

**This documentation pack should consist of:**



JSE Limited  
Reg. No. 2005/022939/06  
One Exchange Square  
Gwen Lane, Sandown  
Private Bag X991174  
Sandton, 2146, South Africa  
Telephone 2711 520 7000  
Web: [www.jse.co.za](http://www.jse.co.za)

## **CLIENT AGREEMENT AND REGISTRATION FORM**

### **CLIENT AGREEMENT AND REGISTRATION FORM**

**This documentation pack should consist of:**

- Instructions to members
- Client Registration Form
- Client Agreement
- Annexures to Client Agreement:
  - A. Risk Disclosure Statement
  - B. Schedule of Fees
  - C. Investment objectives of Client

## CLIENT DOCUMENTATION PACK

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### Instructions to members:

Members should ensure that they follow the steps set out below when registering a new client:

1. Explain the Client Agreement to your client and ensure that the client is aware that he is also bound by the rules.
2. Explain the risks of trading in futures and options to your client. The client must read and initial the Risk Disclosure Statement (Annexure A).
3. Complete the following :
  - your name as member and the client's name on the Client Agreement title page;
  - your appointment per clause 3; delete the non-applicable section;
  - any additional margin as required in clause 7 - enter 0% if not applicable;
  - your trading capacity as required by clause 8: indicate the choice.
  - explain how you will charge fees and that a turn is not a fee; indicate appropriate choice in clause 11.3 and complete Annexure B;
  - the information as required in clause 13 read together with Annexure C - it is vital that the client's investment objectives are clear and concise - ensure the client understands what the maximum loss can be when implementing the particular strategy per his objectives;
  - signatures and details of both parties as required.
4. Both you and your client must initial **all** of the above places where a choice, deletion or completion is required.
5. Initial every page, including all annexures, together with two witnesses.
6. Have your client initial every page, including all annexures, with two witnesses.
7. Retain the completed and signed originals in a safe place and **provide the client with a copy.**
8. Complete the Client Registration Form and fax it to the JSE Ltd. The client will then be registered by the Clearing House. Make sure that both the compliance officer and the client sign the declarations on this form and ensure that the client understands what he is signing.
9. It is very important to take note of clause 20, which states that no amendment to the

**CLIENT DOCUMENTATION PACK**

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agreement (including the Annexures) will be of any force or effect unless reduced to writing and signed by both parties. This implies that in the case of any amendment to Annexures B or C after conclusion of the agreement, the amendments should be set out in separate Annexures, properly undersigned and dated by the member and the client as in the case of the agreement itself, and attached to this agreement as new Annexures, replacing existing ones. For reference purposes, the member should retain the original Annexures, but indicate clearly that these original Annexures have been amended and are therefore not in force.

**CLIENT REGISTRATION FORM**



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**CLIENT REGISTRATION FORM**

EQUITY DERIVATIVES CLIENTS FAX NO.: (27) (11) 520-7551 / 7199/ 7198

AGRICULTURAL DERIVATIVES CLIENTS FAX NO. (27) (11) 520-7558

(Please use block letters when completing this document.)

Client to be registered to trade in:

financial instruments  agricultural instruments  both

**Member Details:**

Name   
Contact Person

I, KP Faure, the Compliance Officer of the member,  
hereby request the JSE Ltd to register the following client in terms of rule 7.6.2.

Signed \_\_\_\_\_

Compliance Officer

Date

**Client Details:**

Name

Company/CC Registration No./Individual's ID No.

Contact person (for Companies/CC's)

Discretionary managed client (Y/N)

Resident Client  Non-resident Client  Emigrant Client

Postal Address

Physical Address

Telephone No.   
Telex No.

Facsimile No.   
E-mail Address

VAT number   
Tax No.

I, \_\_\_\_\_, duly authorised signatory of the client, acknowledge  
that I have read and signed the client agreement and the risk disclosure statement, that I will be  
bound by the rules of the JSE Ltd and that the information I supplied is correct.

Signed \_\_\_\_\_

Client's Signature

Date

**CLIENT REGISTRATION FORM**

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Client's Bank DetailsName of authorised bank Branch Telephone No.  Fax No.  Telex No. Account No. Contact person at bank Member's Bank DetailsName of authorised bank Branch Account no. (for daily settlements) Client Margin Category : + Additional %



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# **DERIVATIVES MARKET OF THE JSE LTD**

## **CLIENT AGREEMENT**

**between**

**CJS SECURITIES (PTY) LTD**

**("member")**

**Company Registration No. 2002/002196/07**

**and**

.....  
**("client")**

**Company/CC/Trust Registration No./**

**Identity No. ....**

## 1 Interpretation

- 1.1 In this agreement, unless otherwise clearly indicated by, or inconsistent with, the context -
- 1.1.1 the words and expressions used in this agreement bear the same meaning as are assigned to them in the rules of the JSE Ltd ("the rules");
- 1.1.2 "clause" means a separate numbered provision of this agreement;
- 1.1.3 "clearing agreement" means the agreement entered into between the clearing member and the member as contemplated by the rules;
- 1.1.4 "clearing member" means the person with whom the member has entered into a clearing agreement as contemplated by the rules;
- 1.1.5 "contract" means a "futures contract" or an "option contract" as defined in the rules
- 1.2 The rules shall apply *mutatis mutandis* to this agreement as if incorporated herein. Insofar as there is a conflict between this agreement and the rules, the rules shall prevail.
- 1.3 The relevant provisions of the decisions or determinations of the JSE Ltd ("the decisions") and the established trade and other practices and conventions of the JSE Ltd ("the trade practices") shall apply *mutatis mutandis* to this agreement as if incorporated in this agreement.
- 1.4 Any reference to an annexure in this agreement, is a reference to that annexure as amended from time to time in accordance with the provisions of this agreement.

## 2 Rules binding

The client by its signature hereto acknowledges and confirms that it has read and understood the rules and that it shall at all times be bound by the rules as amended from time to time as well as the decisions and the trade practices.

## 3 Appointment

*(Delete clause which is not applicable)*

### **Non-discretionary client agreement**

The client appoints the member and the member accepts the appointment to trade in derivative securities listed by the JSE Ltd and permitted in terms of this agreement, without discretion and only in response to an order from the client.

**OR**

### **Discretionary client agreement**

The client hereby appoints the member and the member accepts the appointment to trade in derivative securities listed by the JSE Ltd and permitted in terms of this agreement, on a discretionary basis as defined in the rules or in response to an order from the client, as the case may be.

#### **4 Conditions precedent**

This agreement shall be of no force and effect until the client has been registered by the clearing house in terms of the rules and has, if clause 14.4 of this agreement applies, paid the amount to be invested in terms of that clause.

#### **5 Risk acknowledgement**

- 5.1 The client acknowledges that it has read the Risk Disclosure Statement attached hereto as Annexure A and fully understands the contents thereof.
- 5.2 The client shall disclose any client relationships with another member and/or any position, trade and/or contract in an instrument offered as a tradeable instrument by the member, of significant size, held at another member.

#### **6 Obligations of member**

- 6.1 The member –
- 6.1.1 shall endeavour, but shall not be obliged, to confirm to the client that any instruction has been executed and shall not be responsible for any accidental delay or inaccuracy in the execution of the client's instructions;
- 6.1.2 may report to the client in writing whenever a trade is done and such report shall include details of the exchange contract, the price, the number of exchange contracts, the time of the instruction to trade, the time at which the trade was done and whether the trade had the effect of opening, closing, increasing or decreasing a position, the fees, charges and commission payable and other details relevant to the trade; and
- 6.1.3 shall maintain the trading and position records and report to the client as required by Rule 10.20, and shall take all reasonable steps to provide the client with any information that the client requires relating to the positions of the client.
- 6.2 In the case of a discretionary client agreement, the member warrants that it will manage the client's investments in accordance with the investment objectives of the client referred to in clause 14.4.1.

#### **7 Obligations of client**

- 7.1 The member may impose on the client such financial, capital adequacy, security and other requirements whatsoever as set out in this agreement, specifically Annexure D and Annexure E of this agreement (as amended from time to time by the member in accordance with the provisions of this agreement), as the member considers necessary in respect of any positions, trades and/or contracts of the client.
- 7.2 If the client fails to meet or adhere to any additional requirement referred to above, such failure shall constitute a breach of this agreement. In addition to all other rights that it may have in terms of the rules, the decisions, the trade practices and/or this agreement regarding such breach, the member has, notwithstanding



the provisions of clause 17 (Voluntary Termination), the right to immediately terminate this agreement if the breach relates to a material term of this agreement.

**8 Margin and withdrawals from client’s account**

- 8.1 The member is authorised to withdraw from the client’s account referred to in rule 11.40 such amounts as are required from time to time to settle any amounts due in the course of opening, closing or maintaining any positions on behalf of the client and/or due in respect of any trades and/or contracts and to make such other payments as are necessary and/or required in the operation of the client’s account.
- 8.2 The client shall pay to the member such amounts as the member may require from time to time by way of initial, variation, retained or additional margin (collectively referred to as “margin”) or any other amount required by the member in order to *inter alia* maintain margin balances in respect of or in connection with any position, trade and/or contract as required by the Act, the rules, the decisions, the trade practices and/or this agreement.
- 8.3 Without in any way limiting the generality of the provisions of clause 8.2, and in terms of rule 8.60.3.2, the member has the right in its sole discretion to require the client to pay to the member additional margin on demand in respect of any position, trade and/or contract, the amount of which will be determined and/or calculated by the member according to this agreement, as specified in Annexure D, as amended from time to time. The member may appoint its clearing member to act as the member’s agent in receiving and holding the additional margin paid by the client pursuant to this agreement and the rules.
- 8.4 Notwithstanding the provisions of clauses 8.2 and 8.3 above, should the client fail to pay any margin when payment is due as required by the Act, the rules, the decisions, the trade practices and/or this agreement, the member is entitled to immediately close-out one, more or all of the positions, trades and/or contracts of the client.

**9 Trading capacity**

The client hereby authorises the member to trade as –

Principal	<input type="checkbox"/>
Agent	<input type="checkbox"/>
Principal or agent	<input type="checkbox"/>

*(indicate choice with x in the appropriate block)*

**10 Trading limits**

- 10.1 Provided that it is specified in this agreement and its annexures, as amended from time to time, the member may at any time limit or impose limitations on the client’s positions, trades and/or contracts, which the client will adhere to.

- 10.2 The member may at any time close any position, trade and/or contract of the client out, if such position, trade and/or contract breaches any provisions of clause 7.1, clause 10.1, Annexure D and/or Annexure E of this agreement.

## 11 Telephone calls

The parties acknowledge and confirm that they are conversant with the provisions of the rules, the decisions and the trade practices relating to the recording of telephone calls and each party irrevocably consents to the making of such recordings.

## 12 Fees

- 12.1 Fees, charges, levies and commissions for services rendered shall be levied by the member in accordance with the rules and the decisions and the client shall pay such amounts on the due date for the payment thereof.
- 12.2 The member shall give the client 30 (thirty) days' written notice of any change in the fees, charges or commissions contained in Annexure B to this agreement.

- 12.3 The member –

may


may not

*(indicate choice with x)*

charge a fee for any trade with the client when acting as principal.

## 13 Disclosure to third parties

The member undertakes not to disclose confidential information relating to the client except where such disclosure is -

- 13.1 made under compulsion of law or in terms of the rules and/or the decisions;
- 13.2 in compliance with a duty to the public to disclose;
- 13.3 necessary to further the legitimate interests of the member;
- 13.4 made with the consent of the client; or
- 13.5 required by the clearing member and/or the clearing house and/or the JSE Ltd.

## 14 Client warranties

The client warrants that -

- 14.1 the information regarding itself as set out in the Client Registration Form and in this agreement is in all respects true and correct;
- 14.2 it will keep the member informed of any changes in the information set out in the documents mentioned in clause 14.1;
- 14.3 it complies and will comply with all the requirements of the rules and decisions for acceptance as a client; and
- 14.4 in the case of a discretionary client agreement, it –

- 14.4.1 has the investment objectives set out in Annexure C to this agreement, as amended from time to time;
- 14.4.2 shall invest ZAR ..... within ..... days of signature hereof, which shall constitute the investments made;
- 14.4.3 intends to make the investment available for a period of ..... months, subject to clause 14.4.1, starting on ..... 20., after which the period will automatically be extended by the number of months as stipulated above, subject to clause 19;
- 14.4.4 is entitled at any time to require the payment to it of any amount in its name in which its (the client) positions and/or trades and/or contracts exceeds the investments referred to in clause 14.4.2.

## **15 Breach by client**

- 15.1 Time shall be of the essence for the performance by the client of any obligation under the Act, the rules, the decisions, the trade practices and/or this agreement, including, but not limited to, the repayment of any amount in terms of rule 11.50.
- 15.2 Any breach of this agreement may be regarded as a default and therefore the provisions of Rules 12.10A and 12.20 shall apply in case of any breach by the client of its obligations under this agreement.
- 15.3 The client shall have breached its obligations in terms of this agreement if it fails to fulfil any of its obligations in terms of the Act, the rules, the decisions and/or this agreement and/or in respect of any position, trade and/or contract that was cleared through the clearing member by the clearing house, in particular, but not limited to, any failure to comply fully and immediately with any obligation whatsoever to pay any margin whatsoever (in respect of any or all positions, trades and/or contracts) when due or required in terms of the Act, the rules, the decisions, the trade practices and/or this agreement.

## **16 Breach by member**

- 16.1 Should the member fail to fulfil any obligation to the client in terms of this agreement the client shall immediately inform the executive officer of the JSE Limited of the details of such breach.
- 16.2 The provisions of rules 12.10 and 12.30 or 12.40, as the case may be, may be invoked in the case of any breach by the member of its obligations under the rules.

## **17 Voluntary termination**

A party shall be entitled to terminate this agreement by giving written notice to the other party in the manner provided in this agreement, provided that such termination shall not:

- 17.1 affect the rights or obligations of the parties in terms of this agreement which may have arisen or are in existence at the date of such notice or at the date of termination of this agreement;

- 17.2 entitle the client to claim or withdraw from the account referred to in clause 8 any monies held to secure the obligations of the client, until such obligations have been fully settled.

## **18 Law**

- 18.1 This agreement shall be governed by, and construed in accordance with, the law of the Republic of South Africa.
- 18.2 The parties submit to the jurisdiction of the high courts of South Africa and the non-exclusive jurisdiction of the South Gauteng High Court of South Africa, Johannesburg.

## **19 Relaxation**

- 19.1 No latitude, extension of time or other indulgence which may be given or allowed by a party to the other party in respect of the performance of any obligation under this agreement or the enforcement of any right arising from this agreement, and no single or partial exercise of any right by any party, shall under any circumstances be construed as an implied consent by such party or operate as a waiver or a novation of or otherwise affect the rights of any party under this agreement or prevent such party from enforcing strict and punctual compliance with each and every provision or term hereof.
- 19.2 The provisions of Rule 11.50 shall otherwise apply to any such relaxation or indulgence.

## **20 Variation**

No addition or variation, consensual cancellation or novation of this agreement and no waiver of any right arising from this agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by both the parties or their duly authorised representatives, provided that no such addition, variation, novation or waiver shall be effected without the prior approval of the executive officer of the JSE Ltd, provided further, that notwithstanding the provisions of this clause 20 relating to the requirement that the relevant addition, variation, consensual cancellation, novation and/or waiver contemplated above be signed by both parties, the member may notify the client in writing of amendments, additions, variations and/or waivers in respect of additional margin and approved contracts pursuant to Annexure D and/or Annexure E and such amendments, additions, variations and/or waivers shall be deemed effective no less than 3 (three) business days from the member notifying the client in writing of it in accordance with this agreement and the client shall only be required to acknowledge receipt of such notification in writing, the failure of which will not affect the validity and legal enforceability of such amendments, additions, variations and/or waivers of the provisions of Annexure D and/or Annexure E.

## **21 Whole agreement**

This agreement, together with the Annexures hereto, read with any approved occurrences referred to in clause 20, contains the entire agreement between the member and client with respect to the subject matter of this agreement and supersedes all prior agreements between the parties with respect to the subject matter of this

agreement and neither of them shall be bound by any undertakings, representations or warranties not recorded herein.

**22 Notices and domicilia**

22.1 The parties choose as their domicilia citandi et executandi their respective addresses set out in this clause for all purposes arising out of or in connection with this agreement at which addresses all processes, communications and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties.

22.2 For the purposes of this agreement the respective addresses shall be as follows -

**THE CLIENT**

**Address:** .....  
.....  
.....  
.....

**Telephone number:** .....

**Facsimile:** .....

**THE MEMBER**

**Address:** 32 Fricker Road  
Illovo  
Johannesburg  
2196

**Telephone number:** (011) 447 3531

**Facsimile:** (011) 880 7381

or at such other address, not being a post office box or poste restante, or number of which the party concerned may notify the other in terms of this agreement.

22.3 Any notice given in terms of this agreement shall, unless sent by electronic means, be in writing and shall be deemed, until the contrary is proved, to have been received -

22.3.1 at the time of delivery if delivered by hand during normal business hours at the addressee's registered address;

22.3.2 by no later than the seventh day after the date of posting if posted by pre-paid registered post from an address within the Republic of South Africa to the addressee at the addressee's registered address;

22.3.3 on proof of transmission if transmitted by telex, facsimile or other electronic means.

22.4. Notwithstanding anything to the contrary contained in this agreement a communication actually received by one of the parties from another shall be adequate written notice or communication to such party.



## ANNEXURE A

### Risk Disclosure Statement

This risk disclosure statement is made pursuant to the rules. The risk of loss arising from trading in derivative securities (including futures and options) can be substantial. You should carefully consider whether such investments are suitable for you in the light of your circumstances and financial resources. You should be aware of the following:

1. If the market moves against your position, you may, in a relatively short time, sustain more than a total loss of the funds placed by way of margin or deposit with your member. You may be required to deposit a substantial additional sum, at short notice, to maintain your margin balances. If you do not maintain your margin balances your position may be closed out at a loss and you will be liable for any resulting deficit.
2. Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where trading is suspended or restricted at times of rapid price movement.
3. Where permitted, placing a stop-loss order will not necessarily limit your losses to the intended amounts, for market conditions may make it impossible to execute such orders at the stipulated price.
4. A spread or straddle position may be as risky as a simple long or short position and can be more complex.
5. Markets in futures and options can be highly volatile and investment in them carries a substantial risk of loss. The high degree of "gearing" or "leverage" which is often obtainable in trading these contracts stems from the payment of what is a comparatively modest deposit or margin when compared with the overall contract value. As a result a relatively small market movement can, in addition to achieving substantial gains where the market moves in your favour, result in substantial losses which may exceed your original investment where there is an equally small movement against you.
6. When your member deals on your behalf, you should allow this only in contracts listed on the JSE Ltd. Should you deal in contracts not listed on the JSE Ltd, then you do so at your own increased risk.
7. Prior to the commencement of trading, you should require from your member written confirmation of all current commissions, fees and other transaction charges for which you will be liable.
8. Members may also be dealers trading for their own account in the same markets as you, in which case their involvement could be contrary to your interests.
9. You should carefully consider whether your financial position permits you to participate in a syndicate. Areas of particular concern are -
  - 9.1 charges for management, advisory and brokerage fees;
  - 9.2 the performance record of the syndicate and for how long it has been operating; and
  - 9.3 the credibility of management.
10. Your member should explain to you the meaning of various terms set out herein so that

you are fully aware of their significance.

11. If you have any doubts or concerns regarding the risks in trading financial futures you may contact the JSE Ltd for more detailed information before signing this statement.

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This brief statement cannot disclose all risks of investment in financial futures and options.

They are not suitable for many members of the public and you should carefully study such investments before you commit funds to them. They may also have tax consequences and on this you should consult your lawyer, accountant or other tax advisor.

The member is hereby indemnified against any loss or damage suffered by the client as a consequence of any depreciation in the value of investments resulting from any change in market prices.



**ANNEXURE B****Fees schedule**

The fees referred to in clause 12 of this agreement, will be as follows:

**ANNEXURE C****Investment objectives of client**

The investment objectives of the client as envisaged in clause 14.4.1 of this agreement shall be as follows:

**NOTE:**

Any later amendments to Annexure C must be attached to this agreement, properly signed and dated.

## ANNEXURE D

### Additional Requirements

1. The **Additional Margin Requirements** are as follows:

- 1.1 The client shall maintain with the member (at the clearing house or otherwise) at all times a minimum amount of additional margin equal to  $x\%$  ( $x$  per centum) of the initial margin as required by the JSE Ltd in respect of all positions.
- 1.2 Notwithstanding paragraph 1.1 above, the member shall at all times be entitled to demand payment from the client of an amount of additional margin, which shall not exceed an amount equal to the value of the nominal exposure of the relevant position of the client, minus the value of any initial margin paid in respect of the relevant position of the client, should the member in its sole discretion determine that the additional margin required in terms of paragraph (i)(1) of this Annexure D is not sufficient in respect of the relevant position of the client.

For purposes of this paragraph 1.2, “nominal exposure” is measured as follows:

nominal exposure = [the number of contracts \* nominal per contract \* price of the underlying security]

2. The **Trading Requirements** are as follows:

- 2.1 All trading activities on the derivatives market shall, subject to all the additional requirements contained in this Annexure D, be confined to positions, contracts and/or trades which fall within the Approved Contract List as set out in Annexure E below.

2.2 Equity Derivatives Market

- 2.2.1 No Safex positions, trades, contracts and/or trading activities in respect of trades and contracts shall be permitted –

- 2.2.1.1 where the trades and/or contracts concluded as a result of the trading activities will result in a nominal exposure concentration, measured in respect of the positions acquired by the client in the aggregate exceed 5%.

For purposes of this paragraph 2.2.1.1, “nominal exposure concentration” is measured as follows:

nominal exposure concentration = [nominal exposure / market capitalisation of the underlying security]

For purposes of this paragraph 2.2.1.1, “nominal exposure” is measured as follows:

nominal exposure = [the number of contracts \* nominal per contract \* price of the underlying security]

#### 2.2.1.2

where the trades and contracts concluded as a result of such trading activities will result in a position, measured in respect of the positions acquired by the client and in the aggregate exceed 5 days to close-out.

For purposes of this paragraph 2.2.1.2, “days to close-out” is measured as follows:

days to close-out = [(number of contracts \* nominal per contract) / rolling 3 month average daily volume of the underlying security]

#### 2.2.2.

No single stock futures contract styled equity financing transactions (“Equity Financing Transactions”) are permitted under this agreement. For the purposes of this paragraph 2.2.2, “Equity Financing Transactions” means the use of exchange traded derivative contracts, as opposed to direct subscription for and allotment and issue of equity securities, typically involving shareholders selling shares in the company concerned to a market maker and applying a portion of the purchase price received to acquire, in terms of a derivative contract, an agreed number of shares in the company back from the market maker at a future date and/or any derivative form of this type of transaction using derivative contracts in respect of or relating to such equity securities.

The member may amend, vary or add to the provisions of this Annexure D by written notice to the client in accordance with Clause 20 of this agreement.

**ANNEXURE E****Approved Contract List**

The Approved Contract List is as follows:

<b>Contract Code</b>	<b>Name</b>
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The member may amend, vary or add to the provisions of this Annexure E by written notice to the client in accordance with Clause 20 of this agreement.