

MANDATE

**ENTERED INTO BETWEEN
NORTHSTAR ASSET MANAGEMENT**
(Hereinafter referred to as Northstar)

AND

.....
(Hereinafter referred to as the Client)

**FOR THE RENDERING OF INTERMEDIARY SERVICES AND
THE MANAGEMENT OF INVESTMENTS BY A DISCRETIONARY
FINANCIAL SERVICES PROVIDER**



1. Definitions:

For the purposes of this agreement, the expressions herein shall have the same meaning as in the Financial Advisory and Intermediary Service Act, No 37 of 2002 and the Board Notices in terms of this Act (and any amendments thereto) unless the context clearly indicates otherwise:

1.1 "administer" includes any act performed by Northstar or a person acting on Northstar's behalf in connection with:

- 1.1.1 the buying, selling or holding of financial products on behalf of the Client;
- 1.1.2 the receipt, payment or investment of money (including interest and dividends) in regard to a transaction entered into or the holding of financial products on behalf of the Client, or
- 1.1.3 any transactions contemplated in Clause 2.1 below, and "administers", "administering" and "administration" have corresponding meanings.

1.2 "**the Client**" means

.....;

1.3 "financial product" means:-

- 1.3.1 securities and instruments, including:-
 - 1.3.1.1 shares in a company other than a "share block company" as defined in the Share Blocks Control Act 1980;
 - 1.3.1.2 debentures and securitised debt;
 - 1.3.1.3 money market instruments;
 - 1.3.1.4 any warrant, certificate and other instrument acknowledging, conferring or creating rights to subscribe to, acquire, dispose of or convert securities and instruments referred to in clauses 1.3.1.1, 1.3.1.2, 1.3.1.3 above;
 - 1.3.1.5 any bonds;
 - 1.3.1.6 any derivative instruments;
- 1.3.2 any participating interest in one or more collective investment schemes;
- 1.3.3 a foreign currency denominated investment instrument including a foreign currency deposit.
- 1.3.4 retail pension schemes and other forms of retail pension benefits;
- 1.3.5 long-term insurance subcategory C.

1.4 "JSE" means The Johannesburg Securities Exchange.

1.5 "Northstar" means Northstar Asset Management (Pty) Limited, a financial services provider approved in terms of the Financial Advisory and Intermediary Service Act, No. 37 of 2002.

1.6 "year" means a calendar year, i.e. 1 January in any year to 31 December of the same year.

2. Agreement:

2.1 The Client hereby authorises and grants Northstar full discretion to:

- 2.1.1 manage and administer certain investments on his behalf, being the financial products held in

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his account with Northstar from time to time;

- 2.1.2 enter into a Client Agreement on behalf of the Client, in accordance with the requirements of any licensed Financial Exchange and/or licensed Stock Exchange, with such member(s) ("the stockbroker(s)") of these Exchanges as Northstar and the Client agree;
- 2.1.3 at Northstar's discretion from time to time, instruct the stockbroker on the Client's behalf to trade in any securities and instruments;
- 2.1.4 place monies on deposit with banks from time to time;
- 2.1.5 vote on the Client's behalf in respect of his investments.

The following jurisdiction restrictions apply to the management of the above investments:

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3. Safe Custody:

- 3.1 Save as may be otherwise required by statute, any financial products held on behalf of the Client in safe custody by the stockbroker shall be registered in the Client's own name or in the name of the stockbroker's nominee company, which nominee company shall be an approved nominee company.
- 3.2 Northstar shall lodge with the stockbroker for safekeeping the financial products, if any, received by it from the Client.

4. Investment Account:

Northstar shall forthwith, through the stockbroker, open an investment account ("the investment account") in the Client's name with JSE Trustees (Pty) Limited or utilise the stockbroker's Trust account and deposit into this account all monies (including interest and dividends) received in connection with the administration of the investments to which the agreement relates.

5. Interest and Dividends:

- 5.1 Northstar shall make the following arrangements regarding interest and/or dividends received on behalf of the Client into the investment account:
 - 5.1.1 capitalize the net amount after deduction of any fees due to Northstar as calculated in terms of Clause 6 below and administer same; or
 - 5.1.2 pay the net amount received to the Client monthly/quarterly/biannually* or in terms of such other arrangements as agreed to in writing by the Client after deduction of any fees due to Northstar as calculated in terms of Clause 6 below.*

** delete which ever is not applicable*

6. Fees:

- 6.1 Northstar shall charge and deduct the following fees:
 - 6.1.1 an administration fee of 1.5% (excluding VAT) per annum charged on the market value of all investments held at the end of each quarter (being March, June, September and December), payable quarterly in arrears and calculated at the end of each quarter;
 - 6.1.2 Where a financial advisor introduces a client to Northstar and services that client, Northstar will share the annual management fee payable by the client with the financial advisor in question.

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This fee sharing split will be as follows:

.....% Financial advisor

.....% Northstar Asset Management

- 6.1.3 a performance fee which shall be calculated and charged in arrears at the end of each quarter (being March, June, September and December) based, in the case of South African investments on the amount by which the Client's portfolio (of listed securities and financial instruments) has out-performed the FTSE/JSE Africa All-Share Index. This fee shall be 0.1% (excluding VAT) per annum for every 1% by which the Client's portfolio (of listed securities and financial instruments) has out-performed the FTSE/JSE Africa All-Share Index for the immediately preceding twelve months provided that the total performance fee charged in any twelve month period shall not exceed 2.5% (excluding VAT) per annum of the value of the portfolio held at the end of the fourth quarter of that period.

In the case of foreign investments, the Financial Times/Standard and Poor's Actuaries World Index shall be used in place of the JSE All Share Index in evaluating the client's portfolio performance.

- 6.2 Northstar is hereby authorised to deduct any fees calculated in terms of Clauses 6.1.1 and 6.1.2 above of this agreement from cash held in the investment account.

7. Statements:

- 7.1 Northstar shall furnish the Client with a quarterly statement of account showing full details of:
- 7.1.1 any change in the investments held on behalf of the Client including particulars of investments delivered to the Client since the date to which the previous statement of account related; and
- 7.1.2 any cash balances held on behalf of the Client at the date of the statement of account including details of cash received and payments made by Northstar since the date of the previous statement of account.
- 7.2 The Client may elect to receive statements of account and reports in electronic format.*
- * delete if not required*
- 7.3 Northstar shall obtain and transmit to the Client any information which a product supplier must by law disclose.

8. Variation of Agreement:

The parties acknowledge that this agreement constitutes the entire agreement between them and that no amendment of any provision of this agreement shall be binding unless reduced to writing and signed by both parties. It is further recorded that the parties agree that Northstar gave no prior representations or warranties which induced this agreement, save insofar as such representations or warranties are set out herein.

9. Termination:

- 9.1 This agreement may be terminated by either party after notice in writing of 30 (thirty) days to the other party provided that this agreement and the mandate granted therein shall terminate forthwith upon Northstar ceasing to be an authorised financial services provider, whereupon Northstar shall account to the Client forthwith.
- 9.2 Northstar shall not initiate any transaction in respect of any financial product on behalf of the Client after notice of termination has been given or received by Northstar. Any transaction initiated on behalf of the Client prior to receipt of notice of termination shall be completed.
- 9.3 Upon receipt of notice of termination from the Client, all outstanding fees referred to in Clause 6 above shall immediately become due and payable from the monies held in the investment account.

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10. Objectives and Risk:

10.1 The Client records that his investment objectives are:

10.1.1 the long-term preservation of assets and their capital growth; or

10.1.2 the preservation of capital, if possible, but more importantly the generation of income of approximately R..... per annum.*

** delete whichever is not applicable*

10.1.3 The Client further records that his risk performance is the following:

Conservative Risk			Moderate Risk				High Risk		
1	2	3	4	5	6	7	8	9	10
Preservation of capital while minimizing losses and fluctuations as much as possible			A balanced investment mix of income and moderate growth with tolerance for some risk and fluctuation				Maximize growth of assets with corresponding tolerance for additional risk and fluctuation		

Northstar Asset Management offers clients risk levels 4 to 7 with most clients opting for level 5 or 6. Please circle to indicate preferred level of risk.

10.1.4 The Client agrees that:-

10.1.4.1 Northstar shall have full discretion to invest in financial products in any jurisdiction it considers to be in the Client's best interests; or

10.1.4.2 Northstar shall invest only in financial products in the following jurisdictions:

.....*

** delete whichever is not applicable*

10.1.5 Where applicable, the Client agrees that Northstar may, in order to render an intermediary service to the Client, utilize the services of its own staff or that of another approved financial services provider.

10.2 The Client acknowledges that he has been made aware by Northstar of the risk pertaining to:

10.2.1 investment in listed companies; and

10.2.2 investment in financial instruments (that is in the buying and selling of listed financial instruments) as referred to in the Safex Risk Disclosure Statement annexed hereto marked "A", which statement the client acknowledges he has read and understood; and

10.2.3 investment in foreign investments and in particular the risk of fluctuation in the value of the currencies and the differences between foreign investments and their South African counterparts especially in regard to liquidation thereof at short notice; and

the Client records that he accepts such risks which may result in financial loss to him and shall not hold Northstar responsible for any loss or damage of whatsoever nature suffered by him arising from this agreement, or from any acts or deeds performed by Northstar in the purchase or sale of financial products, save that arising from Northstar's gross negligence or willful act of dishonesty.

10.3 Northstar is indemnified against all claims in respect of depreciation in the value of investments retained or investments made and/or appreciation subsequent to disposal, in the value of investments realised or disposed of.

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11. Commission:

Northstar undertakes to disclose to the Client any commission, incentive, fee reduction or rebate or other amounts received by it as a consequence of any investment made by it on behalf of the Client with any product supplier.

12. Purchase and/or Sale from/to Client:

Northstar shall not in its capacity as financial services provider be entitled to, and undertakes not to, take a position against the Client, or to sell for its own account any financial products owned by it to the Client or to buy from the Client any financial products owned by the Client.

13. Pledge of Investments:

The Client will not pledge, sell or grant any option in respect of the investments which comprise the investment portfolio administered by Northstar without obtaining the prior written consent of Northstar.

14. Tax Indemnity:

The Client acknowledges that Northstar shall not be responsible for the payment of any tax which is payable or which may hereafter become payable by the Client in respect of any transaction undertaken by Northstar on the Client's behalf in terms of this agreement.

15. Domicilia:

The parties hereby choose as their domicilia citandi et executandi for all purposes under this agreement, the following addresses:

Northstar Asset Management (Pty) Ltd: Suite 1A, Madison Place, Alphen Office Park, Constantia Road, Constantia, Cape Town, 7806, South Africa.

The Client:
.....
.....
.....

16. Signature:

This agreement will only become of force and effect on signature by both parties to the agreement provided that where any party signs at a later date than the other, such signing must be effected within a period of thirty days of the date of the signature of the former party.

Dated at this day of 20

.....
for CLIENT

.....
for Northstar Asset Management
(Pty.) Ltd

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