

# Terms and Conditions: FNB Endowment

## General Information

1. These terms and conditions are available on the Website, from Your financial advisor and/or from our client services team.
2. Please also refer to the Website terms and conditions for more information regarding Your online access.
3. The application form, these terms and conditions and the documents as per the Checklist form the basis of the Contract between the Administrator and You. All other instructions which You provide to the Administrator shall also form part of this Contract.
4. The Administrator will confirm changes, provide statements and process instructions.
5. The terms and conditions of this Contract may be amended at any time and be made available on the Website. As of the Commencement Date, Your Contract shall be governed by all Applicable Legislation and regulations. Should changes to legislation and/or regulation 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. Please contact the client services team and/or the Website for the latest version of these. Please note that the latest copy of the terms and conditions posted on the Website will govern our relationship.
6. The Administrator has a conflict of interest management and complaints resolution policies which are available on the Website.
7. The Insurer and the Administrator hold adequate professional indemnity and fidelity insurance cover as per the Applicable Legislation.

## Endowment

1. The assets within Your investment are held in the name of the Insurer, and are in turn held in safe custody by a Nominee Company. The Endowment is a long-term insurance contract underwritten by the Insurer and regulated by the LTIA.
2. The investment performance and benefits of the Contract are directly linked to the underlying Investment Allocation of the Portfolio selected by You. The Insurer is not responsible for, and does not guarantee, any performance or non-performance of the Portfolio.
3. The Insurer is responsible for all tax calculations, deductions and payments to SARS. The tax treatment of the Endowment as set out in this Contract and other related material is not guaranteed and is based on current tax legislation applicable to long-term policies, and can be subject to change. Any change in tax legislation may affect the benefits payable under the Contract. Tax will be deducted from the Endowment, where applicable.
4. The following options are available when making Contributions:
  - Initial lump sum; or
  - Additional lump sum; and/or
  - Recurring investment by way of a debit order which can be payable monthly, quarterly, half-yearly or annually.
5. You may amend Your recurring Contribution at any time with no penalties being levied.
6. If an annual escalation of the recurring Contribution is applicable, but no date is indicated, the date of the initial investment will be the Annual Escalation Date.
7. In the event that Your recurring investment is unpaid on the agreed date, You will have two (2) Business Days to rectify the Contribution else the allocated Contribution will be reversed from the Contract. The recurring investment (debit order) will be cancelled after three (3) unpaid Contributions and the current investment value of the Contract will remain in force.
8. Contributions are subject to the following regulatory limitations:
  - There is no limit on the number or value of Contributions within the first year of the Contract.
  - The value of any Contribution made in the second year is limited to 120% of the total Contributions made in the first year of the Contract.
  - Contributions made in the years subsequent to the second Contract Year is limited to 120% of the greater of any of the previous two (2) Contract Years' total Contributions.
  - If no Contributions are made for two (2) consecutive Contract Years, no further Contributions can be made into the Contract.
  - When a debit order investment instruction is received or when a debit order instruction is changed, the Administrator will estimate the total Contribution for the current Contract Year and use this value to ensure compliance with the above rules.
  - Where the Contribution exceeds these limits the Insurer will accept these Contributions and initiate a new Contract with a new Restriction Period. In the event of this happening, You will always be notified by the Administrator and must provide consent to this. New business requirements as per the Checklist will apply.
9. The minimum once off lump sum, additional and recurring debit order Contributions amounts in the Endowment are available on the Website. In the event that the debit order is cancelled and/or the minimum investment falls below the requirement, we reserve the right to terminate the Contract and will notify You accordingly.
10. The total value of additional lump sums may not exceed a million rand (R1 000 000) in any forty (40) day period. The alternative payment method for amounts exceeding a million rand (R1 000 000) is an electronic funds transfer directly into our bank account.
11. There are no lives assured under the Contract and the nomination of a Beneficiary of Ownership only applies if the Contract Holder is a natural person.
12. Only one (1) Beneficiary of Ownership may be nominated. A Beneficiary of Ownership may be removed, replaced and/or a new Beneficiary of Ownership can be nominated at any time. Such a change must be requested in writing and only once the Administrator has confirmed and noted the change in writing will it be valid.
13. The nominated Beneficiary will take ownership of the Contract upon Your death and new business requirements as per the Checklist will apply. The history of the Commencement Date, Annual Escalation Date, Contributions, Loans and Surrenders of the existing Contract will be transferred to the Beneficiary of Ownership. The Restriction Period of five (5) years, the 120% rule and the Loan/Surrender rule will apply to the Beneficiary of Ownership based on the history transferred from the original Contract Holder.
14. If the Contract is transferred to the nominated Beneficiary of Ownership and a Security Cession is noted on the Contract, the Security Cessionary should be notified and appropriate action will be taken.
15. In the absence of an elected Beneficiary of Ownership, the benefit may be paid to Your estate.
16. You are entitled to one Surrender and/or one Loan during the Restriction Period. The aggregate value of a Surrender and a Loan may not exceed the total Contribution to date plus 5% per annum compounded interest.
17. The maximum amount that may be Surrendered on this Contract during the Restriction Period is limited to the total Contributions to date plus 5% per annum compound interest. The Surrender value is further subject to the available Contract value of the Endowment. In the event that the available Contract value is in excess of the 5% rule, a full withdrawal will not be permitted and any balance must remain invested until the Restriction Period ends. Where a full withdrawal is taken, subject to the limits above, the Contract will be terminated.
18. If the Contract is not in a Restriction Period You may withdraw part or all of the value of the Contract, which is the market value of the Contract less fees and charges.
19. You are entitled to one Zero Interest Loan during the Restriction Period. The maximum amount that may be taken as a Loan on this Contract during the Restriction Period is limited to the total Contributions to date plus 5% per annum compound interest, The Loan amount is further subject to the available Contract value of the Endowment. In the event that the available Contract value is in excess of the 5% rule, a full Loan will not be permitted and any balance must remain invested until the Restriction Period ends.
20. If the Contract is not in a Restriction Period You may take part or all of the value of the Contract as a Loan, which is the market value of the Contract less fees and charges.
21. Loan Repayments can only be made with a lump sum or in ad hoc instalments amounting to the full Loan amount. The Loan Repayment cannot be made by means of recurring investments or Phase-in instructions. The Loan Repayments may not exceed the Loan amount.

22. This Contract may be ceded as a Security Cession or Outright Cession to a natural person or legal entity.
23. The Administrator will require a copy of the Security Cession. Once received, the Administrator will note the Security Cession and confirm this to You in writing. Written confirmation signed by the Contract Holder specifying the cession and details of the Security Cessionary must be provided to the Administrator. Furthermore, FICA documents as per the Checklist 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 in the event that the Investor requires a switch and/or surrender. Where a Security Cession is noted on an investment, the current Beneficiary of Ownership nomination will automatically be cancelled. The onus is on the Cedant to nominate a new Beneficiary of Ownership once the cession has been cancelled.
24. This Contract can also be ceded as an Outright Cession by sending the Administrator a copy of the cession agreement. The Administrator will change the ownership of this Contract according to the cession contract and confirm the change of ownership to the Outright Cessionary. Written confirmation signed by the Contract Holder specifying the cession and details of the Outright Cessionary must be provided to the Administrator. Furthermore, FICA documents as per the Checklist as well as the necessary form completed by the Outright Cessionary are required by the Administrator. For the avoidance of doubt, a new Contract will not be initiated. The history of the Commencement Date, Annual Escalation Date, Contributions, loans and surrenders of the existing Contract will be transferred to the Outright Cessionary. The Restricted Period of five (5) years, the 120% rule and the surrender rule will apply to the Outright Cessionary based on the history transferred from the Cedant.
25. The Cooling-Off period allowed to cancel this Contract is thirty (31) days after receiving investment confirmation. This may result in the Investor receiving less than the initial Contribution back.
26. The Administrator will pay You the market value of the assets as determined by the closing price on the day that the investment is sold (The investment value is determined by changes in the investment market and exchange rates between currencies (where applicable)). The Administrator will also refund all of its fees and that of the financial advisor. Such a cancellation notice must be sent to the Administrator in writing. Should the notification be received after thirty (30) days, but less than sixty (60) days after the effective date, and the Contract Holder can prove that the notification was communicated to the Administrator within the thirty (30) day notice period; the Administrator will proceed with the cancellation.
27. This Contract does not have a fixed term and becomes open-ended after the Restriction Period has passed, and ends when You surrender the total amount available under the Contract subject to any regulatory restrictions.
28. In the event that an investment Contract is replaced (in part or in full) the Contract Holder must ensure that the implications of such a replacement, which could affect costs and consequences of the investment in a portfolio and any tax consequence, are understood. If this Contract is a replacement of an existing Contract through Your financial advisor, it is compulsory to complete the ASISA Replacement Contract Advice Record which can be found on the Website.
29. It must be noted that the Administrator acts on behalf of the Insurer in terms of a binder and outsourcing arrangement and will communicate with You on behalf of the Insurer. The Administrator will confirm changes, provide statements and process instructions.
30. The Administrator earns a binder and outsourcing fee from the Insurer based on the cost incurred by the Administrator to perform the activities relating to all similar Contracts and a reasonable return. In the case of unclaimed benefits the ASISA (Association of Savings and Investments South Africa) standard on unclaimed assets will be followed. A detailed copy can be found at [www.asisa.co.za](http://www.asisa.co.za). The Administrator will contact the Contract Holder or Beneficiary when they become entitled to any benefit within this Contract. The Contract Holder must at all times ensure that the Administrator has their updated contact details, as well as that of their Beneficiary. In the event that the Administrator is unable to make contact with the Contract Holder or the beneficiary, the benefit will be deemed unclaimed. The Contract Holder consents to the Administrator making use of third party resources in order to trace and contact the Contract Holder or the Beneficiary and any reasonable costs incurred in tracing the beneficiary may be recovered from the Contract. The standard minimum tracing principles as per the ASISA guide will be followed by the Administrator.

## Communication

1. You can register for secure online Website access, which will give up to date information on the investment and transactions. Upon acceptance of the application, online access will be granted within two (2) Business Days if selected.
2. All communication and correspondence is available on the Website. It is easily retrievable to view or download by You and/or Your financial advisor.
3. You can elect to receive communication by email.
4. The Administrator will send notifications to the financial advisor upon receipt of an instruction.
5. By appointing a financial advisor You consent to them receiving all communication regarding Your investment.
6. A transaction confirmation will be sent, once the transaction has been processed.
7. Quarterly statements are available on the Website. An sms or email will be sent when quarterly statements are available on the Website depending on the notification preference.
8. The Administrator promotes environmentally friendly practices.

## Financial Advisor and Licensing

1. It is always prudent for You to obtain a financial advisor. It is Your responsibility to choose and appoint one and to negotiate fees with such a financial advisor.
2. The Administrator will only accept the appointment of a financial advisor if such advisor is a representative of a FSP that is approved by the FSCA and is appropriately licensed to render services for this product in terms of section 7(3) of FAIS and who has a service level agreement with the Administrator to act as Your appointed advisor and to earn advice fees on Your investment.
3. You can appoint a financial advisor to provide You with advice if they are authorised to do so as a representative of a Category I FSP and/or Category II FSP.
4. Should Your financial advisor be a representative of a Category II FSP, You may instruct the Administrator to accept their investment instructions as they may act as a discretionary Portfolio Manager, subject to an agreed mandate.
5. The Administrator will verify each advisor license category and underlying financial product categories with the FSCA.
6. In the event that the financial advisor is not appropriately licensed, the Administrator will not execute any instructions. Notwithstanding the above, it must be noted that the Administrator will under no circumstances be held responsible for any direct or indirect loss or damages caused.
7. The information used to verify FAIS licenses is sourced from third party providers. The Administrator makes every effort to ensure the accuracy of the information but cannot guarantee it. The Administrator will not be responsible should the information be incorrect and cause delay in executing a transaction.
8. Where You have elected not to use a financial advisor, the Administrator will not provide You with any advice. The selection of the investment will be entirely at Your discretion. You will only be provided with factual information and only queries of an administrative nature will be responded to.
9. There is no guarantee of the performance or capital guarantee of the investment and the Administrator will not bear any responsibility for inadequate or insufficient advice on the investment.
10. Should You decide to remove or change Your 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 Your financial advisor Your access to these investments/ solutions may be restricted.

## Processing of Instructions

1. You must ensure that all of the instructions and supporting documentation (outlined in the Checklist) that You provide are clear and complete and in the correct form. If there are any changes to the information provided in the application form, You must initial such changes. It must be noted, however, that the Contract Holder may under no circumstances amend the application form, terms and conditions and required supporting documentation.
2. If any instruction is submitted to the Administrator, the responsibility of ensuring that such instruction was received is that of the Contract Holder and/or financial advisor. Fax confirmation receipts or e-mail delivery confirmations do not constitute proof that the instruction has been received.
3. The Administrator reserves the right to withhold the processing of any unclear, incomplete or ambiguous instructions submitted by the Contract Holder or financial advisor.
4. The Administrator will only process Your application when all required documents are received and, if applicable, the deposit reflects in the bank account. You will be notified via Your financial advisor or Your preferred communication method once Your investment is active.
5. For the latest information in regards to cut-off times for all valid investment/transaction instructions please refer to the Website.
6. All valid investment/transaction instructions received **before 2pm** on a Business Day will be **processed on the same day** and receive the **closing price of the following Business Day**. The transaction will reflect on Your statement on the third Business Day.
7. All valid investment instructions received **after 2pm** on a Business Day will be **processed on the following Business Day** and receive the **closing price of the third Business Day**. The transaction will reflect on Your statement on the fourth Business Day.
8. The Administrator will debit Your account for a once-off debit (if requested) within two (2) Business Days of receiving a valid and complete application form and supporting documents or on the date specified on the application form, and the investment instruction will be processed on the following Business Day.
9. All valid withdrawal instructions received **before 2pm** on a Business Day will be **processed on the same day** and receive the **closing price of the following Business Day** provided that the fund has priced in the market.
10. All valid withdrawal instructions received **after 2pm** on a Business Day will be **processed on the following Business Day** and receive the **closing price of the third Business Day**. The transaction will reflect on Your statement on the fourth Business Day, provided that the fund has priced in the market.
11. The withdrawal proceeds will reflect in the Investor's bank account within a maximum of five (5) Business Days following the Business Day on which disinvestment instruction was settled by the relevant Portfolio Manager.
12. All valid switch instructions received **before 2pm** on a Business Day will be **processed on the same day** and the switch out (sell) leg will receive the **closing price of the following Business Day**. The switch in (buy) leg will be processed on the third Business Day and receive the closing price of the fourth Business Day. If You switch units, the switch out (sell) and switch in (buy) leg will not take place on the same day. The transaction will reflect on Your statement on the fifth Business Day.
13. All valid switch instructions received **after 2pm** on a Business Day will be **processed on the following Business Day** and the switch out (sell) leg will receive the **closing price of the third Business Day**. The switch in (buy) leg will be processed on the fourth Business Day and receive the closing price of the fifth Business Day. The transaction will reflect on Your statement on the sixth Business Day.
14. Please refer to the Fund List in the event that You are investing in an instrument other than a daily priced Unit Trust for the applicable timing standards.
15. The following options are available when investing:
  - Initial lump sum; or
  - Additional lump sum; and/or
  - Recurring investment by way of a debit order.
16. If You select an annual escalation of Your recurring investment, the escalation date that You select on the application will be Your anniversary date. If no date is indicated, the date of Your initial investment will be Your anniversary date.
17. The clearance period of direct debits is forty (40) calendar days and units bought with a debit order, or once off debit, can only be redeemed after forty (40) calendar days.
18. If Your chosen debit order collection date falls on a non-Business Day, it will be processed on the next Business Day. Your bank account will be debited on the collection debit order date and units will be purchased the next Business Day.
19. The cut-off date for regular investment debit order instructions are not fixed and may vary from month to month. Refer to the Events Calendar on the Website for the debit order instruction cut-off dates.
20. The Administrator does not accept cash and cheques deposited directly into its bank account, cash and cheque has to be moved from the Investor's bank account either via electronic funds transfer or via direct debit.
21. No interest shall be payable by the Administrator until the expiry of the first completed Business Day after the receipt by the Administrator of the funds. After the expiry of the first completed Business Day, interest shall become payable at the call account rate advised by FNB Savings and Investments as amended from time to time. Please refer to [www.fnb.co.za/rates](http://www.fnb.co.za/rates) for the applicable interest rate.
22. When an initial investment or an additional contribution is made, the investment can be Phased-In to the selected Unit Trusts monthly over a minimum of three (3) months and a maximum of twenty four (24) months. Should the Phase-In option be selected the initial contribution must be placed in the Ashburton Money Market Fund. This is subject to the investment minimums (as per the application form) applicable at the time of the transaction.
23. In the event that a Unit Trust has a balance of fifty rand (R50.00) or less, the Administrator will switch this amount to the Unit Trust with the highest value.
24. All payments can only be made in South African rands into a South African based current or savings account held in Your name. We cannot make third party payments. All payments must be made directly to the Investor.
25. Any income distribution made within a unit trust will be automatically re-invested, net of any applicable withholding tax.
26. You are obliged to inform the Administrator of any changes with regards to bank or contact details, including postal, residential and email address, and provide, where appropriate, supporting documentation.
27. If a specific class of Unit Trust is closed or if the Administrator cannot continue to offer it, the Administrator will inform You and request a new investment instruction. If the Administrator does not receive an alternative instruction from You within thirty (30) days, the assets will be invested into the Ashburton Money Market Fund.

## Investment

1. You may select any one or a combination of the Unit Trusts made available by the Administrator as the underlying investments of this Contract. Investments are held in safe custody by a Nominee Company. The value of the investment is directly linked to the underlying investments. The value of the investment is therefore not guaranteed.
2. The market value of the investment is increased by:
  - Positive investment returns;
  - Additional contributions;
  - Allocations of dividends and interest earned.
3. The market value of the investment is reduced by:
  - Negative investment returns;
  - Any relevant fees and charges;
  - Regular disinvestments;
  - Disinvestments;
  - And Deductions for tax liability (e.g. Capital Gains Tax; tax on income and Dividend Withholding Tax ("DWT") for individuals).
4. There is no guarantee of the performance or capital of the investment.

## Ringfencing

1. When the Administrator is notified that a Manager has Ring-fenced a sell instruction, the Administrator will cancel a sell or switch instruction. The Administrator will then resubmit Your 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) days for the proceeds to be available.
2. You hereby indemnify the Administrator from any direct special, consequential or indirect losses, cost or damages that You may suffer due to Ring-fencing.

## Model Portfolio

1. In the event that the Investor wishes to invest all or part of his/her initial investment (or any subsequent additional investments) in a Model Portfolio the following provisions shall apply:
  - A Model Portfolio is not a collective investment scheme.
  - Where an Investor selects a Model Portfolio, the Investor will hold a separate portfolio of units in the underlying investments.
  - The Portfolio Manager shall be solely responsible for selecting funds which are to be included in the Model Portfolio.
2. In the event that the composition of a relevant Model Portfolio is changed, the Investor hereby authorises the Administrator to accept instructions from the Portfolio Manager.
3. The Investor may at any time disinvestment from or switch out of the by written notice to the Administrator.

## Phase-In

1. If the Investor requests to Phase-In all or part of his/her initial investment the following will apply:
  - The Phase-in Sum shall be transferred into the Phase-In Fund no later than the Business Day following the day of the acceptance by the Administrator of the relevant instruction form.
  - The Investor acknowledges that the Administrator shall be authorised to disinvestment from the Phase-In Fund and invest in Your chosen investment Portfolio on the first Business Day of each month until Your selected number of phases have been completed.
2. In order for the first Phase-In to take place on the first Business Day of the next month, the instruction to Phase-In should be received before the scheduled cut-off date. Refer to the Events Calendar on the Website for the scheduled Phase-In cut off dates.
3. The next Phase-In amount is calculated using the latest market value of the Phase-In Fund on the remaining total balance of the Phase-In Fund (including interest & dividends where applicable and market performance) divided by the remaining number of phases left.
4. Phase-In is not possible for instruments other than a daily priced Unit Trust.

## Ashburton Money Market Fund Fee Account

1. You may allocate a portion of Your investment to the Ashburton Money Market Fund from which the Administrator will deduct the annual administration fee and advice fee.
2. Should You choose the Ashburton Money Market Fund and it does not have sufficient funds to pay fees, or You do not select a preferred fee account, the Administrator will deduct fees proportionately from the remaining Unit Trusts and/or Model Portfolio with balances.
3. For clarification, the Ashburton Money Market Fund designated for the deduction of fees and charges will be called the Ashburton Money Market Fund Fee Account. This means that You can have both the Ashburton Money Market Fund Fee Account and Ashburton Money Market Fund on Your Contract.

## eBucks

1. By virtue of having a Horizon Series Unit Trust under Your Endowment You may automatically qualify and be eligible to become an eBucks member under the eBucks rewards programme.
2. You will not become liable for any additional costs, fees or expenses associated with Your eBucks membership and/or the eBucks rewards programme.
3. This Contract must be read in conjunction with the eBucks rewards programme terms and conditions which are available on the eBucks website (<https://www.ebucks.com/web/eBucks/legal/termsandconditions>).

## Fees and Charges

1. There are fees involved with investing. These fees exclude VAT, unless stated otherwise.
2. When a fee or charge is levied against the underlying investments of the Contract of Your choice of Unit Trusts, their associated class will determine certain aspects of the fee structure as outlined in the fee quotation.
3. The total initial advice fee payable must not exceed the maximum of 3% (excluding VAT) irrespective of how many financial advisors are involved. The total on-going advice fee payable must not exceed the maximum of 1% (excluding VAT) irrespective of how many financial advisors are involved.
4. Where applicable, these fees and charges are levied proportionately across the Portfolio in the Contract. You may choose to have Your annual administration and annual advisor fees deducted from Your Ashburton Money Market Fund Fee Account. If the preferred fee Unit Trust does not have sufficient funds to pay the fees the Administrator will deduct fees proportionately from the remaining Portfolio.
5. The types of fees that may be deducted from Your Contract on an initial and annual basis are:
  - Administration fees;
  - Model Portfolio fees (if applicable); and
  - Financial advisor fees.
6. Initial fees are deducted before the investment of the contribution is made.
7. If the Manager of Your chosen Unit Trust fund charges an initial fee to invest in its funds, the Manager may deduct this fee before purchasing units in the fund.
8. The Administrator charges an annual platform administration fee on all funds and Personal Share Portfolios. Platform administration fees may be levied on solutions managed by third party Managers depending on Your selection of Unit Trusts. Platform administration fees are charged on a tiered sliding scale. The average platform administration fee may differ from Contract Holder to Contract Holder according to the chosen range of funds and total amount invested.
9. The Administrator aggregates Your total investments on the platform across all products on the daily closing values and then applies the tiered scale. An average fee percentage is then determined based on the tiered scale. This percentage is then used to accrue the actual fee on a only on a daily basis as per above.
10. All annual fees are accrued daily, based on the market value of the Unit Trust at the end of the previous Business Day.
11. The fee accrual period is not fixed and the accrual start date may vary from month to month. Refer to the Events Calendar on the Website for monthly fee accrual periods.

12. The investment management fee, which is determined by the Manager, is not recovered from the Contract, but directly from the Unit Trust and is included in the published unit price. The investment management fee may be fixed and/or performance related. Please refer to the relevant Unit Trust fund fact sheets (minimum disclosure document) and the Fund List for more details.
13. Investment management fees and any applicable Rebates shall be set out in the Fund List available on the Website.
14. You and Your financial advisor may agree on an annual financial advisor fee (as indicated in the application form or any other written communication acceptable to the Administrator). Depending on the class of Your chosen Unit Trust, an amount equal to the financial advisor fees is either: a) deducted by selling units from the Unit Trusts underlying the investment account or b) included in the published unit price of the Unit Trust. These fees are paid to the financial advisor monthly in arrears.
15. On-going advice fee as agreed between You and Your financial advisor will be levied as a cost against Your investment in terms of the product rules. You may elect to cancel the advice fee this should be communicated in writing detailing the termination of the relationship with the financial advisor.
16. If the Manager of Your chosen Unit Trust charges an exit fee, the proceeds of the sale of any units will be reduced by the exit fee.
17. In exceptional circumstances where Rebates are earned in excess of the platform administration fee, such Rebate will be retained by the Administrator. Refer to the Fund List for funds where this applies.

## Fund List

1. Investors can invest in funds listed on the Fund List.
2. Unit Trusts listed on the Fund List may preclude certain investors. Investor should liaise with a financial advisor in respect of the availability and suitability of the inclusion of any particular funds in the Portfolio.
3. The Fund List contains detailed information regarding fund minimums, restrictions and applicable fee disclosures.
4. The latest Fund List is available on the Website, from Your financial advisor or our client services team.

## Confidential Information

1. You consent to the Administrator processing Your personal information and making Your personal information available to third party providers subject to the Applicable Legislation and scope of each Transaction. For the purposes of this Contract, Silica, the Administrator and the FirstRand Group will have access to Your information.
2. Silica, on behalf of the Administrator collects information from You directly; from Your usage of our products and services; from Your engagements and interactions with us; from public sources and from third parties.
3. Your information will be confidential and will only be processed if You consented thereto; it is necessary to conclude or perform in terms of a Contract with You; the law requires it or Your, our or a third parties lawful interest is being protected or pursued.
4. Silica, the Administrator and the FirstRand Group may process Your information. Information includes amongst others information regarding marital status, national origin, age, language, birth, education, financial, identifying number, email address, physical address, telephone number, online identifier, biometric information and Your name.
5. The processing of information includes the collection, storage, updating, use, making available, sharing or destruction thereof.
6. Silica, the Administrator and the FirstRand Group may process Your information for the following reasons (amongst others):
  - To comply with legislative, regulatory, risk and compliance requirements (including directives, sanctions and rules), voluntary and involuntary codes of conduct and industry agreements or to fulfill reporting requirements and information requests;
  - To detect, prevent and report theft, fraud, money laundering and other crimes;
  - To enforce and collect on any agreement when You are in default or breach of the agreement terms and conditions, like tracing You or to institute legal proceedings against You;
  - To conduct market and behavioral research, including scoring and analysis to determine if You qualify for products and services;
  - To develop, test and improve products and services for You;
  - For historical, statistical and research purposes;
  - To process payment instructions like a debit order;
  - To manage and maintain Your accounts or relationship with Silica, the Administrator and FirstRand Group;
  - To enable Silica, the Administrator and the FirstRand Group to deliver documents or notices to You;
  - For security, identity verification and to check the accuracy of Your information;
  - To communicate with You and carry out Your instructions and requests;
  - For customer satisfaction surveys, promotional and other competitions.
7. Silica, the Administrator and the FirstRand Group may share Your information with the following persons (amongst others) who have an obligation to keep Your information secure and confidential:
  - Attorneys, tracing agents, debt collectors and other persons that assist with the enforcement of agreements;
  - Payment processing services providers, merchants, banks and other persons that assist with the processing of Your payment instructions;
  - Law enforcement and fraud prevention agencies and other persons tasked with the prevention and prosecution of crime;
  - Regulatory authorities, governmental departments, local and international tax authorities and other persons that Silica, the Administrator and the FirstRand Group under the law have to share Your information with;
  - Silica, the Administrator and the FirstRand Group service providers, agents and sub-Contractors like couriers and other persons that Silica, the Administrator and the FirstRand Group use to offer and provide products and services to You;
  - Persons to whom Silica, the Administrator and the FirstRand Group cede their rights or delegate their obligations to under agreements.
8. Silica the Administrator and the FirstRand Group can process Your information outside of the borders of South Africa, according to the safeguards and requirements of the law. The person processing Your information will apply the same level of protection as required in South Africa.
9. Silica, the Administrator and the FirstRand Group may process Your information using automated means (without human intervention in the decision making process) to make a decision about You or Your application for any product or service. You may query the decision made about You.
10. You have the right to access the information Silica, the Administrator and the FirstRand Group has about You by contacting us at [compliance@ashburtoninvestment.co.za](mailto:compliance@ashburtoninvestment.co.za)
11. You have the right to request us to correct or delete the information have about You if it is inaccurate, irrelevant, excessive, out of date, incomplete, misleading, obtained unlawfully or no longer authorised to be kept.
12. You may object on reasonable grounds to the processing of Your information in general or for the purposes of direct marketing. You may not object to the processing of Your information if You have provided consent or legislation requires the processing. You must inform us of Your objection at [compliance@ashburtoninvestment.co.za](mailto:compliance@ashburtoninvestment.co.za)
13. You have the right to withdraw Your consent which allows us to process Your information.
14. You have the right to file a complaint with the information regulator about an alleged contravention of the protection of Your information.
15. You can refer to our privacy policy on the Website for more information on our privacy practices.

## Sanctions

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 18th 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 ("FFI"). 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 us on behalf of account holders who are deemed to be resident in the U.S or any other foreign jurisdiction for any tax in said jurisdictions at the end of each tax year as provided for in the Intergovernmental agreement between the IRS and SARS and the CRS.

## Complaints

1. You are entitled to contact the Administrator to complain if You are not satisfied with the administration of Your investment or services provided by contacting the client services team. The Administrator will follow the complaints resolution process when investigating Your complaint. A copy of the process is available on the Website.
2. You may contact the compliance department if You are not satisfied with the outcome of the complaints resolution process, or You may contact the FAIS Ombud or the Long-Term Insurance Ombud.

## Contact Details

### Administrator

4 Merchant Place, 1 Fredman Drive, Sandton 2196, South Africa  
PO Box 653780, Benmore 2010, South Africa  
Postal address: PO Box 651826, Benmore, 2010

### Client Services Team

Telephone number: 0860 274 287  
Email: Instructions and queries can be emailed to the email address provided on Your application form and welcome letter.  
Website: The Website provided to You in Your application form and welcome letter.

### Compliance Department

E-mail address: investmentcomplaint@fnb.co.za  
Postal address: PO Box 653780, Benmore, 2010

### FirstRand Life Assurance Limited

Insurer and Underwriter  
Long-term Licence No. 00102/001, Reg. No. 2014/264879/06.  
E-mail address: fnblife@fnb.co.za  
Address: 3<sup>rd</sup> Floor, 5 First Place, BankCity, 9 Kerk Street, Johannesburg, 2001  
P.O. Box 1153, Johannesburg, 2000  
Telephone number: +87 (0) 736 7774

### Compliance officer

Telephone number: +87 (0) 736 7774  
E-mail address: lifecompliance@fnb.co.za

## Ombud for FAIS

Telephone number: +27 (0) 12 470 9080  
Facsimile number: +27 (0) 12 648 3447  
E-mail address: info@faisombud.co.za  
Postal address: PO Box 74574, Lynnwood Ridge, 0040

## Ombud for long-term insurance

Telephone number: +27 (0) 21 657 5000  
Facsimile number: +27 (0) 21 674 0951  
E-mail address: info@ombud.co.za

## Definitions

**“Administrator”** means FNB Investor Services Proprietary Limited, registration number 2011/139123/07, 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.

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

- Financial Advisory and Intermediaries 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;
- Long-term Insurance Act No. 52 of 1998 (“LTIA”);
- Insurance Act No. 18 of 2017 (“IA”); and
- Financial Sector Regulation Act No. 9 of 2017 (“FSR”).

and/or any other applicable enacted legislation and regulations which may be replaced or amended from time to time.

**“Annual Escalation Date”** refers to the date on which Your debit order will escalate.

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

**“Beneficiary”/“Beneficiary of Ownership”** refers to the party nominated by You as a Beneficiary to become the owner of the Contract in the event of Your death. Beneficiary of Ownership only applies if the Contract Holder is a natural person.

**“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 Your Contract.

**“Cedant”** means the Contract Holder who cedes its rights to the benefits of the Contract either as an Outright Cession or as a Security Cession.

**“Checklist”** means the document on the Website requesting the Investor’s documentation as required in terms of FICA, in order for the Administrator to complete its internal due diligence processes.

**“Commencement Date”** means 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.

**“Endowment”** means the FNB Endowment and is the legal Contract that governs the relationship between You, the Administrator and the Insurer, and is issued by the Insurer in terms of the LTIA.

**“Contract”** means collectively, these terms and conditions, the completed application forms, all the documents as per the Checklist and all other instructions which You provide to the Administrator.

**“Contract Year”** for the purposes of this Contract is a year based on twelve (12) consecutive months from the Commencement Date.

**“Contribution(s)”** is the term used for premiums made into the Contract. Loan repayments are not contributions and no further contributions may be made where a loan has been taken and has not been repaid. Contributions made in excess of loan repayments will be deemed to be a contribution.

**“Cooling Off Period”** allows a Contract Holder to cancel the Contract within a period of thirty (30) days of receipt of the Contract documentation and/or investment confirmation.

**“Events Calendar”** means the document on the Website which refers to business and operational events which may affect the timeline of an Investor’s instruction.

**“FSCA”** means, the Financial Sector Conduct Authority an independent agency established by the FSR to oversee the South African financial services industry in the public interest.

**“Fund List”** means the list of Unit Trusts provided to You and/or Your financial advisor to assist with Unit Trust selection, listing all the Unit Trusts available to Investors by the Administrator, published by Administrator from time to time and updated on the Website.

**“Insurer”** refers to FirstRand Life Assurance Limited, a registered long- term insurer and underwriter of this Contract. The Insurer is part of the FirstRand Group.

**“Investment Allocation”** refers to the Portfolio allocation selected by You on the application form and any subsequent switches that You may instruct.

**“Investor”/“Contract Holder”/“You(r)”** means the legal owner of the Contract.

**“Loan Repayment(s)”** refers to the repayment of a Zero Interest Loan/Loan which can occur at any time prior to termination of the Contract at the discretion of the Contract Holder.

**“Manager”** means the company that administers the Portfolio(s) of a Collective Investment Scheme/Unit Trusts in terms of CISCA.

**“Model Portfolio”** means a pre-determined selection of Unit Trusts administered by the Administrator and managed by a Portfolio Manager to meet the investment objectives specified for that Model Portfolio.

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

**“Outright Cession”** means a total transfer of ownership of the Contract. The person or institution to whom the Contract is ceded becomes the new Contract Holder.

**“Outright Cessionary”** means the person or institution who becomes the new owner of the Contract once ceded by the Cedant in terms of an Outright Cession.

**“Phase-In”** means to introduce something gradually, to introduce something in stages over a period of time.

**“Phase-In Fund”** means the Ashburton Money Market Fund. The minimum Phase-In period is three (3) months and the maximum Phase-In period is twenty four (24) months.

**“Phase-In Sum”** means the part of the initial investment (or the part of an additional investment) that the Investor indicates either in the application form or the relevant investment instruction form is to be invested in Unit Trusts by way of Phase-In from the Phase-In Fund.

**“Portfolio”** means the underlying assets of a Portfolio vary depending on the portfolio’s investment objective. Portfolios may include “Unit Trust(s)”, “Model Portfolios” and/or “PSP’s”.

**“Portfolio Manager”** means one or more investment manager(s) who manages the Investor’s Portfolio, or any component thereof, on a discretionary basis.

**“Rebate”** means a fee paid by the Manager to the Administrator for the administration, distribution and/or marketing costs represented by the distribution opportunity presented by the Administrator’s platform.

**“Restriction/ed Period”** means the first five (5) years from the Commencement Date or any subsequent Restriction Period subject to the Long term Insurance Act.

**“Ring-fenced”** or **“Ring-fencing”** means the suspension of a disinvestment instruction of Your Unit Trust(s) in accordance with Cisca.

**“SARS”** means the South African Revenue Services.

**“Security Cession”** means an agreement in terms of which You cede Your rights to the Contract as security for Your obligation to the Security Cessionary. 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 may be entitled to the Contract proceeds of this Contract after You cede Your rights. This person holds the Contract as security for Your obligations to them. The Security Cessionary does not replace the Contract Holder.

**“Silica”** means Silica Financial Administration Solutions Proprietary Limited, registration number 1999/024544/07 and has been appointed as an Administrator for processing of all applications and Investor information. Silica is an authorised administrative financial services provider in terms of FAIS and acts as execution agent.

**“Surrender/(ed)”** means the withdrawal/redemption of assets either in full or in part.

**“the FirstRand Group”** means FirstRand Limited, registration number 1966/001753/06, and includes any division, subsidiary, affiliate or its assigns of FirstRand Limited, as well as its service providers, suppliers, associates, cessionaries, delegates or successors in title and /or appointed third parties.

**“Unit Trust(s)”** means a portfolio of a collective investment scheme being divided into equal parts. It is an arrangement that allows Contract Holders to pool their money and have it professionally managed and invested in a range of underlying assets. Each unit represents a direct proportionate interest in every underlying asset of the Portfolio. The number of units allocated to each Investor will be calculated based on the contribution and the value/price of the units at the time of investing.

**“Website”** means the Website referred in the application form.

**“Zero Interest Loan”/ “Loan”** means an advance by the Insurer against the value of the Contract which involves the sale of underlying assets of the Portfolio, which is payable by the Contract Holder at any time prior to the end of the five (5) year Restriction Period and where no interest is charged on the outstanding loan balance and no investment returns are earned on the underlying assets that have been sold.