



Capital-Builder Investments is authorised as an approved  
Category 2 Financial Services Provider, License 21606

## **DISCRETIONARY MANDATE**

**ENTERED INTO BETWEEN**

**Deo Volente Empowerment and Training CC  
Reg 2004/050938/23**

**trading as**

# **CAPITAL-BUILDER INVESTMENTS**

(hereinafter referred to as the Forex Services Provider)

**AND**

---

(hereinafter referred to as the Client)

**FOR THE MANAGEMENT OF FOREX TRADING  
INVESTMENTS**

**(Please ensure all pages and options are initialed by Client AND  
witnesses)**



## WHEREBY IT IS AGREED

### 1. AUTHORISATION

- 1.1 The Client authorises the Forex Services Provider to manage the following investments on behalf of the Client referred to above:

To speculate and/or purchase and/or sell cash or spot Foreign currency (Forex Trading) through the foreign exchange markets.

- 1.2 The Forex Services Provider shall exercise its discretion in the management of investments on behalf of the Client in a managed forex account.

- 1.3 The funds for investment shall be paid directly to the clearing firm, ODL Securities Limited (Company nr 2926252), situated in The Northern & Shell Building, 10 Lower Thames Street, London EC3R 6AD, United Kingdom. ODL Securities Limited is authorised and regulated by the Financial Services Authority (Registration number 171487) and is a member of the London Stock Exchange. ODL Securities Inc. is regulated by the Commodity and Futures Trading Commission (CFTC) and is a member of the National Futures Association (NFA, ID: 0330396).

Deposits in sterling must be transferred to:

National Westminster Bank Plc  
Ninth Floor  
280 Bishopsgate  
LONDON UK  
EC2M 4RB

Name: ODL Securities Ltd – No 2 Account  
Sort Code: 60-00-01  
Number: 39093174  
IBAN: GB46 NWBK 6000 0139 0931 74  
SWIFT/BIC: NWBKGB2L  
Reference: Clients name and account number

Deposits in US Dollar must be transferred to:

Wachovia Bank NA  
Charlotte NC  
USA

Name: ODL Securities Inc – Customer Funds  
ABA: 031201467  
Number: 2000021582194  
Swift: PNBPUS33  
Reference: Clients name and account number

- 1.4 The Forex Services Provider may invest in speculative foreign Exchange investments on behalf of Client.

### 2. INVESTMENT OBJECTIVES

#### 2.1. Definitions

“Clearing Firm” means an entity outside the Republic which complies with the requirements set out in, and has been approved in accordance with, the Regulations, and which handles confirmation, delivery and settlement of foreign exchange transactions in the foreign exchange market;

“Drawdown” means the reduction in a managed forex account or a self-directed forex account value because of a trade or series of trades in the relevant account;

“Leverage” means the usage or gearing of a relatively small foreign currency margin deposit to control a much larger foreign currency amount usually expressed as the ratio of the margin deposit to the total value of levered foreign currency;

“Managed forex account” means a forex investment resulting from the advice or the intermediary services of a forex investment advisor or a forex Services Provider, and which account is managed for or on behalf of a client by that intermediary or another forex investment intermediary appointed by the first-mentioned intermediary; and

“Margin” means a specified amount of money used as collateral to insure against potential losses from outstanding positions.

2.2. The investment objective

The objective is a wealth creation strategy through profit sharing by trading with Client's venture capital and simultaneously limiting the risk. Trading will be restricted to the following currency pairs: EUR/USD, GBP/USD, USD/JPY and USD/CHF and crosses thereof.

2.3. Capital Exposure

To limit the risk the Forex Services Provider will not expose more than **5 % (five percent)** of the Client's capital to any single trade at any point in time.

2.4. Draw Down

In the event that a total loss of 20% (twenty percent) or more on the Client's initial investment occurs, trading on the investment will be terminated and the Client will be informed. Further trading will commence only with the Client's written instruction.

- 2.5. The Forex Services Provider shall obtain and transmit to clients any information which the clearing firm must disclose in terms of any law or regulations.

### 3. TREATMENT OF FUNDS

- 3.1. The Forex Services Provider shall not receive nor handle any Client funds. Funds shall be transferred by Client's bank directly to clearing firm and handles confirmation, delivery and settlement of foreign exchange transactions according to exchange control laws of local jurisdiction.

- 3.2. Cash accruals (including profits, dividends and interest) due to the Client, shall be transferred by clearing firm, upon instruction from Forex Services Provider, or Client, to Client's bank. Until such instruction is issued, it shall be re-invested by Forex Services Provider in terms of this mandate.

- 3.3. In the event that the Client wants to withdraw a portion of his investment, Client will notify Forex Services Provider in writing who will instruct clearing

firm to transfer funds to Client's bank. The withdrawal shall be executed at the end of the next calendar month in which notice is given or earlier, provided that it is within a period of 60 calendar days.

- 3.4. The Client authorizes the Forex Services Provider to as per its discretion, open up to five individual trading accounts for the Client in the name of the Client, with the clearing firm.

#### 4. REMUNERATION

- 4.1. The Client shall remunerate the Forex Services Provider for the management of investments on behalf of the Client as follows:

**Initial Fee:** 3% (3 per cent) of the market value of the portfolio value payable on date of receipt of portfolio. This amount will be deducted from the amount of the transferred funds by the Clearing Firm (ODL Securities Ltd) and paid to the Forex Services Provider's commission account (DV100) before it is allocated to the trader's accounts.

**Annual Fee:** 0 % (null percentage) of the market value of the portfolio payable quarterly in arrears.

**Performance Bonus:**

The Forex Services Provider will be entitled to a performance fee of 20% (twentyper cent) of net new trading profits.

The performance fee will be calculated and deducted from the Client's account by the clearing firm as follows:

The performance fee, if any, generated by the Forex Services Provider for the Client during each trading period, will be paid into Forex Services Provider's Commission Account by the Clearing Firm at midnight Greenwich Standard Time, or when the last open position are closed down.

- 4.2. **Trading Fee:** A transaction fee of \$30 USD (Thirty US Dollars) will be charged to the Clients account for every round turn lot traded, regardless of account performance.
- 4.3 The Forex Services Provider may receive commission and incentives from the third party for placing the funds with them and or trading through them. The commission and or incentives will be disclosed to the Client upon request.

#### 5. INDEMNITY

Client hereby indemnify Forex Services Provider and any third party with whom Forex Services Provider contract on Client's behalf and hold such third party and Forex Services Provider harmless in respect of any:

- 5.1 loss incurred on behalf pursuant to any bona fide investment made by Forex Services Provider in terms of this mandate. Nothing herein contained will however absolve Forex Services Provider from liability for loss suffered by Client through any act of fraud, theft or other grossly irregular act on the part of Forex Services Provider and their employees;
- 5.2 and all claims, damages, liabilities, costs and expenses, including reasonable attorneys fees, which may be brought against Forex Services Provider by virtue of the fulfilment of this mandate;
- 5.3 income tax or other tax or levy of whatsoever nature in respect of which Client may become liable or which may become payable pursuant to anything done by Forex Services Provider on Client's behalf in terms of this mandate, and in particular tax on the increase in value of any asset administered or managed by Forex Services Provider on your behalf and for Client's benefit;
- 5.4 Due to the fact that the Forex Services Provider does not receive funds directly from the client, the Forex Services Provider no has insurance to cover risk of loss from fraud or negligence;
- 5.5 The Forex Services Provider have no voting rights on behalf of the clients in respect of the investments under management save for those rights contained in the limited power of attorney to trade such funds; and

Client undertakes to refund to Forex Services Provider on demand any amount which Forex Services Provider may be called upon to pay be any revenue authority in respect of any such interest or gain accruing for Client's benefit and further authorise Forex Services Provider to pay any such amount out of the investments or realised proceeds of the investment managed by Forex Services Provider on your behalf or under Forex Services Provider's control.

## **6. THIRD PARTY**

The Forex Services Provider may from time to time in order to render services to the Client, make use of other registered Financial Service Providers or staff members or another party as may be deemed necessary.

The foregoing notwithstanding Forex Services Provider assumes no liability whatsoever for any act of fraud, theft, bad faith, dishonesty or gross negligence on the part of any third party as mentioned above, or on the part of any such third party's employees. Forex Services Provider further do not assume any liability in the event of the insolvency or subsequent sequestration or liquidation of such third party's estate.

## **7. RECORDING OF CONVERSATION**

Client consents to recording any telephone conversations between Client and any member of Forex Services Provider's staff and acknowledges that this is an international practice.

## **8. CLIENT DECLARATION**

Client hereby confirms that the funds stated in this application are fully legitimate and comply with all legislation and regulations of relevant jurisdictions and international practice.



## 9. TERMINATION OF MANDATE

Any amendment of any provision of this mandate shall be in writing and shall be by means of a Supplementary or New Agreement between the Forex Services Provider and the Client.

The Forex Services Provider or the Client shall be entitled to terminate this mandate after notice in writing. In the event of the Client terminating this mandate, the withdrawal shall be executed at the end of the next calendar month in which notice is given or earlier, provided that it is within a period of 60 calendar days.

## 10. GENERAL RISK DISCLOSURE

The Financial Advisory and Intermediary Services Act, 2002 (Act no. 37 of 2002) of South Africa requires the following general risk disclosure:

### MARGIN TRADING IN FOREX

The risk of loss arising from margin trading in Forex 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 points:

#### Operational Risk:

1. If the market moves against your position, you may, in a relatively short time, sustain a total loss of the funds placed by way of margin of deposit with your broker. 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.

#### Event Risk:

2. Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where the market is informed of news that will influence interest rates and rapid price movement occurs.
3. When used, 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 in Forex may be as risky as a simple long or short position and can be more complex.

#### Leverage Risk:

5. Markets in Forex can be highly volatile and investments in them carry a substantial risk of loss. The high degree of "gearing" or "leverage" which is often obtainable in trading these instruments stems from the payment of what is a comparatively modest deposit or margin when compared with the overall 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.

#### Currency Risk:

6. You should not deal in foreign exchange derivatives unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is suitable for you in the light of your circumstances and financial position.

This brief statement cannot disclose all risks of investments in Forex trading. They are not suitable for many members of the public and you should carefully study such investments before you commit funds to



Capital-Builder Investments is authorised as an approved Category 2 Financial Services Provider, License 21606

them. They may also have tax consequences and on this you should consult your lawyer, accountant or other tax advisor.

**11. EFFECTIVE DATE**

This mandate will become of force and effect on

.....

**12. REPORTING**

Client statements will be obtained by Forex Services Provider from the clearing firm on behalf of the Client and will be forwarded to the Client via mail ..... or e-mail..... (Tick which is applicable). Client will have access to statements electronically at all times by accessing the Client's account via online means.

INITIAL INVESTMENT AMOUNT .....

SIGNED AT ..... ON THIS ..... DAY OF ..... 20.....

.....  
**(Forex Services Provider)**

Suite 203  
Manie Steyn Building  
34 Newton Street  
PORT ELIZABETH  
6045  
South Africa

Witness #1 .....  
Witness Signature

ID#: .....

P O Box 7604  
Newton Park  
6055  
South Africa

Telephone +27 (0)41 365 1206  
Fax to email +27 (0)88 041 379 1647



Capital-Builder Investments is authorised as an approved  
Category 2 Financial Services Provider, License 21606

**AND:**

SIGNED AT ..... ON THIS ..... DAY OF .....  
20.....

.....  
**(Client)**

Witness #1.....  
Witness Signature

ID#: .....

Client Surname : .....

Client Full Names: .....



Capital-Builder Investments is authorised as an approved Category 2 Financial Services Provider, License 21606

Deo Volente Empowerment and Training CC, Reg 2004/050938/23, t/a

### Capital Builder Investments

#### Client Information

First Names: .....

Surname: .....

ID/Passport No: ..... Title: .....

Physical Address:.....

.....

..... Code: .....

Postal Address: .....

..... Code: .....

Tel: (h) (.....)..... (w) (.....).....

Fax: (h) (.....)..... (w) (.....).....

Cell: ..... Language: .....

E-mail: .....

#### Banking Details

Bank Name: .....

Branch: ..... Branch Code: .....

Account Number: ..... Account Type: .....

IBAN number .....

Full Name of Account Holder: .....

Bank's postal address: .....

Bank's phone nr. :..... Bank's fax nr: .....

#### General

*I, the undersigned, agree that all the above information is true and complete according to the best of my knowledge.*

.....  
Signature Date

- Please attach:**
1. Certified copy of Client's ID document
  2. Certified Proof of residence (Recent Utility bill, not older than 3 months)
  3. Signed pages 5, 6, 7 and 9 from ODL Securities on-line agreement
  4. Signed Power of Attorney

Scan and E-mail all documents to [info@capital-builder.com](mailto:info@capital-builder.com) or fax to +27 (0)8841 379 1647 and mail originals to P O Box 7604, Newton Park 6055. South Africa.