TERMS & CONDITIONS

1. About These Terms And Conditions

1.1. What is the Investment in Preference Shares?

The Investment in Preference Shares is a private equity investment solution that allows you to:

✓ Invest a lump sum and/or reinvest your monthly dividends.
✓ Invest whenever it suits you.
✓ Withdraw your funds within a 90-day written notice period.

What is a 'preference share'?

A preference share is a share which entitles the holder to a fixed dividend, whose payment takes priority over that of ordinary share dividends.

1.2. What is the Investment in Debentures

The Investment in Debentures is a private equity investment solution that allows you to:

✓ Invest whenever it suits you.
✓ Reinvest your monthly interest payouts and/or receive your monthly payouts.
✓ Withdraw your funds with a 32-day written notice period.

What is a 'debenture'?

A Debenture is a long-term security yielding a fixed rate of interest, issued by a company and secured against assets.

1.3. Who Are The Different Role Players?

FR Plus Holdings Ltd is the administrator and packages, distributes, and administers the private equity investments being made. We are also the company that holds your investments in safe custody on your behalf. This is the company in which you will be making your investment.

FR Plus (Pty) Ltd is the brand under which this product is being marketed. When we refer to 'we' in this investment, we mean FR Plus. FR Plus is an authorised financial services provider in terms of the Financial Advisory and Intermediary Services Act, **FSP no. 53986** and is a company duly registered in South Africa.

Your **financial advisor** may provide you with financial and product advice or other intermediary services. You can also authorise your financial advisor by means of a signed investment mandate to make investment decisions on your behalf without getting any further authorisation from you. To perform these functions, your financial advisor must be an authorised representative of a financial services provider which must hold a Category I licence (advice and intermediary services), or a Category II licence (discretionary investment services), or both.

1.4. Who Are The Parties To Our Agreement?

The parties to our agreement are:
- ✓ You
- ✓ FR Plus (Pty) Ltd
- ✓ FR Plus Holdings Ltd

1.5. What Else Is Part Of Our Agreement?

Our agreement consists of:
- ✓ These **Terms and Conditions**
- ✓ Your **Application & Registration Online Form** (including relevant **FICA documents**)
- ✓ The signed **Non-Discretionary Mandate**
- ✓ The signed **Investment Subscription Document**
- ✓ Risk Disclosures
- ✓ The Prospectus
- ✓ Any valid instructions from you or your financial advisor
- ✓ The **Privacy Policy** (available at **www.frplus.co.za**)

1.6. What About Changes To The Terms And Conditions?

If the terms and conditions change:

- ✓ You will always be notified in writing about any material changes to the terms and conditions. Your investment is always subject to the most recent set of terms and conditions, available at **www.frplus.co.za**.
- ✓ Minimum investment amounts, what fees are charged, how they are calculated, and how frequently they are payable will change from time to time.
- ✓ We may also be forced to make changes to the terms and conditions due to changes in financial or tax legislation, in business practices, in the rules prescribed by regulatory authorities, and how the legislation and rules are interpreted.
- ✓ Contact **+27 (10) 140 3460** or ask your financial advisor for the most recent terms and conditions.

1.7. The Duration Of Our Agreement

The terms and conditions only become binding once we have accepted your application, and your initial investment has been received and cleared. Our agreement ends when the total value of your investment, less fees and charges (if applicable), is paid out.

1.8. South African Law Applies

South African law applies to these terms and conditions. The most important laws being FAIS, FICA, CIS Control Act, the Income Tax Act, and the VAT Act.

2. Your Information

2.1. Your Privacy Is Important To Us

We collect your personal information to provide you with our products and services. The type of personal information we collect will depend on the purpose for which it is collected and used. We will only collect information that we need to provide you with the product and services you have selected. We may also use your information to help us trace you or your beneficiaries should your investment be classified as unclaimed.

Our Privacy Policy is also part of this agreement. It explains why we use your personal information, how we collect it, what sources we use, when we must disclose your information, and how you can get access to your information.

2.2. Make Sure That Your Information Is Accurate And Up To Date

You must ensure that all the information you provide during the application process and subsequent transactions is complete, true, and accurate. You must update your information immediately if it changes. Depending on the change, we may require supporting documentation.

Incorrect information can have serious consequences.

If you withhold information or provide inaccurate information, we may declare the agreement void.

We are not responsible for any delays, or the incorrect processing of instructions caused by inaccurate information.

If you fail to provide information in your application form, or when you send us an instruction, we may collect the information from another appointed financial services provider, a financial advisor, or the financial advisor's administrative assistant.

2.3. Why We Ask For Your FICA Documents

The Financial Intelligence Centre Act (FICA) requires that financial services providers must assist in combatting all criminal activities, including money laundering and financing terrorism. This means that we must collect information and documentation that allow us to know our investors. When you apply, your application and the supporting documents are verified and screened, and applicants are grouped in risk categories. Depending on the risk category you fall into you may be asked to submit further documentation (e.g. bank statements) or your application may be denied. This process will be repeated from time to time during our relationship.

2.4. We must identify PIPs or PPOs

PIPs and PPOs are/were local prominent influential people or foreign prominent public officials. If the investor is a family member, close associate, or a prominent member of the same political party, organisation, or union as a PIP or PPO, the investor is also considered to be a PIP or PPO. Examples of PIPs or PPOs are:

- ✓ Heads of state or their deputies
- ✓ Cabinet ministers or their deputies
- ✓ Premiers
- ✓ Judges

- ✓ Political and military leaders
- ✓ Ambassadors or high commissioners of foreign governments
- ✓ Executives or senior management of state-owned entities
- ✓ Executives or senior management of companies that do business with governments
- ✓ Members of ruling or royal families
- ✓ Municipal executive mayors or managers Executives or heads of international organisations based in South Africa

3. How To Invest

3.1. Understand The Investment

You can access our **investment fact sheets** for more detailed information regarding the investments on the FR Plus website (**www.frplus.co.za**) or contact us directly via **info@frplus.co.za**.

3.2. Examine the Costs and Tax Implications

Tax fees are applicable to your investment:

- Dividend withholding tax of 20% on the preference shares will be withheld before payouts are made.
- Investors are responsible for the payment of tax on the interest of debentures.
- IT3(b) certificates will be provided by our admin department (**admin@frplus.co.za**)

3.3. Manage Your Contribution

In your application and registration form, you indicated whether you will be investing by lump sum, recurring investment, or both. You are entitled to stop contributing to the investment at any time. The contributions you have made will remain invested until you instruct us to buy back your preference shares or withdraw your debentures.

3.4. Reinvest Your Returns

If there is a dividend distribution, it will automatically be paid out after any applicable taxes were deducted. If you wish to reinvest your returns, please indicate this on your online portal to confirm this.

3.5. Change Your Investment

Making a full or partial withdrawal

- ✓ You can make a full or partial withdrawal from your investment by selling your preference shares or withdrawing your debentures.
- ✓ You can also request withdrawals from your investment within a 90-day period for preference shares or within a 32-day period for debentures.
- ✓ Recurring withdrawals are not permitted.
- ✓ Payments for withdrawals will only be made to you, and we cannot allow any payments to a third party.
- ✓ You will be paid within seven business days from the date on which we received your withdrawal instruction.

- ✓ Payments will be made in South African rand and made into your bank account via electronic transfer.

Transferring ownership
You can transfer ownership of your investment to another person or entity. This may mean that you will have to pay capital gains tax. Please request a **transfer of ownership application** document from **admin@frplus.co.za**.

3.6. Correcting Errors

You have 5 business days after receiving confirmation of your investment or a change to your investment, or any statement from us, to correct any errors.

4. Fees

4.1. Information about fees

In addition to the advisor fees, which you have agreed directly with your financial advisor (if applicable), the applicable fees at FR Plus will be disclosed under the investment portfolio on the portal.

4.2. Fees May Change

We may adjust fees from time to time as a result of changes in the regulatory or business environment. We will give three months' written notice when new or additional fees or charges are added; the applicable fee percentage is increased; and if there is a change in the method of calculating any fee which leads to an increase in fees.

4.3. How The Fees Will Be Paid (If Applicable)

We deduct fees from your investment (if applicable). All ongoing fees are deducted monthly. This deduction will be proportional to the size of your investment and will be made proportionally from the funds in which you have invested.

5. What Happens When You Die

On notification of your death your investment will not be switched to cash but will remain invested. We must be informed of your death in writing as soon as possible. This investment doesn't allow you to nominate beneficiaries. FR Plus will only act on instructions received from the executor of your estate.

For more information on the process that will be followed, please read the FR Plus Death Claim Pack, available at **www.frplus.co.za**.

6. Tax

6.1. Applicable Taxes

Your investment may be taxed as follows:

- ✓ Interest distributions are subject to income tax at your marginal income tax rate.
- ✓ Local dividends received from the underlying investment are exempt from income tax but is subject to dividend withholding tax.

> If you are an exempt entity, you must notify us before a dividend is declared, if you do not notify us on time the dividend withholding tax will be retained. FR Plus is not responsible for reimbursements of tax paid should you fail to submit the required information.

FR Plus will provide you with an **IT3(b) certificate** that indicates the dividend income earned, as well as an **IT3(c) certificate** that reflects the capital gains made on your investment. These certificates must be submitted with your annual tax return.

> We cannot give any tax advice. We encourage you to obtain advice from a tax specialist before you invest. Tax legislation changes from time to time. We are not responsible for any loss that you may suffer because of such changes.

6.2. FATCA And Other Foreign Tax Reporting Obligations

If you are registered for tax in another country, the South African Revenue Service (SARS) requires that we provide them with information that they will share with the relevant foreign tax authority in terms of the Foreign Account Tax Compliance Act (FATCA) and the Organisation for Economic Co-operation and Development's (OECD) Common Reporting Standard (CRS). FATCA targets tax non-compliance by United States taxpayers with foreign accounts, while the OECD focusses on all other foreign account holders.

If you require more information, please visit the following websites:

- ✓ FATCA: **www.irs.gov**
- ✓ CRS: **https://oecd.org**

7. Rules That Apply When You Give Us Instructions

7.1. How To Give Us Instructions

- ✓ You or a third party (that you authorised in writing) must instruct us in writing. You must provide us with a copy of the written authorisation (i.e. power of attorney).
- ✓ Your financial advisor may also submit instructions. This is discussed in the section relating to "**Appoint a financial advisor**" below.
- ✓ You can send instructions to us using our instruction forms (such as our secure, electronic instruction forms). In certain specific circumstances, we accept email instructions. You will receive written confirmation of your instruction within one business day of giving it. You must carefully monitor these communications and ensure that they are accurate and that you have authorised them.
- ✓ **Please make sure that you complete all forms correctly.** It is particularly important that you specify:
    - your ID number/ Company registration number, and
    - the correct account for payment by debit order.

- ✓ If you completed any form incorrectly, this may result in a delay in processing your instruction or even lead to an incorrect investment. We do not accept any liability for any losses these delays or errors may cause.

7.2. Requirements For A Valid Instruction

Whether an instruction is accepted or not will depend on:
- ✓ our rules and those of the relevant management company,
- ✓ any applicable legislation,
- ✓ whether the unit trust you want to invest in is available,
- ✓ whether you have met requirements such as the minimum investment amount, and
- ✓ whether our processing requirements have been met, (e.g. whether you have completed the correct form, provided the correct documentation, and adhered to the relevant time periods and cut-off times).

7.3. Debit Orders Time Periods And Cut-Off Times

The instruction to contribute via debit order must reach us ten business days before the date that you selected for the debit order. If the instruction is received after the cut-off time, it will only be processed in the next month.

7.4. Processing Delays

We will do our best to ensure that your instructions are carried out within a reasonable time. We are not responsible for any loss you may suffer if we do not make payment in time for a new investment option or any other lost opportunity.

7.5. Instructions Will Be Confirmed

We will confirm all instructions in writing.

8. Appoint A Financial Advisor

8.1. Appointing A Financial Advisor

You could benefit from appointing a financial advisor who can give your ongoing investment advice for this investment. Your financial advisor must be registered in terms of the Financial Advisory and Intermediary Services (FAIS) Act. We are not responsible for any loss or damages caused by your financial advisor not being appropriately licenced.

8.2. The FAIS authority of your financial advisor

Only Category II financial advisors can instruct us on your behalf. We will follow their investment instructions in line with the signed client mandate, and our application form.

If you appoint a Category II financial advisor, the following will apply:

- You have agreed to specific contractual obligations in your mandate with your financial advisor.

- If you send us an instruction directly, and your advisor has discretion over that specific transaction, then we can only process it if your financial advisor has agreed to it.
- We are not responsible for any loss or damages because of a delay in processing your direct instructions.

You are also responsible to ensure that your financial advisor is authorised.

We will verify that the financial advisor is an authorised representative of a financial services provider which holds the appropriate licence(s), but you are also responsible to determine whether your financial advisor has authorisation. Financial services providers will let us know if the financial advisor is not an authorised representative anymore. However, it is possible that we may receive instructions from financial advisors who are no longer authorised, but that we have not yet been notified of this change. Under these circumstances, we are not responsible for any loss you may suffer because of the unauthorised instruction.

8.3. Financial Advisor Fees (If Applicable)

You and your advisor must agree on the advisor fee. If there are any disputes about the advisor fee, please contact your financial advisor. The advisor fee will be deducted from your investment, if applicable. If it is an annual fee, it will be deducted in monthly instalments.

9. Our Responsibilities

9.1. What Are We Responsible For?

We are responsible for:

- ✓ Providing you with monthly statements which will be downloadable on your portal
- ✓ Deducting relevant tax
- ✓ Providing you with a tax certificate annually
- ✓ Having indemnity and fidelity insurance cover in place. This covers us against fraud, negligence, and dishonest behaviour
- ✓ If your investment is not claimed within a reasonable period, we may classify it as unclaimed. If this happens, we will take actions to trace your beneficiaries. Any reasonable costs associated with this tracing process will be deducted from the value of your investment

9.2. Where Does Our Responsibility End?

This section describes things for which we are not responsible. However, there are other exclusions of liability in relevant sections in other parts of this document. Please read all the terms carefully:

- We do not give financial advice. We are not authorised to give any financial advice. This means that we are not responsible for the consequences of your investment decisions, specifically:
  - You must ensure that you are aware of all the financial and tax implications of your investment decisions.
  - You must appoint a financial advisor (who is a representative of an authorised financial services provider) to assist you in your investment decisions.
- We are not responsible for the quality of the financial advice, losses, delays, or the rejection of your application that may occur if your financial advisor is not a

representative of an authorised financial services provider or if he or she acts beyond the scope of his or her licence and unauthorised instructions given by your financial advisor.
- You should continually monitor your investments to ensure that they meet your needs.
- We will give you access to information about unit trusts, financial market data, news, research, and opinions that we obtained from various sources (e.g. investment providers, financial market information services, financial publishers). You should treat this information with care. Neither we, nor the third-party sources are giving f financial advice and will not accept responsibility if the information is inaccurate, incorrect, or out of date.
- The management company. We are not responsible for any errors that the management company makes.
- Investments are inherently risky. Investments are inherently risky due to the uncertainty of market fluctuations. This is why unit trusts are considered medium- to long-term investments. We do not guarantee the performance of any investment.
- Changes in the law. Changes to financial and tax legislation may result in losses to you. We have no control over these changes and are not responsible for the impact they have on your investment.
- Unauthorised access. We are not responsible for any loss caused by unauthorised access to your account. For instance, we are not responsible if you fail to safeguard your username and password, disclose them to a third party, or fail to notify us immediately if there has been suspicious activity on your account.
- Acting on valid instructions. We are entitled to act on any signed instruction we receive. We are not responsible for any loss you may suffer because of such an instruction (e.g. if you did not authorise the transaction).
- Lost communications. We accept instructions via electronic communications (e.g. fax, email, or the website). We are not responsible if these communications do not reach us because of a network or device failure.
- Acting on incorrect information. We are not responsible if you suffer any loss because you did not provide accurate information or did not inform us when your information changed.
- Impossibility. FR Plus is not responsible for any loss that resulted from circumstances beyond our control (e.g. an act of God, a natural or man-made disaster, armed conflict, act of terrorism, riot, labour, economic or financial disruption). We may also refuse to price investments under these circumstances.

> What do we mean by loss? Loss includes any financial loss, loss of returns, claims by third parties, or expenses. The term includes both direct and indirect.

10. How To Lodge A Complaint
10.1. Please Come To Us First

If you are not satisfied with your investment or the level of service you have received from us, we would like the opportunity to assist you in resolving your complaint. You can lodge a compliant in your portal via an online form. A copy of our process is available on request. Please allow 30 days for the compliant department to resolve the compliant.

10.2. Contact the Ombud for Financial Services Providers (FAIS Ombud)

If you are not satisfied with the advice you have received from your financial advisor, you can contact the Ombud for Financial Services Providers.

Postal address: PO Box 74571, Lynnwood Ridge, 0040
Tel: Contact us +27 (12) 765 5000 / +27 (12) 470 9080
Fax: +27 (12) 348 3447 / +27 (12) 470 9097 / 086 764 1422
Email: info@faisombud.co.za www.faisombud.co.za

11. About Us

11.1. Our Team

Directors	
Christoff van Niekerk Executive Director of FR Plus Assets christoff@frplus.co.za With 18 years of experience in auditing and financial management in his career at the Auditor General South Africa, Christoff has worked extensively with South African enterprises, including government audits. He currently serves as a Financial Manager at a business rescue firm and is involved in the day-to-day operations and as a Director on the Board of FR Plus Holdings.	**Marisha Bijzet** Executive Director of FR Plus (Pty) Ltd marisha@frplus.co.za Marisha began her career in auditing before transitioning into academia as a lecturer at a higher education institution. She now serves as the Executive Director of FR Plus (Pty) Ltd, a registered Financial Services Provider and a premier private equity investment firm. In this role, she leads financial strategy and operational excellence, driving sustainable growth and maximising performance.
Natasha Venter Non-Executive Director Natasha has more than 25 years of experience in accounting and financial management. She has knowledge in increasing profitability, enhancing operational efficiency, and ensuring compliance with regulatory standards. Natasha is also an entrepreneur and business owner.	**Rhona Scheppel** Non-Executive Director Rhona gained experience at First National Bank (FNB), followed by an extensive career at Nedbank, specialising in corporate and commercial banking. During this period, Rhona was recognised as the top corporate banker in South Africa. Since 2006, the focus has been on accounting, leveraging extensive financial expertise developed over decades in banking and corporate finance.
Management	
Mario-Lize Lightbody Key Individual mariolize@frplus.co.za	**Christoff van Niekerk** Investment Manager christoff@frplus.co.za
Staff	
Reinhardt Erasmus Financial Advisor reinhardt@frplus.co.za	**Chanté Gordon** Administrative Assistant chante@frplus.co.za
Richard Scheppel Accountant richard@rtsa.co.za	**Darius van Graan** Compliance Officer dvangraan@masthead.co.za

11.2. Our Contact Information

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17 Hendrik Potgieter Road,
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1739

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Contact number: **+27 (10) 140 3460**