

EASYCREDIT TERMS AND CONDITIONS

EasyEquities

Physical Address

WeWork – Coworking Office Space
173 Oxford Road Rosebank,
Gauteng

Postal Address

Postnet Suite 247
Private Bag X1
Melrose Arch, 2076

Contact

(T) 010 141 2101
(S) support.easyequities.co.za
(W) www.easyequities.io

EasyEquities is an authorised financial services provider (FSP22588), a licensed over the counter derivatives provider (ODP44) and a registered credit provider (NCRCP12294). To view our complaints policy, conflict of interest policy and full disclosure required in terms of the Financial Advisory and Intermediary Services Act, 2002 please go to www.easyequities.co.za.

Contents

1. INTRODUCTION	5
2. DEFINITIONS AND INTERPRETATION	5
3. APPLICATION FOR A MARGIN LOAN AND QUOTE	7
4. WHEN WILL YOU RECEIVE THE MARGIN LOAN	8
5. WHEN AND HOW MUST YOU PAY	8
6. STATEMENTS	8
7. EARLY SETTLEMENT OF THE ENTIRE AMOUNT YOU OWE TO EASYEQUITIES	9
8. PREPAYMENTS ALLOWED WITHOUT PENALTY	9
9. TERMINATION OF THIS AGREEMENT	9
10. INTEREST AND FEES	9
11. CESSION AND PLEDGE	10
12. ON-PLEDGE	11
13. POWER OF ATTORNEY	11
14. MARGIN CALLS	12
15. MANDATORY PREPAYMENT.....	12
16. WARRANTIES	13
17. EVENTS OF DEFAULT.....	13
18. PROCEDURE IN THE CASE OF DEFAULT OR BREACH	14
19. CERTIFICATE OF INDEBTNESS	14
20. INFORMATION SHARING PRACTICES	14
21. DEFAULT ADMINISTRATION CHARGES	15
22. COLLECTION COSTS	15
23. JURISDICTION	15
24. EASYEQUITIES PLATFORM TERMS AND CONDITIONS.....	16
25. NOTICES AND ADDRESSES.....	16
26. APPLICATION TO A DEBT COUNSELLOR FOR OVER INDEBTEDNESS	16
27. DISPUTES AND COMPLAINTS	16
28. CESSION AND ASSIGNMENT	17
29. GENERAL	17

Summary Guide

This table summarises the key features of the EasyCredit product, that you can use as a guide when reading the legal terms and conditions. This table is not a legal agreement. For a proper understanding, you must read all of the terms and conditions set out in the Agreement.

Parties	<ul style="list-style-type: none"> You and EasyEquities
What is EasyCredit?	<ul style="list-style-type: none"> EasyEquities has developed a retail, investment-backed lending product that allows you to borrow money from us, using the Qualifying Securities in your Account and/or Tax Free Savings Account as security for the Margin Loan. You will be able to utilise the borrowed funds to invest in Securities or other instruments available on the EasyEquities Platform or withdraw the borrowed funds to spend outside the EasyEquities Platform.
Authorisation/Licenses	<ul style="list-style-type: none"> EasyEquities is an authorised financial services provider (FSP22588) under the Financial Advisory and Intermediary Services Act, 2002 (“FAIS”). EasyEquities is a registered credit provider in terms of National Credit Act, 2005 (“NCA”) (NCRCP12294).
How to apply for EasyCredit	<ul style="list-style-type: none"> Step 1: Select your marital status. Step 2: Select the Investment Account/s which you would like us to use to calculate the value of the Margin Loan you may apply for based on the value of the Qualifying NAV in that/those Investment Account/s. The Qualifying Securities in your selected Investment Account/s will be used as security for your Margin Loan. Step 3: Select the Margin Loan amount required. Step 4: View indicative costs. Step 5: Complete the affordability assessment. Step 6: Upload required documents. Step 7: If we grant you a Margin Loan, view and accept or reject the Quote. The Quote will remain valid for 5 (five) Business Days provided that the value of the Qualifying NAV in your Selected Investment Account/s remains sufficient to cover the security required by EasyEquities for your Margin Loan.
How do we determine the Margin Loan amount which you may apply for?	<ul style="list-style-type: none"> EasyEquities uses the concept of an “LTV” or “Loan to Value” to calculate the maximum Margin Loan amount for which you may apply, and it is calculated as a percentage of the value of the Qualifying NAV in your Selected Investment Account/s. For example, if EasyEquities uses an LTV of 33% and you have selected to use all of the Qualifying NAV in your Account (which on the date of your application is valued at R100), you could apply for a Margin Loan of up to R33, which is calculated as follows: 33% of R100 $33/100 \times R100$ = R33
When and how must I repay my Margin Loan?	<ul style="list-style-type: none"> The amount and number of instalments which you must pay is shown in your Quotation. You must pay the interest on your Margin Loan monthly. At the end of the term of your Margin Loan, you must repay the outstanding capital amount. You must ensure that you have Free Money in your Account to make these repayments. See the EasyEquities ZAR and TFSA Terms and Conditions for details on how to pay money into your Account. Failure to have sufficient Free Money in your Account will result in your Qualifying Securities being automatically sold to cover your missed repayments. You may prepay your Margin Loan at any time without penalty.
What security am I required to give for my Margin Loan?	<ul style="list-style-type: none"> As continuing security for your obligations arising from taking out the Margin Loan with EasyEquities, you will pledge and cede in security to EasyEquities, all of your present and future rights, title and interest in, under and to the Qualifying Securities in your Selected Investment Account/s as described in this Agreement.

	<ul style="list-style-type: none"> You consent for EasyEquities at its discretion and without notice to you, to on-pledge the Qualifying Securities provided by you as security for the Margin Loan to the Funder. This means that the Qualifying Securities in your Selected Investment Account/s that you have ceded and pledged to us as security for your Margin Loan, will be on-pledged to the Funder as security for our obligations to the Funder in terms of the Facility Agreement.
Margin calls	<ul style="list-style-type: none"> The value of your Margin Loan as a percentage of the Qualifying NAV in your Selected Investment Account/s (LTV) must always be equal to or below the LTV Threshold. If the LTV exceeds the LTV Threshold, a margin call will be issued by EasyEquities in accordance with clause 14. Please refer to the EasyCredit FAQs which are available on the Website for an explanation of the LTV calculation and LTV Threshold.

TERMS AND CONDITIONS

1. INTRODUCTION

- 1.1 The Pre-agreement Statement and the Quote read together with these terms and conditions (“**Agreement**”) sets out the terms and conditions between you, being an individual, in your capacity as the borrower, and EasyEquities, in its capacity as the lender, which governs your Margin Loan.
- 1.2 The EasyEquities ZAR and TFSA Terms and Conditions will still be applicable to you and are incorporated herein to the extent applicable.
- 1.3 **There are clauses in this Agreement that require your careful consideration. To assist you, those terms which may limit any of your rights, or which provide for specific acknowledgements or warranties required by/from you, are in bold font. You acknowledge that you have read and appreciated the importance of the terms and clauses in bold font.**
- 1.4 This Agreement is legally binding and is enforceable against either Party. **By accepting your Quote, you acknowledge and agree that you have read this Agreement and that you fully understand its contents and you agree that your Margin Loan will be governed by the terms and conditions of this Agreement.** You should not accept a Margin Loan from us unless you fully understand the terms and conditions of this Agreement. If you would like us to explain any of the terms and conditions to you, you can submit a ticket via the support portal and ask us any questions you may have.
- 1.5 EasyEquities is a registered credit provider (NCRCP12294) under the NCA. The NCA will govern our obligations to you under this Agreement. EasyEquities is a licensed financial services provider under FAIS (FSP22588). If applicable, FAIS may govern certain actions performed by us under this Agreement.

2. DEFINITIONS AND INTERPRETATION

- 2.1 In this Agreement, unless the context requires otherwise:
- (1) **Agreement:** as defined in clause 1.1 including any Annexures to the Agreement.
 - (2) **Annexures:** means any annexures attached or to be attached to this Agreement as may be amended or supplemented from time to time.
 - (3) **Application:** your online credit application to apply to receive a Margin Loan from EasyEquities via the EasyEquities Platform.
 - (4) **Collateral Withdrawal Lock:** the rand value of NAV in your Investment Account/s that you will be prevented from withdrawing or transferring between accounts, which will be displayed to you on the EasyEquities Platform.
 - (5) **EasyEquities, “we” or “us”:** First World Trader Proprietary Limited trading as EasyEquities, a private limited liability company with registration number 1999/021265/07, incorporated in accordance with the company laws of South Africa.
 - (6) **EasyEquities ZAR and TFSA Terms and Conditions:** the client agreement, including all the annexures to the agreement, which you entered into with EasyEquities when you opened an Account with EasyEquities, which agreement is available on the Website.
 - (7) **Event of Default:** means any of the events described in clause 17.1.
 - (8) **Facility Agreement:** means the facility agreement entered into between the Funder and EasyEquities in terms of which the Funder makes a credit facility available to EasyEquities for the purpose of extending Margin loans to its clients.
 - (9) **Funder:** means Sanlam Life Insurance Limited (acting through its specialised Finance Division) that has or will provide funding to EasyEquities for the sole purpose of extending Margin Loans to its clients.

- (10) **Investment Account/s:** your Account and/or your Tax Free Savings Account on the EasyEquities Platform.
 - (11) **Inclusion Percentage:** a percentage as determined by EasyEquities from time to time per Qualifying Security, where such percentage will be multiplied by the NAV of the specified Qualifying Security in determining the Qualifying NAV.
 - (12) **Loan To Value** or **LTV:** the available Margin Loan as a percentage of the Qualifying NAV in your Selected Investment Account/s.
 - (13) **LTV Threshold:** 48% (forty eight percent) or such higher or lower percentage which EasyEquities may determine from time to time.
 - (14) **LTV Reset Level:** means an LTV percentage below the LTV threshold as determined by EasyEquities from time to time.
 - (15) **Margin Loan:** means the amount we have agreed to lend you in terms of this Agreement.
 - (16) **NCA:** the National Credit Act, 2005.
 - (17) **NAV:** means net asset value.
 - (18) **Outstanding Amount:** means the outstanding Margin Loan amount, plus any outstanding interest and any outstanding fees that are applicable to the Margin Loan.
 - (19) **Pre-agreement Statement:** a statement, in terms of Section 92 of the NCA, that we will provide to you, together with the Quote on the EasyEquities Platform.
 - (20) **Sanlam:** Sanlam Investment Holdings Proprietary Limited (Registration No. 1998/022648/07), a private company incorporated in accordance with the company laws of South Africa.
 - (21) **Securities:** all instruments, such as shares and exchange traded funds, including Free Money, if applicable, in your Investment Account/s.
 - (22) **Selected Investment Account/s:** the Investment Account/s housing the Qualifying Securities that you have selected to cede and pledge to EasyEquities as continuing and covering security for your Margin Loan in accordance with clause 11 below.
 - (23) **Signature** or **Signing:** the date on which you accept these terms and conditions.
 - (24) **Quote** or **Quotation:** a quotation, in terms of Section 92 of the NCA, that we will provide to you on the EasyEquities Platform.
 - (25) **Qualifying NAV:** means the NAV of the designated Qualifying Securities in your Selected Investment Account/s after applying the Inclusion Percentage applicable to each Qualifying Security.
 - (26) **Qualifying Securities:** shall mean the Securities:
 - (a) that may be used as security for the Margin Loan as set out in the list on the EasyEquities Platform which may be amended from time to time; and
 - (b) that you cede and pledge in security to EasyEquities as continuing covering security for your Margin Loan in accordance with clause 11 which may have been further on-pledged to a Funder in accordance with clause 12 below.
 - (27) **Undiversified Portfolio Ratio:** the maximum weight of a single Qualifying Security of the total value of all the Qualifying Securities in your Selected Investment Account/s, as determined by EasyEquities from time to time.
- 2.2 This definitions clause is not exhaustive and you will find other terms defined elsewhere in this Agreement.
- 2.3 If any provision in a definition confers rights, or imposes obligations on you or us, effect is given to it as a substantive provision of this Agreement.

- 2.4 Any capitalised term used but not defined in this Agreement and any Annexure will, unless the context shows otherwise, have the same meaning as in the EasyEquities ZAR and TFSA Terms and Conditions.
- 2.5 Any reference in this Agreement to a person means any natural person.
- 2.6 A reference to any statutory enactment shall be construed as a reference to that enactment as at the date on which you apply for the Margin Loan as amended or substituted from time to time.

3. APPLICATION FOR A MARGIN LOAN AND QUOTE

- 3.1 You may apply for a Margin Loan from EasyEquities via the EasyEquities Platform.
- 3.2 EasyEquities in its discretion may grant a Margin Loan to you in accordance with this Agreement and subject to the provisions of the NCA, if applicable.
- 3.3 As part of your Application, the value of the Margin Loan which may be made available to you, subject to the outcome of the affordability assessment which EasyEquities is required to perform on you in terms of the NCA, will be calculated based on a percentage of the Qualifying NAV in your Selected Investment Account/s.
- 3.4 You may apply for a Margin Loan for the full amount available to you or you may select a lower amount. Once you have selected the Margin Loan amount which you would like to apply for, you will be required to provide us with the requested information in order for us to determine whether you can afford the Margin Loan. **You acknowledge and agree that EasyEquities will rely on the information you give to us or the information which you confirm as correct when you apply for the Margin Loan. If you did not give us all the information which we required or if you gave us false information, withheld information or confirmed incorrect information, we will have a complete defence against an allegation of reckless lending.**
- 3.5 Once you have submitted your Application for review by us, we will notify you within 5 (five) Business Days whether your Application has been successful or not. If your Application is successful, we will provide you with a Quote and Pre-Agreement Statement on the EasyEquities Platform for your review and acceptance or rejection. If your application is unsuccessful, we will provide you with the reason on the EasyEquities Platform. If the reason is based on an adverse credit report, you may request that we provide you with the name, address and other contact particulars of the relevant credit bureau by submitting a ticket via the [support portal](#).
- 3.6 The Quote will remain valid for 5 (five) Business Days provided that the value of the Qualifying NAV in your Selected Investment Account/s remains sufficient to cover the security required by EasyEquities for your Margin Loan. This means that you should avoid selling the Qualifying Securities in your Investment Account/s that you selected in your Application to be used as security for your Margin Loan. If during the 5 (five) Business Day period prior to you accepting the Quote:
- (1) the value of the Qualifying NAV in your Selected Investment Account/s drops below the LTV;
 - (2) you sell some or all of your Qualifying Securities; or
 - (3) EasyEquities decides that certain Securities are not deemed to be Qualifying Securities.
- your Quote will become invalid and you will need to re-apply.
- 3.7 On acceptance of the Quote, you cede and pledge, in security, the Qualifying Securities in your Selected Investment Account/s to EasyEquities as security for your Margin Loan in accordance with clause 11.
- 3.8 **You acknowledge and agree to the Collateral Withdrawal Lock over your Selected Investment Account/s, for the duration of the Margin Loan.**
- 3.9 **You agree that every document that is required to be delivered to you in terms of this Agreement will be delivered to you in the prescribed manner and if no manner has been prescribed, we will deliver the document to you via email and/or by printable webpage on the EasyEquities Platform.**

4. WHEN WILL YOU RECEIVE THE MARGIN LOAN

4.1 The Margin Loan will only be available to you as Free Money in your Account once you have accepted the Quote and Pre-Agreement Statement and agreed to the terms and conditions of this Agreement on the EasyEquities Platform. You may then:

- (1) withdraw the Margin Loan from your Account to your Designated Account; or
- (2) use the Margin Loan to buy Securities on the EasyEquities Platform.

5. WHEN AND HOW MUST YOU PAY

5.1 The amount and number of instalments which you must pay is shown in your Quotation.

5.2 Repayment of the Margin Loan is structured as follows:

- (1) monthly interest payments; and
- (2) repayment of the Outstanding Amount (which is the principal debt amount or “credit advanced” amount shown in the Quote) in a single payment at the end of the term of the Margin Loan.

5.3 Your monthly instalment is equal to the monthly interest charged by EasyEquities on the Outstanding Amount. This means that you are required to pay EasyEquities the interest charged on the balance of the Outstanding Amount on a monthly basis. The monthly interest instalments will be deducted monthly from your Account on the 1st Business Day of each month. You must ensure that you have Free Money in your Account to cover your monthly interest payment on the 1st Business Day of each month or, if you have failed to ensure you have sufficient Free Money in your Account, **you acknowledge and agree that EasyEquities will sell such amount of the Qualifying Securities in equal proportions to the holdings in your Selected Investment Account/s to settle your monthly interest payment. EasyEquities will not be liable for any losses that arise out of or relate to any such actions, including tax consequences you may face as a result of such actions.**

5.4 The Outstanding Amount which is due at the end of the term of the Margin Loan will be deducted from your Account on the last Business Day of the Margin Loan term. You must ensure that you have Free Money in your Account to cover the final Margin Loan repayment amount or, if you have failed to ensure you have sufficient Free Money in your Account, **you acknowledge and agree that EasyEquities will sell such amount of the Qualifying Securities in your Selected Investment Account/s in equal proportions to your holdings in your Selected Investment Account to settle the final Outstanding Amount. EasyEquities will not be liable for any losses that arise out of or relate to any such actions, including tax consequences you may face as a result of such actions.**

6. STATEMENTS

6.1 We will provide you with a statement every month and your statement will be available for viewing and download on the EasyEquities Platform.

6.2 If you do not agree with any item on your statement, you must inform us immediately in writing by submitting a ticket via the [support portal](#) and tell us what you don't agree with in as much detail as possible.

6.3 If you are not able to access your statements, you must inform us immediately in writing by submitting a ticket via the [support portal](#). Failure to access to your statement does not entitle you to refuse or fail to pay any amount that is due to us.

6.4 We may at a later date, adjust debits or credits to your Margin Loan and account balances so as to accurately reflect both your and our legal obligations in terms of the Agreement accurately.

7. EARLY SETTLEMENT OF THE ENTIRE AMOUNT YOU OWE TO EASYEQUITIES

7.1 If you want to settle the full amount which you owe us under your Margin Loan, you may:

- (1) view your settlement amount on the EasyEquities Platform, deposit funds into your Account and click the “close my loan” button which will charge the full Outstanding Amount to your Account; or
- (2) request a settlement statement by submitting a ticket via the [support portal](#) and thereafter the provisions of clause 7.3 shall apply.

7.2 Your settlement amount is made up of the unpaid balance of your Margin Loan, unpaid interest, plus other fees and charges (If applicable) payable up to the date of settlement.

7.3 If you request a settlement statement as contemplated in 7.1(2) above, we will send you the settlement statement within 5 (five) Business Days from the date of your request to the email address which we have on record for you. The settlement amount quoted in the settlement statement must be paid within 5 (five) Business Days from the date it was delivered. If in the abovementioned time period: (i) you do not pay us the amount reflecting in the settlement statement (ii) or make any prepayments under your Margin Loan (iii) or sell any Qualifying Securities, the settlement statement will no longer be valid, and this Agreement will remain in force.

8. PREPAYMENTS ALLOWED WITHOUT PENALTY

8.1 You may at any time pay us any amount you owe under this Agreement without notice or penalty. These repayments may be made on the EasyEquities Platform at any time using the prepayment feature.

8.2 We will credit all payments made by you under this Agreement:

- (1) firstly, to satisfy any due or unpaid interest charges;
- (2) secondly, to due or unpaid fees or charges; and
- (3) lastly, to reduce the amount of your principal debt.

9. TERMINATION OF THIS AGREEMENT

9.1 You may terminate this Agreement at any time by paying the settlement amount to us as set out in clause 7.

9.2 We may terminate this Agreement as set out in clause 18.

10. INTEREST AND FEES

10.1 EasyEquities will charge you interest on the balance of the outstanding Margin Loan amount at the interest rate shown in your Quote. The interest rate is linked to the prime interest rate and therefore may vary from time to time based on fluctuations to the prime interest rate. Interest is calculated on the daily balance of the Outstanding Amount after the close of business on each day and compounded monthly. Interest accrued during a month will be charged against your Account on the first Business Day of the next month.

10.2 You are liable, in respect of the Margin Loan for payment of any fees to the extent permitted by the NCA, if applicable.

10.3 EasyEquities may, from time to time, introduce additional fees provided that in doing so it will comply with the provisions of the NCA, if applicable, and will furnish you with 5 (five) Business Days' notice of such change prior to implementing the change.

10.4 The total interest charged by EasyEquities in the event of default will not exceed the maximum percentage of recoverable interest as stated in the Agreement and the NCA.

10.5 We will charge you the initiation fee indicated in your Quote.

10.6 The initiation fee may be deducted from the Free Money that you have available in your Account. Alternatively, the initiation fee will be deducted from Margin Loan amount as soon as it has been deposited into your Account.

11. CESSION AND PLEDGE

- 11.1 By taking out the Margin Loan available to you in terms of the Agreement, you agree that the Qualifying Securities are subject to the cession and pledge contained in this clause 11, and will be continuing covering security for your present and future obligations in terms of your Margin Loan.
- 11.2 From Signing, you agree to cede in security as security for a debt (assuming the pledge construction) to EasyEquities all of your present and future rights, title and whatsoever interest in, under and to the Qualifying Securities in your Selected Investment Account/s, including (without limitation) rights to dividends and other distributions, as a continuing general covering collateral security for the due, proper and timeous payment and performance in full of all your obligations in terms of your Margin Loan (“**Security Cession**”).
- 11.3 The Security Cession takes effect on the Signing and no additional acts are required to create or perfect the Security Cession;
- 11.4 **You hereby:**
- (1) **irrevocably authorise us without notice to you, to sell your Qualifying Securities should the LTV exceed the LTV Threshold:**
 - (2) **agree that any additional Qualifying Securities that you purchase are, immediately upon such purchase, subject to the Security Cession; and**
 - (3) **irrevocably instruct us, at our discretion, to cancel any such purchase of Securities in the event that such purchase would result in a breach of the provisions of this Agreement.**
- 11.5 **You acknowledge that, should it transpire that, notwithstanding the warranties contained in clause 16, you have at any time prior to accepting the terms and conditions of the Agreement, ceded and/or pledged or otherwise disposed of or encumbered any of the Qualifying Securities in your Selected Investment Account/s, then (without limiting any of our rights as a result of the breach of the warranty):**
- (1) **this Agreement will operate as a cession of your reversionary rights and of all of your remaining right, title and interest in and to the Qualifying Securities, including any of your rights of action whatsoever against any prior cessionary, pledgee or other holder of the pledged security for the time being (“Prior Cessionary”);**
 - (2) **for as long as any cession in favour of any Prior Cessionary remains in force, we are entitled to give notice of this Security Cession and to receive payment directly from the Prior Cessionary of any amounts that the Prior Cessionary receives as a result of the realisation of the Qualifying Securities under any security created by you in favour of the Prior Cessionary; and**
 - (3) **if the cession in favour of the Prior Cessionary ceases to be of any force, then this Security Cession will immediately operate as a first ranking cession by you to us of the Qualifying Securities.**
- 11.6 **You hereby irrevocably authorise and instruct us and all relevant parties, who deal with or exercise control over the Qualifying Securities, to give effect to the Security Cession contained in this clause 11 and the provisions of the Power of Attorney in clause 13.**
- 11.7 This Security Cession will remain in force and effect until all your obligations in terms of this Agreement have been satisfied and paid in full.
- 11.8 If we need to enforce this Security Cession, then without prejudice to any further rights, we will have the right to:
- (1) exercise, to the extent applicable, all voting and other rights afforded to the holder of the Qualifying Securities or any part thereof, and/or appoint a nominee to exercise such voting and other rights;
 - (2) take transfer of all or any part of the Qualifying Securities at their fair market value, and to set-off that market value against the Outstanding Amount due to us. In such event, the fair market value of the Qualifying Securities is determined by us;
 - (3) realise the Qualifying Securities, or any part thereof, whether by public auction or continuous trading or such other manner as may apply to the particular type of Security;

- (4) apply all monies received by virtue of this Security Cession toward the reduction or settlement as the case may be, of the Outstanding Amount granted in terms of this Agreement; or
 - (5) convey valid and lawful title in respect of the Qualifying Securities realised by us, provided that if the amount received after we have exercised our rights, exceeds the Outstanding Amount, whether then due or not (together with, to the extent permitted by the NCA, all costs expenses, charges and other amounts which we may incur in exercising our rights), we will pay over such excess to you, without affecting the continuity of this Agreement as security for your existing and future obligations.
- 11.9 To the extent that you have elected to cede and pledge your Tax Free Savings Account to us as security for your Loan in terms of this clause 11, **you acknowledge and agree that any Margin Loan repayments, including mandatory prepayment in terms of clause 15, made from your Tax Free Savings Account towards your Margin Loan, due to either selling Qualifying Securities or as a result of your breach of this Agreement will constitute a withdrawal from your Tax Free Savings Account.**
- 11.10 Any money withdrawn from your Tax Free Savings Account cannot be re-deposited into your Tax Free Savings Account without contributing to your Yearly Payment Limit and your Lifetime Payment Limit.

12. ON-PLEDGE

- 12.1 **EasyEquities has entered into or will enter into the Facility Agreement and related security documents with the Funder in terms of which your Qualifying Securities may be used as security to secure our obligations to the Funder under the Facility Agreement.**
- 12.2 **Without limiting the provisions of clause 11, in applying for the Margin Loan, you agree and consent for us at any time, to on-pledge our ceded rights in and to your Qualifying Securities arising out of the Security Cession to the Funder, in which event the Security Cession in respect of the Qualifying Securities will operate in favour of the Funder. Your liability to the Funder in respect of the on-pledge shall be limited to the value of the Qualifying Securities.**
- 12.3 **In the event that we are in default of our obligations to the Funder under the Facility Agreement, the Funder will become entitled to call on you to repay the Margin Loan on 6 (six) months' notice. Should the Funder decide to exercise its rights to call on the Margin Loan, the Funder (or its agent) must send you an email notifying you that it demands the repayment of the full Outstanding Amount. Under those circumstances, you will have 6 (six) months to repay the Outstanding Amount into such bank account designated by the Funder, failing which the Funder will have right in terms of the on-pledge read with the Security Cession contained in this Agreement to sell such proportion of the Qualifying Securities necessary to repay the Outstanding Amount under the Margin Loan.**
- 12.4 **If there are less than 6 (six) months remaining on your Margin Loan term, you will not be granted an extended 6 (six) month period in which to repay the Outstanding Amount, clause 12.3 will not be applicable to you and you will be required to repay the Outstanding Amount as set out in this Agreement.**
- 12.5 **You also agree and consent that this Agreement will operate as a cession of your reversionary rights title and of all of your remaining right, title and interest in and to the Qualifying Securities that has been on-pledged to the Funder, and this reversionary cession will be in favour of EasyEquities.**
- 12.6 **If the cession in favour of the Funder ceases to be of any force, then the Security Cession will immediately operate as a first cession by you to us in respect of the Qualifying Securities.**

13. POWER OF ATTORNEY

- 13.1 In the event that we act on the Security Cession contained in this Agreement, you hereby appoint us to be your lawful attorney and agent, with the power of substitution, and in your name to:
- (1) act on and deal with the underlying Qualifying Security/ies in the Selected Investment Accounts in the manner contemplated in this Agreement; and
 - (2) sign any document for the purpose above; and generally for such purposes, to do everything necessary in connection with the Security Cession.

14. MARGIN CALLS

- 14.1 If the LTV at any time during the Margin Loan increases and starts to approach the LTV Threshold, we may issue a margin call notifying you of this. The LTV could increase for a number of reasons, including but not limited to:
- (1) If the value of the Qualifying Securities is reduced due to negative market conditions; and/or
 - (2) If we disqualify any of the Qualifying Securities or apply a lower Inclusion Percentage to any of the Qualifying Securities.
- 14.2 If, at any time during the term of Margin Loan, the LTV approaches the LTV Threshold, we may, if time allows, provide you with the following notices prior to taking any action:
- (1) the first notice will be sent to you via email, indicating that your LTV exceeds 42%, and your Margin Loan is under review;
 - (2) the second notice will be sent to you via email, indicating that your LTV exceeds 44%, and your Margin Loan is under review;
 - (3) the third notice will be sent to you via email, indicating that your LTV exceeds 46%, and your Margin Loan is under review; and
 - (4) the final notice will be sent to you via email, indicating that your LTV has reached the LTV Threshold, and that a mandatory repayment amount is required in order to reduce your LTV to below the LTV Threshold.
- 14.3 If at any time your LTV is approaching the LTV Threshold, you can deposit funds into your Account, prepay your Margin Loan and/or purchase additional Qualifying Securities to reduce your LTV. **It is your responsibility to check the value of your LTV against the LTV Threshold on the EasyEquities Platform and take the required action if you do not want your Qualifying Securities to be sold as set out in this clause 14.**
- 14.4 **Should your LTV exceed the LTV Threshold, we will not send you any further notices (if applicable) and will immediately sell so much of the Qualifying Securities in order to reduce your LTV to the LTV Reset Level in accordance with the Power of Attorney above and the authorisation which you have given us under this Agreement.**
- 14.5 **You acknowledge and agree that in the event of a sale of the Qualifying Securities in terms of this clause 14, such sale, and all related matters, will be at our sole discretion, and we will not be liable to you for any loss, damages, costs or claims of any nature whatsoever arising from the sale of the Qualifying Securities or the attachment of your Qualifying Securities.**

15. MANDATORY PREPAYMENT

- 15.1 We will be entitled to sell your Qualifying Securities, by following our own rights and use the funds to reduce the Outstanding Amount (“**Mandatory Prepayment**”) in circumstances set out in clause 15.2.
- 15.2 We may initiate a Mandatory Prepayment should the following occur:
- (1) should you breach the terms of this Agreement by failing to pay the monthly interest due to us at the end of the month or fail to make a repayment or fail to pay the Outstanding Amount due to us at the end of the Margin Loan term;
 - (2) should an Event of Default occur;
 - (3) should Sanlam (or any of its affiliates) cease to be the ultimate and beneficial owner of at least 25% (twenty five percent) of the ordinary issued share capital of EasyEquities;
 - (4) should we update the Undiversified Portfolio Ratio;
 - (5) should any mandatory prepayment provisions in terms of the Facility Agreement occur; or
 - (6) should you sell any Qualifying Securities in your Selected Investment Account/s subject to clause 15.3.

- 15.3 We may further initiate a Mandatory Prepayment should the Qualifying Securities in your Selected Investment Account/s fail to meet the Undiversified Portfolio Ratio. Should the aforesaid occur, you will have 5 (five) Business Days to ensure that you diversify your portfolio.
- 15.4 Should you sell any Qualifying Securities in your Selected Investment Account/s, a percentage of the sales proceeds, equal to the current LTV, will be applied towards the settlement of your Margin Loan. For example If the sales proceeds equal to R100 and the current LTV is 33%, then R33 will be applied against your Margin Loan.

16. WARRANTIES

16.1 You warrant and represent to us that:

- (1) the Agreement is legal, valid, binding and enforceable against you in all respects;
- (2) you have read and understand the contents of this Agreement and the EasyEquities ZAR and TFSA Terms and Conditions;
- (3) your details, as provided, are true and correct;
- (4) you are not acting on behalf of a third party and you are not entering into this Agreement for the benefit of a third party;
- (5) you have the full capacity to effect and carry out your obligations in terms of this Agreement;
- (6) you are a natural person, you are older than 18 years of age and you are married out of community of property;
- (7) you understand the risks, costs and obligations under this Agreement;
- (8) the conclusion of this Agreement will not have the effect that you are over-indebted;
- (9) you are and will at all relevant times be the legal and beneficial owner of all Qualifying Securities;
- (10) you have fully and truthfully answered any requests for information from us in order for us to conduct an affordability assessment when determining whether you qualify for a Margin Loan granted to you in terms of the Agreement;
- (11) save as contemplated in this Agreement, none of the Qualifying Securities is nor will be subject to any right of retention or other limitation or encumbrance for the duration of the Agreement and may not be pledged or ceded by you;
- (12) no right or pre-emption or option exists, or will exist, in respect of the Qualifying Securities; and
- (13) you have disclosed, where applicable, all material information concerning the Qualifying Securities to EasyEquities.

16.2 **You are responsible to ensure that each of the warranties set out above are complied with at all times because we will rely on the warranties and if at any time you are in breach of any warranty, you will be liable to us for any loss or damage which we suffer.**

17. EVENTS OF DEFAULT

17.1 An Event of Default includes any of the following:

- (1) failing to pay any amount owing in terms of the Agreement when it is due;
- (2) failing to pay a Mandatory Prepayment;
- (3) you fail to respond fully and timeously to a Margin Call as set out in clause 14 above;
- (4) any breach by you of any terms of the Agreement;
- (5) you commit an act of insolvency as mentioned in the Insolvency Act 24 of 1936, as amended from time to time;

- (6) you are provisionally or finally sequestered;
- (7) you have furnished information in the Application that is incorrect or misleading, or you did not disclose information to us that would have influenced our decision to grant you a Margin Loan;
- (8) you generally do or allow anything to be done that may prejudice our rights and/or interests under this Agreement;
- (9) should you fail to immediately inform us of a judgment that is handed down against you, which is not satisfied within 14 (fourteen) Business Days or against which an appeal or application for rescission is not noted or made within that period (provided that such appeal or application is properly prosecuted); and/or
- (10) you die.

17.2 Should any of the abovementioned Events of Default occur, then we will have the right to terminate this Agreement, the Outstanding Amount will immediately become due, owing and payable and we will be entitled, without any prejudice to any other rights which we may have in terms of Agreement or in law, to realise in part or in whole, the Qualifying Securities afforded by the Security Cession contained in clause 11.

17.3 For the avoidance of doubt, it is recorded that should we exercise our rights in terms of 17.2 above, we are entitled to procure the sale of any or all of the Qualifying Securities and to apply the proceeds thereof, in settlement or partial settlement, as the case may be, of your obligations to EasyEquities in terms of the Agreement.

18. PROCEDURE IN THE CASE OF DEFAULT OR BREACH

18.1 If you are in breach of any terms of the Agreement or should an Event of Default occur, we may take steps set out in Part C of Chapter 6 of the NCA.

18.2 Without limiting any of the rights that we may have in terms of common law or the NCA, we may immediately terminate the Agreement and claim repayment of the Outstanding Amount, interest and other fees charged from the date of the Event of Default or breach.

18.3 The following process may be followed should you default on your Margin Loan and remain in default for a period of longer than 20 (twenty) Business days.

18.4 We may provide you with notice in terms of section 129(1)(a) of the NCA ("**129 Notice**"), the 129 Notice will provide you with at least 10 (ten) Business Days to rectify the default and propose that you refer this Agreement to a debt counsellor, alternative dispute resolution agent, consumer court or ombudsman with jurisdiction with the intention that we resolve the dispute under this Agreement or, if applicable, develop and agree on a plan to bring the repayments under this Agreement up to date.

18.5 If you don't rectify the default within the 10 (ten) Business Day period and you have not responded to the 129 Notice or you have responded rejecting our proposal, we may take legal action against you and, if successful, get a judgment against you.

18.6 If this Agreement is reviewed under section 86 of the NCA (debt review) and 60 (sixty) Business Days after the date on which you applied for the debt review has passed and you are in default of this Agreement, we may give you notice to terminate this Agreement from the debt review process under section 86(10) of the NCA. We may not terminate this Agreement from the debt review process if an application has already been filed at Court or in the National Consumer Tribunal.

19. CERTIFICATE OF INDEBTNESS

19.1 A certificate signed by any of our managers or directors (whose, appointment, authority or qualification need not be proved) is prima facie proof of the Outstanding Amount payable by you in terms of the Agreement for all purposes, including proof of claims against an insolvent and deceased estate.

20. INFORMATION SHARING PRACTICES

20.1 You acknowledge and agree that we may provide the following information to the registered credit bureaus listed on the EasyEquities Platform:

- (1) information about your Application, the conclusion of this Agreement and the termination of this Agreement;

- (2) information regarding any non-compliance by you with the terms and conditions of this Agreement. We will give you 20 (twenty) Business Days prior notice before doing so; and/or
- (3) details of the transfer of our rights as the credit provider under this Agreement to another person; and/or
- (4) any other information as may be required by law.

20.2 Based on their records, a credit bureau may provide a credit profile and possibly a credit score on your credit worthiness to us and other credit providers.

20.3 You have the right to contact the credit bureau to have your credit record with it disclosed and to request the correction of any inaccurate information. The names and contact details of the credit bureaus will be available on the EasyEquities Platform.

20.4 **At the request of a Funder, you agree that we may provide them with a copy of this Agreement, together with any amendments and/or details of your conduct in respect of this Agreement.**

20.5 **You understand and agree to the sharing of your personal information between companies within the Purple Group in line with the Protection of Personal Information Act, 2013.** The sole purpose of this will be to facilitate the outsourcing of the administration of the Margin Loan, consolidated platform reporting and sharing of information.

20.6 **You further acknowledge and agree that your personal information in terms of POPI may be shared with the Funder, should EasyEquities default (however described) on any of its obligations in terms of the Facility Agreement or any other related finance documents with the Funder. EasyEquities will only share necessary personal information with the Funder, we will not share any other personal information that is not related to this Agreement, Facility Agreement or any other finance documents.**

20.7 **For the purposes of your Application and this Agreement, you hereby consent and agree that we, or any of our appointed agents, are entitled to:**

- (1) **perform a credit search on your credit record at any registered credit bureau;**
- (2) **monitor your payment behaviour by researching records at any registered credit bureau; and**
- (3) **use information and data obtained from any registered credit bureau.**

21. DEFAULT ADMINISTRATION CHARGES

21.1 Default administration charges can be charged by us if you are in default of this Agreement. These are administrative costs that we pay or are responsible for, which you will become responsible for because you defaulted under this Agreement.

21.2 Default administrative charges will be equal to the amount payable for a registered letter of demand in undefended actions under the Magistrate's Court Act, 1944, in addition to any reasonable and necessary expenses incurred in delivering such letter.

21.3 Default administration charges may be imposed by us for each letter we need to write in terms of Part C of Chapter 6 of the NCA and clause 18.

22. COLLECTION COSTS

22.1 We will charge and you will pay, in respect of the enforcement by us of your payment obligations under the Agreement, all costs incurred by us in collecting any amount due and or payable to us in terms of this Agreement, in terms of the Superior Courts Act, 2013, the Magistrates Court Act, 1944 or the Debt Collectors' Act, 1998 whichever is applicable to the court approached by us to enforce this Agreement, but excluding any default administration charges contemplated in clause 21.

23. JURISDICTION

23.1 Under Section 45 of the Magistrates' Court Act, 1944 ("**MCA**"), as amended from time to time, you consent to us enforcing any of our rights under this Credit Agreement, against you in the MCA for any district that has jurisdiction.

24. EASYEQUITIES PLATFORM TERMS AND CONDITIONS

24.1 The EasyEquities ZAR and TFSA Terms and Conditions found on the Website in relation to use of the EasyEquities Platform will be applicable to this Agreement as the context requires.

25. NOTICES AND ADDRESSES

25.1 You choose, as the address for serving legal notices in terms of this Agreement, the address chosen by you and recorded in your Application Form in applying for your Account. This is your *domicilium citandi et executandi* address, your chosen address to receive legal documents. Should you wish to change your address, it can be changed on the EasyEquities Platform. The change of address will be effective on 10 (ten) Business Days after receipt of the notice by us.

25.2 Any 129 Notice or section 86(10) termination of debt review will be delivered to you by registered post and/or by hand.

25.3 Any legal notice, form or document that you send to us must be served on the physical and email address recorded in the EasyEquities ZAR and TFSA Terms and Conditions and marked for the attention of client relations.

26. APPLICATION TO A DEBT COUNSELLOR FOR OVER INDEBTEDNESS

26.1 If you are a natural person, you may apply to a debt counsellor to be declared over indebted in terms of section 86 of the NCA, in order to do so:

- (1) you have to fill in an application form and submit it to a debt counsellor. You can get this application form from the National Credit Regulator whose details are as follows: - Telephone number: 0860 627 627 website: www.ncr.org.za;
- (2) you may have to pay an application fee to the debt counsellor before they accept an application. When the debt counsellor receives the application, they must give you proof of receipt of the application and notify all credit providers and every registered credit bureau of the application.

26.2 If the debt counsellor determines that you are over-indebted, they may issue a proposal to the Magistrates Court recommending that it declares one or more of your credit agreements to be reckless or that your obligations be rearranged.

27. DISPUTES AND COMPLAINTS

27.1 You have the right to:

- (1) submit the written details of any dispute in relation to the Agreement by submitting a ticket via our [support portal](#). EasyEquities will try to settle your dispute quickly and reasonably taking into account industry practice.
- (2) resolve a complaint arising out of this Agreement by referring the matter to a dispute resolution agent, the consumer court or the ombudsman with jurisdiction;
- (3) in respect of any alleged contravention of the NCA, file a complaint with the National Credit Regulator; and/or
- (4) make an application to the National Consumer Tribunal (“**Tribunal**”) for:
 - (a) an order resolving a dispute over information held by a credit bureau;
 - (b) an order compelling delivery of a statement;
 - (c) review of a statement of account;
 - (d) permission to bring a complaint directly before the Tribunal; and/or
 - (e) an order allowing late filing.

27.2 The contact details to file complaints are:

- (1) The National Consumer Tribunal: Telephone number: 012 294 1450 website: www.ncr.org.za

- (2) The Credit Ombudsman: Telephone number: 0861 662 837 website: www.creditombud.org.za
- (3) The National Credit Regulator: Telephone number: 0860 627 627 website: www.ncr.org.za

28. CESSION AND ASSIGNMENT

- 28.1 EasyEquities shall be entitled to cede and assign its rights and obligations under this Agreement to any person without your prior written consent.
- 28.2 You shall not be entitled to cede or assign any of your rights and obligations under this Agreement to any person without having first obtained the prior written consent of EasyEquities.

29. GENERAL

- 29.1 This Agreement is the whole agreement between the Parties.
- 29.2 In general, no changes to the terms or conditions of your Agreement will be legally binding on you unless you are notified of the change. You will receive at least 5 (five) Business Days written notice of the change. However, we may not unilaterally change the period for repayment of the Margin Loan, except to lengthen it.
- 29.3 Any translated version of this Agreement is translated from the English version, and will be given to you on request. Please note that while the translated versions of this Agreement describe the rights and obligations in this Agreement, this English version of the Agreement Signed by you will constitute the legally binding agreement between you and us. Any enforcement procedures we may bring in respect of this Agreement will be based on the English version of the Agreement.
- 29.4 No postponement, indulgence or extension displayed or granted by EasyEquities in respect of the enforcement of the terms and provisions of this Agreement is a waiver by EasyEquities of its rights to claim due and punctual performance of the terms of the Agreement, subject to the NCA should the NCA be applicable.
- 29.5 If a term of this Agreement is illegal or unenforceable, that particular term may be cancelled and the remaining terms of the Agreement will still operate.
- 29.6 This Agreement is governed by South African law.