

**AGREEMENT**

between

**OLD MUTUAL INVESTMENT ADMINISTRATORS (PTY) LIMITED**  
(Registration Number: 88/03478/07; hereinafter referred to as "OMIA")

and

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**NAME**

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FSP Registration Number/Identity Number/Master's Reference Number (as applicable)

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Street/Physical Address Details

(hereinafter referred to as "Financial Advisor")

## **1 DEFINITIONS AND INTERPRETATION**

- 1.1 The following words have the meanings assigned to them below:
- 1.1.1 “Business Day” means any day other than a Saturday, Sunday or South African public holiday;
- 1.1.2 “Effective Date” means the date of signature of this agreement on behalf of OMIA;
- 1.1.3 “Financial Advisor” means the person whose details have been completed on the cover page of this agreement;
- 1.1.4 “Investor” means the person identified as the investor on the Standard Transaction Forms;
- 1.1.5 “OMIA” means Old Mutual Investment Administrators (Pty) Ltd;
- 1.1.6 “Product” means Coronation Endowment Plan; Coronation Living Annuity; Coronation Retirement Annuity Fund; Coronation Pension Preservation Fund; Coronation Provident Preservation Fund;
- 1.1.7 “Product Provider” means Coronation Life Assurance Company Ltd; Coronation Retirement Annuity Fund; Coronation Pension Preservation Fund; Coronation Provident Preservation Fund;
- 1.1.8 “Standard Transaction Forms” means the standard application, repurchase, addition and switch forms of the Product Provider.
- 1.2 Unless the context clearly indicates a contrary intention, any gender includes the other genders and the singular includes the plural and vice versa.
- 1.3 References to persons include individuals, companies, close corporations, partnerships, joint ventures, estates, associations and trusts and any body of persons incorporated or unincorporated and references to any person shall, where relevant, be deemed to include, as appropriate, their respective successors or permitted assigns.

## **2 BACKGROUND**

- 2.1 The Financial Advisor is appointed by the Product Provider to market, promote and canvas for applications in respect of the Products of the Product Providers.
- 2.2 OMIA has been appointed as administrator of the Products and is paid a fee based on assets under administration in respect of the Products.
- 2.3 The assets under administration by OMIA in respect of the Products are dependent on Standard Transaction Forms submitted by the Financial Advisor and accepted by the Product Providers.
- 2.4 OMIA wishes to pay fees to the Financial advisor whilst the assets remain under the administration of OMIA, subject to the provisions set out below.

### 3 COMMENCEMENT AND DURATION

This agreement shall commence on the Effective Date and shall continue until terminated in terms hereof.

### 4 FEES

- 4.1 Subject to the terms and conditions of this agreement, the maximum amount of fees to which the Financial Advisor may become entitled to from OMIA in respect of Standard Transaction Forms accepted by and submitted to OMIA by the Product Providers shall be as follows:

| Product                   | Coronation Endowment Plan   | Coronation Living Annuity   | Coronation Retirement Annuity / Pension Preservation / Provident Preservation Funds             |
|---------------------------|---|---|---|
| <b>Initial Advice Fee</b> | 3% (excl. VAT) of each investment contribution  | 1.5% (excl. VAT) of each investment contribution (excl. Directive 135 transfers)                | 3% (excl. VAT) of each investment contribution  |
| <b>Annual Advice Fee</b>  | 1% p.a. (excl. VAT) of the market value of the investment portfolio, charged monthly in arrears | 1% p.a. (excl. VAT) of the market value of the investment portfolio, charged monthly in arrears | 1% p.a. (excl. VAT) of the market value of the investment portfolio, charged monthly in arrears |

- 4.2 Initial Advice Fees shall only be payable after the investment contribution has been received in the relevant Product bank account and after OMIA has processed the Standard Transaction Form.
- 4.3 Initial Advice Fees shall be credited to the Financial Advisor's fee account with OMIA within 7 (seven) Business Days of the Standard Transaction Form having been processed by OMIA.
- 4.4 Annual Advice Fees shall be credited to the Financial Advisor's fee account with OMIA within 7 (seven) Business Days of the monthly charge date.
- 4.5 Payment of the Initial and Annual Advice Fees shall be made in the Republic of South Africa in its currency and shall be made by way of electronic funds transfer to the Financial Advisor's nominated bank account as set out in Schedule 1 hereto. Provided that the credit balance in the Financial Advisor's fee account with OMIA exceeds such minimum amount as OMIA may determine from time to time, credit balances will be paid at the end of the month following the month during which the fees were credited to the Financial Advisor's fee account with OMIA.
- 4.6 Subject to the maximum as set out in 4.1 above, the actual amount of the Initial and Annual Advice Fees payable by OMIA shall be determined by the fee percentage agreed between the Financial Advisor and the Investor and as completed on the Standard Transaction Form.
- 4.7 The Financial Advisor undertakes to notify OMIA in writing of his VAT vendor status and any changes thereto. Where the Financial Advisor is a VAT vendor, the Financial Advisor undertakes not to issue any tax invoices for transactions in respect of which OMIA has issued a tax invoice.

- 4.8 An Investor shall be entitled to instruct that the payment of initial and annual advice fees to the Financial Advisor cease and OMIA shall be obliged to terminate the payment of fees when written notification of such instruction is received.

## **5 VARIATION OF FEES**

- 5.1 OMIA shall, subject to the agreement of the Product Providers, be entitled to amend the basis of calculating and/or the maximum amount of initial and annual advice fees payable.
- 5.2 In the event of a reduction of Initial and/or Annual Advice Fees, OMIA shall give the Financial Advisor at least 7 (seven) day's written notice of any changes. The reduced fees shall apply to Standard Transaction Forms processed by OMIA after the date stipulated in the aforesaid notice, except where OMIA may be required by a regulatory authority to amend such fee structure, in which case the amended structure may apply to Standard Transaction Forms processed by OMIA prior to the date of such notice.
- 5.3 In the event of an increase in initial and/or annual advice fees, the increased fees shall apply with effect from a date as determined by OMIA.

## **6 REVERSAL OF FEES AND RECOVERY**

- 6.1 OMIA shall be entitled to recalculate the Initial and/or Annual Advice Fees payable and shall be entitled to reverse any fee payment in full or in part, including but not limited to reversals due to cancellation of the Product (or investment contribution) for whatever reason, irrespective of who has requested the cancellation and shall have the right to recover from the Financial Advisor any amount reversed.
- 6.2 OMIA shall be entitled to set off the amount to be reversed against the Financial Advisor's fee account or if there are insufficient funds in the Financial Advisor's fee account and the reversal is within 14 (fourteen) days of the fee payment, debit the Financial Advisor's bank account with the reversal amount. If the reversal is after the fourteen day period and there are insufficient funds in the Financial Advisor's fee account, the Financial Advisor undertakes to immediately refund OMIA. OMIA shall be entitled to charge interest from the date that the payment is due and calculated at a rate determined by it.
- 6.3 OMIA shall be entitled to withhold or deduct from or offset against any sums due to the Financial Advisor any sums due to OMIA by the Financial Advisor.

## **7 TERMINATION OF AGREEMENT**

- 7.1 This agreement shall terminate by either party giving the other 30 (thirty) days written notice of termination.
- 7.2 Notwithstanding the provisions of 7.1 above, OMIA shall be entitled to terminate this agreement with immediate effect if in its discretion such immediate termination is warranted.
- 7.3 This agreement shall automatically terminate when the Financial Advisor's authorisation to market, promote and canvas for applications in respect of the Products of the Product Providers is terminated.

7.4 OMIA shall be entitled to inform any person of the termination of this agreement and may in its discretion provide the reasons therefore.

7.5 Following termination of this agreement the Financial Advisor shall not be entitled to payment of any initial and/or annual advice fees. The Financial Advisor will however be entitled to payment of any outstanding initial and/or annual advice fees earned prior to the date of termination.

## **8 CESSION / ASSIGNMENT**

Without the prior written approval of OMIA the Financial Advisor shall not be entitled to cede, assign or transfer any of its rights under this agreement and in particular its rights to fees, whether accrued or not.

## **9 NOTICES**

9.1 The parties select as their respective domicile addresses for the purposes of notices and any communication the physical addresses set out below.

OMIA: 1st floor Mutualpark, Jan Smuts Drive, Pinelands, South Africa

Financial Advisor: the physical address completed on the cover page of this agreement.

9.2 Any notice or communication shall be deemed to have been duly received, unless the contrary is proved, by the other party:

9.2.1 if posted by prepaid registered post, on the 7th (seventh) Business Day after date of posting;

9.2.2 if delivered by hand, on date of delivery, or the next following Business Day if date of delivery is not a business day;

9.2.3 if sent by fax, the first Business Day following date of transmission;

9.2.4 if sent by email, on the first Business Day following the date of sending, in the absence of any administrator or mail server error messages.

9.3 Any party shall be entitled to change its address details by giving written notice to that effect, provided that the change shall become effective only 14 (fourteen) days after receipt of written notice.

## **10 GOVERNING LAW AND JURISDICTION**

10.1 This agreement shall be governed by and be construed in accordance with the laws of the Republic of South Africa.

10.2 Both Parties consent to the jurisdiction of the Magistrate's Court. Notwithstanding the foregoing, both Parties shall be entitled to institute action in the High Court which may otherwise have jurisdiction.

**FINANCIAL ADVISOR**

Signature(s): \_\_\_\_\_  
(duly authorised where applicable)

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR AND ON BEHALF OF OMIA**

Signature: \_\_\_\_\_  
(duly authorised)

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

