

General

1. PSG Scriptfin (Pty) Ltd ("PSG Scriptfin") is a registered credit provider (NCRCP 5535) and the loan facility is made available through PSG Securities LTD ("PSG Securities") by using the Borrower's share portfolio as collateral for the loan.

Lending Criteria

2. The Borrower must be a South African resident to qualify for the loan facility.
3. The Borrower's share portfolio must have at the minimum R100 000.00 (one hundred thousand rand) in Top 100 holdings according to FTSE/JSE Top 40 & Mid-cap indices, which can be split among various holdings and cash. In addition to this requirement, the Borrower must qualify for a minimum initial loan amount of R25 000.00 (twenty-five thousand rands) based on the holdings in the share trading account.
4. The loan facility the Borrower may qualify for will depend on how well the share portfolio of the Borrower is diversified at the time application is made for the loan facility:

SHARE PORTFOLIO DIVERSIFICATION	LOAN FACILITY
Portfolio consisting of FTSE/JSE Top 40 shares	Up to 30% credit available
Portfolio consisting of Top 41-100 shares (FTSE/JSE Midcap Index)	Up to 25% credit available
Portfolio consisting of non-Top 100 shares	No credit

5. The loan facility is calculated based on the value of the relevant shares at that point in time, i.e. the initiation value at the time when the Borrower applies for the loan facility. The loan facility is a variable amount as the share portfolio used as collateral by the Borrower can increase or decrease in value at anytime due to market movement, client trade activity and withdrawals.
6. The loan facilities for the Top 40 and Top 100 are set out in the table above. However, should you have a specific Top 100 (FTSE/JSE Top 40 & Midcap Indices) share that makes up 25% or more of your holdings, your loan facility will be reduced further in order to reduce concentration risk. PSG Securities will calculate this amount according to a predetermined formula that is available upon request.

Agreement

7. Once the Borrower has applied for his/her account, the Borrower will be required to accept the terms and conditions as set out in the Loan Facility Agreement and the Borrower will be subject to a credit check. Once approved, the Borrower's account status will be changed to a loan account to allow access to the facility. This should take approximately two business days.

Margin Requirements

8. In applying the above rules, it is clear that the Borrower will be granted, in the sole discretion of PSG Scriptfin, a variable loan facility. The Borrower will be able to access this loan facility online. The sum of the amounts withdrawn or re-invested will constitute the loan amount, meaning the actual amount owed on the loan facility.
9. Should the value of the Borrower's holdings (share portfolio) not fall within the allowable loan facility margins, the Borrower will be liable for covering the margin requirements of PSG Scriptfin. For example, there are scenarios where the loan amount will exceed the loan facility. These scenarios could include but is not limited to declining market conditions or due to an instrument which was previously part of the Top 100 and which did not fall under the Top 100 during the index review with the JSE, resulting in a margin call. A margin call means that PSG Securities is authorised to sell the approved shares held in the BDA account of the Borrower to reduce the loan amount to an amount equal to or less than the loan facility.
10. Margins calls will take place from 12h00 on all trading days. The Borrower will be contacted telephonically or via electronic mail, and given 24 hours to fulfil the margin call. PSG Scriptfin reserves this right to sell the shares should the Borrower fail to fulfil the margin, starting with those shares that offer the highest liquidity to cover any default. An intra-day margin call will take place should there be substantial market movement. The Borrower will be notified immediately, and normal payment rules will apply.
11. The system will not permit users to withdraw/re-invest amounts greater than the loan facility as set out above.