

CLIENT SERVICE LEVEL AGREEMENT

entered into between

QPQ FINANCIAL SERVICES CC

1999/065552/23

FSB LICENCE NUMBER FSP35094

(“THE FSP”)

and

MR EXAMPLE

ID No : xxxxxxxxxxxxxxxx

(“THE CLIENT”)

INTRODUCTION AND DISCLOSURES

In complying with the FAIS legislation (Financial Advisory and Intermediary Services Act), I would like to bring the following information to your attention:

QPQ FINANCIAL SERVICES CC (1999/065552/23) is an authorised Financial Services Provider licensed by the Financial Services Board to render financial advice and intermediary services to its clients. FSP license number 35094.

My name is **NICOLAAS DANIEL (Endri) VAN NIEKERK** and my ID Number is **8207105043080**. I hold a B Comm (Acc) degree and a Post Graduate Diploma in Financial Planning from the University of Stellenbosch. I am a **Certified Financial Planner®**.

I am a Member of and a **Key Individual** for **QPQ FINANCIAL SERVICES CC (THE FSP)** and also act as Representative for **THE FSP**. My contact details as well as that for **THE FSP** are the following:

PHYSICAL ADDRESS	POSTAL ADDRESS	CONTACT DETAILS
3 The Crescent	PO Box 2525	Office 021 975 5688
Durbanville	Durbanville	Fax 021 975 5692
7550	7551	Cell 083 225 2026
		E-mail endri@qpq.co.za

THE FSP is authorised to provide financial advice and intermediary services in the following categories:

Category I

- 1.1 Long-Term Insurance: Category A
- 1.3 Long-Term Insurance: Category B
- 1.4 Long-Term Insurance: Category C
- 1.5 Retail Pension Benefits
- 1.7 Pension Fund Benefits (excluding Retail Pension Benefits)
- 1.14 Participatory Interests in Collective Investment Schemes
- 1.16 Health Service Benefits
- 1.17 Deposits as defined in the Banks Act – exceeding 12 months
- 1.18 Deposits as defined in the Banks Act – 12 months or less

A copy of the license, which contains details of the financial services I am authorized to provide, as well as any exemptions, is available for inspection, on request.

THE FSP has written authority and I am accredited to sell the products of the following product suppliers:

- 1) AllanGray
- 2) Ashburton
- 3) Cadiz
- 4) Discovery
- 5) F M I
- 6) Investec
- 7) itransact
- 8) Liberty
- 9) Momentum
- 10) Old Mutual
- 11) P P S
- 12) R M B
- 13) Sanlam

- **THE FSP** does not hold more than 10% of any insurer’s issued shares.
- **THE FSP** did not receive more than 30% of its income from any particular insurer
- **THE FSP** holds Professional Indemnity Insurance with **MUTUAL AND FEDERAL** as insurer.
- **THE FSP** earns its income either from fees paid by clients or commissions paid by product suppliers.

Compliance with the FAIS Act is monitored by Masthead Distribution Services (Pty) Ltd, a compliance practice approved by the Financial Services Board. Their postal address is PO Box 856, Howard Place, 7450. Their contact numbers are telephone 021 686 3588 and fax 021 686 3589.

THE FSP is a member of the Masthead Financial Advisors Association, which provides **THE FSP** with services such as a compliance, practice management and technology support. This support helps **THE FSP** to provide you with a more professional service. The compliance service enables **THE FSP** to be compliant with FAIS legislative requirements and to provide clients with appropriate financial advice. Through the practice management support **THE FSP** is able to run a more professional business and therefore able to provide you with an improved service and enhanced support.

Please note that in accordance with legislation we keep an updated disclosure register. This register informs you, our client of all financial and ownership interests that I / we may become entitled to and lists the business relationships that we have with the product suppliers. This document ensures transparency in my/our dealings with our customers and is available for inspection.

All information obtained or acquired about or from **THE CLIENT** shall remain confidential unless written consent is provided or **THE FSP** is required by any law to disclose such information.

In the event that **THE CLIENT** is dissatisfied with any aspect of **THE FSP**’s service, a complaint should be addressed in writing to the above address. A copy of **THE FSP**’s Complaints Resolution Policy is available on request.

APPOINTMENT OF THE FSP

THE CLIENT hereby appoints **THE FSP** as authorised financial services provider to render financial advice and/or intermediary services as listed hereunder. This appointment is effective as of the date of signature of this agreement.

1. Scope of Services

THE CLIENT requests **THE FSP** to provide financial advice and/or intermediary services regarding:

SERVICES	YES	NO	FNA
• Risk Planning (e.g. life, disability, dread disease)			
• Retirement Planning			
• Pre-Retirement Investment Planning (RA’s)			
• Post Retirement Investment Planning (Income and Growth Plans)			
• Estate Planning (Legal Advice)			
• Investment Planning (e.g. unit trust, linked products, guaranteed plans)			
○ Voluntary Investments (Monthly & lump Sum)			
○ Compulsory Investments			
• Offshore Investments			
• Business Assurance			
• Medical Aid			
• Employee Benefits			
• Share Trading			

Documents to be provided to **THE FSP** without delay:

	Received :		Comments
	Yes	No	
ID document copy – Certified <u>or</u> Uncertified with sight of original			
Proof of Residential Address			
Proof of Bank Account			
Proof of Tax Registration / Number			

THE FSP does not and will not render advice or services to **THE CLIENT** in the following areas, either due to **THE FSP** not being licensed to provide such advice or services, or because it is not the usual business conducted by **THE FSP**:

- Financial Accounting
- Investment Management / Fund Management
- Trading in foreign exchange
- Property Syndication Investments
- Telephonic advice without consultation

Should **THE CLIENT** require advice and / or services not provided by **THE FSP**, it shall be **THE CLIENT**'s responsibility to approach another FSP or third party to render such service or authorize **THE FSP** to negotiate such specialist to provide the service required.

2. Authorization to access information

THE CLIENT consents that **THE FSP** may access any of **THE CLIENT**'s financial information from third parties to enable **THE FSP** to assess **THE CLIENT**'s financial affairs and to adequately and professionally render a financial planning service.

3. Client confidentiality

THE FSP acknowledges that in the course of rendering services to **THE CLIENT** in terms of this authority, they shall come into possession of information of a confidential nature. **THE FSP** shall not, whether during the course of this agreement or at any time thereafter, use or disclose or allow third parties to use or disclose any of the confidential information except to the extent permitted by **THE CLIENT** in writing or as required by law.

4. Representatives

THE CLIENT acknowledges that different Representatives may be required to deal with **THE CLIENT** on behalf of **THE FSP** from time to time and agrees that the Representative/s, which may be appointed by **THE FSP** from time to time to deal with **THE CLIENT** ("allocated representative/s") shall render the Services to **THE CLIENT** on behalf of **THE FSP**.

In the event that **THE CLIENT** does not wish to have further dealings with the allocated Representative/s, **THE FSP** shall, in consultation with **THE CLIENT**, allocate another/other Representative/s to render the Services to **THE CLIENT** on behalf of **THE FSP**.

5. Obligations

THE FSP undertakes to:

- 5.1 Act honestly and fairly, and with due skill, care and diligence, in the interest of **THE CLIENT**;
- 5.2 Have and employ effective resources, procedures and appropriate technological systems for the proper performance of the agreed financial services;
- 5.3 Seek from **THE CLIENT** appropriate and available information regarding his financial situation, product experience and objectives in connection with the Services required at date of advice
- 5.4 Treat **THE CLIENT** fairly in a situation of conflicting interests;
- 5.5 Make adequate disclosures of relevant material information, including disclosures of costs and fees associated with the services rendered or products sold to **THE CLIENT** and actual or potential own interests, in relation to dealings with **THE CLIENT**;
- 5.6 Be responsible for adequate and appropriate record-keeping;
- 5.7 Avoid fraudulent and misleading advertising, canvassing and marketing.
- 5.8 Comply with all relevant regulatory and statutory requirements, codes of conduct and common law requirements that impact on **THE FSP**, including but not limited to, FAIS and FICA.

THE FSP shall have no authority to:

- 5.9 Enter into contractual obligations on behalf of **THE CLIENT**;
- 5.10 Incur any liability on behalf of **THE CLIENT**;
- 5.11 Settle or waive any claim against or by **THE CLIENT**;
- 5.12 Effect portfolio restructuring or switches without **THE CLIENT**'s written consent

6. Client's obligations:

THE CLIENT agrees to:

- 6.1 Furnish **THE FSP** with all information required by **THE FSP** to perform the agreed Services, within a reasonable period of time;
- 6.2 Furnish **THE FSP** with written consent and/or completed application forms and/or transaction documentation where required;
- 6.3 Inform **THE FSP** of any changes in **THE CLIENT**'s circumstances, which information might effect a change in **THE CLIENT**'s financial plan or portfolio;
- 6.4 Inform **THE FSP** if he/ she wishes to discontinue the relationship;
- 6.5 **THE CLIENT** hereby acknowledges and understands that, with regard to the completion or submission of any transaction requirement, all material facts must be accurately and properly disclosed, and that the accuracy

and completeness of all answers, statements or other information provided by or on behalf of **THE CLIENT**, are **THE CLIENT**'s own responsibility.

6.6 Where **THE CLIENT** has not provided all information requested by **THE FSP** or where **THE FSP** has been unable to conduct an analysis because, in the light of the circumstances surrounding the case, there was not reasonably sufficient time to do so:

6.6.1 A full analysis in respect of **THE CLIENT** cannot be undertaken;

6.6.2 There may be limitations on the appropriateness of the advice provided;

6.6.3 It shall be the responsibility of **THE CLIENT** to take particular care to consider on his own whether the advice is appropriate considering **THE CLIENT**'s objectives, financial situation and particular needs;

6.7 Where **THE CLIENT** elects to conclude a transaction that differs from that recommended by **THE FSP**, or otherwise elects not to follow the advice furnished, or elects to receive more limited information or advice than **THE FSP** is able to provide, it shall be the responsibility of **THE CLIENT** to take particular care to consider whether any product selected is appropriate to **THE CLIENT**'s needs, objectives and circumstances.

7. Remuneration

The parties agree that **THE FSP** shall be remunerated for the financial advice and services rendered, in the following manner:

7.1 Asset based fee

This fee shall be based on the size of the investment, which shall comprise of an initial fee and an ongoing fee, expressed as a percentage of the assets or as a percentage of the contribution.

and / or

7.2 Commission

THE FSP shall only receive payment from the product provider as compensation for the introduction of **THE CLIENT** to purchase a financial product. Such commission will be payable in accordance with product rules of the particular product provider. Any reduction in the percentage of commission negotiated between the parties shall be recorded on the application form for the purchase of such financial product and subject to regulatory legislation where applicable, for example the Long Term Insurance Act.

and / or

7.3 Time based fee

This fee shall be charged by way of invoice in respect of the services and/or advice rendered. The fee shall be based on the amount of time spent by **THE FSP** in providing the services and/or advice. This may be either expressed as an hourly rate, or a fixed fee per service rendered. The current hourly rate amounts to **R500-00**.

Should **THE CLIENT** decide not to implement any recommendation made by **THE FSP** and advice, financial planning or other financial services have already been provided to **THE CLIENT**, then the Time Based Fee shall be payable in full.

THE FSP shall be entitled to revise the fees on an annual basis, whether up or down, ("the revised fees") on written notice to **THE CLIENT**, provided that **THE FSP** shall give **THE CLIENT** at least one month's written notice of the revised fees.

THE FSP records that the revised fees shall take account of increases in the consumer price index and the cost of providing the Services.

8. Termination

THE FSP's appointment shall remain in force until terminated by either party on giving the other party 30 days' written notice of termination. It shall not be required of such party to furnish reasons for the termination.

9. Investment Portfolios

THE FSP annually reviews the performance of investments that are placed with various investment managers. As a result **THE CLIENT** is advised to contact the **FSP** at least on an annual basis to determine whether **THE CLIENT's** portfolio is to be reviewed based on the fund performances.

10. Review

The parties agree that the financial planning for **THE CLIENT** shall be reviewed annually, unless a more regular review is specifically requested by **THE CLIENT**.

Other timeframe: _____

Signed at _____ on _____ 20____

THE CLIENT

FSP as represented by ND VAN NIEKERK