits; Securities and Instruments: Shares, Money market instruments, Debentures and securitised debt, Bonds; Derivative Instruments; Participatory interests in Collective Investment Schemes; Long-term Deposits and Short-term Deposits.

### 10.3. COMPLAINTS RESOLUTION POLICY

10.3.1. The Administrator is committed to comply with FAIS since the purpose of this act is to protect the Investor. A complaints resolution system is in place, details of which you may obtain from the legal section on [www.itransact.co.za](http://www.itransact.co.za) or by contacting us.

### 10.4. CONFLICT OF INTERESTS MANAGEMENT POLICY

10.4.1. A Conflict of Interest Management Policy has also been adopted. If you have any queries in this regard, please do not hesitate to contact us.

### 10.5. CONTACT DETAILS

#### 10.5.1. Financial Advisor Support Centre

Telephone 086 143 2383 | Fax 086 743 6959 | Email [info@itransact.co.za](mailto:info@itransact.co.za)

#### 10.5.2. Investor Support Centre

Telephone 086 146 8383 | Fax 086 743 6959 | Email [investor@itransact.co.za](mailto:investor@itransact.co.za)