

MEMORANDUM OF AGREEMENT

Entered into between:

PSG COLLECTIVE INVESTMENTS LTD
(Registration number: 1997/016475/06)
(Hereinafter referred to as "PSG")

And

(Registration number:
(Hereinafter referred to as the "Intermediary Partner")

DEFINITIONS

Intermediary Partner	An authorized Financial Services Provider as defined in terms of the Financial Advisory & Intermediary Services Act 2002
Gender	Any reference to gender includes the other genders
FAIS	The Financial Advisory & Intermediary Services Act 2002
FICA	The Financial Intelligence Centre Act 2002
CISCA	The Collective Investment Schemes Control Act 2002
FSB	The Financial Services Board of South Africa

PREAMBLE

As a provider of financial services, PSG sees its primary tasks to be:

1. The training of Intermediary Partners it's financial products and services
2. The provision of marketing material it's financial products and services
3. The administration of existing business on behalf of the Intermediary Partners

IT IS HEREBY AGREED AS FOLLOWS:**1. APPOINTMENT**

The Intermediary Partner is hereby authorized by PSG to sell products and services, offered by PSG, as amended from time to time.

2. QUALIFICATIONS, LICENCES AND REGULATORY COMPLIANCE

- 2.1 The Intermediary Partner hereby acknowledges that he is and will remain authorised by the FSB to conduct non discretionary investment business in terms of his licence and will notify PSG immediately should his licence be revoked, suspended or amended or should he cease to practice in accordance with the authority granted to him under the terms of his licence.
- 2.2 The Intermediary Partner warrants that he possesses the professional competence to provide financial advice to Clients with regard inter alia, to investing in investment funds, unit trusts, investment portfolios, structured products, banking and other services offered by PSG. The Intermediary Partner undertakes to keep himself informed regarding developments and changes in the relevant areas of the financial services industry and where appropriate to undertake further professional training.
- 2.3 The Intermediary Partner hereby confirms that he is aware of his obligations as an accountable institution under FICA and through signature of this Agreement indemnifies PSG against any and all liabilities incurred for failure to fulfill such obligations or to notify PSG of a Client's non-compliance with the requirements of FICA.

3. LEGAL BASIS:

3.1 INDEPENDENT TRADING INTERMEDIARY

- 3.1.1 The Intermediary Partner is an independent commercial enterprise and as such the Intermediary Partner will act as a sub-contractor to PSG who in turn will have entered into a distribution contract with the supplier of the products and services in question.
- 3.1.2 Notwithstanding the use for marketing purposes of the term "Intermediary Partner", nothing in this Agreement shall be construed as creating a partnership between PSG and the Intermediary Partner. The Intermediary Partner shall not do anything to create the impression to any third party that a partnership exists between him and PSG and indemnifies PSG against any loss it may suffer as a result of any such impression having been created by the Intermediary Partner.
- 3.1.3 Similarly, notwithstanding any similarities in business practices, commercial registration and or admission, the contractual basis for co-operation between both parties always remains that of an Independent Trading Intermediary. The Intermediary Partner is neither an employee nor an agent of PSG nor of the Companies on whose behalf PSG distributes products. The Intermediary Partner may not enter into any binding declarations on behalf of PSG or suppliers of products.
- 3.1.4 Neither PSG nor the suppliers of products are obliged, nor is the Intermediary Partner entitled to, nor can he demand from the Client, payments of contributions or savings installments which are in arrears or investment amounts, sums or payments that will become due but are not yet due.

3.2 LABOUR BROKING AND V.A.T DECLARATION

The Intermediary Partner hereby confirms, through signature of this Agreement that he does not earn in excess of 80% (percent) of his total income from PSG and that he will advise PSG immediately in the event that his income in any one financial year should exceed 80% (percent). The Intermediary Partner furthermore confirms that should he fail to provide PSG with a current V.A.T registration certificate that he will not be paid V.A.T on commission earned as a consequence of his placing business through PSG contracts.

4. PSG OBLIGATIONS

4.1 PSG shall support the Intermediary Partner on behalf of the product and services supplying companies by:

- 4.1.1 Where required arranging training sessions for products and services;
- 4.1.2 Ensuring that appropriate promotional material is supplied;
- 4.1.3 Verifying, for regulatory correctness and suitability and maintaining copies of all required documentation;
- 4.1.4 Ensuring prompt implementation and correct issuance of documentation;
- 4.1.5 Assisting with product-specific questions.

4.2 Pay commission promptly to the Intermediary Partner at the rates subject to PSG Collective Investments Ltd maximums as applicable from time to time.

4.3 Pay trail fees, quarterly, as earned by the Intermediary Partner, at the rates subject to PSG Collective Investments Ltd maximums as applicable from time to time.

4.4 NON COMPETITION

- 4.4.1 PSG will not conclude separate agreements for the sale of products and/or services with Sub-Agents of the Intermediary Partner with whom the Intermediary Partner has a written agreement. A pre-requisite for this undertaking is that the Sub-Agent be registered and separately approved by PSG, within seven days of the Sub-Agent joining the Intermediary Partner.
- 4.4.2 Commissions paid to any such Sub-Agent by PSG prior to PSG becoming aware that it is in contravention of the terms of this clause, shall be regarded as having been due and payable to that Sub-Agent, and the Intermediary Partner shall have no claim against PSG for payment of such commission.

4.5 RELEASE OF INVENTORY

- 4.5.1 Following termination of this Agreement by the Intermediary Partner, PSG is prepared to "release" the client inventory, in whole or in part, of the Intermediary Partner on the direct request of the relevant product supplier, i.e. to waive its claim on the product provider to recurring or 'trail' commissions arising from the accounts / agreements brokered by the Intermediary Partner to the amount due to the Intermediary Partner in accordance with this Agreement. A copy of the declaration of assignment is required from the Intermediary Partner.
- 4.5.2 PSG shall be entitled to retain any documentation that it is obliged to retain under FAIS and FICA legislation or any other regulations and the Intermediary Partner shall hold harmless PSG against any and all liabilities arising from the Intermediary Partner's failure to retain documentation for inventory so released.

5. INTERMEDIARY PARTNER OBLIGATIONS

- 5.1 The Intermediary Partner shall comply with all the requirements of FAIS, FICA, CISCA and any relevant legislation and/or appropriate regulations and as a minimum shall:
- 5.1.1 Conduct an appropriate Financial Needs Analysis and risk profile, of all Clients, before recommending any investment or service;
 - 5.1.2 Provide a written recommendation, which will be signed by the Client, before concluding any investment or service;
 - 5.1.3 Maintain copies of all documentation as required under FAIS, FICA and by the relevant investment institution;
 - 5.1.4 Provide to PSG, when submitting new business, copies of the following documentation:
 - 5.1.4.1 Financial Needs Analysis (Only on request by PSG)
 - 5.1.4.2 Investment or Service Recommendation signed by Client (Only on request by PSG)
 - 5.1.4.3 Completed Application Form
 - 5.1.4.4 Client Details as required from time to time by FICA
 - 5.1.4.5 Confirmation and verification of source of funds
 - 5.1.4.6 Mandate signed by client where The Intermediary Partner is authorized to instruct on behalf of the Client
- 5.2 **DIRECT CONTRACTS WITH PRODUCT AND SERVICE PROVIDERS**
- 5.2.1 The Intermediary Partner undertakes to market and promote the products and services offered by PSG, as amended from time to time, for the duration of this Agreement.
 - 5.2.2 Any advice given, product recommendations and other services rendered by the Intermediary Partner that do not form a part of the products and services offered by PSG, as amended from time to time, are explicitly excluded from the terms of this Agreement and PSG accepts no responsibility for any liability incurred by the Intermediary Partner in terms of current legislation. The Intermediary Partner hereby indemnifies PSG against any action whatsoever should such advice, products or services be rendered or promoted by the Intermediary Partner.
- 5.3 **CLIENTS INTEREST**
- 5.3.1 The Intermediary Partner shall always maintain the interests of the Client during the term of this Agreement. He shall make no statements concerning the products and / or services, which cannot be proven through written documentation of PSG and will continuously strive to keep the Client informed of economic, legal and tax matters relevant to the product without violating any legal stipulations. If requested, the Intermediary Partner shall disclose the actual amount of commission received from PSG in respect of the relevant application.
 - 5.3.2 The Intermediary Partner shall inform his Clients of all matters relevant to the products and services offered and continuously endeavor to recommend only appropriate and economically viable products and services to his Clients and potential Clients.
 - 5.3.3 Upon completion and signature of an application form by a Client, the Intermediary Partner shall provide the Client with all the documentation required by law or regulation (e.g. copy of application, statements of account) and point out the opportunities and risks associated with the recommended product.
- 5.4 **SUBMISSION OF DOCUMENTATION TO PSG AND CLIENT**
- 5.4.1 The Intermediary Partner undertakes to submit all original documentation (i.e. certificates of subscription, trust and investment application forms) in respect of all transactions handled by him to the PSG offices in PSG.
 - 5.4.2 The Intermediary Partner undertakes to pass on all information, documentation and correspondence given to him by PSG, to his Client, without delay and / or ensure that the information, documentation and correspondence is processed promptly.
- 5.5 The Intermediary Partner shall carry out his broking activities with the diligence of a prudent businessman and with the utmost good faith inter alia. This shall include fulfillment of all his obligations in connection with data protection, confidentiality, taxation and licensing requirements and any other conditions imposed by the regulatory authorities on intermediaries of financial services.

6. ASSIGNMENT

This Agreement may not be assigned nor may the benefits or obligations be transferred to any other person or entity without the express written approval of PSG, which shall not be unreasonably withheld.

7. SUB-AGENTS

Sub-Agents are specifically excluded from the terms of this Agreement. Any Sub-Agent of the Intermediary Partner must be specifically approved by PSG before the Sub-Agent of the Intermediary Partner will be permitted to submit business through the terms of this Agreement.

8. COMMISSION

8.1 INVOICING AND PAYMENT OF COMMISSIONS

8.1.1 The payment of upfront commissions by PSG is usually conducted monthly (subject to delays or force majeure). The commission payment procedure takes into account all commissions payable by PSG to the Intermediary Partner. A written account will be submitted to the Intermediary Partner by mail or electronically.

8.1.2 Commissions are booked to the Intermediary Partner's Client account with PSG and paid out via transfer to the current account stipulated by the Intermediary Partner. PSG will accrue commissions until the sum for payment exceeds a minimum of R100.00 (one hundred rand) for payments locally.

8.1.3 All foreign exchange costs and bank transfer charges are for the account of the Intermediary Partner.

8.1.4 Claims for payment of commissions are valid only if PSG has accepted and approved the signed Memorandum of Agreement from the Intermediary Partner and any further documentation requested by PSG.

8.2 OBJECTIONS AND CLAIMS

8.2.1 All commission payments are deemed to have been completed and accepted by the Intermediary Partner unless the Intermediary Partner objects in writing within three weeks of the receipt of the commission. Outstanding commissions may be claimed in writing at the end of the second month following the date on which the investment was made. In order for the claim to be lodged, it must include the name of the account holder, the investor or co-investor together with their address, the name of the investment company, the investment fund or participation, the amount invested and the date of investment by the product provider.

8.2.2 Before making any claim or objection, the Intermediary Partner shall ensure that the commission in question was not already contained in a previous payment and that the claim to payment does exist.

8.3 JOINT TRANSACTIONS

8.3.1 PSG pays commissions directly to the Intermediary Partner or his nominee. Where PSG is in possession of a clear written instruction from the Intermediary Partner to the contrary, PSG will pay the commission to third parties. In this event, all payments to such third parties made pursuant to this instruction are binding on the Intermediary Partner and are deemed to have been made directly to the Intermediary Partner.

8.4 CANCELLATION AND REVERSAL OF COMMISSIONS

8.4.1 Notwithstanding anything to the contrary contained herein all recipients of unearned commission are liable to refund it to PSG. This shall include the obligation to refund to PSG any commissions, which PSG is required by its product suppliers to refund – including commissions paid by PSG to third parties at the request of the Intermediary Partner.

8.4.2 Such unearned commission shall be due and payable to PSG, on demand, or when PSG is required to refund its product supplier, whichever shall be the earlier. The Intermediary Partner hereby authorizes PSG to withhold any commissions and/or trail fees due and payable as offset against recovery of unearned commission.

8.4.3 If repayment is not carried out within seven days of demand, PSG shall be entitled to charge interest on the outstanding amounts.

9. MINIMUM TURNOVER

The Intermediary Partner is NOT subject to minimum turnover requirements and is free to promote any of the products and services offered by PSG, as amended from time to time.

10. EXPENSES

The Intermediary Partner shall not be entitled to any reimbursement of any expenses incurred by him in the performance of his functions and duties under this Agreement provided that in any case where in terms of this Agreement between PSG and its Principal(s), the Principal is obliged to pay the amount of any expenses incurred by the Intermediary Partner, PSG shall pay any amount received by it from the said Principal to the Intermediary Partner.

11. ADVERTISING

11.1 The Intermediary Partner may advertise in the mass media (press, radio, television, computer networks and similar media) for the investments he offers as part of PSG, with the prior written approval of PSG.

11.2 PSG undertakes to approve all advertising for products for which PSG has written permission from the relevant product supplier.

11.3 The utilization of PSG trademarks or logos is only permissible with the prior written permission of PSG.

12. TERMINATION

12.1 Either party may terminate this Agreement at any time, subject to one month's written notice. The notice period is to commence on the first business day of the month. Commissions earned during the existence of this Agreement and not yet paid in accordance with the provisions set down in this Agreement will be paid following the termination of this Agreement. Any commissions due to the Intermediary Partner will be offset against any unearned commissions as specified in clause 8 above.

12.2 This Agreement may be terminated immediately, by PSG, in the event of:

12.2.1 The withdrawal or suspension of the Intermediary Partner's FSB license;

12.2.2 The Intermediary Partner becoming insolvent or making any arrangement or composition with his creditors;

12.2.3 The Intermediary Partner being in breach of any of the terms or conditions of this Agreement and either failing or being incapable of remedying the breach within 30 days of notification by PSG;

12.2.4 The Intermediary Partner being guilty of conduct calculated, in the sole opinion of PSG, to prejudice the interests, position or reputation of PSG or its Principal(s);

12.2.5 The Intermediary Partner being prevented by any reason whatsoever from performing his duties hereunder for a period of three consecutive months or for a total period of 6 (six) months in any one year.

12.3 RETURN OF PSG PROPERTY

12.3.1 Upon the termination of this Agreement for any cause, or at any time prior to such termination at the request of PSG, the Intermediary Partner shall promptly return to PSG, or otherwise dispose of, as PSG may instruct, all brochures, rate books, instruction books, technical pamphlets, catalogues, advertising material, specifications and any other materials, documents and papers whatsoever sent to the Intermediary Partner and relating to the business of PSG (other than correspondence between PSG and the Intermediary Partner) which the Intermediary Partner may have in his possession or under his possession or control.

13. PREVIOUS AGREEMENTS

This Agreement forms the basis of the co-operation between PSG and the Intermediary Partner for the sale of the PSG range of products and services and replaces all Agreements previously concluded between the parties for the sale of investments of any kind.

14. WAIVER

14.1 The waiver by PSG of any breach of any term of this Agreement shall not prevent the subsequent enforcement of that term and shall not be deemed to be a waiver of any subsequent breach.

14.2 AGREEMENT CONTAINS WHOLE CONTRACT BETWEEN PARTIES

14.2.1 This Agreement embodies the entire undertaking of the parties and there are no promises, terms, conditions or obligations, oral or written, express or implied, other than these contained herein.

15. APPLICABLE LAW

The Law governing the interpretation of this Agreement, the enforcement of its provisions and all matters incidental thereto shall be the law of the Republic of South Africa.

16. SERVICE OF NOTICES

Any notice given hereunder is to be given in writing and shall be deemed to be properly given if addressed by name to the Intermediary Partner (or PSG) at the address stated in Clause 17 of this Agreement (unless varied and acknowledged in writing) and sent by registered post or recorded delivery and if so sent it shall be deemed to have been served not later than 4 (four) days following the day on which it was posted.

17. DOMICILIA

The parties do hereby choose their domicilium citandi et executandi as follows :

PSG
Alphen Park
1st Floor PSG House
Constantia Main Road
Constantia 7806
Telephone: 021 799 8000 Facsimile: 021 799 8181

Intermediary Partner

Telephone: _____ Facsimile: _____

Each of the parties shall be entitled from time to time, by written notice to the other, to vary its domicilium to any other address within the Republic of South Africa which is not a post office box or poste restante.

SIGNED FOR AND ON BEHALF OF PSG

AS WITNESSES:

1. _____ 2. _____

Signed at _____ this _____ day of _____ 20__

Declaration: I/We declare that I/We have never had nor do I/We currently have any judgments against Me/Us which have remained unsatisfied for 21 days or more, nor has My/Our estate ever been sequestrated whether provisionally or finally or placed under administration order, nor have I/We ever been the subject of financial and/or criminal investigations.

INTERMEDIARY PARTNER DULY AUTHORISED

INTERMEDIARY PARTNER DULY AUTHORISED

AS WITNESSES:

1. _____ 2. _____