



Legal Documentation Requirements

for STANLIB Institutional Clients

Introduction

Correct legal documentation and processes are very important to running an ethical and compliant business. STANLIB Asset Management Ltd (STANLIB) strives to be fully compliant at all times with the laws of the Republic of South Africa, all relevant regulations as well as in-house governance standards and our clients' investment mandates. STANLIB realizes that our clients have many areas of expertise, which do not always include legal knowledge. With this in mind, this brochure summarizes the legal requirements pertaining to signing of documents and contracts. The two most common types of legal documents exchanged between STANLIB and our clients are agreements and instructions.

Instructions

Instructions from a client to STANLIB of any material nature should be done in writing and signed by the authorized signatories - unless there is an explicit agreement to use other mediums of communication such as emails.

Instructions need to be signed by the authorized signatories of the client, or any persons duly appointed to act on the behalf of a client, such as an appointed broker or consultant. Proof of such an appointment must be provided.

STANLIB will not process any instruction unless it is properly issued. These measures help to ensure that we combat fraudulent activity in any client accounts.

Agreements

Agreements between STANLIB and our clients, such as investment mandates or amendments thereto, have more onerous requirements:

1. For a contract to be legally binding, the contract must be signed by both parties to the agreement and each signature must be witnessed by at least two witnesses.
2. In addition, pages which do not bear the full original signatures need to be initialed, and the initials need to be further witnessed by the witnesses' initials.
3. All documents need to have a date and place at which they were signed.

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When dealing with institutions rather than natural persons, the counterparties to the contract need to be authorized to be signatories. (Proof must be provided).

Authorized signatories

Legal documents can only be signed by authorized signatories. Depending on the organization, these signatories will be appointed or specified through different arrangements. e.g. board resolution.

STANLIB's signatories:

STANLIB's corporate governance requires that all contracts are signed by at least two of our Directors. The Director's may delegate their authority in terms of the Delegation of Authority.

Our Clients' signatories

Authorised signatories need to be duly appointed by the client. STANLIB will require documented proof of such appointments, as well as specimen signatures of authorized signatories, in order to be able to verify validity of all signatures. As authorized signatories will change from time to time, and when this happens, our clients need to inform STANLIB of these changes and provide new specimen signatures.

Role of witnesses

The role of a witness to a legal document is defined in South African law. Their role is to bear witness to the fact that the document was indeed signed by the signatory and that the signature is not forged. To this end, the witness does not need to familiarize themselves with the document being signed, but it is imperative that the (s)he can attest to the authenticity of the authorised signature.

The requirement is that each authorised signature on a legal document is witnessed by two people. If there is more than one signatory on the document, the same two witnesses can attest to all signatures, provided they were present at the time of signing.

In addition to witnessing the full signature at the end of the document, the witnesses should also witness all other pages initialed or signed by the signatory, by initialing alongside those signatures.

Quick check list:

In summary, the following points need to be adhered to when legal agreements are entered into:

- ✓ There will always be TWO original documents which will need to be signed by the same signatories – one for STANLIB's records and one for our client.
- ✓ Only authorized signatories are allowed to sign legal documents.
- ✓ For agreements to be legally binding, STANLIB requires TWO of our authorized signatories to sign each document.
- ✓ The number of signatories required on the part of the client will depend on that client's corporate governance, rules or constitution.
- ✓ STANLIB will require proof of authorized signatories from the client, as well as specimen signatures.
- ✓ All signatures need to be witnessed at the time of signing by at least TWO witnesses.
- ✓ All agreements need to state the date and place of signature.
- ✓ Each page of any document that does not bear an original signature of the authorized signatory needs to be initialed by that signatory.
- ✓ Each initialed page needs to be witnessed by TWO witnesses' initials (these must be the same witnesses who witnessed the signature).

FICA requirements

South Africa has stringent anti-money laundering laws, one of them being the Financial Intelligence Centre Act of 2008 (FICA). In short, FICA requires that a person's identity and residential address be verified before any financial transaction can be entered into. That person can be an individual, or a legal person such as an institution and their authorized individuals.

STANLIB is required to receive and verify FICA prescribed documentation from the client before we can proceed with opening a bank account in the name of the client and before any money can be deposited into this account for the purposes of investing and trading. FICA requirements will need to be met by all new clients wishing to invest their money with STANLIB. STANLIB cannot process any transactions until these requirements are fully met, as doing otherwise would be a breach of law.

FICA requirements differ slightly per type of legal person. The most common types of institutions that enter into contracts with STANLIB are retirement funds, companies and trusts. Their FICA requirements are detailed below.

Retirement Funds

A registered pension fund, having met certain requirements, will qualify for an exemption from having to comply with section 21 of FICA. In order to qualify for such exemption, please provide us with the following information:

- Copy of Certificate of Registration issued by the Registrar of Pension Funds
- Registration Number of Pension Fund on a Financial Services Board letterhead (if it does not appear on the Certificate of Registration)

Companies

The following documents need to be submitted to ratify a company in terms of FICA:

- The Certificate of Incorporation and Notice of Registered Office and Postal Address bearing the stamp of the Registrar of Companies and signed by the company secretary, that reflects the Registered name, Registration number and Registered address.
- Letterhead of the company reflecting the trading name and business address.
- Proof of the income tax number of the company (correspondence from SARS only)
- Proof of directors and authorised persons of the company.
- For each of the above persons, we require the following: full name; date of birth; ID number; copy of ID, driver's license or passport; residential address and contact details.
- For any shareholder with a 25% or higher interest in the company, all information pertaining to that natural person or legal entity is also required.

Trusts

The following documents need to be submitted to ratify a trust in terms of FICA:

- The Trust Deed, bearing the stamp of the Master of the High Court or founding document that forms the basis of a trust deed that reflects the Trust name, Registration number and Determination of beneficiaries.
- A document which confirms the address of the Master of the High court where the trust is registered
- Proof of the income tax number of the fund or certificate of exemption from tax (correspondence from SARS only)
- Proof that certain persons are entitled to act as trustees / authorised persons / beneficiaries / founder of the trust.
- For each of the above persons, we require the following: full name; Date of birth; ID number; Copy of ID, driver's license or passport; residential address and contact details.

Natural Persons

In the instances where there are certain persons who are entitled to act on behalf of an institution (e.g. trustees, directors, etc.), FICA verification will be required for each such individual. The required documents are as follows:

- Copy of ID, driver's license or passport, which clearly shows full name, date of birth and ID number.
- Any recent (less than three months old) utility bill, bank statement, lease agreement, rates invoice, Telkom account or SARS return which confirms the residential address
- Contact details
- Proof of the income tax number of the person (only correspondence from SARS will be accepted)

For more information, please go to www.stanlib.com/institutional and select Knowledge centre, then Legislation centre where you will find a full list of FICA requirements.

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You can also access relevant information on our web site, www.stanlib.com/institutional.

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