

The effect of iteratively applying plain language techniques in forms and their terms and conditions

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DECLARATION

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Abstract

This thesis wanted to answer the research question: Does iteratively applying plain language techniques in Glacier's *New Investment Plan* form have an effect on understanding, usability and experience of the form and its terms and conditions? Since the Consumer Protection Act (CPA) of 2008 specifies that it is required to use plain language in public documents, many organisations have to redesign their documents using plain language techniques. When writing in plain language, companies will do it very conservatively, making only superficial changes. This is especially true of the terms and conditions sections of documents. The case study in this thesis, the *New Investment Plan* form, had previously been redesigned using plain language techniques. Testing of the form showed that the second, plain language version was not as successful as it could be, and that there was still room for improvement. In this thesis a checklist for the design of a plain language form was developed.

The first and second versions of the form were then analysed using text-focused (a functional text analysis) and expert-focused approaches (an interview with a document designer and an interview with a legal expert). The second version was then tested with a reader-focused approach (usability testing, the plus-minus method, a questionnaire and an interview with respondents). The twenty respondents used in the reader-focused approach were above 35 with a tertiary education. Since the case study is a form used to gather information on investment plans, these are in most cases the characteristics of investors. The text-focused, expert-focused and reader-focused approaches established the ten main problems in the second version of the form. The form was then redesigned with the help of the checklist, taking these problems into consideration.

The redesigned third version was then also tested using the same usability testing and questionnaire to test the second version, but with twenty new respondents. The two sets of data gathered from the second and third versions of the form were compared with each other with regard to

understanding, usability and respondents' experience. The second and third versions were also compared with the analysis of the first version. The comparison showed that the first version of the form had many problems. The second version solved many of these problems by using plain language techniques. Despite this, the second version still had problems with regard to usability, understanding and respondents' experience. The third version had marginally less of these problems. This is also true of the terms and conditions section in the third version. These results illustrate that successfully using plain language techniques is an iterative process of testing and applying. The usability testing of the third version of the form, however, showed that the third version could still be improved. Future studies could further the testing and applying of plain language techniques in this case study to see if it could eventually result in a usable form.

Opsomming

Hierdie tesis wou die volgende navorsingsvraag beantwoord: Het die iteratiewe toepassing van gewonetaal-tegnieke (*plain language techniques*) in die *New Investment Plan*-vorm van Glacier 'n effek op die verstaanbaarheid, bruikbaarheid en ervaring van die vorm en sy bepalings en voorwaardes? Aangesien die Verbruikersbeskermingswet van 2008 spesifiseer dat dit noodsaaklik is om gewone taal in openbare dokumente te gebruik, word baie organisasies verplig om hulle dokumente in gewone taal te herontwerp. Wanneer hierdie organisasies wel gewone taal gebruik, word dit baie konserwatief toegepas met slegs oppervlakkige veranderinge wat gemaak word. Oppervlakkige veranderinge word veral gemaak in die bepalings-en-voorwaardes-afdelings van dokumente. Die gevallestudie in hierdie tesis, die *New Investment Plan*-vorm, is tevore herontwerp met die gebruik van gewonetaal-tegnieke. Toetsing van die vorm het getoon dat die tweede, gewonetaal-weergawe van die vorm nie so suksesvol was soos wat dit kon wees nie en dat daar ruimte vir verbetering was. In hierdie tesis is 'n kontrolelys vir die ontwerp van 'n gewonetaal-vorm ontwikkel.

Die eerste en tweede weergawes van die vorm is geanaliseer met teks-gefokusde ('n funksionele teksanalise) en kenner-gefokusde ('n onderhoud met 'n dokumentontwerper en 'n onderhoud met 'n regsgeleerde) benaderings. Die tweede weergawe is toe getoets met 'n leser-gefokusde benadering (bruikbaarheidstoetsing, die plus-minus-metode, 'n vraelys en 'n onderhoud met respondente). Die twintig respondente wat gebruik is in die leser-gefokusde benadering is ouer as 35 met 'n tersiêre opvoeding. Aangesien die gevallestudie 'n beleggingsvorm is, is dit in die meeste gevalle die eienskappe van beleggers. Die teks-gefokusde, kenner-gefokusde en leser-gefokusde benaderings het die tien mees prominente probleme in die tweede weergawe van die vorm aangetoon. Die kontrolelys is toe gebruik om die vorm te herontwerp met gewonetaal-tegnieke met die doel om hierdie probleme op te los.

Die herontwerpte derde weergawe is getoets met dieselfde bruikbaarheids-toetsing en vraelys as die tweede weergawe, maar met twintig nuwe respondente. Die twee stelle data van die toetsing van die tweede en derde weergawes van die vorm is vergelyk m.b.t. verstaanbaarheid, bruikbaarheid en respondente se ervaring. Die tweede en derde weergawes is ook vergelyk met die analise van die eerste weergawe. Die vergelyking het getoon dat die eerste weergawe van die vorm baie probleme gehad het. Die tweede weergawe het baie van hierdie probleme opgelos met gewonetaal-tegnieke. Ten spyte hiervan het die tweede weergawe steeds baie probleme gehad m.b.t. bruikbaarheid, verstaanbaarheid en respondente se ervaring. Die derde weergawe het minder van hierdie probleme gehad. Dit is ook waar van die bepaling-en-voorwaardes-afdeling in die derde weergawe. Hierdie gevolgtrekkings illustreer dat die suksesvolle gebruik van gewonetaal-tegnieke 'n iteratiewe proses van toetsing en toepassing moet wees. Die bruikbaarheidstoetsing van die derde weergawe van die vorm het egter getoon dat hierdie weergawe nog steeds verbeter kon word. Toekomstige studies kan die toetsing en toepassing van gewonetaal-tegnieke in die gevallestudie voortsit om vas te stel of dit uiteindelik tot 'n bruikbare vorm sal lei.

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Chapter 1

Introduction

1.1 Plain language in forms

Plain language encourages the use of clear and understandable communication in governmental and business documentation (Stableford & Mettger, 2007:75). Even though plain language techniques have been used to write and redesign many documents in modern society, some document types (or parts of documents) seem to have been neglected. A notable document type that has been neglected, especially in South Africa, would be forms and the sections relating to terms and conditions in forms (Siebörger & Adendorff, 2011:485). In this thesis the use of plain language techniques in forms, and the terms and conditions in these forms, will be analysed and tested.

This study will build on previous work conducted by the document design team of the Language Centre of Stellenbosch University, a project employing plain language techniques to redesign the Glacier's *New Investment Plan* form. In this thesis the form is used as an extended case study to research the degree to which plain language techniques should be applied in a form and its terms and conditions to optimise understanding, usability and a positive experience of the form. This is done by iteratively applying plain language techniques in different versions of the form, as well as analysing and testing this iterative application. This particular case is highly relevant since the client clearly had difficulty understanding the *extent* to which plain language techniques should be applied.

Glacier approached the document design team of the Language Centre of Stellenbosch University, under the leadership of Liezl van Zyl, to improve the form. The first version of the form consisted of twenty-six pages. This version had many problems, including that it was too long, it was not clear who the target audience was, and it contained financial jargon that an average person would not understand. Van Zyl and the document design team redesigned the

first version of the form. They created a second version using plain language techniques to make the form easier to use and understand.

The second version of the form consisted of thirteen pages. It therefore halved the length of the form, and in doing so made the form seem easier to complete. The shorter second version also seemed easier to complete and understand because of its use of plain language. The document design team tested the second version of the form using a functional text analysis, usability testing, the plus-minus method, questionnaires, and interviews. Out of a total of thirty-eight respondents, only sixteen could fill in the relevant sections correctly. This proved that the second version of the form was not as usable and understandable as it should be, indicating that the document design team did not go far enough, or they were not allowed to go far enough with their application of plain language techniques. The document design team mentioned in their feedback that if they had more time they would have liked to have worked more on certain parts of the form.

This thesis builds on the work done by Van Zyl and the document design team by assessing whether redesigning the second version of the form into a third version, which refines the existing plain language techniques and applies new plain language techniques, makes the form more usable and understandable and results in a more positive experience of the third version. This is done with Glacier's consent. In this thesis the first, second and third versions of the *New Investment Plan* form are analysed and tested. This is done in order to understand the effect of the *iterative* process of applying plain language techniques on the usability, understanding and experience of the case study.

1.2 Research problem

Since plain language has been implemented in South African legislation, companies are obligated to write their documentation in plain language. In many cases, however, companies' attempts to write in plain language are not successful. The reason for this is that there is often a hesitation when writing in plain language. Companies are afraid that writing in plain language will

result in a document which is not legally binding or which omits important information. When writing in plain language, companies tend to do it very conservatively, often making only superficial changes (Cornelius, 2015:15). As a result, these new “plain language documents” are not as successful, usable and understandable as plain language ought to make them. In this study, research was done in order to demonstrate the degree to which plain language techniques should be applied in the *New Investment Plan* form to maximise the usability, understanding and positive experience of the form and its terms and conditions.

The research question of the study is:

Does the process of iteratively applying plain language techniques in Glacier’s *New Investment Plan* form have an effect on the understanding, usability and experience of the form and its terms and conditions?

Although research shows that using plain language improves a document’s understanding and usability and positively affects experience, no research has been done to understand the *degree* to which plain language techniques should be applied for maximum positive effect.

The hypothesis of this thesis is:

Iteratively applying plain language techniques in Glacier’s *New Investment Plan* form increases the usability, understanding and positive experience of the form.

The hypothesis suggests that the successful use of plain language is, rather than just a one time application, a process of testing and applying plain language techniques. This hypothesis is tested by using different research methodologies applied to the Glacier form. Three versions of the Glacier form are compared with each other. The first version does not deliberately apply plain language techniques. The second version of the form deliberately applies some plain language techniques. The third version of the form refines

the plain language techniques used in the second version and applies new plain language techniques. The application of plain language techniques in the three versions can therefore be defined as an iterative process, with the first form using very little plain language and the third form using much more plain language. Comparing these three versions shows the effect of iteratively applying plain language techniques in a form, and specifically the degree to which plain language techniques should be used in a form to optimise understanding, usability and positive experience.

1.3 Structure of the thesis

The thesis comprises of the following chapters: In Chapter 2 a theoretical and legal framework is given on the topic of the thesis. From the theoretical framework a checklist for the design of a form in plain language is developed. Chapter 3 discusses the methodologies that are applied to the different versions of the form in order to analyse and test them. In Chapter 4 functional text analyses are conducted on the first and second versions of the form with the help of the checklist from Chapter 2. In Chapter 5 the results from the methodologies applied to the first and second versions of the form are discussed. This chapter also looks at the main problems in the second version of the form and how these problems can be amended by using the checklist from Chapter 2.

In Chapter 6 the second version of the form is redesigned into a third version of the form with the help of the checklist. In this chapter the results from the testing of the second and third versions of the form are compared with each other. Chapter 7 presents the final conclusions of the study and offers some suggestions for future research.

Chapter 2

Theoretical and Legal Framework

Plain language developed as part of a new consumer culture and the human rights atmosphere in America during the 1960s. Since then, the plain language movement has spread across the world. To supplement the plain language movement, many acts have been implemented, including in South Africa (Abrahams, 2003:54; Cornelius, 2012:218; DuBay, 2004:55; Petelin, 2010:207-208; Plain language guide, 2016; Plain language: It's the law, 2016; Viljoen, 2001a:15; Williams, 2004:116). This chapter does not give a literature review of the vast number of publications which have been written about plain language. To give an idea of this vast literature one can review the literature survey of the Dutch project "NOW projek Begrijpelijke Taal" (www.nwo.nl/begrijpelijketaal) and the literature database of the project at www.kennisbank-begrijpelijketaal.nl.

The chapter merely gives a broad theoretical and legal framework on plain language in South Africa. It discusses the criticism and benefits of using plain language, and it specifically focuses on the Consumer Protection Act. Lastly, a checklist is developed as an instrument for the analysis and application of plain language techniques.

2.1 Definitions of plain language

Broadly defined, plain language refers to the kind of language which caters to the needs of its intended audience. These needs include acquiring and understanding information. The content, language, structure and design of a document must be used effectively and clearly for the audience to have the best chance of finding the information that they might need in the document (Cheek, 2010:5). From this definition two important aspects of plain language are acknowledged. Firstly, language is plain when it is used with an intended

audience in mind, and secondly, it acknowledges content, language, structure and design as parts of the whole that make up plain language.

The main goal of any document is to communicate. It is important that comprehensive language is used in a document in order for communication to take place. This “comprehensive” language depends on the audience as the level of education of the audience will have an effect on how comprehensive the audience finds the language used (Abrahams, 2003:5-6). Plain language helps a varied audience with a wide variety of literacy skills to be able to understand what is being communicated to them (DuBay, 2008:1). This is done by catering to the comprehension needs of the average reader, and thereby incorporating as much of the varied audience as possible.

The second aspect from the broad definition of plain language is that it includes design and organisational features (Petelin, 2010:206). The term “plain language” places too much emphasis on words and sentences (Petelin, 2010:207). A plain language document uses content, language, structure and design to make a holistically understandable document (Petelin, 2010:207) that is based on the prior knowledge, reading skill and motivation of the intended audience (DuBay, 2007:6).

The broad definition of plain language states that a document is written in plain language when it uses content, language, structure and design to optimally convey information to an intended audience. The plain language movement has been criticised for the vagueness of this definition. Critics are of the opinion that the definition “can mean anything from the process of simplifying complex sentence structure to the wholesale rewriting of documents” (Cornelius, 2012:65). This is not necessarily a bad thing. Making the definition vague allows for plain language to be applied differently in different contexts and with different documents (Cornelius, 2012:65). Applying different plain language techniques to each individual document will help to optimise each document to its fullest plain language potential.

There are many more definitions of plain language which also state how plain language can be applied. Cheek (2010) describes three of these definitions

and explains the strengths and weaknesses of each in an effort to develop a more specific definition of plain language.

The first definition is numerical or formula-based. It states that plain language is achieved through elements of readability, such as word, sentence and paragraph length and font size. Formulas are applied to place documents on a scale to determine their plainness. The scale of plainness also determines how plain a document must be for people at a particular level of education to understand it (Cheek, 2010:5). The strengths of the formula-based approach are that the formulas are easy to apply and interpret with the use of computer programs, they give an objective standard from which it is easy to determine whether a document is plain enough and they can tell if a document is difficult to read (Cheek, 2010:5). Weaknesses of the formula-based approach are that the formulas cannot be 100% sure that a document is easy to read, they are overly simplistic, and they give no suggestions on how to make a document more plain, except by getting a better score (Cheek, 2010:6).

The second definition takes an elements-based approach. According to this definition a document is written in plain language if the different elements that make up the document are used or designed in such a way that it improves the clarity of the document. These elements include structure, design, content and vocabulary (Cheek, 2010:6). Strengths of this definition are that it looks at a document in a much broader sense than the formula-based definition, and the document can be tailored to different readers. This definition reflects a text's readability more accurately than the formula definition, and it gives guidance on how to improve a document. A weakness of this approach is that it requires judgement and writing skills to improve a document. Since the definition acknowledges many elements that make up a document, it can also be difficult to understand which elements are more important for the success of a document (Cheek, 2010:6).

The third definition is outcome-focused. According to this definition a document is written in plain language when the audience can quickly and easily find what they need, understand what they find, and act appropriately in accordance with their understanding (Cheek, 2010:8). The outcome-focused

definition therefore recommends the testing of documents (Cheek, 2010:6). Strengths of the outcome-focused definition are that testing can give specific guidance to improve a document and statistical and other results about the testing of the document. This definition is also the most likely to result in a usable document. A weakness of the outcome-focused definition is that because this definition focuses a lot on testing, it can be time consuming, expensive and impractical to implement (Cheek, 2010:6).

Both the broad and the outcome-focused definitions focus on the needs of the audience, and because of this Cheek (2010:9) states that the outcome-focused definition is the most effective. He goes on to say that the formula-based definition and elements-based definition should be used to supplement the outcome-focused definition. While a plain language document should focus on the audience for which it is intended, the guidelines in the elements-based definition will help to achieve this intended goal and the readability tests of the formula-based definition will be a rough guide to know if the goal was achieved (Cheek, 2010:9).

2.2 Criticism of plain language

Practically applying plain language remains a problem (Cornelius, 2012:vii). This is evident in the legal profession where there is skepticism towards plain language because of the belief that plain language is not as clear, legally binding (Kahn, 2001:5) or precise (Byrne, 2008:90) as legalese. There is also a belief that writing in plain language dumbs a text down (Quesenberry, 2017:210). Many individuals in the legal profession also believe that average people are not interested and do not read legal documents. It is therefore pointless to write legal documents in plain language as only legal experts will read these documents (Siebörger & Adendorff, 2011:485).

This criticism towards plain language has been strongly disputed (Siebörger & Adendorff, 2011:485). The law regulates almost all aspects of modern society (Cornelius, 2012:21), and this regulation is supplemented with legal documents that average people have to read and understand. The argument against plain language that only experts need to read legal documents is

therefore invalid. Even though people who are not legal experts need to read legal documents, they usually do not. This is because of the uniqueness of legalese with its high levels of intricate detail, information density and complicated text organisation (Cornelius, 2012:22). The nature of legalese causes people who do not have legal experience to believe legal documents should be left to legal experts (Cornelius, 2012:22). This belief is further emphasised by the fact that the writers of traditional legal documents usually write with legal experts in mind as the readers (Abrahams, 2003:16).

Legalese is used as an instrument to form in- and out-groups, and is often used as an instrument of power. If a person understands legalese it automatically makes them part of an elite in-group (Cornelius, 2012:6). Members of the out-group usually need the help of members of the in-group for legal advice because of the use of legalese (Cornelius, 2012:6). Legalese therefore creates a hierarchy of power. Plain language causes the disintegration of this hierarchy. It is because of this that many legal experts voice their opinions against plain language. According to Cornelius (2012:6) they mask this fear of losing power by saying that plain language is not as accurate and legal as legalese. Cornelius (2012:6) states that plain language can be just as accurate and legally binding as legalese. There does not need to be a choice between accurateness and clarity, as plain language can be both.

2.3 Benefits of plain language

Many organisations have realised the benefits of using plain language. Kahn (2001:4) advises that making documents more understandable can lower administration costs and complaints which arise from a lack of understanding. Plain language also helps with the training of staff and it helps management to make decisions. Plain language has also shown to enhance public relations (Kahn, 2001:4) and since it is more efficient it also saves money (Abrahams, 2003:29-30). Plain language allows readers to make better, informed decisions because they fully understand what they are reading. It inspires confidence because readers feel confident that what the writer is telling them

is the truth. This builds up a writer's profile as one who treats people fairly and with dignity, which leads to higher compliance rates from readers (Burt, 2010).

Cornelius (2012:96) elaborates on the benefits of plain language by arguing that it reduces litigations and arguments over documents about product specifications and safety requirements. By making product specifications and safety requirements very clear, members of the public cannot sue companies because of unclear specifications and requirements. Plain language further enhances competitiveness within a market as it makes it very clear what the goal of products or services is. This makes it easier for users to make informed decisions regarding which products or services to buy (Cornelius, 2012:96).

In the modern era more and more people are reading texts on a computer or cell phone screen. A study by Hussain, Hussain, Hussain and Khan (2017:33) came to the conclusion that reading plain language on a screen results in the text being more efficient, effective, learnable and memorable than a text that is not written in plain language.

Plain language in legal documents has other benefits for average citizens. Making legal documents understandable for people without legal experience saves them time and money. If a document is written in legalese, an average person would have to pay for legal advice to understand the document. By making a legal document easy to understand with the help of plain language, an average person can read and understand the document without paying someone else for their help (Kahn, 2001:4). From this one can see that using plain language will help ordinary citizens to save money and time when dealing with legal documents.

Laws that are written in plain language allow people to understand them better because they can visualise themselves in the circumstances with which the law deals. People internalise the importance of the law and as a result there is a better chance that they will enforce it (Cornelius, 2012:2). This is also true of members of the public with a lower educational level as using plain language helps these members to understand legislation that is

applicable to their situations. This enhances the legitimacy of democratic principles as it gives all members of the public access to information that is applicable to them (Cornelius, 2012:96). According to Petelin (2010:212) using plain language “achieves democracy, equity, authenticity and transparency”.

Of course the arguments about legalese can also be transferred to other types of communication.

2.4 Plain language in the South African context

Before 1994 Afrikaans and English were the official languages of South Africa. To promote democracy, after 1994 the government implemented eleven official languages. Since the use of eleven languages on an equal level is highly unpractical, English dominates in all public domains to communicate with the diverse South African public (Siebörger & Adendorff, 2011:483). This is because of the *perception* that English is understood by a sufficiently large percentage of people in South Africa. Very little of the population of South Africa, however, speak English as a first language. Even though English is the most commonly spoken language in the public sphere of South Africa, it is only the fifth most spoken first language (The languages of South Africa, 2016). This means that even though a large part of the population of South Africa can understand English, they are not necessarily completely proficient in it.

The use of English as the government’s preferred language of communication (even though this may not be the official position) is further complicated by the fact that almost half of the population of South Africa is functionally illiterate (Kahn, 2001:3) and 22.3% of the adult population of South Africa cannot read the most basic of documents (Cornelius, 2012:89). The use of plain language (English) in South Africa is therefore very important as an average person in South Africa will not have English as a first language and will have poor literacy skills. It is often less educated people who are the victims of legal discrimination because they do not understand their rights and obligations (Nienaber, 2001a:14). Plain language gives knowledge to people of lower

educational levels which make them equal to people with higher educational levels (Siebörger & Adendorff, 2011:483).

In South Africa many studies on plain language have been conducted since 1994. This includes, but is not limited to, studies done by Knight (1997), Steward Smith (1999), Nienaber (2001b), Feinauer (2003), Abrahams (2003), Carstens and Snyman (2003), Carstens (2004; 2007), Siebörger and Adendorff (2011), Baitsewe, De Stadler and Du Plessis (2011), Esterhuysen (2013), De Stadler (2017) and De Stadler and Van Zyl (2017). Many of these studies discussed the positive effects of using plain language; however, none of these studies looked at the effect of iteratively applying plain language techniques. It is the focus on the *iterative* application of plain language techniques which makes this thesis unique in comparison to previous studies on plain language.

2.5 Legal framework of plain language

The influence of plain language in South Africa after 1994, when South Africa became a democracy, was most visible in the drafting of new South African legislation according to plain language techniques, for example the Labour Relations Act 66 of 1996 (Viljoen, 2001b:2). Plain language played a big role in the development of the democratic Constitution of 1996. This could be seen in user group testing with specific focus on plain language techniques that the drafts of the Constitution underwent. The Constitution itself also specified the protection of civil, political, economic, social and cultural rights through the use of understandable communication (Fine, 2001:8).

This has also led to the implementation of many laws prescribing plain language in official documents (Siebörger & Adendorff, 2011:483). The Long-Term Insurance Act, 52 of 1998, and the Short-Term Insurance Act, 53 of 1998, both specify that information should be written in plain language, avoiding uncertainty or confusion, and should not be misleading (Republic of South Africa, 1998a; Republic of South Africa, 1998b). According to the Companies Act, 71 of 2008 (Republic of South Africa, 2008a), any disclosure or document written by a company should be written in plain language with a

lay audience with minimal experience in dealing with the company in mind. In the National Credit Act, 34 of 2005, it is also specified that a document that is required to be delivered in terms of the National Credit Act should be written in plain language (Republic of South Africa, 2005).

But of all these Acts, the South African Consumer Protection Act is the most explicit in its regulation of the use of plain language (Plain Language Institute, 2010):

“Right to information in plain and understandable language

22.(1) The producer of a notice, document or visual representation that is required, in terms of this Act or any other law, to be produced, provided or displayed to a consumer must produce, provide or display that notice, document or visual representation—

(a) in the form prescribed in terms of this Act or any other legislation, if any, for that notice, document or visual representation; or

(b) in plain language, if no form has been prescribed for that notice, document or visual representation.

(2) For the purposes of this Act, a notice, document or visual representation is in plain language if it is reasonable to conclude that an ordinary consumer of the class of persons for whom the notice, document or visual representation is intended, with average literacy skills and minimal experience as a consumer of the relevant goods or services, could be expected to understand the content, significance and import of the notice, document or visual representation without undue effort, having regard to—

(a) the context, comprehensiveness and consistency of the notice, document or visual representation;

(b) the organisation, form and style of the notice, document or visual representation;

(c) the vocabulary, usage and sentence structure of the notice, document or visual representation; and

(d) the use of any illustrations, examples, headings or other aids to reading and understanding.

(3) The Commission may publish guidelines for methods of assessing whether a notice, document or visual representation satisfies the requirements of subsection (1)(b).

(4) Guidelines published in terms of subsection (3) may be published for public comment”. (Republic of South Africa, 2008b)

As can be seen from the Consumer Protection Act, Act 62 of 2008, plain language protects vulnerable consumers by making consumer-related documents more accessible (Cornelius, 2012:vii). According to the Consumer Protection Act (Republic of South Africa, 2008b) a document is written in plain

language when “an ordinary consumer of the class of persons for whom the notice, document or visual representation is intended, with average literacy skills and minimal experience as a consumer of the relevant goods or services, could be expected to understand the content, significance and import of the notice, document or visual representation without undue effort”. Consumers therefore have the right to receive information that they can understand and the responsibility lies with the organisation behind the documents to make sure that consumers understand the information given to them (Cornelius, 2012:7).

The definition of plain language in the Consumer Protection Act gives guidelines for the application of plain language in sub-articles 2 (a) to (d). According to Cornelius (2012:81) it is important to test a plain language document according to specifications set out in the Consumer Protection Act. Testing can determine what exactly “an ordinary consumer of the class of persons for whom [a] notice, document or visual representation is intended” could mean, as well as the degree to which this “ordinary consumer” is able to understand the notice, document or visual representation.

2.6 Plain language techniques

The different definitions of plain language discussed in section 2.1 refer to different techniques in order for a document to comply with each individual definition. These techniques are combined in this thesis to make a checklist to help with the writing of plain language texts. According to Harris, Kleimann and Mowat (2010:16), a checklist for plain language techniques needs to acknowledge the intended readers as well as the judgement required for writing effective documents. The responsibility should be placed on writers to trust their own judgement regarding each individual plain language document. The checklist can therefore be seen as advice and recommendations for the writing of plain language texts, which each writer should use together with his/her own judgement (Kimble, 2016:186). The checklist should look at a document holistically but should also include detailed elements, and should include reader testing (Harris, et al., 2010:16). The checklist for plain language techniques in this thesis consists of techniques on content, lexical,

syntactical, structural, stylistic and graphical levels. The checklist also takes into account the readers of documents and discusses guidelines for testing plain language documents. Even though this checklist includes many guidelines mentioned by different sources, it does not include all possible guidelines for the application of all possible plain language techniques.

2.6.1 Content

Even though the content of many financial and related documents may be difficult to understand by default, using plain language can transform difficult concepts into information that seems easier to grasp. According to Gouws (2010:81), documents written in plain language should give information “clearly, effectively and without fuss”. A document written in plain language should be understood the first time it is read (Gouws, 2010:81). Examples can be used to help with the understanding of difficult information (Gouws, 2010:93). The content of a plain language document should be portrayed in the clearest and most straight-forward manner, and should never mislead a reader into understanding something that the writer did not intend (Gouws, 2010:93).

2.6.2 Lexical elements

The content of a document has a lot to do with the lexical elements that make up the content. While using words sparingly it is also important to use words that are understandable to the target reader (Harris et al., 2010:19). Use common and familiar terms rather than technical jargon or archaic words when one has a larger audience in mind. Legal jargon, for example old formalisms, here-, there- and where- words, and unnecessary Latin, should not be used in plain language documents (Kimble, 2002:45). Use the translated versions of Latin words instead (Gouws, 2010:91). It is also important to use consistent terminology by using the same words to mean the same thing (Petelin, 2010:213). When technical terms cannot be avoided, explain them in the context in which they appear (Fine, 2001:9). The definition of a term should appear close to where the word is used. Use short words (DuBay, 2008:19), because it is easier to read these words. If, however,

shorter words may lead to misunderstanding, rather use their longer alternatives (Gouws, 2010:91).

Another lexical strategy that enhances plain language is the use of direct action verbs to express action (Harris et al., 2010:19), instead of using phrases to describe an instruction, for example instead of “To seal, apply moisture, fold, and apply pressure”, use “To seal, moisten, fold, and press the flap” (DuBay, 2008:19). Action-oriented words and modal verbs motivate the reader to internalise and act on information (Petelin, 2010:212). Using these words together with personal pronouns encourages readers to engage with a text and understand it with regard to their personal situations (Cornelius, 2010a:176). This engagement with texts is also enhanced by using positive words (Harris et al., 2010:19). It is, however, important to use the word “must” instead of “shall” (Kimble, 2002:45). Here the word “must” is more of an action-word than “shall”, which causes readers to internalise the action that it represents more easily. According to DuBay (2008:19) the imperative mood should be used for instructions instead of verbs with moral connotations, leaving the instructions open to choice.

Petelin (2010:213) acknowledges that as few words as possible should be used by stating that texts written in plain language should avoid “and/or, cliché’s, colloquialisms, contractions, ‘cuteness’, ‘buzz’ words and phrases, euphemisms, neologisms and ‘trendy expressions’, humour, hyperbole, idioms, irony, puns, over-defining, vague quantifiers and weasel words and expressions”. With regard to legal and archaic words, this also means the avoidance of long phrases, for example “any and all” and “in the event that”, and multiple negatives, which causes confusion in sentences (Kimble, 2002:45). Gouws (2010:92) also advises the use of “that” or “those” in the place of “such”, for example “that person” instead of “such person”.

There are also guidelines for the use of abbreviations and acronyms when writing in plain language. The word or phrase from which an acronym is derived should always be given before the acronym (Gouws, 2010:91). This is also true of shorthand versions of entities. Gouws (2010:92) gives an example by stating that it should be clear that “the board” to which a text refers, should

have clearly been mentioned earlier as “the board of directors”. Abbreviations should also be understandable and well-known (Gouws, 2010:92).

It is important to be coherent and cohesive in a plain language document. Words are one of the most important elements to help with coherence and cohesiveness. When writing a plain language document referential words should be used to show coherence and cohesion (Cornelius, 2012:234). These words show the connection between sentences and also the coherence in a whole text (Cornelius, 2012:223).

2.6.3 Syntactical elements

Lexical elements are used to form easily understandable sentences in plain language texts. This is also achieved by using short sentences with average sentence length of between approximately fifteen and twenty words, whenever possible (Fine, 2001:9). Shorter sentences are less complex and easier to read (DuBay, 2004:51). There can, however, be an alternation between short and medium-length sentences (Kimble, 2002:44). These longer sentences should not consist of more than forty words (Harris et al., 2010:19) and should not be over-punctuated (Gouws, 2010:92).

Sentences in plain language texts should preferably be written in the active voice (Fine, 2001:9), unless the passive voice cannot be avoided (Harris et al., 2010:19). Only use the passive voice when the focus is on the object of the action instead of the agent (Kimble, 2002:44). Try to keep the subject, verb and object in that order in an active sentence (Harris et al., 2010:19). The subject and the verb should preferably not be separated by a qualifying clause, and the auxiliary verb and main verb should be kept together (Gouws, 2010:92). Sentences should also be written in the present tense, if possible (Gouws, 2010:92).

The subject should therefore, as far as possible, be at the beginning of the sentence. Making the verb action-orientated puts more emphasis on the subject to perform the action. It is because of the connection between the subject and the verb that they should be placed close together. The most

important point in the sentence, the object, should be placed after the subject and verb because this is where the emphasis falls in a sentence (Kimble, 2002:44).

The subject-verb-object structure makes the reading and understanding of sentences easy. The structure of a sentence can, however, change according to the goal of the sentence. When giving instructions, it works best to start a sentence with an action-verb as it motivates a reader to recreate the action (DuBay, 2004:2). Even though the subject-verb-object structure is therefore the easiest to understand, it is not always the right structure to use in a particular context. It is important to note that the goal of writing in plain language is to convey a text in the most understandable way possible. Sentences therefore do not need the subject-verb-object structure, but they still need to be understandable and straightforward. Sentences written in plain language should be devoid of nominalisation and consecutive nouns (Petelin, 2010:213). Consecutive nouns should be broken up with adjectives, possessives, prepositions or hyphens to show the relationship between nouns (DuBay, 2008:20).

There are also other ways to make sentences easier to comprehend. Using punctuation correctly, for example, simplifies the reading of sentences (Harris et al., 2010:20). This is also true of correct spelling and, to an extent, grammar (DuBay, 2004:2). Gouws (2010:91) argues that in some cases grammar rules can be broken in order to improve the rhythm and meaning of texts.

Another syntactical element that contributes to plain language is the use of the shortest form of possessive. Plain language texts should also avoid synonyms that are used together such as “null and void” (Gouws, 2010:92). Plain language texts should furthermore use, as far as possible, the singular form of nouns. If a sentence uses both singular and plural nouns, the verb should agree with the noun closest to it, for example “where the body or bodies have [instead of ‘has’] applied” (Gouws, 2010:92).

2.6.4 Structural elements

On a larger scale, the structure of a document also enhances its readability and understanding. Content must be divided into digestible sections under clearly marked headings (Fine, 2001:9). Headings can be used as signposts to help readers organise a text (Petelin, 2010:213).

These sections must be organised in a logical and reader-friendly manner (Fine, 2001:8). Information that has the same theme should be placed in the same section (Kimble, 2002:44). According to Harris et al., (2010:19) a text must be structured in “chronological order, logical order, order of importance, or some other principle or combination of principles that is likely to make sense to the reader”. They specify that the main points must be first in the order, with less important points following (Harris et al., 2010:19). Petelin (2010:212), on the other hand, states that general information should be placed before specific information and exceptions. Since different sources argue different things with regard to the order of a plain language text, the writer of such a text should use his/her own judgement to organise a text in the order which is most fitting for that specific text.

Numbering can help to structure a text. Headings and lists can be numbered to show their relevance to the bigger structure of a text. Numbering can also give order and cohesion to a text, but should be used in a text which already has order and cohesion on a substantial level, as numbering alone cannot create order and cohesion (Cornelius, 2012:244).

Paragraphs under the sections of a text must be used efficiently. Each paragraph must deal with one topic, and must not be more than a hundred words (Cornelius, 2012:233). Overly long paragraphs can seem incoherent and difficult to read and are usually caused by poor structuring. Every paragraph must have a topic sentence which states what the rest of the paragraph is about, and also shows the paragraph’s connection to the text as a whole (Cornelius, 2012:233). In some cases it is better to use bulleted lists instead of paragraphs (Fine, 2001:9). Bulleted lists makes reading and remembering easier and it breaks up a solid text (Harris et al., 2010:19).

According to Siebörger and Adendorff (2011:503), marking list items with bullets is the best way to preserve the meaning of an original document, but make it seem more manageable.

A structural element that should be avoided in plain language documents is the use of cross-referencing. Cross-referencing makes a document seem complicated and should be avoided in plain language texts (Harris et al., 2010:19). There are two options to avoid cross-referencing. If the cross-referencing refers to only a few sentences, then the information can be repeated. If the cross-reference refers to longer pieces of information, then the cross-reference should appear at the end of the page (as a footnote) or at the end of the text. This allows a reader to read a text without having to acknowledge extra information that is not necessary for the understanding of the text (Cornelius, 2012:251). It is, however, important to always include the relevant text that is referred to in the cross-referencing (Gouws, 2010:93), so that a reader does not need to be sent elsewhere to read the cross-reference (Petelin, 2010:213). Gouws (2010:93) also states that footnotes with the cross-referenced text can be used, but should be used sparingly.

Another element which also makes the structure of a text easier to understand and read is a table of contents (Cornelius, 2012:222). A table of contents will be especially helpful in understanding the structure of a document when the document is long and has many sub-sections (Kimble, 2002:44).

2.6.5 Graphical elements

The content, words, sentences and structure of a text are adjusted when writing a plain language document. The appearance of a text is also adjusted. Graphically, a text needs to look appealing in order for a person to start reading it (Fine, 2001:8). The most important feature, however, of a plain language document visually is to present the text in an accessible way (Harris et al., 2010:19). This is done by using a font type, font size and font colour that is easy to read (Harris et al., 2010:19; 21). According to Kimble (2002:44) the text in a document should be between 10- and 12-point type.

It is important to know when to use serif and sans-serif fonts. What is clear from the research is that one can hardly attribute one of the types to a specific type of document. However, a creative approach to the use of these font types can contribute to greater clarity in the message and lay-out of a document. An example: Serif fonts could be used in the body of a text, while sans-serif fonts could be used in headings and sub-headings.. There are also specific types of documents for which serif or sans-serif fonts are better suited. Since sans-serif fonts are perceived to be more modern, more distinguishable and clear, these fonts could be used more often in texts that are strongly client-related.

When highlighting, certain techniques work better than others. Avoid using all-capital letters as a highlighting device as it slows down the reading of a text (Kimble, 2002:44). Using italics to highlight is only recommended for a font that is thin (Cornelius, 2012:252). As stated previously, typing a text in bold to highlight it works best when using a sans-serif font. It is important to note, however, that the research on these issues is not conclusive, and more research needs to be done on the issue.

Elements of fonts which may cause a text to be difficult to read must be avoided. These elements include using small font sizes, low-contrast type, narrow margins and long lines (Gouws, 2010:93). Except for font types, white space also affects readability. Generally, writers are advised to use sufficient white space and avoid blocks of dense text (Harris et al., 2010:19). According to Cornelius (2012:257) 50% of a page should be text and 50% should be white space. If used correctly, white space will help to make a text easier to read (Gouws, 2010:92).

In terms of the text on a page, it is advisable that lines of text should have between fifty and seventy characters per line (Kimble, 2002:44). Lines that are too long make a document difficult to read and tire the reader (Cornelius, 2012:254). Enough white space should therefore be used by making lines of text shorter.

2.6.6 Illustrations

Plain language documents also make use of other illustrative elements to help with the understanding of texts. Using tables, charts, graphs and other illustrations help make complex material easier to understand (Harris et al., 2010:19). They can be used to illustrate structure and meaning (Harris et al., 2010:19).

2.6.7 Style

The style of a document plays a big role in how readable and understandable it is. The style must be unambiguous, clear and coherent throughout the whole document. It must not be informal, but should not be too formal either (Petelin, 2010:213). The style should sound conversational and unaffected (Kimble, 2002:44), yet also be positive (Petelin, 2010:213). The style of a plain language text should be inclusive, avoiding ageism, classism, racism and sexism (Petelin, 2010:213).

2.7 Take the reader into account

A plain language text should take into account all possible readers. A plain language document must be sensitive to the context of any potential reader (Petelin, 2010:212). The main goal of a plain language document is to make information accessible to all potential readers. This can be done by writing in a clear, user-friendly manner with the level of understanding of most potential readers in mind (Fine, 2001:8). Do not dumb down a text, but rather treat potential readers as equals (Gouws, 2010:93). It is also important to use familiar words with regard to the target audience (Cheek, 2010:10). Do not include information that the reader does not need, but do not omit information that the reader might want to know (Cheek, 2010:10). It cannot be assumed that the reader knows something which is not explained in the text (Cheek, 2010:10). Information in the text should therefore be explained fully, unless there is no need for the reader to understand it.

2.8 Testing

Since plain language documents focus so intensely on the reader, testing plays a big part in the design of a plain language document. Only through testing a document on its intended audience, can a writer truly know if the document conveys its information successfully. The results of testing a document can help to improve the document (Kimble, 2002:44). Testing should consider the process of writing and designing documents, a process with different stages, leading to different versions of a document. This is also true of the process of plain language design. Therefore testing (both formative and summative testing) should be seen as an ongoing activity which forms part of this process. It should happen in different stages in the design process. A document can be tested on its target audience, after which it can be changed according to results of the test. This testing can be repeated until the designer of a document is completely satisfied with it (Cornelius, 2012:370).

2.9 Form design and plain language as a special case

The above-mentioned plain language strategies should be used as guidelines in all plain language documents, including forms. Forms also have unique characteristics that make them different to other types of documents (DuBay, 2008:32). There are specific plain language strategies that should be used to make forms easier to fill in and understand.

The concept “form” can be described as a tool which initiates an action, registers a transaction or documents an event or a state of affairs (Cornelius, 2012:259). A form can be seen as an interaction between the form and the user of the form, from which a relationship develops. The user of the form is therefore not only an information processor, but an active social person with opinions and convictions, who participates in a dialogue with the organisation behind a form by completing the form. A form should be designed to take this relationship into account.

Jarrett’s three-stage model (in Cornelius, 2012:259) helps to develop a usable form by taking into account the relationship between the user of the form and

the organisation behind the form. The three-stage model consists of the perceptual stage, the conversational stage and the relationship stage (Cornelius, 2012:259). The three stages cannot exist without each other, and they are in constant interaction with each other.

In the perceptual stage the user of a form looks at the form holistically. This entails looking at the length of the form, what the form asks of the user, the text, lines on which information should be filled in, squares that should be ticked and other graphic elements. There are specific features that should be used to optimise the perceptual stage. Instructional text in a form must be as short as possible. Headings must be used when instructions are more than a hundred words. Questions and the space for filling answers in must be grouped close together. Questions with the same theme must also be grouped together. There should be a contrast between the space for answers and the background (Cornelius, 2012:260).

In the conversational stage a dialogue happens when a form asks questions and a user answers these questions. Problems that arise in this stage have to do with the understanding of questions and the amount of space given for answering questions. To optimise understanding, the designer of a form must use words that the user will understand. It should also be clear where the information can be found which the user must use to answer questions (Cornelius, 2012:260). Understanding can furthermore be enhanced by making sure that each question only deals with one theme and the questions are organised in a logical manner. The designer of a form must always include enough space to fully answer a question (Cornelius, 2012:261).

The relationship stage focuses on the relationship between the user of a form and the organisation behind the form. When an organisation has information about the user of a form, it should not be asked again. The designer of a form should also take note of the power relationship that exists between the user and the organisation behind the form. If the organisation has a lot of power over the user the quality of the form does not matter. If the user has the power in the relationship the quality of the form must be of a high standard (Cornelius, 2012:261).

Besides Jarret's three-stage model there are other models and checklists for the design of a successful form. Jansen, Steehouder, Edens, Mulder, Maat and Slot (1989:195) developed a checklist to help with the improvement of existing forms. This checklist consists of questions that should be asked in order to determine if a form is as successful as it can be. The first group of questions deals with the goal of a form. These questions suggest that the goal of a form must be very clear. It should also be made very clear why a form must be filled in and how the goal of the form fits into the bigger picture for which it is used.

Instructions should be used effectively to help with the filling in of forms. The instructions should be clear and they should include the reasons why certain questions are asked. Terminology used in instructions should also be explained fully and it should be clear where required information can be found (Jansen et al., 1989:196).

The next group of questions in the checklist deals with the questions being asked in the form. These questions indicate that only relevant questions should be asked, it should be clear what kind of answers should be given, and question types should be chosen depending on the required answers (Jansen et al., 1989:195). Cornelius (2012:262) also discusses question types. There are two main types of questions, namely open-ended questions and closed questions. Open-ended questions entail asking questions that a user can answer in his/her own words (Cornelius, 2012:262). Open-ended questions should be very clear in order to enable the user to know exactly what information is required of him/her. Closed questions entail asking questions with a list of predetermined answers. When asking closed questions it is important that the options for answers should include the most popular answers, but should include an "other"-option which the user can fill in if need be. The options should also be self-explanatory and should not overlap. If options overlap users could identify with more than one option (Cornelius, 2012:262).

A form can also have compulsory and optional questions. When a question is compulsory, a user must answer it, but when a question is optional, a user

has the option of answering it or not answering it. Compulsory questions ask information that the organisation behind the form needs to perform an action, while the information that is asked in optional questions is usually information that will be useful, but is not necessary. If both compulsory and optional questions are asked in a form, it should be clearly marked which questions are optional and which are compulsory (Cornelius, 2012:263).

According to Jansen et al. (1989:196), questions should only ask for one answer per question. Questions must be asked positively and with respect, and must be asked from the perspective of the person filling in the form. This will also be enhanced by using the active voice when asking a question, for example “Did you complete section 1 in this document?” instead of “Was section 1 in this document completed?” (Jansen et al., 1989:196).

Cornelius also discusses aspects of the structure of a form which should be considered. Documents are designed using six principals, namely shape, size, colour, figure-background, proximity and similarity. When designing a form, a designer can look at these principals in order to effectively structure the form (Cornelius, 2012:264). A designer should use shapes effectively in order for a user to fill in a form as easily as possible. The most important aspect of using shapes is to stick to their conventional use. When shapes are used in an unconventional manner in a form it confuses users and they need to take time to figure out what is being asked of them (Cornelius, 2012:264).

The size of the shape should change depending on the type of question that is being asked. If a form needs a lot of detailed information from the user, it is better to make the space bigger for providing more information. If the form only needs a few words, the space should be smaller. The size of the space given for filling in an answer is an indication of how detailed and long the answer should be (Cornelius, 2012:264). Using different sizes for the answering of questions does not affect the professional appearance of a form as it is easier to fill in forms with different sizes depending on the question that is asked (Cornelius, 2012:265).

The use of colour also has an effect on filling in a form. Since colour is easily noticeable, it is important to use colour carefully when designing a form. Firstly, not all colours appear the same to all people. The colour that a designer uses in a form will not necessarily look the same to the user. The colour that the designer chooses can be different to the colour that the user sees because the production process might change it slightly (Cornelius, 2012:265).

Colours in forms should also be chosen with care because some colours are more usable than others. Using colours with little contrast can make it difficult to literally see the form. Colours with a lot of contrast make the reading of a form much easier. Lastly, the colours used in a form should be chosen carefully because colours have different associations and meanings in different cultures (Cornelius, 2012:265).

Another aspect of the structure of a form which should be taken into consideration is figure-background. This means the relationship between the things on the form and the background of the form (Cornelius, 2012:265). It is important to distinguish between the figures on the form and the background. This distinction should be visible enough without being overpowering to the eye. If the distinction between the background and the figures on the form is too great it affects the user's cognitive processing of the form, and if the distinction is not great enough it makes it harder for the user to complete the form (Cornelius, 2012:266).

The proximity of figures on a form is also important when designing a form. By placing figures close to each other it shows that they are related to each other. A question and the space for answering it should be placed close to each other. If they are not close to each other, it could cause confusion. Questions that fall under the same subsection should also be placed close to each other (Cornelius, 2012:266).

By making elements that have a connection with each other look the same it shows their relatedness. This can be done by using the same colours, fonts, or font sizes when asking questions with the same theme. Information that is

on the same information level can also be distinguished by using the same visual style for each information level (Cornelius, 2012:267). Zebra striping is a useful tool to show similarities in a form visually. Zebra striping entails using the same coloured shade or background for the same kind of information. Zebra striping can also be used in a table by making every second row a darker shade than the first. This makes it easier to read a table (Cornelius, 2012:267).

Another element which should be taken into account when designing a form is the placement of questions. According to Jansen et al. (1989:195) questions that relate to one another should be placed close together. This placement should also be supplemented with numbering which indicates which questions are related and should mark the sequence of questions (Jansen et al., 1989:195). Questions must be placed underneath each other and not next to each other. A user reads through a form from top to bottom. If a question is placed next to another question, there is a chance that the user might not see it. If there is a space issue it is best to have the form consist of two columns with questions in each column (Cornelius, 2012:267).

It is also best to place the answer for a question below the question and not next to it. A user fills in a form more accurately when the space for answering is below the question, as the user sees the relationship between the question and the space for answering more quickly. This does, however, increase horizontal space needed, which could increase printing costs. In these cases, it is cheaper to place the question with the space for answering on the right side of the question. It is important to have the question and the space for answering as close as possible to each other. It is also advantageous to have the questions right aligned, and the space for answering below each other (Cornelius, 2012:268). When closed questions are used the predetermined answer should be right aligned and should be placed before the square for ticking off. This is only true of closed questions on paper as squares in forms on the internet are usually placed before the predetermined answer (Cornelius, 2012:268).

There are also basic guidelines for the use of language in forms. Since forms can be seen as a kind of dialogue between the user and the organisation behind the form, it is important that the form uses language that would be fitting in this particular dialogue between the user and the organisation (Cornelius, 2012:270). If, for example, the relationship between the user and the organisation is informal, then informal language can be used in the form.

Using plain language techniques in forms can have many benefits, including saving time and effort. Since there is a better chance of correctly filling in a plain language document, it reduces the need to amend, clarify or extend the information in the form. Plain language forms also benefit the administrators that have to process forms because there are fewer mistakes and fewer inquiries with regard to the form (Abrahams, 2003:20).

Not using plain language in forms can lead to many problems. There is a bigger chance that someone will not complete a form if it is poorly designed. This person will most probably go to another organisation to receive the product or service for which the form must be completed. A poorly designed form could therefore result in an organisation losing clients. In the cases where a client does not have a choice and must complete a poorly designed form, they might make mistakes or leave out information (Cornelius, 2012:271). When this happens, the organisation behind the form will need to deal with the administrative hassle that the mistakes and missing information cause. This can have as big an impact as clients deciding not to complete a form (Cornelius, 2012:271).

2.10 Terms and conditions and plain language

Many forms contain terms and conditions sections. Since terms and conditions sections play a vital role in the formation of plain language forms, they should naturally also receive attention when designing a plain language document. In spite of this, there is a hesitation to write terms and conditions sections in plain language. Terms and conditions are the agreements agreed upon between the parties involved in a document (Christie, 2006:153). They are usually legally binding and include the legal consequences or obligations

arising from the document (Maxwell, 2009:234). One of the functions of a form is to be a legal document which implements rules and obligations (Jansen & Steehouder, 2001:13). The terms and conditions section in a form help with the setting out of these obligations.

Terms and conditions can be categorised as operative texts. Operative texts are texts which structure the legal framework. They set out actions which are determined by the law. Since operative texts play a vital role in the law, there is a tendency to write operative texts in the same type of language in which legislation is written, namely legalese. Legalese is characterised by high levels of formality and a highly conventional structure. Legalese is also known for its obscure expressions and long-winded syntactical constructions (Cornelius, 2012:40), over-punctuation and the absence of white space (Gouws, 2010:81). Legalese also includes nominalisation (e.g. “seek confirmation” instead of “confirm”), technical vocabulary (e.g. “promissory estoppel”), “as to” prepositional phrases (e.g. “It has been done so as to make it clear when referring to a particular passage”), misplaced phrases (e.g. “Speaking forcefully and passionately to the jury, the case was won by the defence attorney”), multiple negatives (e.g. “The Constitution’s enumeration of powers does not presuppose something not enumerated”), passive constructions (e.g. “The motion was filed”), doublets (e.g. “covenant and agree”), triplets (e.g. “give, devise and bequeath”), word lists, and subordinate clauses in a single sentence (e.g. “This agreement shall be effective from the date it is made and shall continue in force for a period of five years, and thereafter for successive five year terms, unless and until terminated by one year prior notice in writing by either party”) (Cornelius, 2010a:176).

There is a belief that only legalese can portray specialist legal discourse accurately and that it is impossible to convey legal meanings in plain language (Siebörger & Adendorff, 2011:483). The reason why legalese is therefore used is to be as precise before the law as possible (Gouws, 2010:81). According to Gouws (2010:81) that is exactly why operative legal documents like terms and conditions sections should be written in plain language. If a consumer does not understand legal jargon and Latin phrases

in terms and conditions sections, it means that the parties involved cannot agree on the content of a legal text as one of the parties does not understand the content. Usually what happens in this kind of situation is that the party signs the legal document without understanding it. This then results in a revoking of rights as the party does not understand his/her rights (Gouws, 2010:81).

Since terms and conditions sections are rarely written in plain language of the drafters' own accord, the Consumer Protection Act specifies that terms and conditions sections must be written in plain language. In section 48 to 52 of the Consumer Protection Act, 68 of 2008, various requirements for the implementation of terms and conditions are listed. Of these requirements, Regulation 49(3) specifies that any provision, condition or notice in terms and conditions must be written in plain language (Republic of South Africa, 2008b). By law terms and conditions sections must therefore be written in plain language. For the writing of these terms and conditions sections, however, the CPA does not give many suggestions.

Regulation 7 of the *Unfair Contract Terms Guidance of 1999* (United Kingdom, 1999) is much more specific and detailed in its specifications on the application of plain language in terms and conditions sections, compared to our CPA. Even though Regulation 7 appears in an older version of the *Unfair Contract Terms Guidance* than the guidance currently in use, it is more direct about the application of terms and conditions than the current *Unfair Contract Terms Guidance*. According to Regulation 7 (United Kingdom, 1999), any written term of a contract must be written in plain and intelligible language, and if there is any doubt in the understanding of the terms and conditions in a contract, the interpretation of the client or consumer will be accepted. If a clause excludes a party because of its use of legalese, this clause can be liable to be unfair by reason of lack of clarity (United Kingdom, 1999). A term or condition will further be considered unfair if it is "illegible, or hidden away in small print as if it were an unimportant term when in fact it is potentially burdensome" (United Kingdom, 1999).

Regulation 7 further states requirements for the use of plain language in terms and conditions. A lot of these requirements correspond with the above discussed guidelines for plain language texts. On a lexical level Regulation 7 specifies that ordinary words should be used in their normal sense. Sentences should be short and the whole text should be broken up into smaller sections divided thematically. These sections should also have subheadings. Regulation 7 specifies that “[s]tatutory references, elaborate[d] definitions, and extensive cross-referencing should be avoided” (United Kingdom, 1999). Regulation 7 further specifies that all terms and conditions should not hide any information. When terms and conditions are transparent there are fewer chances of disputes arising between parties (United Kingdom, 1999).

Regulation 7 also gives specific requirements for the core terms in a contractual document. Regulation 7 defines core terms as the terms that define what is being purchased, or the price to pay for the service or product that the document is about (United Kingdom, 1999). Article 49 of the Consumer Protection Act also includes the regulation of core terms, which it defines as terms which concern risks “(a) of an unusual character or nature; (b) the presence of which the consumer could not reasonably be expected to be aware or notice or contemplate in the circumstances; or (c) that could result in serious injury or death”. These core terms must “specifically draw the fact, nature and potential effect of that risk to the attention of the consumer” (Republic of South Africa, 2008b). The client or consumer who reads the terms and conditions in a text should be able to see what the core terms are and remember them. Making the core terms memorable will help a client or consumer to make a decision more easily on whether to enter into a contract, or not (United Kingdom, 1999).

Since the Consumer Protection Act specifies that terms and conditions should be written in plain language, it is important for the designer of forms, in which terms and conditions appear, to do as the Act specifies. Regulation 7 (*Unfair Contract Terms Guidance*) gives easily applicable guidelines for writing terms and conditions in plain language. Since these guidelines overlap a lot with general plain language guidelines, when writing terms and conditions in plain

language the general standard for writing plain language texts can mostly be used.

2.11 Checklist for the design of a plain language form

Since plain language has been implemented in South African legislation, companies are obligated to write their documentation in plain language. In many cases, however, companies' attempts to write in plain language are not successful because they tend to be too conservative in their approach. This causes a document to not be as understandable and plain as it can be. In this thesis a checklist is developed in order to help with the application of plain language techniques. According to Cornelius (2015:2), the successful use of plain language techniques are dependent on the conceptual tools that are used to apply these techniques. It is for this reason that the checklist is developed. The checklist consists of the standard guidelines for writing plain language documents, but it focuses on forms.

Schraver (1989:244) describes a checklist as a text-focused method of quality evaluation. A checklist is used in two ways: firstly, it can be used in the writing of a document as a reminder of what aspects to consider, and secondly, it can be used to evaluate an existing text. In this thesis the checklist will be used in both ways. In Chapter 4 the checklist is used as an instrument to assess the first and second versions of the *New Investment Plan* form, and in Chapter 5 the checklist is used together with the data captured from the testing of the second version to design a third version of the form.

The checklist is as follows:

1. Content

General

- 1.1 Omit unnecessary detail.
- 1.2 Use examples to make difficult information understandable.

Content of forms

- 1.3 Do not ask questions of which you already know the answer.
- 1.4 Only ask for one answer per question.
- 1.5 When asking closed questions, the answers must include the most popular answers.
- 1.6 Closed questions should also include an "other"-option, if applicable.

- 1.7 Options for answers of closed questions must not overlap.
- 1.8 Open-ended questions must be very clearly stated.
- 1.9 Clearly mark which questions are optional and which are compulsory at each question and at the beginning of the form.
- 1.10 Limit each form to one purpose only.
- 1.11 The purpose of a form must be made clear.
- 1.12 The purpose of a form within the bigger picture must be clear.
- 1.13 Instructional text in a form must not be more than 100 words.
- 1.14 Instructions must be very clear.
- 1.15 It should be explained why questions are asked.
- 1.16 It should be clear where required information can be found.

Content of terms and conditions

- 1.17 Terms and conditions should be transparent.
- 1.18 Core terms should be made clear and memorable.

2. Lexical

General

- 2.1 Use common and familiar words.
- 2.2 Use the same words to mean the same thing.
- 2.3 Explain technical terms.
- 2.4 Use shorter words, where possible.
- 2.5 Avoid jargon.
- 2.6 Use direct action words.
- 2.7 Use modal verbs with personal pronouns.
- 2.8 Use positive words, where possible.
- 2.9 Use imperative mood instead of verbs with moral connotations.
- 2.10 Avoid long phrases.
- 2.11 Avoid multiple negatives in one sentence.
- 2.12 Do not use acronyms and short hand versions of entities before explaining what they stand for.
- 2.13 Use well-known abbreviations.
- 2.14 Use gender-neutral words.
- 2.15 Use words to enhance cohesion and coherence.

3. Syntactical

General

- 3.1 Use short sentences, when possible (between 15 and 22 words).
- 3.2 Alternate short sentences with medium-length sentences.
- 3.3 Avoid sentences of more than 40 words.
- 3.4 Do not over punctuate sentences / Use punctuation correctly.

- 3.5 Use the active voice with sentence order subject, verb, object, if possible.
- 3.6 Exception: Use passive voice when the focus in a sentence should be on the object.
- 3.7 Exception: Start a sentence with a verb when giving instructions.
- 3.8 Do not separate the subject and verb with a qualifying clause, where possible.
- 3.9 Keep the auxiliary verb and main verb close together.
- 3.10 Write in the present tense, where possible.

4. Structural

General

- 4.1 Divide content into digestible sections that should not be longer than they need to be.
- 4.2 Use clearly marked headings.
- 4.3 Organise sentences with the same themes in the same sections.
- 4.4 Organise sections in a logical order.
- 4.5 Place the most important information before less important information.
- 4.6 Place general information before specific information and exceptions.
- 4.7 Number headings and lists.
- 4.8 Use paragraphs of 100 words or less.
- 4.9 Place a theme sentence in each paragraph.
- 4.10 Use bulleted or numbered lists when examples or lists are given.
- 4.11 Use bulleted or numbered lists to divide complex information in more manageable sections.
- 4.12 Do not cross-reference.
- 4.13 Exception: When cross-referencing cannot be avoided, use footnotes or place the information to which the cross-reference refers at the end of the section.
- 4.14 Use a table of contents when a document is long and has many sub-sections.

Structure of forms

- 4.15 Group questions and the space for answering them close together.
- 4.16 Group questions with the same theme together.
- 4.17 Put spaces between elements in a form that do not have anything to do with each other.
- 4.18 Place questions underneath each other.
- 4.19 Exception: When space does not allow questions to be placed underneath each other, put questions in a table consisting of 2 columns with questions in both columns.
- 4.20 Place the space for answering a question underneath the question.
- 4.21 Exception: To save space, the space for answering a question can be placed on the right side of the question, which is right aligned.
- 4.22 When closed questions are used, the name of the answer should be right aligned and before the square for ticking off the answer.
- 4.23 Exception: Tick boxes in forms on the internet are placed before the name of the answer.

5. Graphical

General

- 5.1 Use a font type, font colour and font size that is easy to read.
- 5.2 Use between 10 and 12 point font size for the body of a text.
- 5.3 Serif fonts can be used in the body of text.
- 5.4 Sans-serif font can be used in headings or sub-headings.
- 5.5 Use a sans-serif font when a word is typed in bold.
- 5.6 Use bold to highlight a word or a section of a text.
- 5.7 Exception: Use italics to highlight when a text is in roman letters and a thin font is used.
- 5.8 Avoid using low-contrast type, narrow margins and long lines.
- 5.9 Use 50% of a page for white space.
- 5.10 Use between 50 and 70 characters in a text line.
- 5.11 Do not use colours without a reason.
- 5.12 Use contrasting colours together.
- 5.13 Use colours that are appropriate within the culture that the document will be used.

Graphics of forms

- 5.14 Contrast the space for answers with the background.
- 5.15 Give enough space so that a question can be fully answered.
- 5.16 Use conventional shapes.
 - Small squares where something must be ticked off.
 - Bigger rectangles where a user must fill something in.
- 5.17 Determine the size of the space for filling information in by the amount of information needed.
- 5.18 Make the distinction between the figures in the form and the background clear, without making the figures overpoweringly distinct.
- 5.19 Use the same colours, font types and font sizes when asking questions with the same theme.
- 5.20 Use the same colours, font types and font sizes to distinguish information that is on the same informational level.
- 5.21 Use zebra striping, where appropriate.
- 5.22 Do not use little boxes for individual characters.

6. Illustrations

General

- 6.1 Use graphical illustrations, e.g. tables, charts and graphs to illustrate difficult concepts, where appropriate.

7. Style

General

- 7.1 Use conversational and unaffected style.

7.2 Avoid ageism, racism, classism and sexism.

8. Take the reader into account

General

8.1 Understand and be sensitive to the context of the potential reader.

8.2 Write on the level of understanding of the potential reader.

8.3 Do not include information that the reader does not need.

8.4 Exception: Do not omit information that the reader might want to know.

Take into account the reader of forms

8.5 Make it clear where information can be found which a user needs to answer a question.

8.6 A form should be easy for the user to use, not for the organisation behind the form.

9. Testing

General

9.1 Testing can be done in stages with different versions of a document to optimise the document's success.

Testing of forms

9.2 Make use of usability testing to see what kind of problems a user experience when completing a form without the help of someone else.

9.3 Measure how long a user takes to fill in a form. This is a good indication of how difficult a user finds the form.

9.4 Use the plus-minus method to identify the experience of the user.

9.5 Use a questionnaire to discover how well the user understood the form.

9.6 Use an interview to establish the user's general feelings toward the form.

9.7 Adjust a form according to the test results.

9.8 Repeat testing, if necessary.

In Chapter 4 this checklist is used to evaluate the first and second versions of the form, and in Chapter 5 the checklist is used, together with the methodologies applied to the second version of the *New Investment Plan* form, to design a third version of the form. This is done to refine the plain language techniques used in the form and to apply new plain language techniques. In the next chapter the methodologies are discussed further.

Chapter 3

Research Methodologies

This chapter discusses the different methodologies that were applied to the first, second and third versions of the *New Investment Plan* form. This was done in order to compare the three versions with each other with regard to usability, understanding and experience.

3.1 Mixed methodologies

A combination of research methodologies was used to test the first, second and third versions of the *New Investment Plan* form. These methodologies are an interview with a document designer, an interview with a legal expert, a functional text analysis, usability testing, a plus-minus exercise, a questionnaire for and an interview with respondents. These mixed methodologies were used to make the results more nuanced and accurate.

The mixed methodologies are based on an analysis by Schriver on text-evaluation. Schriver (1989:241) divides text-evaluation into three approaches, namely expert-judgement-focused, text-focused and reader-focused. In the expert-judgement-focused approach people with a lot of knowledge about the text or its subject matter give their opinion of the text (Schriver, 1989:245). In the methodologies the expert-judgement-focused approach was incorporated with the use of an interview with a document designer and an interview with a legal expert. The second approach, a text-focused evaluation, examines a text by attending to a set of features in the text (Schriver, 1989:241). In the mixed methodologies of this research the text-focused evaluation was conducted with the use of functional text analyses of the first and second versions of the form. The last approach, a reader-focused evaluation, uses the intended audience to evaluate the text (Schriver, 1989:247). During this research the intended audience – in this case defined as potential clients – was asked to take part in usability testing, a plus-minus exercise, a questionnaire and an interview. This was used in order to analyse the second

version of the form. Usability testing and a questionnaire were also used to test the third version of the *New Investment Plan* form.

In the application of the different methodologies emphasis was placed on the usability, understanding and respondents' experience of the form. Plain language theoretically helps with the usability and understanding of a document and results in a positive experience of a document and a more positive image for the owner of the document. Focusing on these issues in the analysis of the three versions of the form helped to understand to what degree plain language should be applied to maximise a document's success. The methodologies were employed to measure the improvement between the first, second and third versions of the form.

3.1.1 Expert-judgement-focused approach

3.1.1.1 Interview with document designer

The *New Investment Plan* form had previously been redesigned in plain language (the second version). As part of the research, an interview was conducted with Liezl van Zyl, the document designer who, with the document design team of the Language Centre of Stellenbosch University, redesigned the first version of the form into the second version. The interview dealt with the guidelines Glacier have for the design of a form. Van Zyl was also asked if Glacier had any objections with the first version of the form and their opinion of the second version of the form. The interview wanted to establish what problems the first version of the form had and how the document design team tried to address these problems. Van Zyl was also asked if and how the first and second versions of the form were tested. In the interview, questions were asked about the problems that the first version of the form had, as well as the degree to which the form was redesigned using plain language techniques. It also wanted to understand which parts of the second version of the form were successful, and which parts were not. The interview is discussed in detail in Chapter 5.

3.1.1.2 Interview with legal expert

A legal expert in the field of plain language was also interviewed. The legal expert, Elizabeth de Stadler, was part of the document design team who redesigned the Glacier form into the plain language second version. The interview had two sections: firstly, De Stadler's opinion on the redesign of the first version into the second version of the Glacier form, and secondly, the legal implications of writing forms and terms and conditions in plain language. The interview also helped to understand to what degree forms could be redesigned in plain language without losing their legality. The findings from the interview with De Stadler are discussed in detail in Chapter 5.

3.1.2 Text-focused approach

3.1.2.1 Functional text analysis

Functional text analysis refers to the allocation of functions to an existing text based on the context in which the text appears. The text is then evaluated to see if it complies with the allocated functions (Schellens, De Jong & Witteveen, 1997:157). During a functional text analysis, a text is evaluated with regard to a number of different variables, most important of which are the audience, the goal(s) or function(s) of the text, the theme of the text and the content to support the theme, including the different elements that make up the text, for example language use or style, and layout and graphics, to determine if these elements all contribute to the goals or functions of the text (Klauke, 1992:89). In order to evaluate if the first and second versions of the form are functional texts, analyses of the two versions of the form were conducted. This was done to understand what kind of problems the first version of the form had. The second version of the form was also analysed to understand how these problems were amended. The functional text analyses were also supplemented with the application of the checklist from Chapter 2. This was done in order to assess how successful the first and second versions of the form were in terms of the guidelines supplied in the checklist. The functional text analyses of the first and second versions of the form helped to identify the changes made from the first to the second versions which might not have

been stated clearly in the interviews with the document designer and legal expert. This was done by discussing the individual sections of the two versions of the form. The discussion included the positive aspects of each section, as well as the negative aspects of each section. The discussion also compared the different sections of the two versions of the form with each other. Here specific emphasis was placed on the terms and conditions sections of the first and second versions of the form. The functional text analyses also discussed the nature and goal of the form. It looked at the target audience and the communicative and end goals of the form (Baitsewe et al., 2011:14). The full functional text analyses and a discussion of the use of the checklist can be found in Chapter 4.

3.1.3 Reader-focused approach

3.1.3.1 Usability testing

A usability testing exercise was then applied to the second version of the form. During the usability testing phase respondents were asked to fill in a consent form, after which they were asked to complete the second version of the form using a scenario that was given to them. This scenario can be found in Addendum D. The scenario was one of two scenarios which were used by the document design team who designed and tested the second version of the form. According to the scenario, the respondent inherited R10 000 000 from an aunt he/she never knew. The respondent wanted to invest the whole R10 000 000, but wanted to phase in R7 000 000 and invest the rest in one go. According to the scenario, the respondent also wanted to receive a fixed monthly income from the investment, and he/she could choose any funds to invest in from the Fund Index provided by Glacier (Addendum E). As stated previously, this scenario was one of the two scenarios used by the document design team that redesigned and tested the second version of the form, and were approved by Glacier. The reason why this particular scenario was chosen was that in the original testing five out of eight potential clients completed the form correctly using this scenario, compared to three out of eight using the other scenario. The testing therefore showed that of the two

original scenarios, this scenario was the least difficult and that it was possible to fill in the form correctly using the information in the scenario.

The usability testing determined how usable and understandable respondents found the second version of the form (Baitsewe et al., 2011:14). During usability testing possible problems encountered in the form and the terms and conditions regarding usability and understanding were identified. These problems were especially clear when respondents filled in the form incorrectly. A full analysis of the usability testing of the second version of the form can be found in Chapter 5.

3.1.3.2 Plus-minus method

During the usability testing of the second version of the form respondents were asked to mark plusses at the places where they liked something, e.g. if they liked the layout of a section, and minuses at the places where they did not like something in the form, e.g. if they did not understand how to fill in a table. The plus-minus exercise is then followed by an interview to explain the reasons for the plusses and minuses. This is called the plus-minus method (De Jong & Schellens, 1997; De Jong & Schellens, 1998; De Jong & Schellens, 2000; De Jong & Rijnks, 2006; Lentz & De Jong, 1997; Lentz & Pander Maat, 2007). The plus-minus method helped to understand the experience that respondents had *while* filling in the form. Lentz and Pander Maat (2007:267) state the following about the value of this method: “[T]he problems it reveals appear to be real problems, since revisions directed at these problems have been shown to increase the effectiveness of the document on comprehension and persuasion.”

3.1.3.3 Questionnaire

After the usability testing, respondents were asked to fill in a questionnaire about the second version of the form. The questionnaire was used to gather qualitative and quantitative data on the second version of the form, specifically focusing on the comprehension, usability and experience of the user of the form. The questionnaire consisted of three sections. Section 1 consisted of

scaled questions. In this section statements were given (e.g. “I fully understand where Glacier’s responsibility ends and what the implications are for me”) that respondents had to agree or disagree with by making a cross on a seven-point scale. They were also given a space to motivate their answers. In section 2 open questions were asked. In this section respondents were asked questions about who they thought the target audience is and what the goal of the form is. Respondents were also asked about their general impression of the form. Some questions focused on specific design features that could be problematic, e.g.: “What do you think is expected of you in the first ‘% allocation’ column?” Emphasis was also placed on comprehension test questions, e.g.: “Can you briefly explain what you understand by the term fusion administration fee bonus?” This section also asked quite a few comprehension questions relating to the terms and conditions section, e.g.: “What is professional indemnity and fidelity insurance cover?” Asking respondents what they comprehended in the form and specifically in the terms and conditions helped to establish whether respondents understood the form and the terms and conditions. Since the terms and conditions section of a form is usually the section that is the least understandable, asking comprehension questions about this section pinpointed which parts of the section should be made easier to understand.

A pretest with six respondents was conducted using the second version of the form in order to establish how clear and understandable the questionnaire is. The pretests were conducted in exactly the same way as the real tests. The pretest established that there were a few questions in the questionnaire which confused the respondents. One question asked “What is professional indemnity and fidelity insurance cover?” with the follow-up questions asking, “Who is insured?” and “Against what are they insured?” Certain respondents in the pretest felt that the follow-up questions were asking the same questions as the original question. “Against what are they insured?” was then taken out of the questionnaire. Another question that confused respondents was “If a quotation differs from an application form, which form will be accepted as correct?” with the two options being “quotation” and “investment form”. This problem was solved by making the two options “quotation” and “application

form”. The researcher also noticed that respondents felt the questionnaire was quite long. The researcher realised that certain questions were repetitions of other questions. Two questions asked how usable the checklist on the front page was. Two different questions also asked about the comprehensibility of the “% of the allocation to phase in” column in the table on page 4 of the form. The questionnaire also had more than two different questions asking about the definitions of the terms “indemnity and fidelity insurance” and “liquidity”. All of the questions that were repetitive were taken out of the questionnaire. This made the questionnaire somewhat shorter. The final questionnaire can be found in Addendum F.

3.1.3.4 Interview

After the usability testing exercise and the questionnaire applied to the second version of the form, interviews were held with the respondents. In the interview respondents were able to elaborate on their responses in the plus-minus method. They were asked questions about the form to establish their general feelings toward it. The interview was also used to capture responses to the form that were not covered by the other methodologies (Baitsewe et al., 2011:18). Each interview was recorded and transcribed. The structure of the interview can be found in Addendum G.

3.2 Respondents

Twenty respondents were asked to fill in the second version of the *New Investment Plan* form and then give their opinion of the form with the use of usability testing, the plus-minus method, a questionnaire and an interview. After the first five respondents had taken part in the research, the researcher and her supervisor discussed the findings gathered from these first five respondents to establish whether all the methodologies worked.

The respondents used in the research were potential clients of Glacier. Even though clients complete the form with the support of financial intermediaries, Glacier wanted the client to be the target audience of the form. This is because the primary responsibility resides with the client. The form is

addressed to the client and the client has to sign the form in order for the service to be provided. According to the Consumer Protection Act, public documents must be written for consumers with minimal experience with the document. A potential client of Glacier is a consumer with minimal experience with the *New Investment Plan* form. It is because of these reasons that potential clients were used as respondents to test the form.

Potential clients were identified as people above the age of 35 with tertiary education. Since the form deals with investments, these are the characteristics (on average) of people who invest money. Both groups (used to test version 2 and version 3) had more or less the same number of respondents with regard to gender, race and home language. This neutralised the variables that might have had an impact on the results of the research.

3.3 Analyses of results

The information gathered from the reader-focused evaluation was then analysed qualitatively as well as quantitatively. Since the large amount of raw data is too much to attach to this thesis, it has not been included. The raw data is available for inspection, if needed. The Centre of Statistical Consultation of Stellenbosch University was consulted to help with the quantitative analysis.

The data captured from the different methodologies helped to establish how usable and understandable the second version of the form and the terms and conditions were, as well as respondents' experience of the form. It also helped to understand specifically how comprehensible the terms and conditions were to the average person. The data contributed to evaluating why the form was not as successful and usable as it could be, and how to change the form to make it more successful. A full analysis of the data captured from the methodologies applied to the second version of the form can be found in Chapter 5.

This information was then used together with the checklist (in Chapter 2) for the design of a plain language form and its terms and conditions, creating a

third version of the form. To test the third version of the form, the same usability testing techniques and questionnaire used to test the second version was used, but with twenty new respondents. Some of the questions in the questionnaire were also changed to fit the third version of the form. A full discussion of the third version of the form can be found in Chapter 6.

3.4 Comparing the forms

The data gathered from the usability testing and questionnaire applied to the second and third versions of the form were then compared with regard to their usability, understanding, and respondents' experience of the forms. The data from the second and third versions of the form was also compared to the expert-judgement- and text-focused evaluations of the first and second versions of the form. The three versions of the form were compared to each other in order to understand the effect of iteratively applying plain language techniques. Chapter 7 discusses this comparison in detail.

Chapter 4

Functional Text Analysis

In this chapter the first and second versions of the *New Investment Plan* form are analysed using Schriver's text-focused approach. The text-focused approach is implemented with functional text analyses of the first and second versions of the form, supplemented with the checklist from Chapter 2 and insights gathered from the expert-focused interviews with Liezl van Zyl and Elizabeth de Stadler. The interviews are discussed in detail in Chapter 5. The functional text analyses help to understand what kinds of problems the first version of the form has and how the second version of the form tries to address these problems. The functional text analyses help to understand the nature and goal of the form. It considers the target audience and the communicative and end goals of the form. The checklist is also used to see if the first and second versions use its guidelines for the design of a successful plain language form. The information gathered from the functional analyses of the first and second versions is used together with the results from the other methodologies to design the third version of the form, discussed in Chapters 6.

The functional text analyses cover all the sections in the first and second versions of the form, but place specific emphasis on the terms and conditions sections in both forms. The terms and conditions section in the first version is analysed in detail, after which the changes made to the terms and conditions section in the second version are also discussed in detail. From this discussion, the terms and conditions section in the second version of the form will be assessed to determine if the form is as successful as it can be, and if there is room for improvement in terms of the application of plain language techniques.

4.1 First version – *Investment Plan: New*

The first version of the *New Investment Plan* form, titled *Investment Plan: New*, consists of twenty-six pages. It can be found in Addendum A. It is meant to be filled in by hand, which is indicated in the statement on the first page: “Complete the form in block letters”. The form consists of sixteen main sections. There are three groups of people who come into contact with the *Investment Plan: New* form, namely financial intermediaries, their assistants, and the clients who want to invest with Glacier.

4.1.1 Target audience and communicative goals

One of the main problems of the first version of the form is that it is not clear who the target audience is. The form addresses a reader when stating: “Please send these documents with your application form”. A possible target audience is identified when investigating the form further. In the question “Is the investor an existing client?” one can assume that the audience is not the investor. The question therefore suggests that a financial intermediary, or someone other than the investor, is the target audience. This assumption is complicated by other questions, for example: “Are you a registered tax payer in the United States of America?” In this question the “you” that is addressed is not a financial intermediary, but rather the client, since Glacier needs that information from the client, not the financial intermediary. Uncertainty about who the target audience is, is the first problem in the *Investment Plan: New* form. A possible reason for this problem is that the financial intermediary will in most cases fill in the form on behalf of the client, but the client may also fill in certain sections on his/her own. The close interaction between the client and the intermediary when filling in the form makes it unclear who to address in the form.

The name, *Investment Plan: New*, suggests that the communicative goal of the form is to apply for a new investment plan. This application is for the client, but since it is not clear who the target audience is, it is also not clear if the communicative goal of the form is to help the client to fill in the form, or to help the financial intermediary fill in the form on behalf of the client. This does not

adhere to “1.11 The purpose of a form must be made clear” in the checklist, since the name of the form does not clearly state the goal of the form.

4.1.2 Internal organisation of information

The internal organisation of the information in the form will be discussed in detail below, focusing on each individual section.

4.1.2.1 Title of document

According to Baitsewe et al. (2011:19), the title of a document must have certain characteristics. These characteristics include that the title must give an indication of the content of the document and it must be brief. The title of the first version of the form, *Investment Plan: New*, is definitely brief. From the words “Investment Plan” one can conclude that the form deals with an investment plan, and the word “New” suggests that it will be a new investment plan. The placement of “New” at the end of the title could, however, be problematic since it does not explicitly make it clear that “New” refers to an investment plan. It could, for example, mistakenly be understood as a new investment plan-form, not a form for new investments.

4.1.2.2 Front page

The front page of a document is the first thing that someone sees when reading a document. The front page should be inviting and should also help the reader to understand what the document is about. On the front page of the *Investment Plan: New* form the words “glacier by Sanlam” is written in big letters in the top right-hand corner. Under the document title are five different sections with the following titles: “Important information”, “Send documents to”, “Contact us for more information”, “Document checklist” and “Contact person for further information”. There are problems in the “Document checklist”. Three of the five listed documents are stated “if applicable”. Proof of deposit should also be acknowledged as “if applicable”, but is not. In the list, only FICA documents will always be applicable to all clients. The list is therefore inconsistent and incorrect in its stating of applicable documents. Here it is also

necessary to refer to the list of FICA documents at the end of the form in order for the person filling in the form to understand which FICA documents he/she must attach. This adheres to “1.16 It should be clear where required information can be found” in the checklist. The section titled “Contact person for further information” is confusing as it is not clear whose contact information should be filled in. This does not adhere to “1.8 Open-ended questions must be very clearly stated” in the checklist.

4.1.2.3 Content

Pages two and three of the form consist of a table of contents. Since the form consists of many subsections, a table of contents is a good way to help the person using the form to understand it holistically. A problem with the table of contents is that it does not have page numbers to indicate on which page each section is. The table of contents is thus not successful as an indication of the structure of the document. Even though this section does adhere to the “4.14 Use a table of contents when a document is long and has many subsections” guideline in the checklist, not numbering the table of contents does not make it a successful application of the guideline.

4.1.2.4 Client

Under the section titled “Client” information must be supplied about the investor. A positive aspect of the subsections of this section is that it is clearly marked which questions are compulsory, namely all questions under “Personal details” and “Bank details for the payment of benefits”.

Even though compulsory sections are clearly marked, there are questions in these sections which are not compulsory. In the “Personal details” section the form asks for “Trading name of entity”, which must only be filled in if the investor is not a natural person. This problem arises because the information required for a person and an entity are combined in this section. The form asks for both the date of birth and the entity inception date with one space to fill in. Even though this does save space, it causes confusion that can be avoided by having separate sections for natural persons and entities. The

guideline in the checklist “1.9 Clearly mark which questions are optional and which are compulsory at each question and the beginning of the form” should be applied more carefully and accurately.

The interview with Van Zyl provided insights about a couple of problems in this section. Both the date of birth and the ID-number are asked. Since someone’s date of birth can be deduced from their identity number, it is not necessary to ask for both the identity number and date of birth. This can also be seen in the checklist: “1.3 Do not ask questions of which you already know the answer”. Some of the closed questions in this section are too limited. Under gender, only “Male” and “Female” are given as options, and under language only “English” and “Afrikaans” are given. To enhance inclusivity more options should be given, or at least an “other”-option, like the one given for the question on “Nationality”. This suggestion adheres to the following specification in the checklist: “1.6 Closed questions should also include an “other”-option, if applicable”.

In this section the following question appears: “Are you a registered tax payer in the United States of America?” This is a very specific question. There should be an explanation of the reason for asking this question, which adheres to “1.15 It should be explained why questions are asked” in the checklist.

On the second page of this section, the subsection “Personal risk profile of investor” has closed question options. Here an explanation should be given of what exactly the personal risk profile of the investor is (“2.3 Explain technical terms” in the checklist). Right under this subsection is the subsection “Bank details for the payment of benefits (compulsory)”. In this subsection the client must sign his/her signature to authorise Glacier to arrange to collect money through a debit order. The placement of this section is problematic because it is unusual to sign something in the middle of a page.

4.1.2.5 Special requests

From the font-type and size of this section, it is assumed that this section is on the same information level as the main sections in the form. This section is very clearly not as important as the main sections in the form. This does not adhere to “5.20 Use the same colours, fonts and font sizes to distinguish information that is on the same informational level” in the checklist. It is also unclear what special requests could include. Using examples might make it more clear what should be filled in here, which is also suggested in the checklist (“1.2 Use examples to make difficult information understandable”).

4.1.2.6 Single investment details

This section does not explain what a single investment is. A problem with the section is that here the investment is called a “single investment”, but later in the form this type of investment is called a “direct investment”. Inconsistent terminology is a problem and does not adhere to “2.2 Use the same words to mean the same thing” in the checklist.

The table with the heading “Underlying investment option(s)” is not very clear because there are no examples of how to fill in the table. In the last section of the form definitions are given of wrap funds and phasing, which might help a client to fill in the table. Even though this adhered to “2.3 Explain technical terms”, a problem with these definitions is that they appear on the last page of the form, and there is no reference to them in close proximity to where the words are actually used. A client could easily be unaware of the definitions when trying to fill in the table and the form as a whole. The lack of examples and clear definitions will make it very difficult for any average person to fill in the table correctly.

A positive aspect of the “Bank details for once-off debit order” section is the option which specifies that the same bank details must be used as chosen in the client section. This saves the person completing the form time and effort.

4.1.2.7 Phasing details

In the definitions section of the form the definition of phasing in is given as follows: “The process of transferring money invested in a money market fund to collective investments over a specified frequency and period”. As stated previously, this definition needs to be in close proximity to where the word “phasing in” is used, as putting the definition on the last page might make a client unaware of the definition at all.

4.1.2.8 Recurring investment

In this section no definition is given of what a recurring investment is. There is also no definition in the definitions section. This could cause confusion about what to fill in in this section and whether it should be filled in at all.

4.1.2.9 Fund selection

In this section a table is given which flows over three pages. In the table the client must select the funds in which he/she wants to invest his/her money. The directions of how to fill in the form states that a list of available investment funds can be found at Glacier’s Communication Centre. It would be better if the list was available in the form itself, which is also suggested in the checklist: “4.13 Exception: When cross-referencing cannot be avoided, use footnotes or place the information to which the cross-reference refers at the end of the section”. The investment funds information could be placed at the end of the form, with an indication in the form of where they can be found.

The directions also specify that if the selected fund is a fusion fund, the relevant block must be marked with an X. Here again, the definition of a fusion fund is only given on the last page of the form under the heading “Fusion platform” as “[a] range of collective investment funds that offer annual collective investment management fees”. Since the definition is not in close proximity to where the word is used, it will most likely not be seen. The term used in the form itself, “Fusion fund”, is also different to the term used in the definition, “Fusion platform”. This could cause confusion as to whether both

terms refer to the same concept (“2.2 Use the same words to mean the same thing”). Another element which could cause confusion is which block must be marked with an X. In the table there is a block with the letter F in it, which could be assumed to be the block to show that the fund is a fusion fund. Using an example might help a client understand exactly how to fill in the table, as is suggested in the checklist: “1.2 Use examples to make difficult information understandable”.

A big problem in the table with regard to layout is that the title “Phasing funds” is on the bottom of the first page of the table, and the part of the table with information about the funds that should be phased in is on the next page. This could be problematic, as the title “Phasing funds” can easily be missed. This does not adhere to “4.2 Use clearly marked headings” in the checklist. The section under “Wrap fund selection” is relatively easy to understand, but could benefit from examples to further explain how it works.

The formatting suggests that the “Special requests”, “Single investments”, “Phasing details”, “Recurring investment” and “Fund selection” sections are all on the same hierarchical level of information. This is misleading, since all of these sections do not logically lie on the same hierarchical level. “Special requests” is a subsection of the personal details section, while “Single investments”, “Recurring investment” and “Fund selection” are all main sections. This does not adhere to the following specification in the checklist: “5.20 Use the same colours, fonts and font sizes to distinguish information that is on the same informational level”. The form would benefit from using numbering to further indicate hierarchical levels.

4.1.2.10 Transfer of existing collective investments

This section is quite easy to understand because definitions are given and concepts are clearly explained. However, the term “collective investment” is not explained. Previously the form refers to single and recurring investments, but nowhere does the form refer to the term “collective investments”. This does adhere to the following specification in the checklist: “2.2 Use the same words to mean the same thing”.

4.1.2.11 Income from collective investments

This section can be confusing because it does not have any definitions or examples. An example would have made it easier to understand, for example, in the following section: “Income amount per frequency _____ at a growth rate of _____% per year.” The table under “Investment funds for the payment of income” is also confusing because there are too many options on a vertical and horizontal level. The table illustrates that a client can choose to receive their income from “all money market funds”, “all investment funds”, “proportionately from specific investment funds” or “percentages from specific investment funds”. The client can then choose to receive it from their own fund selection, from wrap fund 1 or from wrap fund 2. In total there are twelve squares that the client can tick. In order to tick the correct square, the client must read information horizontally and vertically, which could be difficult to do. This does not adhere to the following specification in the checklist: “1.4 Only ask for one answer per question”, since the client will answer the horizontal and vertical question by ticking a square. Information under the “Income fund selection” heading is also not explained fully, for example: “If you select income to be paid only from money market fund(s), and the money market fund(s) reaches a level that is insufficient to provide a further income, the income will be funded proportionately across all investment funds, and the income may be delayed”. Even though this information is useful, it is not explained fully. It is not stated what levels the money market funds can reach, and how it works.

The table for selecting the fund from which the payment should be made looks a lot like the table in which funds should be selected. It is not clear what the difference is between the two tables, and if there is a difference it should be made clearer.

4.1.2.12 Terms and conditions

The terms and conditions section is usually at the end of a document. The client might be confused because the terms and conditions section is placed in the middle of the form. It would be better if the terms and conditions section

was placed at the end of the form. The terms and conditions section in a document is reserved for the terms agreed upon by the parties involved in the document. The terms and conditions section in the *Investment Plan: New* form does not only include terms and conditions, but also other information. Under the “About Glacier” subsection, for example, information is given about Glacier as an organisation, which do not relate to the terms and conditions. This does not adhere to the following specification in the checklist: “4.3 Organise sentences with the same themes in the same sections”. Repetition of terms or conditions is one of the main problems in the terms and conditions section, for example “Glacier does not guarantee the performance of any investments. This means that the value of the investments may go up or down” and “The value of units and income may change and past performance is no guarantee of future returns”. Another problem that the terms and conditions section has is that it uses different references to the client of the form at different times. The client is both “the investor” and “you” in different bullets in the “About the investment” section. Even though this anaphoric reference to the client is not necessarily incorrect, it is inconsistent. Terms that refer to the client as “the investor” sound much more formal than terms that do not, for example “The investor hereby confirms that Glacier shall not be required to provide the investor with any information that any collective investment scheme or listed company is obliged to disclose in terms of any law” in comparison with “You choose normal South African Postal Service mail as the carrier of notices in terms of this contract”. The terms and conditions section in the first version of the form and how it is changed in the redesigned second version is discussed in more detail in section 4.3 of this chapter.

4.1.2.13 Fees and charges

This is an important section as it deals with the fees of investing with Glacier. Since it is such an important section, its placement is problematic. It is placed directly below the terms and conditions section, a section that is very rarely read. This structure does adhere to the “4.17 Put spaces between elements in a form that do not have anything to do with each other” guideline in the

checklist. The close proximity that the “Fees and charges” section has with the terms and conditions section might cause a client to also skip over this section when skipping over the terms and conditions section. Another reason why the placement of the “Fees and charges” section is problematic is because it starts at the bottom of a page. A client might think that this section is part of the terms and conditions section because he/she did not see the new heading which indicated a new section. This does not adhere to the specification in the checklist which states: “4.2 Use clearly marked headings”. The content of the “Fees and charges” section is also problematic because it does not explain each fee fully.

4.1.2.14 Collective investment management fee

This section deals with the fees regarding collective investments. Since this section deals with fees, it could have been placed in the “Fees and charges” section. The font type of the heading of this section suggests that it is one of the main sections, and therefore a separate section from the “Fees and charges” section. It is not clear why this section is separate from the “Fees and charges” section. This section does not adhere to “4.3 Organise sentences with the same themes in the same sections” and “5.20 Use the same colours, fonts and font sizes to distinguish information that is on the same informational level” in the checklist.

4.1.2.15 Intermediary

In this section a financial intermediary is appointed. Here it is clear that the form addresses the client because it asks the client to appoint a financial intermediary. This section is relatively easy to understand. The section does, however, include information on the financial intermediary’s fee. It might be beneficial to place the information on the financial intermediary’s fee in the “Fees and charges” section. In this section a table is given with the heading “Fee split (if applicable)”. This table is not explained at all, and even though it seems easy to understand, it is actually very unclear how the client must complete the table.

4.1.2.16 Tax-free investment plan

In this section information must be filled in for a tax-free investment plan. Since this section does not have an introduction, it is not clear if this is a totally different investment option from the single and recurring investments from earlier in the form. This section is not placed in a logical place in the form. It does not adhere to the “4.4 Organise sections in a logical order” guideline in the checklist. This section is one of the options for the investments plan. Logically it should therefore be placed in close proximity to the single and recurring investments sections.

In the section a single investment is referred to as both “single investment” and “direct investment”, which could be confusing. The tables for appointing funds for the single or recurring investments look identical to the tables for the appointment of funds for the taxable investment plans. This may confuse a client as it is not clear what the difference is between the different investment plans.

Another problem in this section is the placement of the “Wrap fund selection” subsection. The question “Wrap fund and investment objective” is on the bottom of the page, with the predetermined answers at the top of the next page. This is very problematic as the two parts of the question are divided by a page break and can easily be misread.

4.1.2.17 Fees and charges

Although it is not clearly stated, it is assumed that this section deals with the fees related to tax-free investment plans. Since this section deals with fees that the client must pay, the information can be placed under the first “Fees and charges” section. This will adhere to “4.3 Organise sentences with the same themes in the same sections” in the checklist. Putting all the fees that the client must pay in one section will make it much easier for the client to calculate how much money he/she must pay.

4.1.2.18. Client authorisation and declaration

In this section the client gives authorisation and declaration of terms and conditions from Glacier. The placement of this section near the end of the form is a good thing as it would be where the client would expect to give authorisation. This section can be placed together with the terms and conditions section as the client is giving consent to certain terms in this section.

Even though this section uses bullets as suggested in “4.11 Use bulleted or numbered lists to divide complex information in more manageable sections”, it is not consistent in its use of bullets. Under “Your authorisation” one round bullet is used to show the start of the sentence, and under it each point starts with a hyphen after which the sentence continues. Under “Declaration” bullets are used with complete sentences after each bullet. The last sentence under “Declaration” does not have any bullets. The last sentence also addresses the client as “you”, while in the rest of the section the client is addressed as “I”. This section is therefore inconsistent on a number of levels.

4.1.2.19 FICA requirements

This section lists the documents required according to FICA, depending on who the client is. Although it is stated on the first page of the form that FICA documents must be sent with the application form, this is not stated in the “FICA requirements” section. To avoid confusion, it could have been stated again in this section that the FICA documents must accompany the form.

4.1.2.20 Definitions

In this section definitions are given of terms that are in the form. Some of the definitions in this section are unnecessary, for example it is clear what a “business day” is. Approximately half of the definitions in this section are for terms that are not used in the form. A possible reason is that the form had previously been changed, but the definitions section had never been changed. Another problem with the definitions section is that the definitions are not

close to where terms are used in the form. It would be better if the definitions were in close proximity to where the terms are used, for example in the margins. The terms could also have been marked in some way, for example with numbers, with the same marking next to the term in the definitions section. This would make it much easier to find the definition of a word when looking it up.

4.1.3 General

There are general problems with the first version of the form. Firstly, nothing in the form is numbered. Numbering headings and subheadings would make it much easier for a client to understand the structure of the form (“4.7 Number headings and lists”). Even though the headings of different information levels have different font types and sizes, the distinction between the different sections are not always clear. Using numbering would make this distinction much more visible.

The form’s structure is also problematic as it does not have a logical order (“4.4 Organise sections in a logical order”). The terms and conditions section is in the middle of the form, which is unusual. The different fees and charges are also divided into different sections, but would be much easier to understand if they were in one section. The “Tax-free investment plan” is at the end of the form, which is also confusing. Since it is separated from the “Single investment details” and “Recurring investment details” sections, this suggests that it is a totally different investment plan. This is not the case, since there is a choice between single and recurring investments within the tax-free investment plan.

4.2 Second version – *New Investment Plan*

The second version of the *New Investment Plan* form consists of thirteen pages. The second version can be found in Addendum B. It is in the form of a document with pages as can be seen from the page numbers and the labelled indications at the bottom of the page which show where in the form the client is. The form consists of eight sections with various subsections. This form, like

the first version of the form, has three groups of people who interact with it, namely financial intermediaries, their assistants, and the clients who want to invest with Glacier.

4.2.1 Target audience and communicative goals

A problem in the first version of the form is that it is not consistent in its reference to the client as the target audience. The client is both “you” and “the investor”. The second version of the form is more consistent in its reference to the client as “you”, as can be seen in the following sentences: “Your financial intermediary will be able to give you more details on these investment options” and “Your FICA documents”.

The communicative goal of the second version of the form is also clearer than the first version of the form. It is stated on the front page: “This form allows you to structure your Investment Plan to suit your needs”. The name of the form, *New Investment Plan*, also shows that the investment plan will be a new one. This adheres to the following specification in the checklist: “1.11 The purpose of a form must be made clear”.

4.2.2 Internal organisation of information

As in the discussion of the first version of the form, the internal organisation of the information in the second version of the form will be discussed below, focusing on each individual section.

4.2.2.1 Title of document

The title of the second version of the form is basically the same as the title of the first version of the form, with only the word “New” changing position. Unlike the first version of the form, however, the second version of the form has a description under the title which further elaborates on the goal of the form. This illustrates the importance of having an introduction. Even though the title of the form is therefore not very descriptive, the introduction is helpful in understanding what the form is for.

4.2.2.2 Front page

The front page of the second version of the form consists of an introduction, a type of table of contents under the heading “Complete the form”, a list of required documents under the heading “Send us the completed form and supporting documents” and information on what happens after the form is completed under the heading “When we receive your documents”. Information is also requested under the heading “If we need more information” and contact information is given under the heading “If you need further assistance”.

The front page of the second version of the form solves many of the problems that the first version of the form has. Unlike the first version, this version has an introduction and explanations are given together with information. Rather than stating “Contact person for further information” like in the first version of the form, the second version of the form asks the client “Who should we contact for further information?” Asking the question shows the client that he/she chooses whose information to fill in in that section.

Even though the front page of the second version of the form solves many problems that the first version had, it still has a couple of problems. Before the list of documents that should accompany the form is stated: “List of documents we may require”. The word “may” could make the client unsure of which documents to attach to the form. In the “If we need more information” section it is clearer in the second version of the form that the client chooses the person that should be contacted for further information. It is, however, still unclear whether the client can choose himself/herself as the person to contact. This problem could be solved by making the client a third option together with “Your financial intermediary” and “Other”, which would adhere to the “When asking closed questions, the answers must include the most popular answers” guideline in the checklist.

4.2.2.3 Create or update your profile

This section is easy to understand and complete. It has an introduction which explains why the information is needed (“1.15 It should be explained why questions are asked”). It is structured in a logical and reader-friendly manner.

Unlike in the first version of the form, there are two separate sections for the client investing as an individual or as an entity. This makes it much easier to fill in correctly. Some of the questions and information is removed because it is outdated, which adheres to the following specification in the checklist: “8.3. Do not include information that the reader does not need”. This makes this section more compact.

Even though the second version of the form solves some of the problems that the first version of the form has, there are a couple of problems that the first version has which has not been changed in the second version. At language preference and gender there are still only two options given, with no other options.

In the second version of the form the question “Are you a tax-paying citizen or resident of the United States of America?” is still the same which is asked in the first version of form. The question should have some kind of explanation to why it is being asked, since the checklist specifies: “1.15 It should be explained why questions are asked”.

In the second version of the form the subsection “1.2 Tax declarations forms” does not fit in with the rest of the section. The rest of the section deals with the personal information of the client and the subsection deals with their taxes. This subsection should be placed somewhere else where it fits in logically, for example after asking for the client’s tax number.

Under “1.3 Choose how we communicate with you” the information under “Investment statements” and “Secure online access” is also not structured in a logical order. It would be better if all the information that the client needs to make an informed decision is put first, after which the form can ask the client questions that relates to the information.

The heading “Special requests” is changed to “Give us additional instructions”. Under the heading the following information is given: “If you have any special requests or instructions you would like us to consider, you may list them here”. This makes it clearer what kind of information the form is asking for.

4.2.2.4 Create your investment plan

Information about lump sum investments and recurring investments is much easier to understand in the second version than in the first version of the form. This is because of the definitions which are placed right next to where the terms are used. This adheres to the following specification in the checklist: “2.3 Explain technical terms”. Other than in the first version of the form, only lump sum investments are referred to and not single or direct investments (“2.4 Use the same words to mean the same thing”). Numbering the different options also show their relatedness and that a choice must be made between them.

Despite the fact that this section in the second version of the form solves many of the problems that the first version of the form has, there are still elements of this section that are not as clear as they can be. It is not explicitly clear that phrasing in is applicable to lump sum investments. Definitions of money market funds, fusion collective investments, share portfolio and wrap funds are also not given. The form states that “[y]our financial intermediary will be able to give you more details on [collective investments or a share portfolio]”. Rather than suggesting that the client should speak to his/her financial intermediary, it would be better to give the actual information in the form. Under the heading “How to complete the table” instructions would be expected. These instructions are not very helpful and cannot really be seen as instructions at all, which does not adhere to the “1.14 Instructions must be very clear” guideline in the checklist. The instructions are also more than 100 words long, which is too long to fully comprehend (“4.8 Use paragraphs of 100 words or less”).

In the first version of the form the table for filling in the investment options is three pages long. In the second version the table is only half a page long. The second version of the table is therefore much more compact. An example is also given to help the client fill in the table, which adheres to the “1.2 Use examples to make difficult information understandable” guideline in the checklist. Making the table shorter and giving an example should make it easier for the client to complete the table. Like in the first version, though, the

second version also asks for percentages to be filled in. Clients might still struggle when completing the table.

4.2.2.5 Select your payment method

The first page of this section is fairly easy to understand and complete. The subsection “3.2.3 Transfer of existing collective investments or share portfolio” on the second page of the section is more difficult to comprehend. An introduction would help the client understand where this subsection fits into the form. It is not clear whether this section is compulsory, or should only be filled in if the new investment comes out of an existing collective investment or share portfolio. It does not adhere to the “1.9 Clearly mark which questions are optional and which are compulsory at each question and at the beginning of the form” guideline in the checklist. This subsection should be contextualised within the form as a whole.

4.2.2.6 Provide your bank details

This section is very short and easy to understand. A positive aspect of this section is that the client can choose to use the account from section 3.2.2. This saves time when filling in the form if the client only wants to use the one account.

4.2.2.7 Set up your regular withdrawal

This section should only be filled in if the client would like a regular withdrawal, which is clearly stated at the beginning of the section. This section, like the section before it, is easy to understand and complete. The different options are clearly marked with “OR” in bold, which allows the client to understand that he/she has an option between receiving a percentage of the total investment value and choosing a fixed amount. It might be beneficial if the form also made clear what the other option was if the client did not want to receive regular withdrawals. This information might be something that the client would want to know.

4.2.2.8 Understand the fees

Unlike in the first version of the form, most of the fees in the second version of the form are discussed in one section. This is an improvement because the client can more easily find the fees that he/she needs to pay. The first two subsections in this section make use of tables to clearly set out the fees. Under the “6.3 Annual fees on Fusion collective investments” and “6.4 Collective investment management fee” sections tables are not used. This makes it a little bit harder to see which fees are applicable. It would be better if all the fees were put in tables, which would adhere to “6.1 Use graphical illustrations, e.g. tables, charts and graphs to illustrate difficult concepts” in the checklist. In this section longer sentences are used with average sentences of more than 22 words. This section also does not adhere to the guideline of using 50% of a page for white space and it uses more than 70 characters in a line. All of these elements do not follow the guidelines in the checklist, resulting in a difficult section to read and understand.

4.2.2.9 Appoint a financial intermediary

In this section the client appoints a financial intermediary. This section could benefit from adding an introduction which states the role of the financial intermediary. A problem with the first version of the form is that the term “fee split” is not explained. In the second version of the form an explanation is given. In the discussion of the first version of the form it is argued that it would be better to put the information on the financial intermediary’s fees in the section that deals with fees. In the second version of the form the information on the financial intermediary’s fees are also placed in this section, and not the section that deals with fees. Here again it could be beneficial if the information on the financial intermediary’s fees were placed in the fees section, which would adhere to “4.3 Organise sentences with the same themes in the same sections” in the checklist.

4.2.2.10 Agree to our terms

The terms and conditions section in the second version of the form is placed at the end of the form. This is much better than in the middle of the form as it

is in the first version of the form. Unlike in the first version, the terms and conditions in the second version are numbered. This makes it easier to read the terms and conditions (“4.11 Use bulleted or numbered lists to divide complex information in more manageable sections”). The terms and conditions section also has subheadings which combine the different subthemes within the terms and conditions section under individual headings. The terms and conditions section in the second version of the form will be discussed in more detail in section 4.3 below.

4.2.3 General

In general the second version of the form is much easier to understand and fill in than the first version of the form. It is shorter and its structure makes more sense logically. Each subsection also starts with a verb, which indicates an action. This adheres to “3.7 Exception: Start a sentence with a verb when giving instructions” in the guidelines. The client engages more actively with the form and understands its practical implications.

With regard to questions and the spaces for answering questions, the structure of the second version of the form does not adhere to the guidelines in the checklist. In the checklist it is advised that the space for answering questions must be placed on the right side of the questions, which is right aligned (4.21). It is also advised that when closed questions are used, the predetermined answers should be right aligned and before the squares for ticking off answers (4.22). The “1. Create or update your profile” section does not follow the guidelines. The questions are not right aligned and the squares to ticking off are placed before the predetermined answers. Despite not adhering to the guidelines set out in the checklist, the questions and the spaces for answering them are structured in an understandable and logical manner. Throughout the whole form it is clear which spaces should be filled in for which questions.

The second version of the form does not include any of the information on the tax-free investment plan. Another form is available in case a client wants to have the tax-free investment plan service. Excluding this other service from

the *New Investment Plan* form makes the form less cluttered and more specific. It also omits unnecessary detail and limits the form to one purpose, namely to invest in a collective investment or share portfolio. This is also a guideline in the checklist: “1.10 Limit each form to one purpose only”.

Yet there are still problems in the form, for example the different investment options are still difficult to comprehend. The table under “2.3 Choose your investment options” is very difficult to complete or understand. Section 3.2.3 “Transfer of existing collective investments or share portfolio” is another part of the form which can still be made more comprehensible. It should have an introduction to show how it fits in with the rest of the form. The fees section can also be structured better so that all the fees are in tables. The terms and conditions section should also be changed to be in more plain language. Currently it is way too long and written in too small font size, which could result in the client skipping the section altogether. This does not adhere to the checklist item “5.1 Use a font type, font colour and font size that is easy to read”.

4.3 Discussion of terms and conditions sections in both versions of the form

4.3.1 Terms and conditions section in the first version of the form

The terms and conditions section in the first version of the form starts in the middle of the fourteenth page and continues up to the bottom of the fifteenth page. The terms and conditions section consists of six subsections with the following headings: "About Glacier", "About the investment", "Glacier Tax-Free Investment Plan", "Instruction times", "Fusion funds" and "Glacier is not responsible for". Like the rest of the form, this section does not make use of numbering, but does use bullets at each term. Even though bulleting the terms make them seem easy to read, numbering the terms might have been better for cross-referencing and to show the relation between sections.

As the title suggests, the first section ("About Glacier") deals with information about Glacier as an organisation. It consists of two bulleted sentences,

namely: "Glacier is a Licensed Financial Services Provider (FSP) (FSP No. 770), authorised as to act as both discretionary FSP and an administrative FSP" and "Glacier holds adequate professional indemnity and fidelity insurance cover". The terms "discretionary FSP", "administrative FSP", "indemnity insurance" and "fidelity insurance" are not explained, which could cause confusion ("2.3 Explain technical terms" in the checklist). It can also be questioned whether the sentences can be categorised as terms or conditions.

In the subsection "About the investment" terms and conditions are given about Glacier's investment products. This section consists of eleven terms and conditions, which has some clear and understandable terms, for example the first two terms: "The investment is subject to a 28-day clearing period and you will not be allowed to repurchase during this period" and "Glacier does not guarantee the performance of any investments. This means that the value of the investments may go up or down". The sentence structure and words in these terms are easy to understand. This is not true of all the terms and conditions in this section. The next term, "The value of units and income may change and past performance is no guarantee of future terms. The value of investments in foreign currency may change due to changes in exchange rates", is an extension of the previous term and repeats what has previously been said.

Some of the terms in this section also make use of the passive voice, for example: "Investments are held in the name of an independent nominee, Axis Nominee (Pty) Ltd for the sole benefit of the investor" and "Investments are administered subject to the terms and conditions stipulated by the providers". Putting sentences in the passive voice creates a division between the action and the subject. It also creates a division between the text and the client, which distances the client from the practical application of the term. The checklist advises: "3.5 Use the active voice with sentence order subject, verb, object, if possible". The term "Investments are administered subject to the terms and conditions stipulated by the providers" is also difficult to understand because it is not saying anything. If "the providers" refers to Glacier, then this

term is referring to the terms and conditions section within which it appears. If "the providers" refers to parties other than Glacier, it should be stated as such.

The next term in this subsection is also in the passive voice: "Any income distribution by investment funds will be reinvested in the investment funds concerned, within 21 days of declaration". This is in stark contrast to the next term: "If for any reason an investment fund is no longer available we will provide you with the option to switch to any other collective investment funds available. If you do not select another investment fund within the prescribed time period the affected units will be switched to the Glacier Money Market Fund". In this term there are references to "you" and "we", which shows the relationship between Glacier and the client, and how they relate to the term. The term is not an abstract concept, but rather a term that actively affects Glacier and the client.

The term that follows also makes use of the active voice: "Where a fund class becomes unavailable we will provide you with the option to switch to any other class of that same collective investment fund or any other collective investment funds available on the Glacier platform. If you do not switch within the prescribed time period the affected units will be switched to any other class of that same collective investment fund available on the Glacier platform. Should any other class not be available the affected units will be switched to the Glacier Money Market Fund". This term is repetitive of the term that came before it, since both terms state that if no collective investment funds are available, the units will be switched to the Glacier Money Market. The only difference between the two terms is that the second term is applicable to collective investment fund classes, which are within collective investment funds. Since clients undergo the same process when choosing both collective investment funds and collective investment fund classes, the information could have been placed in one term which states that the same process is applicable when choosing a collective investment fund and collective investment fund class. This would adhere to the checklist item "1.1 Omit unnecessary detail".

The last three terms in the "About the investment" subsection are random in their naming of both Glacier and the client. In the first term the client is referred to as "the investor" and Glacier is referred to by its name: "The investor hereby confirms that Glacier shall not be required to provide the investor with any information that any collective investment scheme or listed company is obliged to disclose in terms of any law". In the second term Glacier is referred to as "we": "If the information in a quotation differs from that in the application form, we will issue the investment according to the information in the application form". In the last term the client is referred to as "you": "You choose normal South African Postal Service mail as the carrier of notices in terms of this contract". Within three terms the client is referred to as both the "investor" and "you" and Glacier is referred to as both "Glacier" and "we". Here it is important to be consistent when referring to entities, or as a guideline, "2.2 Use the same words to mean the same thing". This is because the different references suggest different levels of formality. Referring to "you" makes the form seem more informal, while referring to "the investor" makes it appear more formal. The last term in the first subsection of the terms and conditions states the following: "You choose normal South African Postal Service mail as the carrier of notices in terms of this contract". The exclusive reference to South African Postal Service is problematic as people also use other forms of communication, for example by email.

The third subsection, "Glacier Tax-Free Investment Plan", starts at the top of page fifteen. This subsection deals with terms and conditions that are applicable to the tax-free investment plan. It consists of eight terms and conditions. A striking feature of this subsection is that it uses capital letters as a highlighting technique. The words "TAX-FREE INVESTMENT PLAN" are written in capital letters every time they are used, except in the second last term, namely: "The transfer of any tax-free investment to or from another provider is currently not allowed". This is problematic for two reasons. Firstly, the use of capital letters as a highlighting technique is not sufficient as it is better to use bold when highlighting words ("5.6 Use bold to highlight a word or a section of a text"). Secondly, it is inconsistent to write a word in capital letters every time, except once, and only use capital letters as a highlighting

technique in one section of a whole document. It would be better to not write the word in capital letters and to use another form of highlighting.

Like the previous subsection, this subsection also uses different terminology when referring to entities. In the third term the client is referred to as the "investor" while in the fifth term the client is referred to as "you". These references indicate different levels of formality. To achieve consistent formality, the same reference words should be used throughout the terms and conditions section and the form as a whole ("2.2 Use the same words to mean the same thing").

In this subsection some financial implications are mentioned. Examples of these are: "The investor is responsible for ensuring that no contribution exceeds the prescribed limits, currently a maximum of R30,000.00 per tax year, with an overall lifetime limit of R500 000 in respect of all tax-free savings accounts. If the investor at any time in the tax year contributes more than the prescribed limits, the excess contribution will be subject to a tax equal to 40%" and "Should the contributions received exceed the maximum prescribed limits, the excess contributions will be invested into a money market fund with the highest value in your existing INVESTMENT PLAN. The Glacier Money Market Fund will be used should there be no money market fund in your investment. Where the investor does not hold an INVESTMENT PLAN, the excess contribution will be returned to the investor's bank account. Glacier reserves the right to charge an administrative fee of up to R250.00 (including VAT) for the reimbursement which will be deducted from the excess amount before payment to the investor". Both these terms deal with the costs associated with the tax-free investment plan, and because of this they can be seen as core terms in this section. According to Regulation 7 (United Kingdom, 1999) core terms are terms associated with costs of products, and because of this they should stand out. These terms do not stand out in the section and can very easily be missed, which does not adhere to the "1.18 Core terms should be made clear and memorable" guideline in the checklist.

The second of the above-mentioned terms is very long and contains a lot of detail. Some of the elements in this term also sound like a repetition of the

term that precedes it, namely: "If the fee structure of the underlying collective investment fund that you have selected becomes performance based, the units will be switched into the money market fund with the highest value in your TAX-FREE INVESTMENT PLAN. Should there be no money market fund within your investment, the units will be switched to the Glacier Money Market Fund". The information in this term and the term that comes after it sound like the same information. This term also makes use of the terminology "performance based", which is not explained. It should be defined in order for the client to understand the term.

The last two terms in this subsection are short and quite easy to understand. They are: "The transfer of any tax-free investment to or from another provider is currently not allowed" and "The proceeds from withdrawals may only be paid into a bank account held in the name of the investor".

The fourth subsection in the terms and conditions section has the heading "Instruction times". It deals with the time it will take to capture instructions with regard to investments. This subsection only consists of four terms and conditions, but each term is quite long. The second and third terms in the section are each more than four lines long.

The first term in this subsection, "We will capture investment instructions on the Glacier system within two business days after receiving the completed application form, proof of deposit and any other supporting documents we require", is easy to follow and understand. The next two terms are expansions of the first term. These terms are: "If the investment instructions are captured on the system before close of business at 16h00 on any business day (day 1) we will forward the instruction to the collective investment manager on the next business day (day 2). Generally, you should receive the price determined for this day (day 2), depending on the collective investment manager. This is a general indication of the date when the price will be determined and is not enforceable" and "If more than one completed business day (period from 16h00 on any business day and ending at 16h00 on the next business day), elapses between the deposit date and the capture date, then either interest will be credited to the investor's investments, or the transaction will be

backdated, depending on the reason for the delay. All other interest will accrue to Glacier". The first term in this subsection gives sufficient information on instruction times. It would save space if some of the important information in the second and third terms were added to the first, rather than expanding on the first term for eight lines.

In the second term in this subsection bold is used as a highlighting technique. In the previous subsection capital letters are used as a highlighting technique. Throughout a document the same highlighting technique should be used so that a client will know which information is important.

In the third term in this subsection information is given on the interest of an investment and how it is affected by instruction times. Since this term deals with finances, it might be seen as a core term according to Regulation 7 in the *Unfair Contract Terms Guidance* (United Kingdom, 1999), and should be highlighted accordingly. It is not highlighted and uses terminology which might be unclear to some clients. The word "backdated" is not well-known and should be accompanied by a definition. The last sentence in the term, "All other interest will accrue to Glacier", is unclear. Since this term affects the client financially, the term should be explained very clearly.

The subsection ends with a term which is again easy to understand, namely: "If there is a transaction in progress (e.g. switches, new business, repurchasing, phasing, cost recoveries, debit order transactions, income payments, etc.) any investment instruction or request may be delayed until the existing transaction in progress has been priced". In this term it is implied that the transaction which is mentioned refers to the client's investment. This should be explicitly stated.

The second to last subsection in the terms and conditions section has the heading "Fusion funds". This is a short subsection with only two terms and conditions. The first of these two terms is very long as it runs over four lines. This section deals with the terms associated with a fusion fund, which is an option when choosing an investment fund. As stated previously, the definition for a fusion fund is given in the definitions section as follows: "A range of

collective investment funds that offer annual collective investment management fees". This definition is vague. The terms and conditions in the "Fusion funds" subsection does not help to enlighten a client about what a fusion fund is. These terms are: "Glacier may transfer the investor's portfolio in any Fusion fund from the 'all-in-fee' class of that collective investment to any other class of that same collective investment on 90 (ninety) days' prior notice. Thereafter the annual fees applicable to that collective investment class and the Glacier annual fees as stated in the FEES AND CHARGES section will replace the Fusion fee structure" and "The total annual fee excludes the cost of the underlying managers in Fund of Fund instruments, where applicable". Both these terms make use of financial jargon, for example "all-in-fee" and "Fund of Fund instruments". These terms are not defined. Using unexplained jargon is an issue in the terms and conditions section, as well as in the rest of the form. Terms like "Fusion funds", "phasing in" and "collective investments" are used throughout the form, but not explained fully ("2.5 Avoid jargon" in the checklist).

The formatting in this subsection has two main problems. Firstly, in the first term in this subsection the words "Fees and charges" are typed in both capital letters and in bold. Since the words are both bold and capital letters they stand out completely amongst the rest of the terms and conditions. These words are not very important, and because they stand out they receive a lot more attention than is necessary. This does not adhere to the guideline that only core terms should be made clear and memorable (1.11) in the checklist. The second formatting issue in this section is also in the first term. The number "90" is accompanied by the number written out in words, "ninety", in brackets. This is sometimes used in legal documents to ensure understanding. It is not really necessary as it is clear what the number 90 means ("1.1 Omit unnecessary detail"). Writing the number out in words is also a problem because nowhere in the rest of the terms and conditions section or in the rest of the form are numbers also written out in words. On a formatting level it is inconsistent to write a number out in words only once in a document.

The last subsection in the terms and conditions section has the heading "Glacier is not responsible for". This subsection deals with the elements of a client's investment that Glacier is not responsible for. It is not structured in the same way as the previous subsections. Where each term starts with a bullet in the previous subsections, this subsection only has one sentence which starts with a bullet, namely: "Glacier is not responsible or liable for any damages or losses (including consequential losses) suffered by the investor due to:". After this sentence eight dashes are given followed by words that end the first bulleted sentence. On a structural level it is important that all subsections within a section use the same structure when conveying information. This subsection would seem more part of the rest of the terms and conditions section if it was structured in the same manner.

The elements that Glacier is not responsible for which are mentioned in this section are mostly understandable, for example the first three points stating that Glacier is not responsible for the actions of third parties. It also makes sense that Glacier is not responsible for "the failure of any mechanical or electronical devices or networks", "delays in the processing/rejection of an application or instruction because the financial intermediary is not appropriately licensed as a financial service provider" and "any delays in the processing [of] an instruction because it was sent to the incorrect fax, postal or e-mail address". There are, however, two points that are not explained sufficiently. The first of these is that Glacier is not responsible for "the acting by Glacier on any instructions or information received electronically". Since Glacier is the service provider, it makes sense that Glacier will take responsibility for its actions with regard to the instructions or information received from the client. If this is not the case then this point should be explained and highlighted in some way ("1.11 Core terms should be made clear and memorable"). This term can be seen as a core term according to the Consumer Protection Act (Republic of South Africa, 2008b) because it is an unusual term dealing with possible risk.

The second term in this subsection which is problematic is that Glacier is not responsible for "any tax or levies imposed because of [the client's]

participation in [an] investment, or Glacier allocating any benefits (bonuses) to [the client]". This is an important term since it states that any tax or levies can be imposed which the client must pay, for which Glacier takes no responsibility. This core term should also be highlighted.

4.3.2 Terms and conditions section in the second version of the form

The terms and conditions section of the second version of the form is on page eleven of the document. The section has the title "Agree to our terms", which deviates from a standard terms and conditions section title. This section consists of three subsections with the following headings: "The parties involved in administering your investment", "Where our responsibility ends" and "Accepting and processing instructions". This section, unlike the terms and conditions section in the first version of the form, is numbered. The terms and conditions section in the second version of the form contains many of the terms and conditions from the first version of the form, but has been structured in a more logical and reader-friendly manner. This has been done by taking out all terms relating to fusion funds and tax-free investment plans and putting terms about Glacier and investments together. This is one of the main plain language techniques in the redesign of the first version of the form into the second version of the form ("4.4 Organise sections in a logical order"; "4.11 Use bulleted or numbered lists to divide complex information in more manageable sections"). Even though the terms and conditions have been designed to be more reader-friendly, it is still typed in small print and it might still be too long. The terms and conditions also do not adhere to the guideline in the checklist of using 50% of a page for white space (5.9) and it uses more than 70 characters a line (5.10). Too many words on the page makes the terms and conditions section seem difficult to read, which could result in the client skipping over it.

The first subsection in the terms and conditions section has the heading "The parties involved in administering your investment". The first two terms are: "Glacier Financial Solutions (Pty) Ltd, a FSP, is authorised to act as an administrative FSP. Our FSP number is 770" and "Glacier holds adequate professional indemnity and fidelity insurance cover". The information in these

two terms is placed in the "About Glacier" subsection in the first version's terms and conditions section. The terms in the second version of the form are shorter because they do not include some of the information that is in the first version, adhering to "1.1 Omit unnecessary detail" in the checklist. It excludes what FSP stands for, namely Financial Services Provider, and that Glacier is a discretionary FSP. The second term in the second version of the form, "Glacier holds adequate professional indemnity and fidelity insurance cover", is exactly the same as it is in the first version of the form. The terms "indemnity insurance", "fidelity insurance" and "administrative FSP" are still not explained. Like in the first version of the terms and conditions section, it can be questioned if the information in the two sentences are terms or conditions.

The next term in the first subsection deals with the role that Axis Nominee plays in the client's investment: "Investments are held in the name of an approved independent nominee, Axis Nominee (Pty) Ltd, for the sole benefit of the investor". This term is the same as in the terms and conditions section in the first version, except for the word "approved", which has been inserted in the second version. Like in the first version, the second version of the term is in the passive voice. It does not adhere to "3.5 Use the active voice with sentence order subject, verb, object, if possible" in the checklist. A full explanation on how putting investments in the name of Axis Nominee benefits the investor is needed. This will lead to a better understanding for the client.

The last term in this subsection states the following: "The information that you have provided forms the basis of contracts that will be entered into with the third parties providing the investment vehicles you have selected. Those vehicles are subject to the third parties' terms and conditions". This term is much clearer than the term which conveys the same information in the first version of the form. In the first version it is only stated that "terms and conditions [are] stipulated by the providers" which, as stated previously, does not make it clear at all who the providers are. The second version of this term makes it clearer that the providers are third parties that provide investment vehicles.

The second subsection in the terms and conditions section of the second version has the heading "Where our responsibility ends". This section has many of the terms that are in the "Glacier is not responsible for" subsection of the first version of the form, but it also includes other terms. This subsection has eight terms in total.

The first term in this subsection states the following: "Investments are inherently risky and performance is subject to events, such as market risk and foreign currency fluctuations, we cannot control and which can affect the value of your investment. This means that we cannot guarantee the performance of any investment option and you may therefore not receive the full amount you invested". This term is an expanded version of the term "Glacier does not guarantee the performance of any investments. This means that the value of the investments may go up or down" in the first version of the form. The first version of the term was already easy to understand, and the second version is easy to understand as well but also includes extra information which the client might want to know. This adheres to the "8.4 Exception: Do not omit information that the reader might want to know" guideline in the checklist.

The second term in the "Where our responsibility ends" section is an important term since it deals with Glacier's liability: "Glacier is not liable for any losses or damages which you may suffer, regardless of how such losses or damages arise, unless the claims are directly attributable to fraud, dishonesty or gross negligence of Glacier or its employees acting in the course and scope of their employment. Glacier is under no circumstances responsible for any indirect, special or consequential losses or damages". This term does not correlate with any one term in the first version of the form. It does, however, share ideas with the "Glacier is not responsible for" section in the first version as a whole, since this section states that Glacier is not responsible for losses if it is not caused by Glacier directly. A possible reason why this term is added in the second version could be for clarity. In the first version the information is only insinuated, while in the second version it is explicitly stated. This term is important, yet does not look important. It is

placed second in the section and is formatted in the same way as all the rest of the terms. It needs to be highlighted in some way to show its importance, as is indicated in the checklist: “1.18 Core terms should be made clear and memorable”. This term can be seen as a core term, according to the Consumer Protection Act (Republic of South Africa, 2008b), because it concerns risk, “the presence of which the consumer could not reasonably be expected to be aware or notice”. This term is also more than 22 words, which is too long according to the checklist (“3.1 Use short sentences, when possible (between 15 and 22 words)”).

The third term in the "Where our responsibility ends" subsection states: "Glacier is not required to provide you with any information that any collective investment scheme is obliged to disclose in terms of any law". This term has the same wording as the term in the first version of the form, except that the term in the first version starts with "[t]he investor hereby confirms that..." In the first version of the form this is a problem as the reference to the investor is out of place and does not fit in with the rest of the terms. By excluding that part in the second form it solves that problem and makes the term fit in better with the rest of the terms and conditions section.

The next term in this subsection states the following: "Glacier is not responsible for any losses caused by the conduct or procedures of any third parties". This one term combines the first three terms mentioned in the "Glacier is not responsible for" subsection in the first version of the form. Even though this one term is not as detailed as the three terms in the actions, it still conveys the essence of the three terms. This term is successful because it is short while also giving enough information.

The next term in the "Where our responsibility ends" subsection shares characteristics with a term in the first version of the form, but also characteristics with one of the so-called declarations in the first version. This term is: "You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it". The declaration that is very similar to this term is the

following: "In entering into this agreement, I am not relying on any warranties, representations, disclosures or expressions of opinion which have not been incorporated into this agreement". In the discussion of the first version of the form it is argued that the "Client authorisation and declaration" section in the form can be seen as terms and conditions that the client is agreeing to. In the second version of the form many of these authorisations and declarations are incorporated in the "Agree to our terms" section, which saves space and makes sense ("4.3 Organise sentences with the same themes in the same sections").

The third last term in the "Where our responsibility ends" subsection states: "We are not responsible for any delays in the processing or rejection of an application or future instructions as a result of your financial intermediary not being appropriately licensed as a financial service provider". This term is explained in the same words in the first version of the form, and because it is easy to understand it has not been changed in the second version of the form.

The second last term in this subsection could cause a problem. In the first version of the form it is stated that Glacier is not responsible for "any tax or levies imposed because of [the client's] participation in [an] investment, or Glacier allocating any benefits (bonuses) to [the client]". In the second version of the form this information is rearranged in the following term: "You are liable for any taxes or levies imposed on the investment or benefits (bonuses) Glacier may allocate you". In the discussion of the first version of the form it is argued that the term is a core term because it deals with costs associated with investments. The first version of the term is not highlighted enough to show its importance and it is also not explained fully. This can also be said of the term in the second version of the form. Since this core term can affect the client in a negative way, it needs to be explained fully and should be highlighted.

The last term in the "Where our responsibility ends" subsection is again an understandable term: "We are not responsible for any losses caused by a failure of mechanical or electronic devices, networks or any other events outside our reasonable control". This term is the same as the term in the first

version of the form, and because it is easy to understand it has not been changed in the second version.

The third subsection in the terms and conditions section deals with terms associated with accepting and processing instructions, hence the fitting heading "Accepting and processing instructions". It consists of six terms, with three sub-terms under the third term.

The first term in the "Accepting and processing instructions" subsection states: "If the information in a quotation differs from that in the application form, the information in this application form will apply". This term is the same in the first version of the form, and because it is easy to understand it has not been changed. It could also be argued that this term gives the same information than the term "You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it" which appears in the previous section. Since both terms state that only the information in the application form applies, this is unnecessary repetition.

The second term in the last subsection states: "Your investment is subject to a 28-day clearing period and you will not be allowed to repurchase during this period". This term, like the previous term, is the same in the first version of the form because it was easy to understand to begin with. Because of this the term has not been changed in the second version of the form.

The third term in the "Accepting and processing instructions" subsection deals with the capturing of investment instructions and consists of three sub-terms. In the first version of the form the three sub-terms are three individual terms. It was argued that the second and third terms were just an expansion of the first term and that it would save space if the three terms were combined in a way. Putting the three terms together as sub-terms saves space and it also shows their relation. These three sub-terms are: "a) We will capture investment instructions within two business days after receiving the completed application form, proof of deposit and any other supporting documents we require", "b) If

your investment instruction is captured before 16h00, you should receive the price determined for the following business day. However, we cannot guarantee this in all instances" and "c) If more than one complete business day elapses between receiving the deposit and capturing the instruction, the interest will be credited to your investments. All other interest will accrue to Glacier". One point of critique in this term is the use of bold as a highlighting technique with the words "captured before 16h00". Since using bold is the best highlighting technique, this is not where the problem lies. The problem is that this is the only place in the whole "Agree to our terms" section that uses a highlighting technique. Using bold in only one term in the whole section makes this term stand out more than it needs to, since this is not a core term. Core terms are terms associated with costs and unusual and serious risks. Bold should be used to highlight only core terms.

The third term in the last subsection is the same as in the first version of the form. This term states: "If there is any transaction in progress (switches, phasing, cost recoveries, new business, withdrawals, recurring investment, regular withdrawal payment etc.), the investment instruction could be delayed until the transaction in progress has been priced". In the discussion of the first version of the form it is argued that the term does not explicitly state that the transaction which is mentioned refers to the client's investment. Giving the same term in the second version of the form still does not solve the problem that the first term has. It should be stated explicitly that the transaction refers to the client's investment.

The second last term in the "Accepting and processing instructions" subsection is the following: "Where a collective investment manager is unable to honour a withdrawal owing to liquidity constraints, the entire transaction will either be cancelled or suspended until Glacier receives notification from the collective investment manager that liquidity is sufficient to honour the withdrawal. The transaction will then only be priced once it is resubmitted to the manager". This is a totally new term and shares no relation to any terms in the first version of the form. This term is quite difficult to understand because it uses the words "liquidity constraints" without explaining what it means. This

does not adhere to “2.3 Explain technical terms” in the checklist. It also never mentions the client and makes it seem as if the collective investment manager is the subject in the term. The first sentence of the term is also rather long. Because of this it might be difficult for the client to understand how the term applies to him/her.

The last term in the last subsection of the terms and conditions section is the same as in the first version of the form. It states: "Any income distribution by collective investments will be reinvested in the collective investments concerned within 15 business days of declaration". The only difference between this term and the first term is that in the first version of the term it is stated that the income distribution will be reinvested within twenty-one days of declaration. In the second version of the term this is put in business days, which come down to fifteen business days. Since business days are used everywhere else in the form when referring to number of days, it is better to also use business days in this term. In the discussion of the first form it is mentioned that this term is in the passive voice. To make the client understand his/her role with regard to this term, it might be better to put the term in the active voice, as is suggested in 3.5 of the checklist.

4.4 Discussion

The functional text analyses of the first and second versions of the form – typically they are trouble-shooting exercises – illustrate that there are many guidelines for using plain language techniques in the checklist from Chapter 2 that are not used in the first version of the form. This shows that the first version is not written in plain language. The second version of the form uses many of the guidelines in the checklist. The second version does apply plain language techniques. The analysis of the second version, however, still shows that there are aspects of the version of the form which does not follow the guidelines.

The conclusions following from the functional text analyses are discussed in more detail in the next chapter where the functional text analyses are discussed together with the results from the other methodologies applied to

the first and second versions of the form. The results from the methodologies are discussed together because the methodologies supplement each other, creating an interlinked set of results. The next chapter discusses these results and offers a conclusion about the most prominent problems in the second version of the form.

Chapter 5

Results of the Testing of the First and Second Versions

This chapter discusses the results from the mixed methodologies applied to the first and second versions of the *New Investment Plan* form. In this chapter the findings from the expert-judgement-focused, text-focused and reader-focused approaches are discussed. After the discussion, a conclusion is reached as to the most prominent findings from the different approaches. This is done in order to identify the most important problems with the second version of the *New Investment Plan* form, and how these problems can be addressed in a third revised version.

5.1 Expert-judgement-focused approach

As discussed in Chapter 3, the expert-judgement-focused approach included interviews with a document designer and a legal expert.

5.1.1 Results from the interview with the document designer

Interesting findings emerged from the interview with Liezl van Zyl, the document designer who redesigned the first version of the *New Investment Plan* form into the second, plain language version. Van Zyl mentioned that the first version of the form was not tested using respondents. It was only analysed using an expert analysis. From the expert analysis the team concluded that the two main problems with the first version of the form were that it was not clear who the target audience was and the twenty-six-page form was way too long.

Van Zyl also thought that a big problem with the first version of the form was that it was not clear what the client had to pay Glacier. Other smaller problems that Van Zyl identified with regard to the first version of the form was that the checklist on the cover page was not well designed, the contact information section for further information was not very clear, the table of

contents had no page numbers, the structure of questions and answers changed in different sections of the form, information was not grouped together in a logical manner, some questions were vague, the hierarchy of headings was not clear at all and some definitions in the definitions section were for words that were not used in the form.

In the redesigned second version of the form these problems were addressed. Beside these problems, Van Zyl also made other changes to the form. On a structural level, Van Zyl wanted the form to look like an online shopping page. This was achieved with the icons at the bottom of each page. This gave the form an online feel and it also helped the person filling in the form to know where in the form he/she was. Another big change that was made to the redesigned second version of the form was that any information with regard to tax-free investments were taken out of the form and put in a separate form. This made the second version more focused.

Besides bigger, structural changes, smaller changes were also made to the form. Each heading in the redesigned second version of the form starts with a verb so that the person filling in the form will know exactly what his/her role is in completing each section. In the personal information section many questions were taken out of the form because the information was not needed. In some sections definitions were put next to difficult words. Instructions were given on how to complete tables and tables were made shorter. In the terms and conditions section, terms that were repetitive were taken out.

From the interview with Van Zyl it was established that the second version of the form was tested using respondents. Three groups of respondents were used, namely potential clients, financial intermediaries and the assistants of financial intermediaries. The reason why these three groups of respondents were used is that financial intermediaries or their assistants will always fill in the *New Investment Plan* form for their clients, but the clients need to read, understand and sign the form in order to have the service provided. Eight potential clients, six intermediaries and five intermediaries' assistants took part in the testing. These respondents were collected by Glacier and they all

worked for Glacier. Van Zyl strongly criticized this as there was a chance that there might be bias and this would affect the outcome of the testing.

Despite this, the testing continued with the respondents that Glacier chose. These respondents were asked to take part in usability testing of the second version of the form. Respondents were given two hypothetical scenarios which they had to use to fill in two *New Investment Plan* forms. The potential client scenarios were quite vague. They were asked to invest a certain amount of money and to phase in a portion of that money. The client does not have much experience with this kind of form and by keeping the scenarios vague it would not confuse the client too much. The scenarios given to the financial intermediaries and their assistants were more detailed. These scenarios entailed the intermediaries or their assistants having to fill in the form according to the specifications of their hypothetical client. During the usability testing respondents were also asked to employ the so-called plus-minus-method by making plusses where they liked something in the form and minuses where they did not like something in the form. After the usability testing respondents were given a questionnaire which the document design team used to collect qualitative and quantitative data. The main goal of the questionnaire was to test the accessibility, comprehensibility and application of the form. Lastly, an interview was held with respondents to gather their general feelings towards the form and to elaborate on their responses during the plus-minus-method.

The usability testing established that out of the twelve forms that were filled in by financial intermediaries (six financial intermediaries using two scenarios each), only seven were completed correctly. Out of the ten forms that were filled in by intermediaries' assistants (five intermediaries' assistants using two scenarios each) only one form was completed correctly. Out of the sixteen forms that were filled in by potential clients (eight potential clients using two scenarios each), eight forms were completed correctly. In total out of the thirty-eight times that the *New Investment Plan* form was filled in, it was filled in correctly only sixteen times.

From the testing of the second version of the form, Van Zyl established that there were certain aspects of the second version of the form that needed to be revised. The checklist on the front page needed to be refined so that it was clear when which documents were applicable. Respondents felt that at the “If we need more information” section should include an option to choose themselves. Respondents also did not think it was necessary to fill in their date of birth as well as their ID-number, as the date of birth can be established from the ID-number. Respondents also did not understand the question asking if they are a tax-paying citizen of the USA.

Another problem that respondents experienced was with the “Tax Declaration” section. They thought this section was not placed correctly in the form. They also did not like the way the “Choose how we communicate with you” section was phrased. In the “Create your investment plan” section on page 3 the respondents did not like the fact that they could not indicate the amount or percentage that they wanted to phase in. The table on page 4 was a major problem. Van Zyl specifically mentioned that the instructions for completing the table were not clear enough. Another problem with the table was that it asked for percentages and not amounts. To complicate matters further, the table then asked for percentages of percentages. This made the table quite complex. The table also mentioned “fusion collective investments”. Many of the financial intermediaries said that fusion investments are being gradually phased out, thus they did not see the point of having it as an option in the form. A last big problem that respondents had with the form was the “Where our responsibility ends” heading in the terms and conditions section. Respondents felt this sounded as if Glacier did not care about the client’s investment.

The interview with Liezl van Zyl helped to understand what the main problems were with the first version of the *New Investment Plan* form and how Van Zyl tried to amend these problems in the second version of the form. The interview also established how the second version of the form was tested, and what kinds of respondents were used in the testing. The interview also, maybe most importantly, made clear where in the second version of the form

there was still room for improvement in a possible third version of the form, and that they were not allowed enough freedom to go far enough with the plain language design, a typical problem in the field.

5.1.2 Results from the interview with the legal expert

The interview with Elizabeth de Stadler, a legal expert in the field of plain language, highlighted some interesting results. De Stadler was also part of the team that redesigned the first version of the *New Investment Plan* form, which gave her special insight into the form. De Stadler noted some major problems with the first version of the form. This included the too small font and that there was almost no white space. A substantial problem that the first version of the form had was that it used an unusually large amount of jargon, for example “fusion fund” and “collective investment”. In the second version of the form these problems were amended with the use of definitions close to where the jargon was used.

In the interview De Stadler mentioned that she was happy with the second version of the form, but that the document design team could have worked more on the form if they had more time. She said the fees section was an example of where the design team struggled so much that they eventually just gave up. De Stadler said that the reason why the fees section was so difficult to simplify was because of the complexity of the product that Glacier delivers. This results in the fees being complex and difficult to explain in plain language.

De Stadler also mentioned, as Van Zyl had, that a problem with the first version of the form was that it was not clear who the form was addressing. In the second version of the form it was made clear that the form addressed the investor. De Stadler said that this was problematic as it became evident that in most cases a financial intermediary would fill in the form, not the investor. Despite this, Glacier wanted the form to address the investor and have the form be understandable to the investor.

Glacier also explicitly stated that they wanted the form to be on paper. This was because many of Glacier’s clients are older people who do not have

access to computers. De Stadler said that had this not been the case she would have liked to have incorporated videos or coded calculators online in the form.

Besides making the form online, De Stadler said she would also have made the form shorter if she had the chance to work with it again. She would also have liked to change the layout of the form by using more columns and less big blocks of text. In modern documents it is becoming more and more popular to have two columns when using plain language. In one column a short overview of a text is given, and in the column next to it the whole text is given. This allows the person reading the document to have the option of reading the short overview or the full text. A negative aspect of this layout is that it makes documents longer.

Even though there were aspects of the form that De Stadler would have changed, there were also parts of the second version of the form that De Stadler liked that she thought were good use of plain language techniques. In the second version of the form the client was directly addressed as “you”. This resulted in most parts of the form being written in the active voice, which also lessened the distance between the client and the form and made it less formal. Another aspect of the form that pertained to this was writing in a positive sentence structure and tone. In the terms and conditions section, for example, the document design team tried to say what Glacier is responsible for, instead of saying what Glacier is not responsible for. This made Glacier’s legal team uncomfortable, and as a result this was not applied everywhere in the second version of the form. A last aspect that De Stadler mentioned she liked about the second version of the form was the use of the graphic icons at the bottom of each page. She said this made the form seem shorter and friendlier.

The second part of the interview dealt with the legal aspects of designing a form and its terms and conditions section. De Stadler said that many people forget that forms are actually legal documents, and as a result forms have legal requirements attached to them. The POPI (Protection of Personal Information) Act, for example, gives many requirements for how a form may gather information, what kind of information must be given when asking a

question and how a form may ask for permission for further marketing pertaining to the form. Even though the POPI Act has not been implemented yet, it has led to the redesign of many forms.

De Stadler also discussed the legal aspects of plain language. Article 22 of the Consumer Protection Act states that a document is written in plain language if an average person in a document's market range understands it and is able to understand the significance of the document on his/her life. The Act also mentions plain language techniques with regard to sentence structure, layout, the use of examples and illustrations, etc. According to De Stadler many lawyers do not understand Article 22. Lawyers have a tendency to believe that the Article wants them to write for the lowest common denominator in South Africa. They will then argue that this cannot be done, and as a result they ignore Article 22. Most lawyers will only take certain aspects of Article 49 of the Consumer Protection Act into consideration. Article 49 states that the extreme fine print in a document must be emphasised. This results in many terms and conditions being typed in bold or underlined (or both), and this is the only form of "plain language" that is applied.

The interview also focused specifically on terms and conditions sections. According to De Stadler terms and conditions are the rules of a relationship between the company who set up the terms and conditions and the person reading them. The communicative goals of terms and conditions are informative to affect behaviour. De Stadler was of the opinion that the terms and conditions section of a document should only be used to state the implications if things went wrong in the relationship between the company and the person reading the terms and conditions. She said that all other information should not be in the terms and conditions section, but should rather be incorporated in the document.

In terms of the legal requirements for writing terms and conditions, De Stadler said that there were a few instructions for writing terms and conditions, for example in the Credit Act, but as a whole the law was quite vague in its requirements for writing terms and conditions. The law is therefore not the

reason why people tend to write terms and conditions in legalese. According to De Stadler the reason why people are afraid to write terms and conditions in plain language is a result of how they were trained. Young lawyers are trained to write like their principle lawyers, who usually write in legalese and do not take plain language into account. This is a habit which is exceptionally difficult to unlearn, resulting in these younger lawyers also writing in legalese.

Besides it being habitual, many lawyers also believe that writing in plain language could result in a text losing its legality. The judicial system has certain terms of art which are difficult to rewrite in plain language. In order to rewrite a term in plain language the drafter should have a really good understanding of what the term entails. This results in a lot of effort since most lawyers do not fully understand judicial terms of art. Plain language experts, like De Stadler, also charge per hour, which puts financial pressure on lawyers. All of these aspects result in lawyers using example texts (that do not use plain language) when writing terms and conditions. According to De Stadler this is a shame as most courts react very positively towards plain language texts. De Stadler concluded the interview by stating that consumers and clients are gradually forcing companies to change their documents to use more plain language, which is resulting in positive shifts in the minds of people towards plain language.

The interview illustrated the problems De Stadler saw with the second version of the *New Investment Plan* form and how she would have liked to change it. The interview also helped the researcher to understand the legal implications of designing a form and its terms and conditions in plain language.

5.2 Text-focused approach

During the text-focused approach the first and second versions of the *New Investment Plan* form were analysed using functional text analyses (Chapter 4). This was done in order to examine the two versions of the document by attending to a set of features in the documents. These features were also examined using the checklist for the use of plain language techniques from Chapter 2. This was done to assess the quality of the first and second

versions with regard to their use of plain language techniques. The discussion below presents the conclusions from the functional text analyses.

5.2.1 Results from functional text analyses

The functional text analyses of the first and second versions illustrate that the first version of the form has many problems. It is not clear who the target audience is, it is very long, it is not structured in a logical manner, it uses inconsistent terminology and it does not explain terminology fully, to name a few of the problems. Comparing the first version of the form with the checklist from Chapter 2 illustrates that these problems arise from a lack of plain language techniques. The analyses show that the second version of the form is much easier to understand and complete than the first version. It is shorter and its structure makes more sense logically. The second version also follows many of the guidelines for using plain language techniques set out in the checklist.

Yet there are still problems in the second version of the form, for example the different investment options are still quite difficult to comprehend. The table under “2.3 Choose your investment options” is very difficult to fill in and understand. Section 3.2.3 “Transfer of existing collective investments or share portfolio” is another part of the form which can still be made easier. It should have an introduction to show how it fits in with the rest of the form. The fees section can also be structured better so that all the fees are in tables, which will make it easier for the client to find out how much money he/she must pay. Many of the problems in the second version of the form is as a result of not following the guidelines for using plain language techniques set out in the checklist.

With regard to the terms and conditions sections, the first version’s terms and conditions section is in an unusual place in the form. It also includes information which is not terms or conditions, and has terms in other places of the form than the terms and conditions section. It repeats a lot of information and does not fully explain all terms or how they could have an effect on the client. In the second version of the form many of these problems are solved.

The terms and conditions section is placed at the end of the form and all terms are placed in this section. Repeated information is taken out, as well as information that is not really terms. Despite all these changes, the second version is still very long and written in a small font. Many of the terms have stayed the same as in the first version, and not all terminology is explained.

From the functional text analyses it can be concluded that the first version of the form has many problems that the second version solves. The checklist from Chapter 2 shows that the second version of the form uses many more plain language techniques than the first version. The problems in the first version of the form are solved in the second version by the use of plain language techniques. The analyses, however, still identify many problems in the second version of the form. The analyses therefore imply that there is still room for improvement with regard to the application of plain language techniques in the second version of the form.

5.3 Reader-focused approach

In the reader-focused approach to text-evaluation, respondents were used to evaluate the second version of the form. Respondents took part in usability testing, a plus-minus exercise, a questionnaire and an interview to evaluate the second version of the *New Investment Plan* form. The different approaches are discussed in more detail in Chapter 3. Below are discussions of the results from the different reader-focused exercises.

5.3.1 Results from usability testing

During the usability testing respondents were asked to fill in the second version of the *New Investment Plan* form using a scenario that was given to them. Out of the twenty respondents who filled in the form, not one respondent filled in the form correctly. This shows that there still are major problems in the second version of the *New Investment Plan* form with regard to usability.

Each of the nine sections which the form consists of was analysed to understand where the biggest problems with regard to usability are. The table below summarises the most prominent results.

Table 5.1 Results of usability testing

Section	Filled in correctly (out of 20)	Problem areas identified by 3 or more respondents
Cover page	13	Not clear whose information must be filled in under "If we need more information".
1. Create or update your profile	6	Investment number question does not clearly state that if you are a new investor you do not have an investment number. Respondents do not give tax numbers. Option of choosing between investing as an individual and investing as an entity not clear enough. Question asking if you are a tax-paying citizen of the USA is confusing.
2. Create your investment plan	0	Difference between lump sum and recurring investment is not clear enough. Percentages in table on page 4 are confusing.
3. Select your payment method	10	
4. Provide your bank details	12	
5. Set up your regular withdrawal	9	"How would you like your regular withdrawal to be paid" options are confusing. Percentages and amounts at regular withdrawal are confusing.
6. Understand the fees	19	
7. Appoint a financial intermediary	4	It is not clear that an investor must appoint a financial intermediary.
8. Agree to our terms	16	

Table 5.1 clearly illustrates that certain sections of the *New Investment Plan* form are less usable than other sections. There is a distinct problem with section 2 of the form, since none of the twenty respondents could fill in this section correctly. From the usability testing it is evident that the problems in section 2 should be addressed to enhance the usability of the *New Investment Plan* form. Other sections that could be looked at to optimise usability are sections 1, 5 and 7, all of which less than half of the respondents could fill in correctly.

5.3.2 Results from plus-minus method

In the plus-minus exercise respondents were asked to make plusses at the places where they liked something and minuses at the places where they did not like something in the second version of the form. Since this research focuses on problem areas in the second version of the *New Investment Plan* form, the discussion below will focus on the places where respondents made minuses to indicate a problem area. Areas where three or more respondents made minuses will be discussed, as the number of negative responses show the significance of possible problems in this area of the form.

A first visible problem area identified by the plus-minus method is the tax number question on page 1. Three respondents made minuses next to this question, with one respondent commenting: “What was confusing here [was] the sequence of what they ask me”. Respondents were confused by the questions before the tax question which should be filled in if the investor is not a South African citizen. Asking for a tax number right below these questions made respondents doubt if they should fill in their tax numbers or not.

On page 2 of the form six respondents made minuses around the “Tax declarations forms” section. Difficult terms in this section, for example “dividend withholding tax”, were off-putting to some of the respondents and respondent 6 even said that she wanted to stop filling in the form after coming to this section. Another part of the form where respondents indicated minuses is in the “Choose how we communicate with you” section. Respondents felt that the options for communicating with Glacier are not clearly set out.

A visible problematic area in the second version of the *New Investment Plan* form is the information under “How to complete this table” on page 4. The whole page is littered with minuses, with comments like “As I’ve said, I haven’t had any experience of filling in a form or doing investments” and “If you don’t work in finances, I don’t know what they are talking about there”. The table itself also has many minuses with comments like “I don’t know what it is” and respondents indicating that they do not know what “wrap funds” or “share portfolios” are.

Eight respondents made minuses under “How will you be paying” on page 5. Respondents felt that there should be a space to indicate how they will be paying. Another prominent area where respondents made minuses is the “Transfer of existing collective investments or share portfolio” section. Eleven respondents made minuses in this section because they did not know if they had to complete this section. They did not understand this section within in the context of the form.

Another section which respondents clearly struggled with that was evident from the plus-minus method is the “Set up your regular withdrawal” section on page 7. In this section respondents struggled with a variety of things, from choosing the amount they wanted to withdraw to selecting the funds from which to withdraw. The last aspect of the form that the plus-minus method indicated as problematic is the fees pertaining to fusion funds in the fees section of the form. Minuses are scattered across this section with comments like “Sounds tricky” and “Die hele begrip van fusion collective investments is vir my onduidelik”.

The plus-minus method illuminated respondents’ experience of the second version of the *New Investment Plan* form. The plus-minus method particularly helped to identify the areas in the second version of the form where respondents had problems. These areas are especially evident in cases where three or more respondents made minuses, as is the case with the above discussed areas in the form.

5.3.3 Results from questionnaire

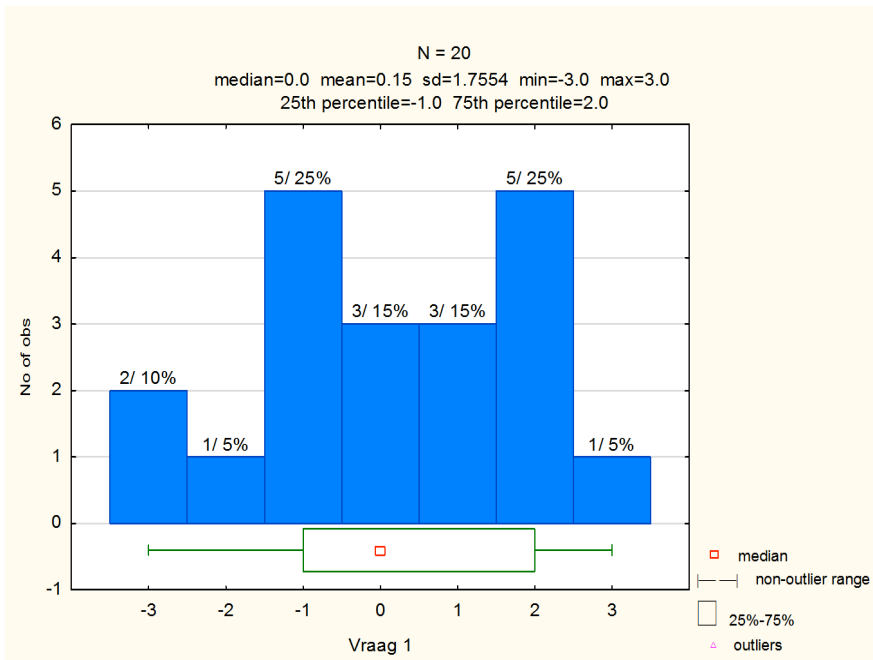
After the usability testing and the plus-minus method, respondents were asked to fill in a questionnaire. The questionnaire asked questions about respondents' experience of the form and understanding of the form. Below is a discussion of the findings from the questionnaire with regard to the understanding and respondents' experience of the form. Since this analysis focuses on the problem areas in the second version of the *New Investment Plan* form, the analysis of the questionnaire focuses on areas that could be problematic with regard to respondents' experience and understanding of the form.

The questionnaire is divided into three sections. Section 1 asks scaled questions, section 2 asks open-ended questions and section 3 focuses on the structure of the second version of the form. This discussion will firstly focus on the significant results from section 1, after which respondents' experience and the understanding of the form regarding section 2 and 3 will be discussed.

Since section 1 of the questionnaire used scaled questions, it is possible to evaluate the answers in this section quantitatively. Since this analysis is aimed at finding problem areas in the second version of the *New Investment Plan* form, the researcher set out to find significant quantitative results in section 1 indicating a possible problem. Results were significant if less than 50% of answers were between 1 and 3, thus indicating more negative or neutral answers on the scale.

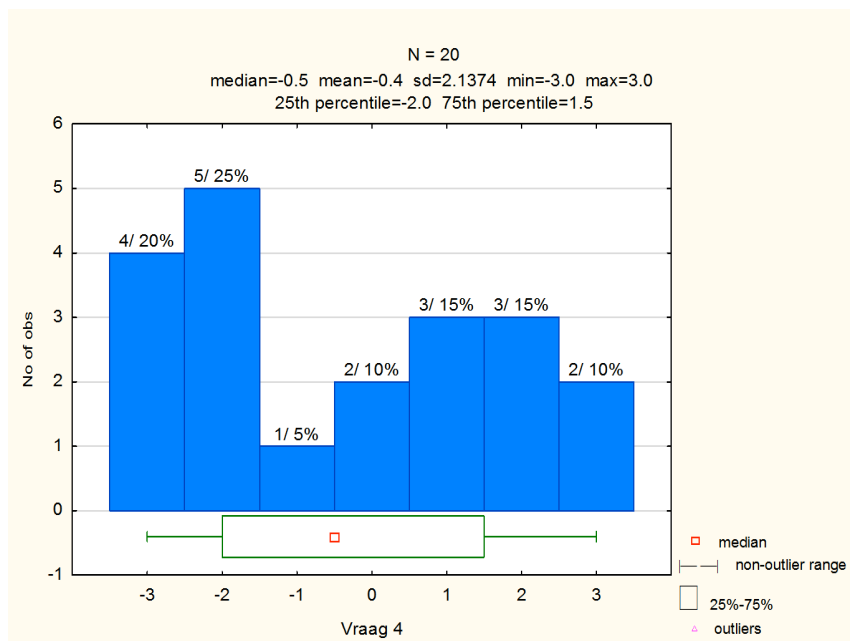
Many of the questions gave scattered answers, which did not indicate significant results. There were, however, a few questions with less than 50% of answers being positive (between 1 and 3). In this discussion the focus will only be on these questions.

Figure 5.1 Question 1: I found the form usable and easy to fill in.



40% of respondents did not find the *New Investment Plan* form usable and easy to fill in and 15% of respondents were neutral about it. This is a clear indication that there are problem areas in the form that can be worked on. Other questions in section 1 show where these possible problem areas are.

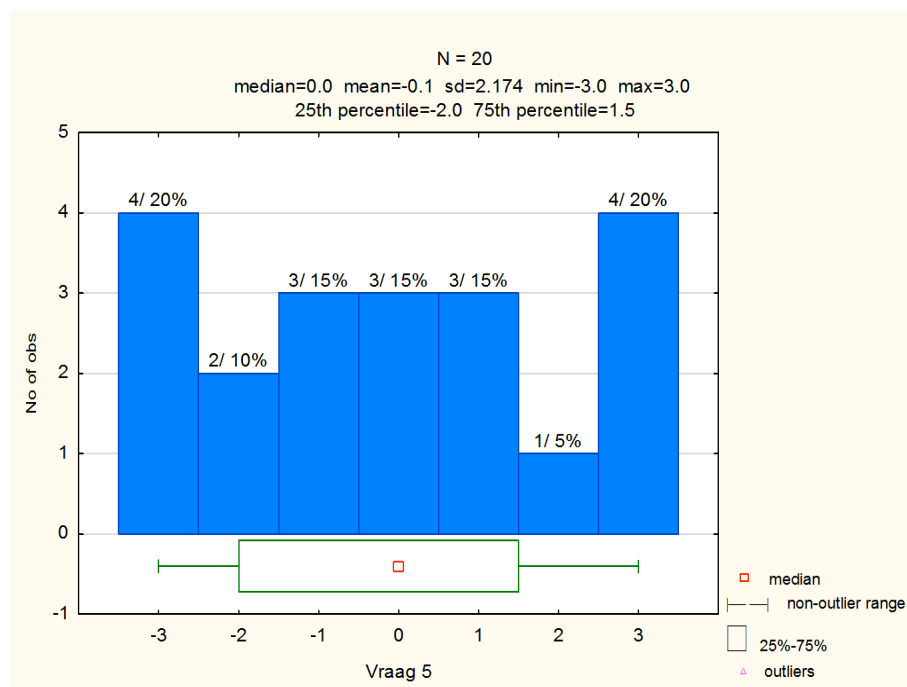
Figure 5.2 Question 4: The instructions helped me to understand how to complete the table.



In this figure 50% of respondents did not feel that the instructions on page 4 helped them to complete the table. 10% of respondents were neutral about it. This clearly indicates that the instructions are not useful.

The next question, which is also linked to the instructions on page 4, gave the following results:

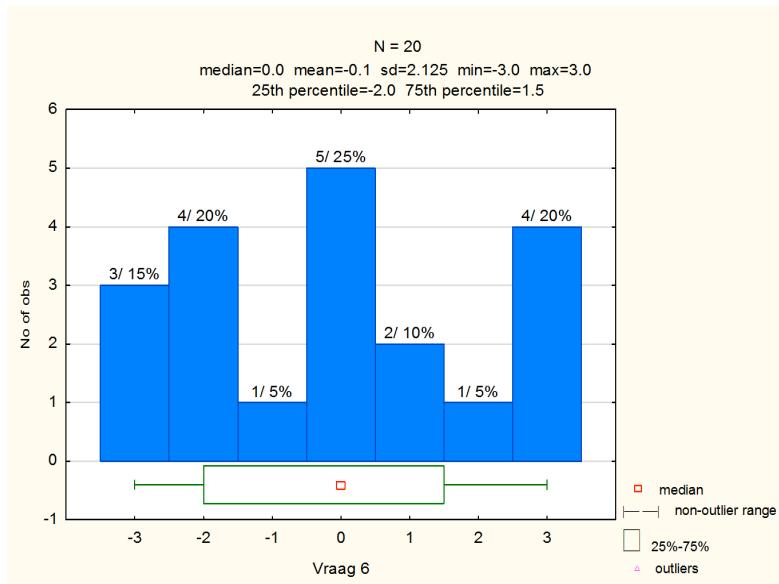
Figure 5.3 Question 5: The example provided was useful in helping me to complete the table.



From the figure it can be seen that 45% of respondents thought that the example in the instructions was not useful in helping them to complete the table, and 15% of respondents were neutral about it. This clearly shows that the instructions on how to complete the table on page 4 is a problem area in the second version of the *New Investment Plan* form.

Another table that respondents clearly struggled with is the table under the “Transfer of existing collective investments or share portfolio” section.

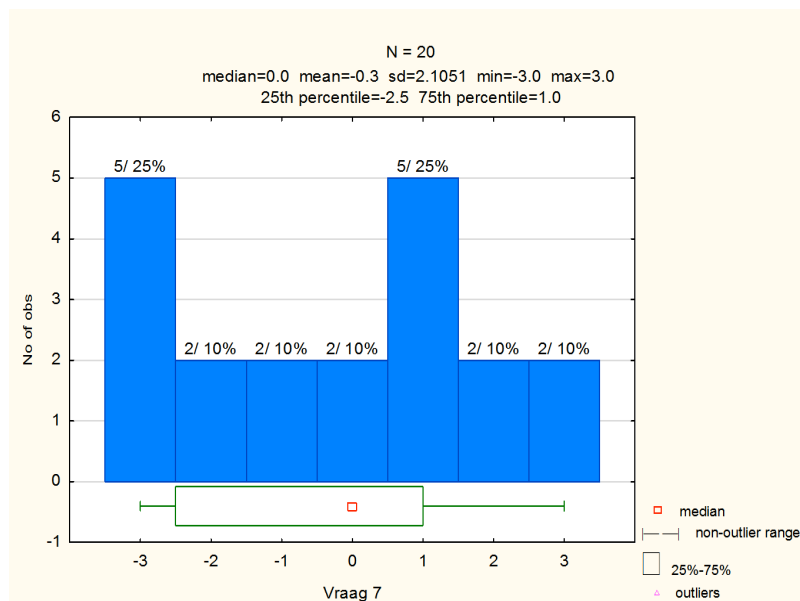
Figure 5.4 Question 6: Enough information was given for me to fill in the table correctly.



40% of respondents did not feel as if they had enough information to fill in the table in this section correctly, and 25% of respondents were neutral. This clearly indicates that the form does not supply enough information regarding this table.

The last question in section 1 that had significant results pertains to the fusion administration fee bonus.

Figure 5.5 Question 7: I fully understand what the Fusion administration fee bonus is.



45% of respondents did not fully understand what the fusion administration fee bonus is, while 10% of respondents were neutral about it. This indicates that information explaining the fusion administration fee bonus could be a problem area in the second version of the form.

In section 1 some of the scaled questions also had space for motivating answers. Many respondents did not fill in these spaces. There were, however, a few remarks in the “motivation” sections of the questions that are mentionable. The scaled answers of one of the questions, “In general I found the terms and conditions easy to read and understand”, clearly showed that most respondents agreed that the terms and conditions were easy to read and understand. The motivation of respondents, however, indicated that some of them did struggle with the terms and conditions, with one respondent stating: “Without the help of a facilitator or financial advisor, I find it hard to understand most of the information”. The next question, “I fully understand where Glacier’s responsibility ends and what the implications are for me”, also had interesting findings. On the scaled answers sixteen respondents answered positively, indicating that they understood this section in the terms and conditions. The motivations, however, gave answers like: “Ek verstaan die afdeling, daar is wel woordeskat wat ek wel sou vra om aan my mondelings verduidelik moet/sou word”. This indicates that even though the scaled answers indicated that the terms and conditions section is understandable, some respondents did find (some of) the terms confusing, and there is room for improvement to enhance understanding.

In section 2 of the questionnaire open-ended questions were asked. These questions wanted to pinpoint respondents’ experience and understanding of the form. Since this analysis looks at possible problems in the form, emphasis will here be placed on areas in the form that negatively impacted respondents’ experience and their understanding of the form.

Respondents’ experience of the second version of the form will be discussed. I considered problem areas that negatively impacted respondents’ experience of the form to be prominent if they were identified by five or more respondents

(a general norm). Table 5.2 illustrates questions that indicated possible problem areas with regard to respondents' experience of the form.

Table 5.2 Respondents' experience of the form

Question	Themes
2.4 What parts of the form did you find difficult to complete? Why?	The sections where respondents struggled the most were 2.3 (10 respondents) and 3.2.3 (7 respondents).
2.9 Refer to section 1.2 "Tax declaration forms" on page 2. What is your opinion of the placement of this section in the form?	6 respondents explicitly did not like the placement of this section in the form.
2.22 c) What kind of impression does the term (8.1.2) create? Please motivate your answer.	9 respondents felt the term gave them peace of mind and made them feel good about their investments, while 6 respondents thought it was an abdication of their responsibility.
2.23 What kind of impression does the heading "Where our responsibility ends" create?	12 respondents did not like the heading "Where our responsibility ends" because they thought it was hurting the trust that clients have in Glacier.

Table 5.2 concludes that of all the questions asked about respondents' experience of the form, four questions revealed possible problem areas in the second version of the form which negatively influenced respondents' experience of the form. Eleven respondents said they liked the form in response to the question "What is your general impression of the *New Investment Plan* form?", indicating a generally positive experience. The questionnaire, however, illustrates that certain aspects of the form are problematic, providing some perspective on this "positive experience", namely sections 2.3, 3.2.3, the "Tax declaration forms" section, term 8.1.2 in the terms and conditions section and the heading and section "Where our responsibility ends".

Even though the questionnaire indicates that, in general, respondents had a positive experience of the form, questions pertaining to understanding clearly show that the second version of the form is still lacking in terms of

respondents' understanding of the form. Table 5.3 illustrates problem areas in the form regarding understanding. We decided that these problems with understanding are significant if ten or more respondents (50% or more of the respondents) could not understand something.

Table 5.3 Respondents' understanding of the form

Question	Conclusion
2.2 Who do you think is the target audience of the form?	9 respondents correctly identified the potential client as the target audience of the form.
2.6 Definitions: Designation	7 respondents could explain correctly what the word "designation" means.
2.14 What do you think is expected of you in the first "% Allocation" column?	6 respondents could explain what they had to do in the "% Allocation" column.
2.15 What do you think is expected of you in the "% of the allocation to phase in" section?	7 respondents could explain what they had to do in the "% Allocation to be phased in" column.
2.17 What do you think it means to have your regular withdrawal paid "proportionately from all collective investments (excluding wrap funds)"?	8 respondents could correctly explain what "proportionately from all collective investments (excluding wrap funds)" meant.
2.18 Based on the way you completed the investment form, please tick (in section 6) the fees that will apply to your investment.	No respondents could correctly identify the fees that were applicable to their investment.
2.19 Based on the way you completed the investment form, do you think you qualify for the fusion administration fee bonus?	6 respondents correctly stated that they did not qualify for the fusion administration fee bonus.
2.20 Can you briefly explain what you understand by the term fusion administration fee bonus?	3 respondents could correctly explain what the fusion administration fee bonus is.
2.21 Must an investor appoint a financial intermediary, or is it possible to invest without one?	6 respondents correctly stated that a client must make use of a financial intermediary when investing with Glacier.
2.29 What is a "liquidity constraint"?	8 respondents correctly explained what "liquidity constraints" are.
2.30 To whose "liquidity constraints" does that term refer?	9 respondents correctly identified that the term referred to the managing company's liquidity constraints.

Table 5.3 illustrates that there are many parts of the form that respondents struggled to understand. The areas/terms that each question referred to that respondents could not correctly answer are problem areas that negatively impact respondents' understanding of the second version of the form.

In section 3 of the questionnaire respondents were asked to rearrange the sections of the form in an order that makes sense to them. Respondents could also put in new sections in the form that were not in it, but which respondents thought should be. In this section a few interesting findings were made. Twelve respondents wanted to move the "Appoint a financial intermediary" section around or remove it completely from the form. This shows that respondents were unsure of the role of the financial intermediary in the form, which could be problematic. Six respondents also wanted to put in a definitions section and a section explaining the different fund options in the form, indicating their need for more clarity.

In summary, the analysis of the responses to the questionnaire illustrates some interesting points. In general respondents felt that they had a positive experience of the form. In terms of understanding, however, there are problem areas that need to be made clearer to help respondents understand these areas better.

5.3.4 Results from interview

The interview was used to gather responses from the respondents about the second version of the form which might not have been established in the questionnaire, plus-minus method or usability testing. The findings from the interviews are in accordance with the findings from the other methodologies. These include that section 2 (especially the lump sum and phasing in part, the table on page 4 and all percentages) and the "Transfer of existing collective investments or share portfolio" section are difficult to complete, the fees section is unclear (especially all fusion funds) and the terms and conditions are contradictory and unclear. Respondents also felt that Glacier is hiding its responsibilities in the terms and conditions section. In general respondents thought that each section had to have an introduction and the form needed a

definitions section. Many of the findings in the interview coincide with the findings from the other methodologies, thus stating the importance and legitimacy of these points.

5.4 Discussion of the most prominent problems

The discussion of the results from the expert-judgement-focused, text-focused and reader-focused approaches all established problems in the second version of the *New Investment Plan* form. Even though the different approaches all established a variety of problems with the second version, there are problem areas which stand out in the discussion. These are the problems that are mentioned in more than one of the different methodologies, thus underlining the severity of the problem. These problem areas will be addressed in the redesign of the second version of the form.

In the discussion below the most prominent problem areas will be discussed, as well as where they are mentioned in the text-evaluation approaches. A possible solution to the problem will then be discussed, referring to the checklist for the design of a plain language form from Chapter 2.

The first prominent problem that the second version of the *New Investment Plan* form has is that the “Tax Declaration forms” subsection in section 1 of the form is not in a logical place in the form. This problem was mentioned in the interview with the document designer, it had many minuses in the plus-minus method, and in the questionnaire the placement of the subsection was one of the elements that negatively impacted respondents’ experience of the form. A possible solution to this problem could be to place this subsection under the tax number. This makes more sense logically. This solution adheres to “4.3 Organise sentences with the same themes in the same sections” in the plain language checklist.

The second prominent problem in the second version of the *New Investment Plan* form is that the “Choose how we communicate with you” section is not phrased clearly and does not give options to directly choose how Glacier should communicate with the investor. This problem was mentioned in the

interview with the document designer and numerable times in the plus-minus method. This problem can be solved by giving clear options that the investor can choose from, namely by post, by email or by secure online access. This would adhere to “1.4 When asking closed questions, the answers must include the most popular answers” in the checklist.

The third problem in the form is that it is not clear enough how lump sum investments work and how phasing in fits in with it. This problem was mentioned in the interview with the document designer and in the functional text analysis. In the usability testing this also took away from the usability of the form, and in the questionnaire and interview respondents’ uncertainty of how lump sums and phasing in works came up. A possible solution to this problem is to expand on the definitions of lump sum and phasing in. The definitions could be rephrased as follows: “A lump sum investment is a once-off investment. This is the full amount you want to invest. Phasing in means we take some of that full amount and put it in a money market collective investment. We then phase in a portion of that money in the collective investments of your choice over a period of time”. This rephrasing adheres to “2.3 Explain technical terms” in the checklist.

Another major problem in the form regarding phasing in is that there is no place to put the amount to phase in. This problem was mentioned in the interview with the document designer. It also came up in the interview with respondents, and in the usability testing it detracted from the usability of the second version of the form. A solution to this problem could be to ask: “How much money do you want to phase in?” under “If you choose to phase in a portion of the money, please complete the section”. This solution would adhere to the checklist item “1.8 Open-ended questions must be very clearly stated”.

A problem that was mentioned in almost all methodologies is that the instructions under “How to complete this table” on page 4 of the form are unclear. Since this problem was mentioned in the interview with the document designer, functional text analysis, usability testing, plus-minus method, the questionnaire and the interview with respondents, it illustrates the severity of

the problem. This problem can be solved with a variety of plain language techniques. Terms like “collective investments”, “wrap funds”, “share portfolio” and “money markets” should have definitions in close proximity to where these words are used (“2.3 Explain technical terms” in the checklist). The instructions can also be simplified by omitting all information on fusion collective investments. In both the interview with the document designer and the interview with the legal expert it was mentioned that fusion funds are being phased out and are not really necessary anymore. This omission adheres to “1.1 Omit unnecessary detail” in the checklist. The instructions can also be rephrased, taking the following guidelines from the checklist into consideration: “2.6 Use direct action words”; “2.10 Avoid long phrases” and “4.11 Use bulleted or numbered lists to divide complex information in more manageable sections”. The instructions could read:

- Use the table to allocate your lump sum and recurring investment amounts to the investment options of your choice.
- Write the collective investment or share portfolio name. If you choose to invest in a wrap fund, write the wrap fund name under the wrap fund heading.
- If you want to invest as a lump sum, write the amount you want to invest in the “Lump sum allocation” column.
- If you want to invest as a recurring investment, write the amount you want to invest in the “Recurring investment allocation” column.
- If you want to phase in a portion of your lump sum investment, write the amount you want to phase in. Do this on the same line as the name of the collective investment, share portfolio or wrap fund in the “Amount to phase in” column.

Another problem which was mentioned in almost all methodologies is the percentages instead of amounts that are asked for in all the tables. The interview with the document designer, usability testing, plus-minus method, questionnaire and interview with respondents all emphasized the difficulty of filling in percentages instead of amounts. The checklist accentuates that this problem must be addressed with “9.2 Make use of usability testing to see what kind of problems a user experiences when filling in a form without the

help of someone else". A practical solution to this problem is to replace all percentages with amounts (besides in the fee section, which uses a scale based on percentages).

A subsection that respondents struggled with and which was mentioned in the functional text analysis is the "Transfer of existing collective investments or share portfolio" subsection in section 3. The reason why respondents struggled with this subsection is because it is not contextualised within the form as a whole. It is unclear what the purpose of this subsection is, or when someone should/should not fill it in. This problem can be solved by giving the subsection an introduction that clearly states that it must only be filled in if the investor already has an investment with Glacier. This solution is supported by "1.9 Clearly mark which questions are optional and which are compulsory at each question" in the checklist.

Another section which is problematic in the second version of the form is the fees section. This section was mentioned in the interview with the legal expert, the functional text analysis, the plus-minus method, in the questionnaire and in the interview with respondents. This is because information is not given in a user-friendly manner, the section is too long and visually it is too bulky. The problems in this section can be solved with a variety of plain language techniques. Firstly, definitions must be given of terms like "sliding scale fee" and "arrears" ("2.3 Explain technical terms" in the checklist). As in section 2 of the form, information pertaining to fusion collective investments can also be taken out of the fees section ("1.1 Omit unnecessary detail"; "1.10 Limit each form to one purpose only"). All fees must be placed in tables to visually illustrate when fees are being mentioned ("6.1 Use graphical illustrations, e.g. tables, charts and graphs to illustrate difficult concepts, where appropriate"). It could also be helpful to give a table where investors can calculate which fees are applicable to them ("8.6 A form should be easy for the user to use, not for the organisation behind the form").

The second last problem is that it is not clear that the investor must appoint a financial intermediary when investing with Glacier. This is a severe problem since it is one of the key elements when investing with Glacier. This problem

came up during the usability testing and in the questionnaire. The problem can be solved by giving the “Appoint a financial intermediary” section an introduction stating that it is compulsory to appoint a financial intermediary. This solution adheres to the checklist item “1.9 Clearly mark which questions are optional and which are compulsory at each question”.

The last problem which came up in the interview with the document designer, in the functional text analysis, the questionnaires and in the interviews with respondents is that some of the terms in the terms and conditions section are difficult to understand and they make investors feel uneasy. The subsection “Where our responsibility ends” is especially worrying. The whole terms and conditions section can be made more user-friendly with a variety of plain language techniques. “2.8 Use positive words, where possible” and “1.17 Terms and conditions should be transparent” in the checklist should both be applied in the terms and conditions section. Technical terms like “liquidity constraints”, “collective investment manager” and “indemnity and fidelity insurance cover” should be explained.

A third version of the *New Investment Plan* form will look at the above discussed problems and solve them with the mentioned plain language solutions. The third version of the form will then be evaluated using the same usability testing and questionnaire that was used to evaluate the second version of the form. This will be done to answer the research question and to conclude what the effect is of iteratively applying plain language techniques in the *New Investment Plan* form.

Chapter 6

Results of the Testing of the Third Version

This chapter discusses the testing of the redesigned third version of the *New Investment Plan* form. It also discusses the methodologies applied to testing the third version. The results of the testing of the second and third versions of the form are then compared in order to see if there is a difference in usability, understanding and respondents' experience of the two versions of the form. The comparison between the two forms specifically focuses on the areas in the form which have been changed from the second to the third version in order to understand the effect of iteratively applying plain language techniques. The second and third versions are compared to understand the degree to which plain language techniques should be applied to maximise understanding, usability and respondents' positive experience of a document.

6.1 Third version

The discussion in the previous chapter elaborated on some plain language changes that could be made to the second version of the *New Investment Plan* form to enhance usability, understanding and positive experience. The researcher redesigned the form into a third version, making the changes discussed in the previous chapter. The third version also consists of changes made by the original document design team. As discussed in the interview with Liezl van Zyl, the document design team tested the second version of the form as well. They used the results from the testing to make their own changes to the form to enhance the understanding, usability and respondents' positive experience of the form. The third version of the form therefore consists of both changes made by the researcher and by the document design team, both applying plain language techniques in order to optimise understanding, usability and positive experience. The third version of the form can be found in Addendum C.

There are two changes made to the cover page of the third version of the form. Firstly, the list stating the documents that must accompany the form is supplemented with extra information, for example “Proof of payment if you did an electronic fund transfer into our account”, rather than just “Proof of payment”. The list also has the introduction: “Wherever you see the paperclip icon we will remind you which documents you need to submit with this form”, with the paperclip icon and extra information inserted everywhere in the form where extra documents might be needed.


Version 2:

List of documents we may require:

- Your FICA documents (Addendum A contains a complete list of the FICA documents that we require)
- Proof of deposit
- Wrap fund mandate
- Private securities mandate for share portfolio
- Investment statement from the provider from which you transfer

Version 3:

Documents we require

 Wherever you see the paperclip icon we will remind you which documents you need to submit with this form.

- FICA documents (Addendum A contains a complete list of FICA documents)
- Proof of payment if you did an electronic fund transfer into our account
- Wrap fund mandate if you choose to invest in a wrap fund
- Private securities mandate if you choose to invest in a share portfolio
- Investment statement from the provider if you are transferring an existing collective investment

The second change on the cover page is under “If we need more information”. In this section an option to choose “You” is added to “Your financial intermediary” and “Other”.

Version 2:

Who should we contact for further information?

Your financial intermediary

Other

Name and surname

Email

Contact number

Version 3:

Who should we contact for further information?	
<input type="checkbox"/> You	<input type="checkbox"/> Your financial intermediary
Other	Name and surname <input type="text"/>
	Email <input type="text"/>
	Contact number <input type="text"/>

On page 1 the “Existing investment number” from the second version of the form is changed to “Existing Glacier investment number”.

Version 2:

Existing investment number	<input type="text"/>
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Version 3:

Existing Glacier investment number	<input type="text"/>
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At the bottom of page 1 structural changes are made. In the second version of the form the tax declaration information comes after all personal information. In the third version of the form, this section is placed below the question asking for a tax number to enhance coherence.

Version 2:

Industry / sector	<input type="text"/>
Initials and surname of contact person	<input type="text"/>
Designation of contact person	<input type="text"/>
1.2 Tax declarations forms	
Depending on where you are resident or registered for tax purposes, you may pay Dividend Withholding Tax (DWT), Interest Withholding Tax (IWT) or tax on distributions from a Real Estate Investment Trust (REIT).	
If you are an exempt entity or have a reduced tax rate, please complete the relevant declaration available on our website.	

Version 3:

<p>Tax information</p> <p>Tax number <input type="text"/></p> <p>Depending on where you are resident or registered for tax purposes, you may pay Dividend Withholding Tax (DWT), Interest Withholding Tax (IWT) or tax on distributions from a Real Estate Investment Trust (REIT). If you are an exempt entity or have a reduced tax rate, please complete the relevant declaration available on our www.glacier.co.za.</p>
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On page 2 in the “Choose how we communicate with you” section options are given between “By email”, “By post” or “By secure online access” which can be ticked off. This is different from the second version of the form, where respondents can only tick off that they do not want to receive their investment statements by email or post, but rather through secure online access.

Version 2:

<p>Investment statements</p> <p>We will send quarterly investment statements by email. If you do not provide an email address, we will send the statements by post.</p> <p><input type="checkbox"/> I do not want to receive any quarterly statements by email or post (If you select this option, you must have a secure online account from which to access your statements)</p>

Version 3:

<p>Investment statements</p> <p>How do you want to receive your quarterly investment statements?</p> <p><input type="checkbox"/> By email <input type="checkbox"/> By post <input type="checkbox"/> By secure online access</p>
--

In section 2, “Create your investment plan”, a number of changes and additions are made. The definitions of what a lump sum investment is and how phasing in works is expanded on to make it clearer that a lump sum is the full amount you want to invest, and the phased in amount is a portion of that full amount. This information is also inserted in the sentence “How much would you like to invest (including amount you want to phase in)?” In the phasing in section an extra question, “How much money do you want to phase in?”, is inserted in the third version. The third version also has a

definition of a money market fund in close proximity to the place where it is first used.

Version 2:

<p>2.1 Lump sum investment</p> <p>A lump sum investment is a once-off investment.</p> <p>Phase in You may choose to invest the money immediately, or to phase in a portion over time.</p> <p>Phasing in means moving money invested in a money market collective investment to other collective investments each month or quarter over a specified period.</p>	<p>If you are investing a lump sum the minimum amount is R100 000.</p> <p>How much would you like to invest?</p> <p>R <input type="text"/> (give exact or estimated amount)</p> <hr/> <p>If you choose to phase in a portion of the money, please complete this section:</p> <p>When would you like to start phasing in?</p> <p><input type="checkbox"/> As soon as possible after the investment date (this is the default option)</p> <p><input type="checkbox"/> On the 15th of the month following the investment date</p> <p>How frequently and for what period would you like to phase in money?</p> <p><input type="checkbox"/> Monthly for <input type="text"/> months (1–12)</p> <p><input type="checkbox"/> Quarterly for <input type="text"/> quarters (1–4)</p> <p>Where would you like to phase the money from?</p> <p><input type="checkbox"/> Glacier Money Market Fund (this is the default option)</p> <p><input type="checkbox"/> Other money market collective investment (please specify below)</p> <p><input type="text"/></p>
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Version 3:

<p>A lump sum investment is a once-off investment. This is the full amount you want to invest.</p> <p>Phase in You may choose to invest the lump sum immediately, or to phase in a portion over time.</p> <p>Phasing in means we take a portion of the full amount of the lump sum and put it in a money market collective investment. We then phase in a portion of that money into the collective investments of your choice over a period of time.</p> <p>A money market fund entitles an investor to receive their loan amount back at the end of the term of the loan with accumulated interest payments.</p>	<p>If you are investing a lump sum the minimum amount is R100 000.</p> <p>How much would you like to invest (including amount you want to phase in)?</p> <p>R <input type="text"/></p> <hr/> <p>If you choose to phase in a portion of your lump sum, please complete this section:</p> <p>The portion of your lump sum that you want to phase in will initially be invested in a money market collective investment. From there it will be phased into the collective investments you indicate in the table on page 4.</p> <p>How much money do you want to phase in?</p> <p>R <input type="text"/></p> <p>In which money market fund should we initially invest the amount of the funds that you want to phase-in?</p> <p><input type="checkbox"/> Glacier Money Market Fund (this is the default option)</p> <p><input type="checkbox"/> Other money market collective investment (please specify below)</p> <p><input type="text"/></p> <p>When would you like to start phasing in?</p> <p><input type="checkbox"/> As soon as possible after the investment date (this is the default option)</p> <p><input type="checkbox"/> On the 15th of the month following the investment date</p> <p>How frequently and for what period would you like to phase in in money?</p> <p><input type="checkbox"/> Monthly for <input type="text"/> months (1–12)</p> <p><input type="checkbox"/> Quarterly for <input type="text"/> quarters (1–4)</p>
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In the third version of the form the information under “How to complete this table” is completely rewritten. In the second version of the form this is a major problematic area, and the rewritten information in the third version of the form tries to simplify the information.

Version 2:

<p>How to complete this table</p> <ul style="list-style-type: none"> • Use the table to allocate your lump sum and recurring investment amounts to the investment options of your choice. • If you choose to invest in a share portfolio, at least 3% of this investment must be invested in collective investments on the Glacier platform to provide for fees. If you choose to receive a regular withdrawal from your share portfolio, at least six months worth of regular withdrawal payments should also remain in collective investments on the Glacier platform. • Fusion collective investments have a different fee pricing structure - refer to 6.3 for more detail. If you wish to invest in a Fusion collective investment, please include 'Fusion' in the name of the collective investment. • If you choose to phase in a percentage of your investment: <ul style="list-style-type: none"> - Provide only the name of the collective investment or wrap fund you would like to phase into. It is not necessary to repeat the name of the money market collective investment you have selected to phase from. - Indicate the portion of the lump sum to be phased into each collective investment or wrap fund. We will initially invest this portion in your selected money market collective investment. <p>For example, if you choose to allocate 50% of your lump sum amount to Fund X and choose to phase in 100% of that allocation, you would indicate it as follows:</p>
--

Version 3:

<p>How to complete this table</p> <ul style="list-style-type: none"> • Use the table below to allocate your lump sum and recurring investment amounts to the investment options of your choice. • Write the collective investment or share portfolio name. If you choose to invest in a wrap fund, write the wrap fund name under the wrap fund heading. • If you want to invest as a lump sum, write the amount you want to invest in the "Lump sum allocation" column. • If you want to phase in a portion of your lump sum investment, write the amount you want to phase in on the same line as the name of the collective investment, share portfolio or wrap fund in the "Amount to phase in" column. • If you want to invest as a recurring investment, write the amount you want to invest in the "Recurring investment allocation" column.

All information regarding fusion funds are taken out as it became apparent that fusion funds are being phased out. The third version of the form has definitions of collective investments, share portfolios and wrap funds next to the table in which the terms are used. In the table itself the percentages that have to be filled in in the second version of the form is replaced with amounts. Percentages are quite difficult to understand and work out, while amounts are theoretically easier to understand.

Version 2:

Investment options	Lump sum		Recurring investment
	% Allocation	% of the allocation to phase in	% Allocation
Collective investment and share portfolio name			
Example: Fund X	50%	100%	
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11 Share portfolio:			
Wrap fund name			
12			
13			
14			
15			
	100%		100%

Version 3:

<p>A collective investment fund is a type of investment structure in which investors' money is pooled so they can easily and safely get access to a wide selection of professionally managed investments.</p> <p>Investing in a share portfolio gives you ownership of a portion of a company listed on the stock exchange.</p> <p>A wrap fund is a portfolio of collective investments managed according to a specific risk profile, for example conservative, moderate or aggressive.</p>	Investment options	Lump sum		Recurring investment
	Collective investment and share portfolio name	Lump sum allocation	Amount to phase in	Recurring investment allocation
	1			
	2			
	3			
	4			
	5			
	6			
	7			
	8			
	9			
	10			
	11 Share portfolio*:			
	Wrap fund name			
	12			
13				
14				
15				

The next change made in the third version of the form is on page 6 under “Transfer of existing collective investments or share portfolio”. This section is very problematic in the second version of the form because respondents did

not know if they had to fill it in or not. In the third version the following introduction is given to solve this problem: “This section must only be completed if you have an existing investment with Glacier that you want to transfer funds from”. In the table in this section and the table at the bottom of page 7 the percentages are again replaced with amounts for the same reason as stated above.

Version 2:

3.2.3 Transfer of existing collective investments or share portfolio					6	
Details of the person or entity in whose name the existing collective investments or share portfolio are held:						
Name of investment owner <input type="text"/>						
Identification or entity registration number <input type="text"/>						
If this is an individual or entity other than the investor, we may request additional information.						
Details of the collective investments or share portfolio						
The transferring provider must supply a weighted average cost per collective investment or share portfolio.						
You may only transfer a collective investment where the exact fund class is available on the Glacier platform.						
	Investment number	Name of collective investment or share portfolio	% of investment to be transferred	Cancel existing debit order?		
Transferring from				Y	N	

Version 3:

3.2.3. Transfer of existing collective investments or share portfolio					6	
This section must only be completed if you have an existing investment with Glacier that you want to transfer funds from.						
Details of the person or entity (the investment owner) in whose name the existing collective investments or share portfolio are held:						
Name of investment owner <input type="text"/>						
Identification or entity registration number <input type="text"/>						
If this is an individual or entity other than the investor, we may request additional information.						
Details of the collective investments or share portfolio						
The transferring provider must supply a weighted average cost per collective investment or share portfolio.						
You may only transfer a collective investment where the exact fund class is available on the Glacier platform.						
	Investment number	Name of collective investment or share portfolio	Amount of investment to be transferred	Cancel existing debit order?		
Transferring from				Y	N	

The “Understand the fees” section in the second version of the form is another problematic area. Respondents had a problem with understanding many of the terms used and they were not able to identify the funds applicable to their

investments. In the third version of the form definitions are given of sliding scale fees and arrears. All fees are put in a table so that they can easily be identified. Information pertaining to fusion funds is taken out.

Version 2:

6.1 Glacier initial fees	
There are no initial fees on a lump sum investment, but a recurring investment carries the following fee:	
	Rate (excl. VAT)
On the first R2 500 of every recurring investment amount	2.50%
On the remaining amount per recurring investment	1.50%
We may charge a fee to recover the cost we incur in processing an unpaid debit order.	
6.2 Glacier annual fees on collective investments and share portfolios	
Glacier's annual administration fee is calculated daily on the current investment value of all your investment options according to the following sliding scale:	
	Rate (excl. VAT)
On the first R350 000	0.75%
On the next R450 000	0.50%
On the next R250 000	0.35%
On the next R4 000 000	0.25%
Thereafter	0.20%
We charge a minimum annual administration fee of R64 (excl. VAT) per month. An additional administration fee of 0.15% (excl. VAT) will be charged on the value of a share portfolio .	
The fees accrue at the end of each day on the investment value. The fees are recovered monthly in arrears by selling units from the money market collective investments. If no money market collective investments are available, the fees are recovered by selling units proportionately from all underlying collective investments.	

Version 3:

6.1 Glacier initial fees		
There are no initial fees on a lump sum investment, but a recurring investment carries the following fee:		
	Rate (excl. VAT)	
On the first R2 500 of every recurring investment amount	2.50%	
On the remaining amount per recurring investment	1.50%	
We may charge a fee to recover the cost we incur in processing an unpaid debit order.		
6.2 Glacier annual fees on collective investments and share portfolios		
Glacier's annual administration fee is calculated daily on the current investment value of all your investment options according to the following sliding scale:		
<p>A sliding scale fee applies different fee percentages to each band to the investment amount. On an investment of R800 000 an investor will pay R350 000*0.75% + R450 000*0.50%.</p> <p>Arrears are fees paid/collected at the end of the month.</p>	Rate (excl. VAT)	
	On the first R350 000	0.75%
	On the next R450 000	0.50%
	On the next R250 000	0.35%
	On the next R4 000 000	0.25%
	Thereafter	0.20%
	Minimum administration fee	R 64 per month (excl. VAT)
Additional administration fee on the value of a share portfolio	0.15% (excl. VAT)	
The fees accrue at the end of each day on the investment value. The fees are recovered monthly in arrears by selling units from the money market collective investments. If no money market collective investments are available, the fees are recovered by selling units proportionately from all underlying collective investments.		

An extra section with a table where respondents can calculate their fees is inserted at the bottom of the section.

Version 3:

6.4. Calculate your fees	
In this table you can calculate how much you will pay for your investment. Just fill in the amount that is applicable to your investment, and add up the amounts.	
Annual fees	Calculated amount
The first R350 000 * 0,75%	
The next R450 000 * 0,50%	
The next R250 000 * 0,35%	
The next R4 000 000 * 0,25%	
Thereafter * 0,20%	
Minimum administration fee R64 * months of investment	
Additional administration fee value of share portfolio * 0.15%	
Initial fees on recurring investments	
The first R2500 of every recurring investment amount * 2,50%	
The remaining amount of every recurring investment * 1,50%	
Total:	

In the third version an introduction is given in the “Appoint a financial intermediary” section. In the second version most respondents did not fill in this section and they did not think that they needed to appoint a financial intermediary. In the third version of the form this problem is addressed with the introduction: “When investing with Glacier you must appoint a financial intermediary to help with the investing of your money. You can appoint an intermediary by completing this section”.

Version 2:

7. APPOINT A FINANCIAL INTERMEDIARY		10
7.1 Personal details of the financial intermediary		
Initials and surname	<input type="text"/>	Sanlam code <input type="text"/>
Name of FSP	<input type="text"/>	
FSP number	<input type="text"/>	

Version 3:

7. APPOINT A FINANCIAL INTERMEDIARY		9
When investing with Glacier you must appoint a financial intermediary to help with the investing of your money. You can appoint an intermediary by completing this section.		
7.1 Personal details of the financial intermediary		
Initials and surname	<input type="text"/>	Sanlam code <input type="text"/>
Name of FSP	<input type="text"/>	
FSP number	<input type="text"/>	

Some respondents found the terms and conditions section of the second version of the form alienating. They did not understand all the terms and they also felt that this section made Glacier seem cold and not responsible for their investments. In the third version of the form the heading “Where our responsibility ends” is replaced with “What our responsibilities are limited to”. Some terms are also rephrased to be more explanatory.

Version 2:

8.2 Where our responsibility ends	
8.2.1	Investments are inherently risky and performance is subject to events, such as market risk and foreign currency fluctuations, we cannot control and which can affect the value of your investment. This means that we cannot guarantee the performance of any investment option and you may therefore not receive the full amount you invested.
8.2.2	Glacier is not be liable for any losses or damages which you may suffer, regardless of how such losses or damages arise, unless the claims are directly attributable to fraud, dishonesty or gross negligence of Glacier or its employees acting in the course and scope of their employment. Glacier is under no circumstances responsible for any indirect, special or consequential losses or damages.
8.2.3	Glacier is not required to provide you with any information that any collective investment scheme is obliged to disclose in terms of any law.
8.2.4	Glacier is not responsible for any losses caused by the conduct or procedures of any third parties.
8.2.5	You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it.
8.2.6	We are not responsible for any delays in the processing or rejection of an application or future instructions as a result of your financial intermediary not being appropriately licensed as a financial services provider.
8.2.7	You are liable for any tax or levies imposed on the investment or benefits (bonuses) Glacier may allocate to you.
8.2.8	We are not responsible for any losses caused by a failure of mechanical or electronic devices, networks or any other events outside our reasonable control.

Version 3:

8.2 What our responsibilities are limited to	
8.2.1	Investments are inherently risky and performance is subject to events, such as market risk and foreign currency fluctuations, we cannot control and which can affect the value of your investment. This means that we cannot guarantee the performance of any investment option and you may therefore not receive the full amount you invested.
8.2.2	Glacier holds adequate professional indemnity and fidelity insurance cover. This means that we are covered against claims that are directly attributable to fraud, dishonesty or gross negligence of employees (not intermediaries) acting in the course and scope of their employment. Note that you cannot claim for any losses you may suffer that arise for other reasons and you cannot claim for any consequential (also referred to as indirect or special) losses.
8.2.3	Glacier is not required to provide you with any information that any collective investment scheme is obliged to disclose in terms of any law.
8.2.4	Glacier is not responsible for any losses caused by the conduct or procedures of any third parties.
8.2.5	You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it.
8.2.6	We are not responsible for any delays in the processing or rejection of an application or future instructions as a result of your financial intermediary not being appropriately licensed as a financial services provider.
8.2.7	You are liable for any tax or levies imposed on the investment or benefits (bonuses) Glacier may allocate to you.
8.2.8	We are not responsible for any losses caused by a failure of mechanical or electronic devices, networks or any other events outside our reasonable control.

A definition is given of liquidity constraints.

Version 3:

<p>Liquidity constraints refer to insufficient funds in the underlying investment funds. The fund might ring-fence you until it is able to provide a withdrawal to you.</p>	<p>8.3.5 Where a collective investment manager is unable to honour a withdrawal owing to the investment manager’s liquidity constraints, the entire transaction will either be cancelled or suspended until Glacier receives notification from the collective investment manager that liquidity is sufficient to honour the withdrawal. The transaction will then only be priced once it is re-submitted to the manager.</p>
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6.2 Methodologies applied to third version

These changes theoretically make the third version of the form more usable and understandable and contribute to a positive experience more than the second version. This is because the changes made to the form addresses the problems identified in the testing of the second version of the form and refines the already applied plain language techniques to solve the problems. The third version therefore has the most refined plain language techniques of the three versions of the form. In order to see if applying plain language has an effect on usability, understanding and positive experience, methodologies were applied to the third version of the form.

These methodologies are a usability testing and a questionnaire. The same usability testing and questionnaire that was used in the testing of the second version of the form was also used to test the third version. The questionnaire was adapted for the third version of the form, for example the question “What is your impression of the heading ‘Where our responsibility ends’?” is changed to “What is your impression of the heading ‘What our responsibilities are limited to’?” The questionnaire that was used to test the third version of the form can be found in Addendum H.

Twenty new respondents were used to test the third version of the form. These respondents had the same characteristics as the respondents used to test the second version. They are above the age of 35 and have tertiary education.

After all the responses were gathered, the data from the responses were analysed. The data was analysed in the same fashion as the data from the second version of the form. The two analyses were then compared with each other in order to see which version of the form was more usable, understandable and with which version respondents had a better experience. The comparison specifically focused on the changes made to the third version of the form which differs from the second version.

6.3 Results

6.3.1 Usability testing comparison

The usability testing of the second and third versions of the *New Investment Plan* form were analysed to firstly see how many respondents filled in the form correctly, and secondly to see which sections of the form respondents filled in correctly and where the main problems regarding usability occurred. The table below shows a comparison between the usability of the second and third versions of the form. The section in each version which is completed correctly by the most respondents is highlighted in green.

Table 6.1 Usability testing of version 2 and 3

Section	Version 2	Version 3
Filled in form correctly	0	0
Cover page	13	7
1. Create or update your profile	6	10
2. Create your investment plan	0	3
3. Select your payment method	10	11
4. Provide your bank details	12	8
5. Set up your regular withdrawal	9	10
6. Understand the fees	19	20
7. Appoint a financial intermediary	4	9
8. Agree to our terms	16	17

This table illustrates that not one respondent could fill in version 2 or version 3 correctly. This clearly shows that the third version of the form, like the second version, is lacking in terms of usability, even though it is marginally better than the second version.

The usability analysis of the individual sections shows that in both versions of the form some sections are more usable than others. Sections 6 and 8 in both versions of the form were filled in correctly by most respondents (section 6: version 2 = nineteen respondents, version 3 = twenty respondents; section 8: version 2 = sixteen respondents, version 3 = seventeen respondents). A possible reason why these sections were so easy to fill in might be that in both sections very little is required of the respondents. In section 6 of the second version nothing had to be filled in, and in the third version a table was supplied if a respondent wanted to calculate his/her fees. If the respondent left this table blank it was also considered correct. Section 8 of the form is the terms and conditions section. In this section the client only has to sign at the end. Both section 6 and 8 deal with giving information, rather than acting as a form. This could explain why respondents did better in the usability testing of these sections, since respondents needed to do very little in both these

sections. The other sections in both versions of the form did not do that well in the usability testing, thereby illustrating their lack of usability.

When comparing the two forms it is interesting to see that respondents filled in more sections correctly in the third version of the form than the second version. More respondents filled in the cover page and section 4 correctly in the second version than the third version, but in all the other sections more respondents filled in the third version correctly. This indicates that the third version of the form is marginally more usable than the second version. Two notable sections are section 2 and 7. In the second version of the form no respondents were able to fill in section 2 correctly, while in the third version three respondents filled it in correctly. Section 2 deals with the details of the investment plan and it is the most important section of the form. Three respondents being able to fill in section 2 in the third version is already a positive improvement in terms of usability. Since this is the most important section in the form, however, it is still lacking and there is a lot of room for improvement.

The second section which had a notable improvement in terms of usability is section 7, which deals with appointing a financial intermediary. During the testing of the second version of the form it became clear that respondents did not know that they had to appoint a financial intermediary when investing with Glacier. To solve this problem, it was explicitly stated in the third version that a client must appoint a financial intermediary. Because of this, nine respondents filled in this section and did it correctly in the third version, as opposed to the four that filled it in correctly in the second version of the form.

When comparing the second and third versions of the form with regard to usability, it is clear that some of the sections in the third version of the form are more usable than the second version. It is, however, very clear that neither the second nor third versions of the form are usable forms yet. Not one respondent filled in either version correctly. This illustrates that applying plain language does improve the usability of certain aspects of a form, but that it does not necessarily make an unusable form usable.

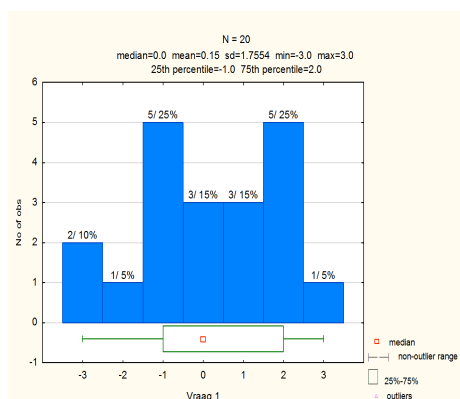
6.3.2 Questionnaire comparison

Since the same questionnaire was used to test the second and third versions of the form, the questionnaire included questions that did not pertain to changes made from the second to the third version of the form as well as questions that did pertain to changes made. The discussion of the questionnaire analyses whether applying plain language techniques has an effect on respondents' experience of the form and the understanding of the form. For that reason, only the questions that relate to changes made from the second to the third version will be discussed to see if the changes had an effect on experience and understanding.

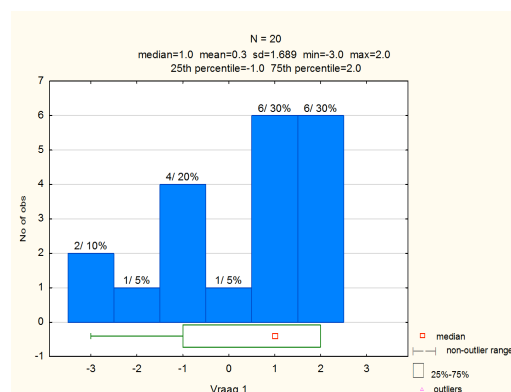
As discussed in the previous chapter, section 1 of the questionnaire consists of scaled questions. The discussion of the scaled questions of the second version of the form showed that there were elements in the form which had a negative impact on respondents' experience and their understanding of the form. Below is a comparison of the results from the scaled questions of the second and third versions of the form. -3 to -1 on the scale indicates a negative answer, 0 indicates a neutral answer and 1 to 3 indicates a positive answer. The discussion will specifically look at the percentage of responses that chose a 2 or 3 on the scale. This indicates a completely positive answer (as opposed to 1, which is still close to being neutral or uncertain), and would be the desired categories for Glacier.

Figure 6.1 I found the form usable and easy to fill in.

Version2:



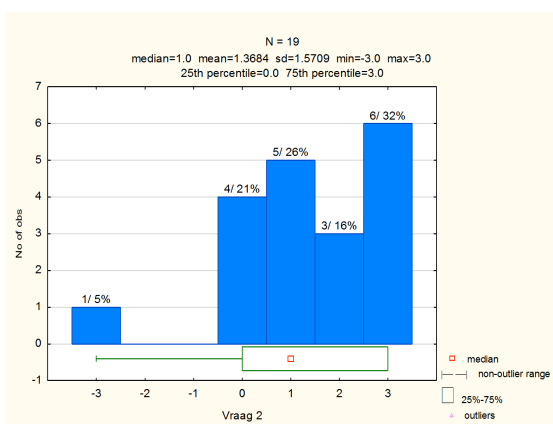
Version 3:



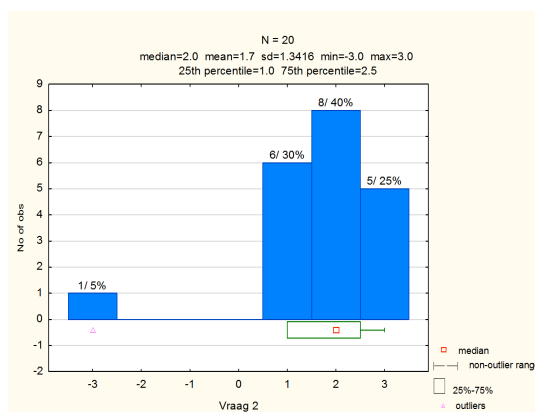
The results from this question show that in both the second and third versions of the form 30% of respondents found the form usable and easy to fill in. The applying of plain language therefore did not have an effect on respondents' overall experience of using the form.

Figure 6.2. The checklist is useful in helping me to collect the correct documents.

Version 2:



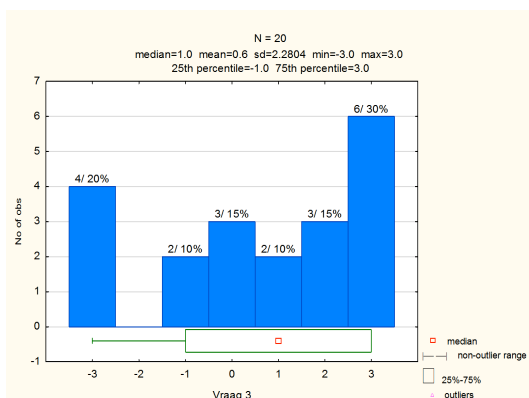
Version 3:



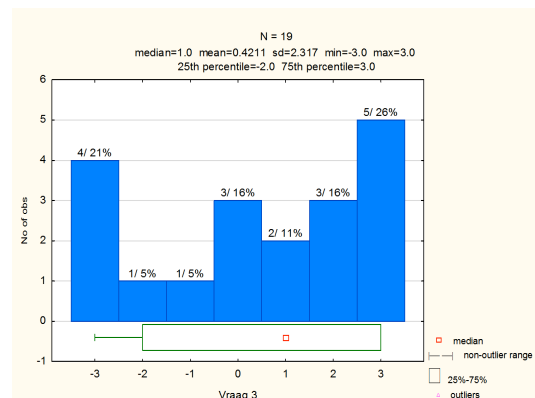
The results from this question show that 48% of respondents found the checklist on the cover page useful in the second version of the form, compared to the 65% of respondents in the third version. The checklist in the third version is therefore more useful than the checklist in the second version.

Figure 6.3 The existing (Glacier) investment number clearly indicates which account number is required from me.

Version 2:



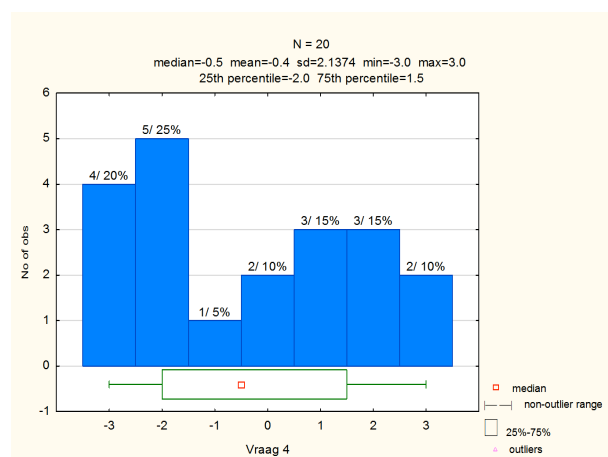
Version 3:



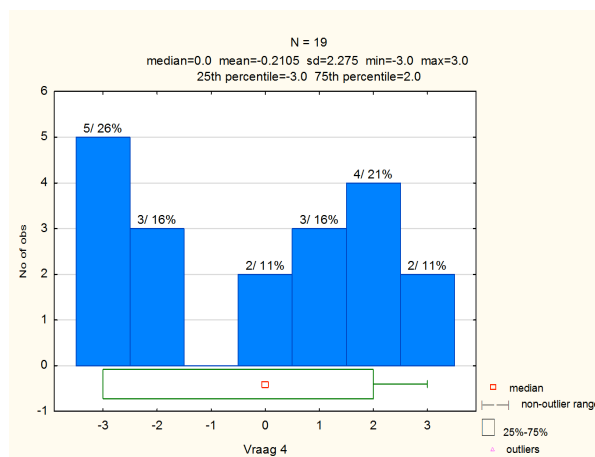
The results from this question are not as clear or significant as the previous question. In the second version of the form 45% of respondents indicated that it was clear which account number was required from them, compared to the 42% in the third version. This means that more respondents found this question clear and understandable in the second version than the third version, but only by 3%.

Figure 6.4 The instructions helped me to understand how to complete the table.

Version 2:



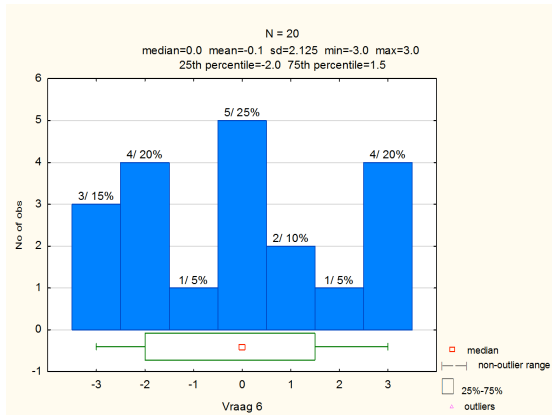
Version 3:



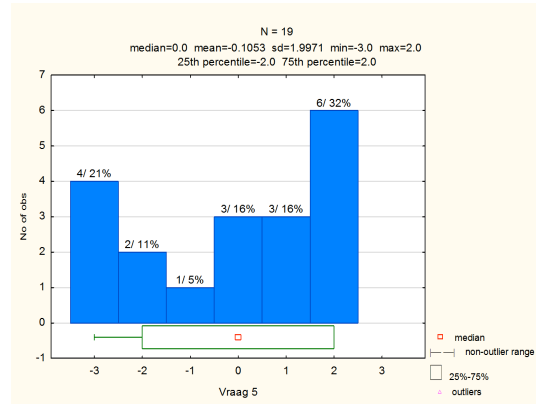
In the second version of the form 25% of respondents indicated that the instructions helped them to complete the table, compared to the 32% of respondents in the third version. This means that marginally more respondents felt that the instructions helped them in the third version than in the second.

Figure 6.5 Enough information was given for me to fill in the table correctly.

Version 2:



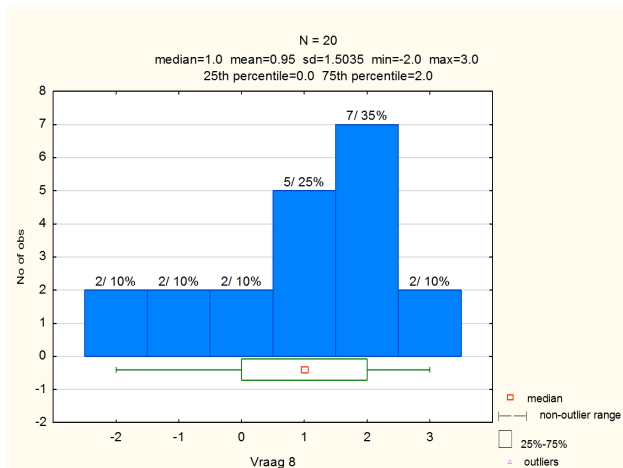
Version 3:



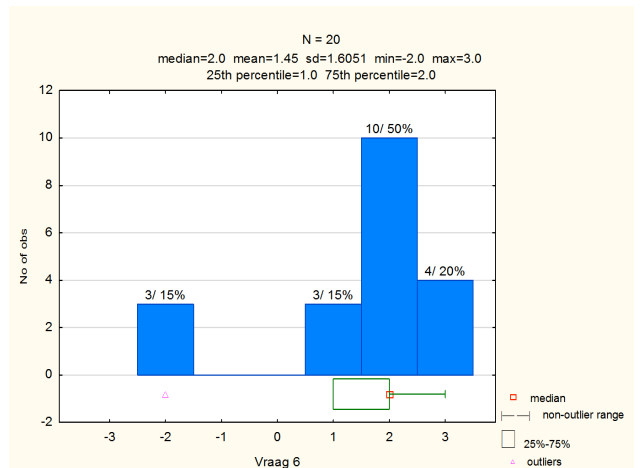
In version 2 of the form 25% of respondents felt that enough information was given for them to fill in the table correctly, and in the third version 32% of respondents felt enough information was given. This means that marginally more respondents felt that enough information was given to fill in the table correctly in version 3 than in version 2.

Figure 6.6 In general I found the terms and conditions easy to read and understand.

Version 2:



Version 3:

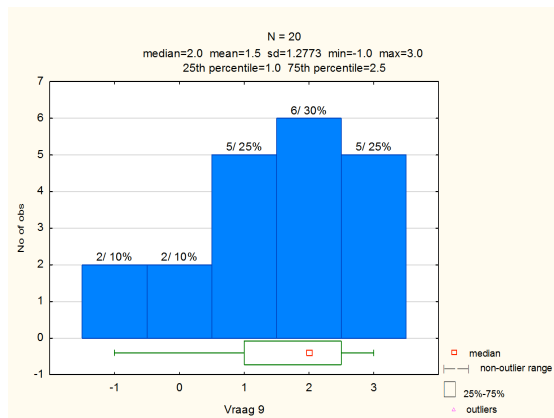


The results from this question gave some very positive results in favour of the third version of the form. In the second version 45% of respondents found the

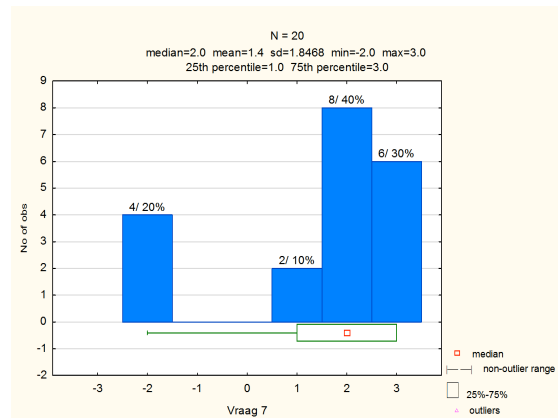
terms and conditions easy to read and understand, while in the third version 70% of respondents understood the terms and conditions. This illustrates a clear improvement in the third version of the form.

Figure 6.7 I fully understand where Glacier’s responsibilities end/what Glacier’s responsibilities are limited to and what the implications are for me.

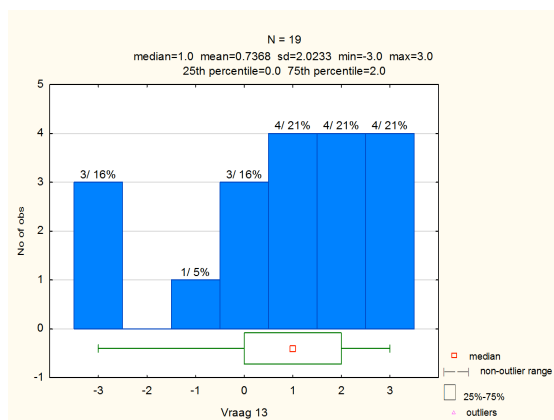
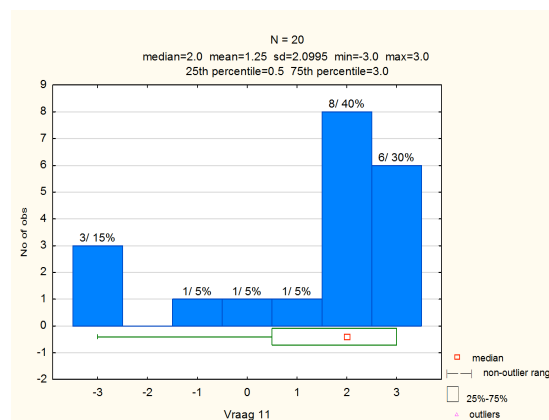
Version 2:



Version 3:



The results from this question show that more respondents understood the “What our responsibilities are limited to” section in the third version (70% of respondents) than the “Where our responsibilities end” section in the second version (55% of respondents).

Figure 6.8 It is clear which interest is referred to in this section.**Version 2:****Version 3:**

This question also gave a positive result in favour of the third version of the form. In the second version 42% of respondents understood which interest was referred to, while in the third version 70% of respondents understood. This shows that respondents understood the term in the third version marginally better than in the second version.

Comparing section 1 of the questionnaires illustrates that in both the second and third versions respondents felt the same about the usability of the form. Respondents had a better experience with the existing investment number in the second version than the third. There are, however, many elements in the third version of the form that respondents had a better experience with than the second, namely the checklist on the cover page, the instructions on page 4, the table on page 6, the terms and conditions in general, the limitations section, and the term referring to the interest on an investment.

As discussed in the previous chapter, section 1 of the questionnaire also had spaces to elaborate on answers given on the scale. In this analysis these responses will be considered together with answers from section 2 of the questionnaire. Section 2 asked open-ended questions regarding respondents' experience and understanding of the form. Respondents' experience of the form will be compared between the second and third versions of the form. The version with the most positive answer of the two is highlighted in green. The

version with the most positive answers or least amount of negative answers regarding experience will be seen as the better version.

Table 6.2 Comparison of respondents' experiences of the two versions

	2nd version	3rd version
I found the form usable and easy to fill in.	3 respondents understood the form, but there were problem areas that took away from the usability of the form, etc. unclear instructions and financial terminology.	8 respondents found the form understandable and easy to fill in, but there are aspects that take away from the understanding of the form.
The existing (Glacier) investment number clearly indicates which account number is required from me.	5 respondents said that it was obvious which account number was required from them. Although some respondents did correctly say that they did not have an investment number, 5 respondents struggled with filling in the investment number.	7 respondents understood what the existing investment number was, while 5 did not understand.
In general I found the terms and conditions easy to read and understand.	5 respondents found the terms and conditions easy to understand, although certain terms caused confusion as a result of too much detail and financial terminology.	8 respondents understood the terms and conditions, while 4 respondents would need more information.
I fully understand where Glacier's responsibilities end / what Glacier's responsibilities are limited to and what the implications are for me.	6 respondents found this section easy to understand as a result of the language used. Some respondents did not like the feeling that the terms in this section creates, it made them feel uneasy. Certain terms could also be explained more.	8 respondents understood the limitations section, while 3 respondents needed more information. They felt that Glacier is covering itself rather than the client.
What is your general impression of the <i>New Investment Plan</i> form?	11 respondents liked the form. They did, however, highlight problem areas, for example a lack of specific detail, legalese language, length and the table on page 4.	12 respondents had a positive feeling towards the form, while 7 respondents had a negative feeling. They thought they would need an advisor to help them, the tables and

		calculations were difficult, and there was too much to read.
What is your opinion of the placement of this section in the form?	6 respondents liked the placement of the "Tax declaration form" section in the form, while 6 respondents did not like the placement of this section in the form.	8 respondents liked the placement of this section in the form. 6 respondents did not like it. They did not understand it or did not think that it is relevant.
What kind of impression does the term create? Please motivate your answer.	9 respondents felt the term gave them peace of mind and made them feel good about their investments, while 6 respondents thought it was an abdication of Glacier's responsibility.	8 respondents liked this section, they thought it made Glacier seem professional and responsible. 9 respondents did not like this term. They thought this meant that Glacier knew its employees would make mistakes, and they were only covering themselves.
What kind of impression does the heading "Where our responsibility ends" / "What our responsibilities are limited to" create?	12 respondents did not like the heading "Where our responsibility ends" because they thought it was hurting the trust that clients have in Glacier.	4 respondents thought it was clear and understandable. 9 respondents had a negative feeling towards it.
If the term was rephrased as follows, would you feel differently about it? Please motivate your answer.	15 respondents felt better about the rephrased term because they felt that this made it seem that Glacier was taking responsibility.	This question was not asked in the third version of the questionnaire, since only the rephrased term appears in the third version.

In the questionnaire there are nine questions that deal with respondents' experience of the form. The elaborations on the scaled questions in the

questionnaire all correlate with the answers in the scaled questions, except two. More respondents said that they understood the terms and conditions and they understood the limitations section in the third version than those who filled in the second version, which correlate with the scaled questions. In the elaboration, however, more respondents said that they found the third version of the form usable and easy to fill in than the second version. More respondents also said that they understood which number to fill in at the existing investment number in the third version than the second version, which does not correlate with the answers in the scaled questions. Not all respondents filled in the spaces for elaboration, which could be why these two questions do not correlate. In this case the answers in the scaled question (and not the elaborations) will be seen as correct, since all respondents filled in the scale.

Comparing section 2 of the questionnaire illustrates a more positive impression of the third version of the form than the second. More respondents liked the new placement of the tax declaration information in the third version than the original placement in the second version. Less respondents also had a negative feeling towards the heading “What our responsibilities are limited to” in the third version than the heading “Where our responsibility ends” in the second version.

There is one unexpected finding in the questionnaire referring to experience of the form. In the second version of the form the term referring to indemnity and fidelity insurance is phrased as follows: “Glacier holds adequate professional indemnity and fidelity insurance cover”. In the second version’s questionnaire is asked if the term was rephrased as follows, would respondents feel differently about it: “Glacier holds adequate professional indemnity and fidelity insurance cover. This means that we are covered against claims that are directly attributable to fraud, dishonesty or gross negligence of employees (not intermediaries) acting in the course and scope of their employment. Note that you cannot claim for any losses you may suffer that arise for other reasons and you cannot claim for any consequential (also

referred to as indirect or special) losses". Fifteen respondents said that they felt better about the rephrased term as it gave more information.

Since so many respondents preferred the rephrased term, in the third version the rephrased term replaced the term from the second version. The questionnaire then also asked respondents what impression the term referring to indemnity and fidelity insurance creates. Interestingly, more respondents felt the term from the second version creates a positive impression than the term from the third version. This finding could suggest that being able to compare things has an effect on impression. In the second version respondents saw the original term as well as the rephrased term. They then preferred the rephrased term. In the third version respondents only saw the rephrased term. Eight respondents liked this rephrased plain language term (in the third version), compared to the nine that liked the original term (in the second version). Being able to compare a term that applies plain language techniques with one which does not makes it much clearer that the plain language term is easier to understand. When one cannot compare these two terms, a respondent will not necessarily prefer a term written in plain language. This is a methodological issue that needs more attention in future research.

Comparing the answers referring to experience from the second and third versions illustrates that respondents liked the third version more than the second version. The responses from the third version were more positive than the second version in seven of the questions. Only the responses from the question that dealt with the term about indemnity and fidelity insurance were more positive in the second version than the third version.

Besides asking questions about respondents' experience of the form, the questionnaire also asked questions regarding understanding. Questions were asked about how well respondents understood specific elements, for example words or tables. In analysing these responses, the version with the most correct or least amount of incorrect answers will be seen as the more understandable version. The version with the most correct answers per question is highlighted in green.

Table 6.3 Respondents' understanding of the two versions

	2 nd version	3 rd version
It is clear which interest is referred to in this section.	5 respondents understood which interest the term refers to.	3 respondents correctly explained which interest is referred to.
Definition: Arrears	12 respondents could explain what "arrears" means in this context.	13 respondents could correctly explain what "arrears" means.
Definition: Sliding scale fee	11 respondents could explain what a "sliding scale fee" is.	15 respondents could correctly explain what a sliding scale fee is.
Whose details must be filled in under "If we need more information"?	17 respondents could explain whose information must be filled in under "If we need more information".	18 respondents could identify whose information had to be filled in on the cover page.
Based on how you completed the personal information section and your response to section 1.3, how do you think you will receive your quarterly financial statements and investment confirmation document?	10 respondents could identify the manner in which they would receive these documents.	16 respondents could correctly identify how they would receive their documents.
Briefly explain the difference between a lump sum investment and a recurring investment.	18 respondents could explain the difference between a lump sum and a recurring investment.	15 respondents could correctly explain the difference between a lump sum and a recurring investment.
What do you think is expected of you in the first "% Allocation" / "Lump sum allocation" column?	6 respondents could explain what they had to do in the "% Allocation" column.	8 respondents could correctly explain what they had to do in the first column.
What do you think is expected of you in the "% of the allocation to	7 respondents could explain what they had to do in the "% Allocation to be phased in"	9 respondents could correctly explain what they had to do in the second column.

phase in" / "Amount to phase in" section?	column,	
Who do you think the "investment owner" is?	17 respondents could correctly identify whose name had to be filled in under "investment owner".	16 respondents knew who the investment owner is.
Based on the way you completed the investment form, please tick (in section 6) the fees that will apply to your investment.	No respondents could correctly identify the fees that were applicable to their investment.	2 respondents could identify the fees applicable to them.
Based on the way you completed the investment form, do you think you qualify for the Fusion administration fee bonus?	6 respondents correctly stated that they did not qualify for the fusion administration fee bonus.	This question was not asked in the third version's questionnaire because all information pertaining to fusion funds were taken out of the third version of the form.
Can you briefly explain what you understand by the term fusion administration fee bonus?	3 respondents could explain correctly what the fusion administration fee bonus is.	This question was not asked in the third version's questionnaire because all information pertaining to fusion funds were taken out of the third version of the form.
Must an investor appoint a financial intermediary, or is it possible to invest without one? Please motivate your answer.	6 respondents correctly stated that a client must make use of a financial intermediary when investing with Glacier.	15 respondents correctly said that you must appoint a financial intermediary.
What is professional indemnity and fidelity insurance cover?	11 respondents could correctly explain what professional indemnity and fidelity insurance cover is.	12 respondents correctly explained what indemnity and fidelity insurance is.
Who is insured?	11 respondents correctly explained that Glacier was insured.	16 respondents correctly said that Glacier is insured.

What do you think "indirect, special or consequential losses or damages" could include?	13 respondents correctly identified what "indirect, special or consequential losses or damages" could include.	12 respondents could identify what consequential losses could include.
Is Glacier responsible if an intermediary negligently invests a client's funds incorrectly and the client loses money as a result?	17 respondents correctly understood that Glacier is not responsible if a financial intermediary negligently invests a client's money.	18 respondents correctly said that Glacier was not responsible if an intermediary negligently invested a client's money in a wrong investment.
What is a "liquidity constraint"?	8 respondents correctly explained what "liquidity constraints" are.	12 respondents could explain what liquidity constraints are.
To whose "liquidity constraints" does that term refer?	9 respondents correctly identified that the term referred to the managing company's liquidity constraint.	8 respondents knew that the term referred to the liquidity constraints of the collective investment manager.

In total, nineteen questions were asked about the understanding of elements in the form which were changed from the second to the third version. Two questions were only asked in the second version because the elements that they referred to were taken out in the third version. This meant that these questions could not be compared. Of the comparable questions, the answers to five questions showed that respondents understood the elements in the second version better than the third version, while the answers to twelve questions showed that respondents understood the elements in the third version better than the second version. This illustrates that more respondents understood some of the elements in the third version than the second version. However, not all changes made in the third version improved the understanding of the form, since respondents were in favour of the second version in the answers to five of the questions. This shows that quite often one's improvements are not necessarily seen as improvements by the reader. The testing of a document is imperative to know which changes actually improve the document, and which do not.

When looking at each individual question it can be seen that in general the difference in the amount of correct answers between the two versions is quite small, with only one or two correct responses between the versions. There are, however, a few instances where this difference is bigger. In the questions asking the definition of a sliding scale fee, how respondents will receive their documents, if they should appoint a financial intermediary, who has indemnity and fidelity insurance cover and the definition of liquidity constraints, three or more respondents could correctly answer the question in the third version of the form more than in the second version. Only in the question asking what the difference between a lump sum and a recurring investment is did three more respondents explain correctly in the second version than the third version. The fact that there were more questions which were correctly answered by respondents in the third version than the second, with five of these questions being significantly more, suggests that iteratively applying plain language could have a positive impact on the understanding of a document.

6.4 Discussion

The testing of the third version of the form provided some interesting findings. In terms of usability, comparing the second to the third version shows that more respondents were able to successfully fill in different sections of the third version than the second version.

In analysing respondents' experience of the second and third versions of the form, it became clear that in the scaled question directly asking respondents if they found the form usable and easy to fill in, in both versions exactly the same amount of respondents said that they found the form usable and easy to fill in. In the rest of the scaled questions respondents had a more positive experience with the third version of the form, except where the existing investment number is asked. Here respondents preferred the second version to the third.

Analysing questions about elements in the form which could have an effect on experience shows that respondents had a better experience with the third

version than the second in all questions except one. In the case where respondents were able to see a normal term and a plain language version of the term next to each other in the second version's questionnaire they liked the plain language version better. In the third version's questionnaire respondents were not able to compare, and only saw the plain language version. This resulted in them liking the term less than the respondents liked the original term in the second version of the form.

In terms of understanding, more respondents understood and were able to explain certain terms in the third version than the second version. The difference between the responses to the second and third versions was not substantial, only differing on one or two responses. In some cases, respondents even preferred the second version to the third version. However, there were a couple of instances where the iterative application of plain language techniques had a big impact on understanding. In these instances three or more respondents understood something in the third version better than in the second version.

In the concluding chapter the comparison of the second and third versions are discussed with regard to the research question. The second and third versions are also compared with the first version of the form. This is done in order to understand the effect of iteratively applying plain language techniques.

Chapter 7

Conclusion

This chapter provides a final comparison of the first, second and third versions of the form. It firstly looks at the problems in the first version which are solved in the second and third versions. It then compares the second and third versions with regard to usability, understanding and respondents' experience. This is done to answer the research question, namely: Does iteratively applying plain language techniques in Glacier's *New Investment Plan* form have an effect on the understanding, usability and experience of the form and its terms and conditions?

7.1 Comparison of the first version with the second and third versions

As discussed in the functional text analysis, there are many problems in the original, first version of the form. In this discussion the problems in the first version of the form will be given in the order in which they appear in the form, as well as if/how these problems are amended in the second and third versions. The amendments are based on the findings from the functional text analyses of the first and second versions, as well as the mixed methodologies applied to the second version. It is also supplemented with the guidelines for the design of a plain language document from Chapter 2.

The first problem in the first version of the form is that the table of contents is not numbered, which makes it difficult to navigate the form. Both the second and third versions do not have a table of contents. Since the first version of the form is twenty-six pages long, it requires a table of contents. The second version is thirteen pages and the third version is twelve pages. These shorter forms do not need a table of contents as it is much easier to find the different sections in these versions. The second and third versions therefore solve the problem of the useless table of contents by omitting it.

Another problem in the first version of the form is that it is not clear which questions are compulsory. In the second version the different subsections

relating to different types of investors have headings in bold which clearly show which sections must be filled in by which types of investors. The second version, however, still has the same problem as the first version, especially in the “Transfer of existing collective investments or share portfolio” and “Appoint a financial intermediary” sections. In both sections respondents were unsure if they had to fill in these sections or not. In the third version an introduction is given at both sections to make it clear when it is applicable to fill in these sections.

The functional text analysis of the first version of the form identified that the form asks for both an ID-number and date of birth. Since the date of birth can be seen in an ID-number, it is not required to ask for both. In the second and third versions this problem is not amended, since all three versions ask for both an ID-number and date of birth. Another problem in the first version which has not been changed or amended in the second or third versions is the questions relating to language and gender. The first version only gives options of Afrikaans or English and male or female. These limited options should be accompanied with an “other”-option, which is not done in any of the three versions.

In the first version of the form the client is asked if he/she is a tax-paying citizen of the USA. This question is confusing since it does not come with an explanation. In the second version this question is also asked without giving any extra information. From the testing of the second version of the form it was clear that respondents also found this question confusing. In the third version this problem is amended with an explanatory sentence accompanying the question: “If you pay taxes in the United States of America we require additional information from you to comply with the U.S. Foreign Account Tax Compliance Act”.

In the first version the space for the client to fill in any special requests is confusing as it is not clear what these special requests could include. In the second and third versions this problem is solved by changing the heading to “Give us additional instructions” and has an introductory sentence: “If you

have any special requests or instructions you would like us to consider, you may list them here”.

Another major problem in the first version of the form is that the structure of the form is not logical or practical. Information relating to each other is not grouped together and is not ordered in a logical sequence. The terms and conditions section, for example, is in the middle of the form, which is an illogical place to put the terms and conditions section. The second and third versions both have a more logical structure, organised in the sequence in which an investment is implemented, with the terms and conditions section at the end of the form. Both versions also make use of icons at the bottom of each page to show the person filling in the form how the structure works.

The terms and conditions section in the first version of the form, as stated above, is not in a logical place in the form. Terms with the same themes are not grouped together, terms are repeated, and information that do not relate to terms are placed in the terms and conditions section. In the second and third versions the terms and conditions sections are placed at the end of the form, repetitive terms are taken out, and terms are grouped together logically. In the third version definitions are also given of difficult concepts and some terms are rephrased in a positive tone, for example “Glacier is not liable for any losses or damages which you may suffer, regardless of how such losses or damages arise, unless the claims are directly attributable to fraud, dishonesty or gross negligence of Glacier or its employees acting in the course and scope of their employment” in the second version is rephrased as “Glacier holds adequate professional indemnity and fidelity insurance cover. This means that we are covered against claims that are directly attributable to fraud, dishonesty or gross negligence of employees (not intermediaries) acting in the course and scope of their employment” in the third version.

The first version of the form has problematic definitions of terms. This version has a definitions section, but many of the terms that are defined are not used in the form itself. Furthermore, the terminology used in the definitions section differs from the wording used in the form itself, for example a definition of a “fusion platform” is given in the definitions section, while the term “fusion fund”

is used in the form itself. The problems with definitions in the first version are solved by taking out the definitions section in the second and third versions. In the second version definitions of some terms are given next to the places where these terms are used for the first time. In the third version this technique is expanded on by giving even more definitions next to problematic terms.

The next problem in the first version of the form is that the tables in the form are very long and go over more than one page. In the second and third versions of the form tables are made much shorter, and no tables are more than half a page long.

The inclusion of fusion funds in the first version of the form is a problem on a practical level. Firstly, what a fusion fund is is not explained well in the first version, and secondly, fusion funds are gradually being phased out of investment plans. In the second version fusion funds are still included, but still not explained. In the third version of the form any information pertaining to fusion funds are omitted from the form. Another investment plan option which is also in the first version of the form, but which has been taken out of the second and third versions is the tax-free investment plan. It was decided to take out the tax-free investment plan information in the second and third versions because this is a completely different investment plan from the mainstream investment plan.

One of the last problems in the first version of the form is that it refers to the client as both “the investor” and “you”. This makes it unclear who the target audience of the form is. In the second and third versions of the form this problem is solved by only referring to the client as “you”. This shows that the form addressed the client, making the client the target audience.

The last problem in the first version of the form is inconsistent use of headings hierarchically. Headings that are not on the same level of importance are typed in the same font size, suggesting that they are on the same level. In the second and third versions there is a clear distinction between the main headings and subheadings. Sections are numbered clearly to help with this

distinction. This also solves the problem of inconsistent use of bullets in the first version. In the second and third versions all bullets are replaced with numbers, thereby removing any inconsistent bullets.

This discussion shows that the first version of the form has many problems which are attended to in the second and third versions. This illustrates that using plain language techniques can solve many of the problems that arise from not using plain language techniques. In the next section the degree to which plain language techniques should be used for maximum usability, understanding and positive experience will be discussed. This will be done by comparing the second version, which uses some plain language techniques, with the third version, which uses the most plain language techniques.

7.2 Comparison of second and third versions

The comparison of the usability testing and questionnaires applied to the second and third versions of the form are discussed in detail in Chapter 6. With regard to usability, the discussion shows that the third version is more usable than the second version of the form. More respondents were able to fill in the individual sections correctly in the third version than the second version. This suggests that iteratively applying plain language has a positive effect on the usability of a document. That being said, in neither the second or third versions could one respondent fill in the whole form correctly. Even though iteratively applying plain language techniques in the form does have a positive effect on the usability of some of the sections in the form, the form as a whole is still not completely usable.

Analysing respondents' experience of the second and third versions of the form shows that overall respondents had a better experience with the third version than the second version. This suggests that iteratively applying plain language techniques positively affects experience.

In terms of understanding, more respondents understood and were able to explain certain aspects of the third version than the second version. Even though this difference in understanding was mostly moderate, there were a

couple of instances where three or more respondents understood something in the third version more than in the second version. This suggests that iteratively applying plain language, when done correctly, can have a positive impact on understanding.

7.3 Discussion

From this discussion one can conclude that applying plain language techniques in a form can have a positive effect on usability, respondents' experience and understanding. When comparing the first version of the form to the second and third versions it can also be concluded that iteratively applying plain language techniques solve the problems that a form that does not apply plain language techniques has, thereby creating a better form.

Even though the first version of the form was not tested using respondents, comparing the first, second and third versions show that the first version has problems that the second and third version solves. The second version, in turn, has problems with respondents' experience, understanding and usability that the third version has less of. This suggests that the iterative application of plain language techniques positively influences usability, understanding and experience of a form, and thereby confirming the hypothesis, namely: *Iteratively* applying plain language techniques in the *New Investment Plan* form increases the usability, understanding and positive experience of said form.

This thesis also set out to research the effect of using plain language techniques in the terms and conditions section in the *New Investment Plan* form. The research showed that the fear that writing terms and conditions in plain language negatively affects legality is ungrounded, and that South African legislation does not have many guidelines for writing terms and conditions. The thesis also showed that writing terms and conditions in plain language, as part of a plain language document, can positively influence usability, understanding and positive experience.

However, the usability testing of the second and third versions show that both versions of the form are not necessarily usable forms for their intended audience yet. Since a potential client is still not able to successfully understand and fill in neither the second nor third versions of the *New Investment Plan* form completely, these forms may not yet fulfil their legal requirements according to the Consumer Protection Act. The Consumer Protection Act states that a document is written in plain language if “an ordinary consumer of the class of persons for whom the notice, document or visual representation is intended, with average literacy skills and minimal experience as a consumer of the relevant goods or services, could be expected to understand the content, significance and import of the notice, document or visual representation without undue effort”. Without undue effort, potential clients of Glacier are not able to understand all of the content of the second or third versions of the *New Investment Plan* form enough to be able to fill the forms in correctly. Another issue that was raised from the results of the questionnaire is that changes made which are seen as plain language improvements are not necessarily experienced that way by the reader.

The findings of this thesis illustrate the importance of iteratively applying plain language techniques. This thesis wanted to discover the degree to which plain language techniques should be applied for maximum positive effect. Even though the third version of the case study is the most usable, understandable and is associated with the most positive experience of the three versions, in terms of usability it is not a successful document yet. It has therefore not reached maximum positive effect. The case study can be tested and redesigned further, applying more plain language techniques. This thesis therefore illustrates the nature of successfully applying plain language techniques; that it is a constant process of testing and refining, a process which does not necessarily have an ideal end result. The checklist from Chapter 2 can be used as a tool in the testing and applying of plain language documents.

The researcher had an expectation that the third version of the form would be more than just marginally better than the second version. In a sense some of

the results were disappointing, therefore. A question that arises, and that might need more attention in future research is whether respondents have problems with certain themes (such as finances), notwithstanding the fact that the communication might be in plain language or not. With this in mind, future studies could look at the target audience of documents like the case study and the supportive roles that people other than the target audience play when using documents of this nature. Even though the client is the target audience of the *New Investment Plan* form, in many cases a financial intermediary will help the client complete the form. Future studies could look at the impact that plain language plays on not only the target audience, but also supporting role players and related factors.

7.4 Limitations and suggestions for future research

This study had certain limitations which future research could work on. Firstly, it was estimated that it would take about an hour per respondent to complete the form and fill in the questionnaire. In reality, some respondents took way more than an hour in completing just the form. Since the exercise took very long, some respondents struggled to concentrate near the end of the exercise, which could have affected the results. Some respondents also did not give their full attention to the exercise because they knew it was not a real scenario. In order to enhance concentration and attention, it might be beneficial to give respondents some sort of incentive.

Future studies could also use the *New Investment Plan* form again to see if it is possible to reach maximum usability, understanding and positive effect, or could do a replication study with a new case study. This would legitimise the findings from this study. It would also legitimise the mixed methodologies used in this study. In this study data from respondents were analysed without taking into consideration variables like age, race or gender. It could be interesting if future studies analysed these variables when looking at usability, understanding and experience of a case study. Lastly, future studies could also use more respondents than the twenty per version that was used in this study. This could legitimise the findings even further.

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Addendum A – First version of the form

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glacier
by Sanlam

Investment Plan: New

Important information

- Complete the form in block letters
- Please mark the appropriate block(s) with an X
- Make cheques payable to:
Glacier Financial Solutions Trust Account
- Deposit the cheque at any ABSA into account number:
1003782341
- Include the following reference number on the deposit slip:
M649763283475X2

Send documents to

Glacier Financial Solutions (Pty) Ltd ("Glacier")
Private Bag X5, Tyger Valley, 7536, South Africa
Fax number: +27 21 947 9210

Contact us for more information

- Phone our Communication Centre at:
+27 21 917 9002 / 0860 GLA ENG
- Send an email to:
client.services@glacier.co.za

Document checklist

Please send these documents with your application form:

- Proof of deposit
- Private Securities mandate and copy of bar coded identity document (if applicable)
- Wrap fund mandate (if applicable)
- FICA documents
- IRS-W9 form (if applicable)

CONTACT PERSON FOR FURTHER INFORMATION

Name and surname

Contact number

Email

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CONTENTS**CLIENT**

- Personal details
- Bank details for payment of benefits
- How would you like to receive your communication?
- Profile of investor

SPECIAL REQUESTS**SINGLE INVESTMENT DETAILS**

- This investment is funded by
- Gross investment amount
- Allocation of net investment amount

PHASING DETAILS

- Date of first phasing
- Phasing frequency and period
- Phasing from fund

RECURRING INVESTMENT DETAILS

- Gross recurring investment amount
- First debit order payment date
- Frequency of debit order
- Bank details for debit order

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- Own fund selection
 - Direct investment funds
 - Phasing funds
 - Recurring investment funds
- Wrap fund selection

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- Transferor's details
- Details of collective investments
- Authorisation

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- Income paid from a specific investment
- Frequency of income
- Selected income per frequency
- First income payment
- Investment funds for the payment of income
- Income fund selection

TERMS AND CONDITIONS

- About Glacier
- About the investment
- Glacier Tax-Free investment plan
- Instruction times
- Glacier wrap funds
- Fusion funds
- Glacier is not responsible for

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GLACIER FEES AND CHARGES

- Initial fees
 - Initial fees on single investment
 - Initial fee on recurring investment
- Annual fees
 - Administration fee on Open Platform funds and Private Securities
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 - Minimum annual administration fee
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 - Wrap fund fee

COLLECTIVE INVESTMENT MANAGEMENT FEE

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- Appointment of financial intermediary
- Personal details of financial intermediary
- Financial intermediary's fees
- Fee split
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TAX-FREE INVESTMENT PLAN

- Allocation of investment
- Fund selection
 - Direct investment
 - Recurring investment
 - Wrap funds
- Fees and charges
 - Wrap fund fees
 - Financial intermediary's fees

CLIENT AUTHORISATION AND DECLARATION

- Your authorisation
- Declaration

FICA

DEFINITIONS

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CLIENT

Personal details (all fields are compulsory)

Is the investor an existing client?

- Yes. Please provide any existing investment number
- No

Type of investor

- Natural person Company Other institutions (e.g. club / church / school)
- Partnership Close corporation Trust

Title Surname / Name of entity

Trading name of entity

Full first names / initials and surname of contact person and designation

Date of birth / Entity inception date Identity number / Registration number of entity

- | | | |
|---------------------------------|------------------------------------|---|
| Gender | Language | Nationality |
| <input type="checkbox"/> Male | <input type="checkbox"/> English | <input type="checkbox"/> South African |
| <input type="checkbox"/> Female | <input type="checkbox"/> Afrikaans | <input type="checkbox"/> Other (please specify) |

Country of citizenship / Country of entity registration

- | | | |
|---|-----------------|--------------------------|
| <input type="checkbox"/> South Africa | Passport number | Passport expiration date |
| <input type="checkbox"/> United States of America | | |
| <input type="checkbox"/> Other | | |
| (Please specify country) | | |

Income tax reference number Tax / financial year end

Are you a registered tax payer in the United States of America?

- Yes. Please complete the IRS-W9 form
- No

Postal address

Postal code

Physical address

Postal code

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Telephone number (code first)

H

Fax

W

Cell

Email

Personal risk profile of investor

Conservative Cautious Moderate Moderately aggressive Aggressive

Bank details for the payment of benefits (compulsory)

We will use the following bank details to pay benefits. Payments will only be made into a bank account held in your name and no payments will be made to credit cards.

Name of account holder

Identity number / Registration number of entity

Name of bank

Account number

Branch name

Branch code

Type of account

(No payments will be made to credit cards)

Cheque Savings Transmission

Debit order authorisation (if applicable)

I authorise Glacier to arrange with the financial institution named above to collect monies through a debit order from this account.

Signature of account holder

Date

How would you like to receive your communication?

- Initial investment confirmation will be sent to
 - intermediary
 - investor
 - Future investment statements
 - Download your statements from the Glacier website
(You will not receive statements)
- OR**
- Quarterly per email
 - Quarterly posted
 - Half-yearly per email
 - Half-yearly posted

Profile of investor

- **Principal source of income**

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Profession / business Royalties Pension Other (specify) _____

Occupation / Business activity _____

• **Source of funds for this investment**

Profession / business Liquidation of existing investment Property disposal Gift / inheritance Donation

Other (specify) _____

SPECIAL REQUESTS

Please use the space provided for any additional information or requests.

SINGLE INVESTMENT DETAILS

How is this investment funded?

- Single investment and/or
 Transfer of existing collective investments
 Once-off debit order

• **Gross investment amount (or approximate where the exact amount is unknown)**

(Minimum: R100,000.00)

of which _____ is funded by a once off-debit order on:

Debit order date _____

Tax-Free Investment Plan amount

(Maximum: R30,000.00 p.a)

Complete the details for the Tax-Free Investment Plan in the relevant section. A separate investment plan will be issued for this amount.

Guaranteed Capital amount

(Minimum: R10,000.00)

Sanlam quote number: _____

Guaranteed Income amount

(Minimum: R10,000.00)

Sanlam quote number: _____

• **Allocation of net investment amount to INVESTMENT PLAN**

(net of the allocation to tax-free investment and guaranteed products above)

Please indicate in the table below how the investment amount and recurring investment (if applicable) must be allocated between own fund selection, wrap funds(s) or a combination of own fund selection and wrap funds.

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Underlying investment option(s)	*Net investment allocation %	Phasing-in %	Recurring investment **Debit order %
Own fund selection			
Shares (complete applicable mandate)			
Wrap fund 1			
Wrap fund 2			
Total	100.00		100.00

*The total net investment allocation must add up to 100%.

**The percentage allocated will be calculated as a percentage of the recurring investment amount as indicated in the Recurring investment section.

If you have selected to allocate your investment amount across more than one investment option, each underlying investment option will be issued with its own investment number. The investment options will be administered together as a single investment.

Bank details for once-off debit order

Same bank details as specified in the CLIENT section

Use the bank details below:

Name of account holder

Identity or passport number / Registration number of entity

Name of bank

Account number

Branch name

Branch code

Type of account

Cheque

Savings

Transmission

I authorise Glacier to arrange with the financial institution named above to collect monies through a debit order from this account.

Signature of account holder

Date

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PHASING DETAILS**Date of first phasing**

- As soon as possible after investment date (if no selection is made, this date will be used)
- 1st day of the month following the investment date
- 15th day of the month following the investment date

Phasing frequency and period

- Monthly over _____ months (1-36)
- Quarterly over _____ quarters (1-12)
- Half-yearly over _____ periods (1-6)

Phasing from

Choose one of the following:

- Glacier Money Market Fund (if no selection is made, this fund will be used)
- Fusion Glacier Money Market
- Other money market fund (specify) _____

RECURRING INVESTMENT

Recurring investments can only be paid by debit order.

• Gross recurring investment amount

Complete the details for the Tax-Free Investment Plan in the relevant section.

Minimum: R1,000.00 when combined with a single investment
 at a growth rate of _____ % per year on investment anniversary

First debit order date

The first debit order date may not be within 10 days of the investment date. If the selected date is within 10 days of the investment date, the first debit order will be recovered the following month.

Frequency of debit order

- Monthly
- Quarterly
- Half-yearly
- Yearly

Bank details for debit order

No debit orders will be recovered from credit cards and bond accounts.

- Same bank details as specified in the **CLIENT** section
- Use the bank details below:

Name of account holder _____

Identity number / Registration number of entity _____

Name of bank _____

Account number _____

Branch name _____

Branch code _____

Type of account

- Cheque Savings Transmission

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INCOME FROM COLLECTIVE INVESTMENTS

The income payment may be delayed if a transaction is in progress on the investment (eg. switches, new business, repurchasing, phasing, cost recoveries etc.)

Please indicate the underlying investment option(s) for the payment of the income.

Own fund selection Wrap fund 1 Wrap fund 2

Frequency of income

Monthly
 Quarterly
 Half-yearly
 Yearly

Selected income per frequency

Percentage income of _____ % of the total investment value per year.
 or
 Income amount per frequency _____ at a growth rate of _____ % per year.

First income payment

If you have selected Guaranteed Income, the first income date will always be the first of the next month, provided the application form and quotation are received before the 15th of the month. If we receive it after the 15th of the month, the first income date will default to the first day of the following month.

The first income may not be paid within 10 days of the investment date. If the selected date is within 10 days of the investment date, the first income will be paid the following month.

Investment funds for the payment of income

Please select the investment funds for the payment of the income as per the investment option indicated above. (If no selection is made, income will be paid proportionately from the money market fund(s), if available.)

	Own fund selection	Wrap fund 1	Wrap fund 2
Proportionately from all money market fund(s)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proportionately from all investment funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proportionately from specific investment funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Percentages from specific investment funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Income fund selection

- Please indicate the percentage allocation per fund if you have selected the percentage from specific investment funds. If no percentage has been indicated the income will be paid proportionately from the investment funds as specified in the table below.
- If there are insufficient funds to pay the income from the specified investment funds, the income will be deducted from any available money market fund(s). Should there be no money market fund(s) on the plan, or if they are empty, the income will be paid proportionately across all investment funds.
- If you select income to be paid only from money market fund(s), and the money market fund(s) reaches a level that is insufficient to provide a further income, the income will be funded proportionately across all investment funds, and the income payment may be delayed.
- Please indicate if the nominated collective investment is a Fusion fund by clearly marking the relevant block with an X, failing which the Open Platform fund of the same collective investment will be nominated where relevant.

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Fund name	F	% of income
	F	
	F	
	F	
	F	
	F	
	F	
	F	
	F	
	F	
	F	
		100.00 %

TERMS AND CONDITIONS

About Glacier

- Glacier is a Licensed Financial Services Provider (FSP) (FSP No. 770), authorised as to act as both discretionary FSP and an administrative FSP.
- Glacier holds adequate professional indemnity and fidelity insurance cover.

About the investment

- The investment is subject to a 28 day clearing period and you will not be allowed to repurchase during this period.
- Glacier does not guarantee the performance of any investments. This means that the value of the investments may go up or down.
- The value of units and income may change and past performance is no guarantee of future returns. The value of investments in foreign currency may change due to changes in exchange rates.
- Investments are held in the name of an independent nominee, Axis Nominee (Pty) Ltd for the sole benefit of the investor.
- Investments are administered subject to the terms and conditions stipulated by the providers.
- Any income distribution by investment funds will be reinvested in the investment funds concerned, within 21 days of declaration.
- If for any reason an investment fund is no longer available we will provide you with the option to switch to any other collective investment funds available. If you do not select another investment fund within the prescribed time period the affected units will be switched to the Glacier Money Market Fund.
- Where a fund class becomes unavailable we will provide you with the option to switch to any other class of that same collective investment fund or any other collective investment funds available on the Glacier platform. If you do not switch within the prescribed time period the affected units will be switched to any other class of that same collective investment fund available on the Glacier platform. Should any other class not be available the affected units will be switched to the Glacier Money Market Fund.
- The investor hereby confirms that Glacier shall not be required to provide the investor with any information that any collective investment scheme or listed company is obliged to disclose in terms of any law
- If the information in a quotation differs from that in the application form, we will issue the investment according to the information in the application form.
- You choose normal South African Postal Service mail as the carrier of notices in terms of this contract.

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Glacier Tax-Free Investment Plan

- Only natural persons may invest in the TAX-FREE INVESTMENT PLAN.
- All contributions in respect of the TAX-FREE INVESTMENT PLAN must be made in cash via an electronic transfer or debit order.
- The investor is responsible for ensuring that no contribution exceeds the prescribed limits, currently a maximum of R30,000.00 per tax year, with an overall lifetime limit of R500 000 in respect of all tax-free savings accounts. If the investor at any time in the tax year contributes more than the prescribed limits, the excess contribution will be subject to a tax equal to 40%.
- All contributions to the TAX-FREE INVESTMENT PLAN, including the re-contribution of withdrawals made from the TAX-FREE INVESTMENT PLAN will be regarded as contributions and accordingly be subject to the prescribed annual and lifetime limits.
- If the fee structure of the underlying collective investment fund that you have selected becomes performance based, the units will be switched into the money market fund with the highest value in your TAX-FREE INVESTMENT PLAN. Should there be no money market fund within your investment, the units will be switched to the Glacier Money Market Fund.
- Should the contributions received exceed the maximum prescribed limits, the excess contributions will be invested into a money market fund with the highest value in your existing INVESTMENT PLAN. The Glacier Money Market Fund will be used should there be no money market fund in your investment. Where the investor does not hold an INVESTMENT PLAN, the excess contribution will be returned to the investor's bank account. Glacier reserves the right to charge an administration fee of up to R250.00 (including VAT) for the reimbursement which will be deducted from the excess amount before payment to the investor.
- The transfer of any tax-free investment to or from another provider is currently not allowed.
- The proceeds from withdrawals may only be paid into a bank account held in the name of the investor.

Instruction times

- We will capture investment instructions on the Glacier system within two business days after receiving the completed application form, proof of deposit and any other supporting documents we require.
- If investment instructions are captured on the system **before close of business at 16h00 on any business day (day 1)** we will forward the instruction to the collective investment manager on **the next business day (day 2)**. Generally, you **should receive the price determined for this day (day 2)**, depending on the collective investment manager. This is a general indication of the date when the price will be determined and is not enforceable.
- If more than one completed business day (period from 16h00 on any business day and ending at 16h00 on the next business day), elapses between the deposit date and the capture date, then either interest will be credited to the investor's investments, or the transaction will be backdated, depending on the reason for the delay. All other interest will accrue to Glacier.
- If there is a transaction in progress (e.g. switches, new business, repurchasing, phasing, cost recoveries, debit order transactions, income payments, etc.) any investment instruction or request may be delayed until the existing transaction in progress has been priced.

Fusion funds

- Glacier may transfer the investor's portfolio in any Fusion fund from the "all-in-fee" class of that collective investment to any other class of that same collective investments on 90 (ninety) days' prior notice. Thereafter the annual fees applicable to that collective investment class and the Glacier annual fees as stated in the **FEES AND CHARGES** section will replace the Fusion fee structure.
- The total annual fee excludes the cost of the underlying managers in Fund of Fund instruments, where applicable.

Glacier is not responsible for

- Glacier is not responsible or liable for any damages or losses (including consequential losses) suffered by the investor due to:
 - errors, actions or omissions by third parties providing the underlying investments;
 - any time calculation standards, practices or procedures of these parties;
 - any refusals of third parties to allow repurchases at a specific date or price;
 - the acting by Glacier on any instructions or information received electronically;
 - the failure of any mechanical or electronic devices or networks;
 - any delays in the processing/rejection of an application or instruction because the financial intermediary is not appropriately licenced as a financial service provider;
 - any tax or levies imposed because of your participation in this investment, or Glacier allocating any benefits (bonuses) to you;
 - any delays in the processing an instruction because it was sent to the incorrect fax, postal or e-mail address.

FEES AND CHARGES**(VAT is payable on all fees)**

- Glacier reserves the right to change the fees, the frequency thereof and investment minimums from time to time after prior written notice to the investor.

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Initial fees

Initial fees are deducted directly from the investment amount.

Initial fees on single investment

No initial fees are applicable to this range.

Initial fees on recurring investment

The following scale is applicable on every debit order:

	Rate (excl. VAT)
On the first R2,500.00	2.50%
Thereafter	1.50%

In the event that a debit order is returned unpaid, Glacier reserves the right to charge a flat fee of R100 (excluding VAT) against the investment's value.

Annual fees

- If the current investment value is increased by means of an ad hoc investment, the annual fees, as set out below, will apply to the total investment value and not only to the ad hoc investment amount.
- **How these fees are calculated and recovered**
Unless stated otherwise, fees are calculated daily at the end of each day on the investment value. It is recovered monthly in arrears by selling units from the Money Market funds, if available. If no Money Market fund is available, it is recovered by selling units proportionately from all the underlying collective investments.

Administration fee on Open Platform funds and Private Securities

Glacier's annual administration fee is calculated on the investment value according to the following sliding scale:

	Rate (excl. VAT)
On the first R1,050,000.00	0.50%
On the next R3,950,000.00	0.25%
Thereafter	0.20%

This calculated fee percentage will be applied on the current investment value in Open Platform funds and Private Securities.

Administration fee on Fusion funds

The Fusion standard annual administration fee of 0.75% (excl. VAT) is deducted within the daily Fusion funds by the different management companies and paid to Glacier monthly in arrears. This fee is included in the unit price of Fusion funds and is therefore not recovered by repurchasing units from your investment.

Fusion administration bonus

A Fusion administration bonus is payable if the standard fee of 0.75% (excl. VAT) is higher than the sliding scale fee. The sliding scale fee is calculated on the investment value in Fusion funds only. The Fusion administration bonus is therefore the difference between the Fusion standard annual administration fee and the sliding scale fee.

The payment of your Fusion administration bonus is subject to:

- The investment remaining with Glacier until the anniversary of the investment inception date.
- The investment value remaining above 95% of the product minimum.

If these conditions are not met, Glacier will receive the standard annual administration fee of 0.75% (excl. VAT).

The bonus will be allocated annually on the anniversary of the investment inception date. The bonus will be used to purchase additional units in a money market fund.

Minimum annual administration fee

The above annual administration fee amount is subject to a minimum of R60.00 (excl. VAT) per month. Should your investment value at any stage reach a level where the calculated monthly fee is less than is R60.00 (excl. VAT), Glacier will recover R60.00 (excl. VAT) from your investment.

In addition to the annual administration fees above, the following fees will be charged:

Private Securities fee

An additional administration fee of 0.15% (excl. VAT) will be charged monthly on the investment value in Private Securities.

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Income payment charge

If a Guaranteed Income was selected, an additional R35 will be charged on each income payment.

Wrap fund fee

An investment management fee of 0.40% (excl. VAT) per annum will be charged monthly on the underlying investment funds in a Glacier wrap fund.

If "Specific option" was chosen in the **WRAP FUND SELECTION** section, please refer to the applicable mandate for details of the portfolio management fee.

COLLECTIVE INVESTMENT MANAGEMENT FEE

(VAT is payable on all fees)

An initial and/or an annual investment management fee is charged by collective investment managers. The relevant rates are different between collective investments. These fees are deducted by the collective investment manager prior to the declaration of income and/or the calculation of prices. A performance fee may also be charged if the investment return of a collective investment is in excess of the benchmark for that specific collective investment. In some cases, a platform administration fee is paid by the collective investment manager to Glacier for the administration, distribution and marketing cost savings. The platform administration fee, if paid by the collective investment manager, amounts to a maximum of 0,50% of the investment value held on behalf of the investor.

Fusion funds

The total annual fee includes the standard annual financial intermediary service fee, the annual collective investment management fee and the standard annual administration fee. The total annual fee will accrue on a daily basis and will be levied within the Fusion funds by the relevant collective investment manager. No platform administration fee is payable in respect of Fusion funds.

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INTERMEDIARY**Appointment of financial intermediary**

You appoint the person named below as your financial intermediary.

- If your intermediary is a licensed discretionary financial services provider, he/she may sign and give Glacier investment instructions on your behalf, provided that you gave him/her the necessary authority.

Please tick the appropriate box below to choose how you appoint your discretionary financial services provider:

Yes

The financial intermediary may give Glacier investment instructions and sign on your behalf.

or

No

The financial intermediary may not give Glacier investment instructions and sign on your behalf.

- If your intermediary is not a licensed discretionary financial services provider, he/she may not sign and give Glacier investment instructions on your behalf and you need to sign all instructions.

The appointment in this section will apply if it is in conflict with an appointment in another mandate.

Personal details of financial intermediary

Initials and surname

CHRISTO MALAN

Sanlam code

00503053

Name of FSP (if it is a legal entity)

AUTUS PRIVATE CLIENTS (PTY) LTD

Telephone number (code first)

W (086)1077789

Fax (086)6100121

Cell 0838054785

Email

admin@icfin.co.za

Broker consultant name

ADMIN BELLVILLE

Broker consultant tel no.

(021)9106912

Financial intermediary's fees

(VAT is payable on all fees)

If the negotiated fee is not specified, it will default to 0%.

		Rate (excl. VAT)	
		Negotiable up to a maximum of	Negotiated fee
Initial referral fee	Single investment	5.00%	%
	Recurring investment	5.00%	%
Annual service fee		1.00%	%

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Fusion funds

The standard annual financial intermediary service fee will be levied on the total investment value of all Fusion funds within the portfolio. The standard annual financial intermediary service fee is 0.75% (excl. VAT). The financial intermediary may negotiate a different fee sharing agreement with Glacier. The total annual fees deducted by the relevant collective investment manager within the Fusion funds will, however, remain the same.

Financial intermediary fee bonus

The investor will be eligible for an annual financial intermediary fee bonus provided that:

- The annual financial intermediary service fee completed above is lower than 0.75% (excl. VAT).
- The investor does not terminate the financial intermediary's appointment or liquidate the investment before the anniversary of the investment inception date.
- The investment value remains above 95% of the product minimum.

If these conditions are not met, the financial intermediary will receive the standard annual financial intermediary service fee of 0.75% (excl. VAT).

The bonus will be allocated annually on the anniversary of the investment inception date. The bonus will be used to purchase additional units in a money market fund.

Fee split (if applicable)

Financial intermediary's initials and surname	Sanlam code	Bank broker application nr	Fee split % for			
			Initial fee on single investment	Initial fee on recurring investment	Annual service fee	
			%	%	%	
			%	%	%	
			Total	100.00%	100.00%	100.00%

FICA Declaration

I, the appointed financial intermediary, a representative of the FSP as indicated above, being the primary accountable institution in terms of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), confirm that I/we have identified the investor mentioned in this application, as well as the person acting on behalf of the investor (if applicable). I/We have verified their identifies and addresses according to the requirements as set out in FICA and any subordinate legislation thereto. I/We confirm that the FSP as indicated above, will keep record of the verification documents as required in terms of FICA. Glacier as the secondary accountable institution may rely on our identification and verification processes. I/We confirm that we will make available copies of these documents on request to Glacier and any party entitled thereto.

Signature of financial intermediary _____

Date _____

Reference number: M649763283475X2

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Specific Option Attach the relevant wrap fund providers mandate

FEES AND CHARGES

(VAT is payable on all fees)

Wrap fund fees

If "Specific option" was chosen in the **WRAP FUND SELECTION** section, please refer to the applicable mandate for details of the portfolio management fee.

Financial intermediary's fees

(VAT is payable on all fees)

The fees are payable to the same appointed financial intermediary as for the **INVESTMENT PLAN**.

If the negotiated fee is not specified, it will default to 0%.

		Rate (excl. VAT)	
		Negotiable up to a maximum of	Negotiated fee
Initial referral fee	Single investment	5.00%	
	Recurring investment	5.00%	
Annual service fee			

CLIENT AUTHORISATION AND DECLARATION

Your authorisation

- I authorise Glacier to:
 - accept and act on any instruction given by me or any person I have authorised in respect of this investment. This includes instructions sent and received by telephone, fax, e-mail or the Internet;
 - deduct sufficient amounts from my investment for the payment of fees and charges;
 - accept and act on any instruction by my financial intermediary regarding my personal and income tax details (excluding bank details) and to provide my financial intermediary with information regarding this investment;
 - give my personal details and details of this investment to companies with whom it has business arrangements;
 - accept and act on investment instruction (including ad hoc investment-, switch- and repurchase instructions) from my financial intermediary authorised by me. This is only if I grant my financial intermediary an investment mandate on a discretionary basis;
 - accept and act on any investment instruction given by me, but is conveyed on my behalf, by my financial intermediary to Glacier;
 - exercise a vote in a ballot conducted by a collective investment manager on my behalf;
 - vote on my behalf in any ballot that affects the collective investment that I have chosen;
 - withdraw a repurchase instruction if a collective investment manager refuses to carry out the instruction and re-submit it the next business day.

Declaration

- I declare that I am aware of and accept the risks of the investment (including currency risk) and know that I may suffer financial loss because of the risks (including capital loss).
- I warrant that all information I give in this application form and all documents signed by me are true, complete and accurate.
- I am responsible for the completeness and accuracy of all the information I have given.
- I understand that the information I have given forms the basis of contracts which are to be entered into with the third parties providing the relevant investment.
- In entering into this agreement, I am not relying on any warranties, representations, disclosures or expressions of opinion which have not been incorporated into this agreement.
- I understand and accept that funds invested in the guaranteed income may not be switched and that where a guaranteed income is included the income frequency cannot be changed.

If you are married in community of property, the consent of your spouse is required below.

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Glacier is a Licensed Financial Services Provider

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Signature of investor

Signature of parent / guardian / spouse (if applicable)

Print initials and surname

Print initials and surname

Date

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FICA REQUIREMENTS**Natural person****• South African**

- Copy of valid ID document / ID card (both sides of card) / valid passport / driver's licence (must be accompanied by valid reasons as to why valid ID is not available)
- Document to verify residential address

• Foreign National

- Copy of valid passport
- If SA resident, document to verify residential address
- If not SA resident, physical address written on copy of passport

Person acting on behalf of another

- Copy of valid ID document / ID card (both sides of card) / valid passport / driver's licence (must be accompanied by valid reasons as to why valid ID is not available)
- Document to verify residential address
- Documents to confirm authorisation

Co Habitants/Persons living on the same premises

- Completed confirmation of co-habitation form
- Document to verify residential address of co-habitant / property owner

Deceased Estates

FICA is only applicable to the deceased client if he / she has not been previously identified and verified

- Death Certificate
- Letter of Executorship
- Copy of valid identity document with residential address of executor
- Power of Attorney (if applicable)

Minors

- Copy of birth certificate or valid ID document / ID card (both sides of card) if older than 16
- Completed confirmation of co-habitation form
 - Copy of valid ID document / ID card (both sides of card) / valid passport / driver's licence (must be accompanied by valid reasons as to why valid ID is not available) of parent signing co-habitation form
 - Document to verify residential address in the name of parent signing co-habitation form

Partnerships

- Partnership Agreement
- Letter of Authority/resolution to act on behalf of the partnership signed by all partners
- Copy of valid ID document and details of residential address of
 - Each partner
 - Each person who is authorised to act on behalf of the partnership
 - Each person exercising executive control over the partnership

SA companies (not listed)

- CM1 / CoR 14.3 (Certificate of Incorporation)
- CM22 / CoR 21.1 (Notice of registered office and postal address)
- CM29 / CoR 14.1 / CoR 39 (Contents of register of directors, officers and local managers)
- CM9 / CoR 14.3 (Certificate of Name Change) where applicable
- Resolution to act on behalf of the company signed by all directors
- Document to verify physical address of company
- The same requirements, plus contact details, as for natural persons and/or relevant legal persons apply to:
 - Each director
 - Each natural person authorised to act on behalf of the company, and
 - Each natural person or legal person holding 25% or more shareholding

Foreign Company

- Name (and trade name, if applicable) and number under which incorporated
- Document to verify address from which it operates in the country of incorporation and in SA
- Resolution to act on behalf of foreign company signed by all directors
- The same requirements, plus contact details, as for natural persons and/or relevant legal persons apply to:
 - Each director
 - Each natural person authorised to act on behalf of the company, and
 - Each natural person or legal person holding 25% or more shareholding

Close Corporations

- CK1 (founding statement of incorporation)
- CK2 (amended founding statement)
- Resolution to act on behalf of the close corporation signed by all members
- The same requirements, plus contact details, as for natural persons and/or relevant legal persons apply to:
 - Each member of the CC
 - Each natural person authorised to act on behalf of the CC
- Document to verify physical address of CC

Trusts registered in South Africa

- Full trust deed
- Letter of authorisation issued by Master of the High Court with clear stamp
- Resolution signed by all trustees specifying who is allowed to act on behalf of the trust
- The same requirements, plus contact details, as for natural persons and/or relevant legal persons apply to:
 - Each Trustee
 - Each named beneficiary
 - The founder
 - Each natural person authorised to act on behalf of the trust

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FICA REQUIREMENTS (continue)**Acceptable documents to verify residential address**

We require any of the following documents reflecting the name and physical address of the client:

- Bank statement on letterhead posted / emailed to client or printed statement stamped by Bank
- Television licence (not older than 12 months)
- Telkom account (not older than 6 months)
- Motor vehicle licence (not older than 12 months)
- Recent payslip or confirmation of employment on employer's letterhead / reflecting company's logo
- Correspondence from body corporate or retirement village
- Short term insurance contract, not part of the Sanlam Group, showing risk covering address
- Recent mortgage statement
- Cellphone contract account (not older than 6 months)
- First page of SARS tax return. E-filing document, must be stamped by SARS. Statement posted by SARS, must be on a letterhead
- Letter from bank, auditors, accountants or attorneys. Must be on a letterhead and the signatory must confirm the client's residential address
- Valid lease agreement - must include:
 - Name, particulars and signatures of the lessee and the lessor
 - Date/term for which the lease applies
 - Erf number or street address
 - Date that agreement is signed
- Statement in terms of Collective Investment Schemes Control Act of another company, not part of the Sanlam Group
- Municipal account/invoice for rates and taxes, water, electricity
 - If only erf number (no street name) displays on the utility bill, it is acceptable

Foreign Trusts

- Founding document
- Letter of authorisation (or similar)
- Resolution signed by all trustees specifying who is allowed to act on behalf of the trust
- The same requirements, plus contact details, as for natural persons and/or relevant legal persons apply to:
 - Each Trustee
 - Each named beneficiary
 - The founder
 - Each natural person authorised to act on behalf of the trust

Clubs, churches and schools ("organisation")

- Copy of Constitution or founding document
- Resolution to act on behalf of the organisation
- Document to verify physical address of organisation
- Copy of valid ID document with residential address of each person who is authorised to act on behalf of the organisation

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DEFINITIONS**Anniversary date**

The annual anniversary of the inception date.

Business day

A business day is any day other than a Saturday, Sunday or a South African public holiday.

Collective investments

- **Open platform**

A range of collective investments on the Glacier administrative platform. Annual collective investment management fees are deducted by the collective investment company. Glacier will recover the annual administration fees and the annual financial intermediary fees by selling units.

- **Fund of Funds**

A Fund of Fund is a collective investment that invests in a range of other collective investments. Investors own units in the Fund of Fund itself and not in the underlying collective investments.

- **Fusion platform**

A range of collective investment funds that offer lower annual collective investment management fees. The collective investment management company will deduct the Glacier annual administration fees, the annual financial intermediary fees and annual collective investment management fee.

- **Wrap fund**

The underlying investments of a wrap fund consist of collective investments. A wrap fund is not unitised and the investor owns the underlying collective investments.

FSP

A financial services provider

Gross investment amount

The amount received into Glacier's bank account and/or the value of units transferred to Glacier.

Inception date

The date on which the investment is captured on the Glacier system.

Income

- **Guaranteed income**

Sanlam Life guarantees the payment of a fixed income amount for a fixed term. Once the term has ended, no further income payments are made.

- **Variable income**

Regular payments to you by means of the repurchase of units. The amount, frequency and payment date may be changed at any time.

Investment date

The date on which the net investment amount is invested in the investment options you selected.

Net investment amount

The gross investment amount plus interest (where applicable) less fees, charges and VAT (where applicable).

Participatory interest

The proportion that an investor owns in a collective investment scheme portfolio.

Phasing

The process of transferring money invested in a money market fund to collective investments over a specified frequency and period.

Regulation 28 requirements

The prescribed asset class exposure limits as set out in Regulation 28 of the Pension Funds Act.

Addendum B – Second version of form









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NEW INVESTMENT PLAN

A Glacier Investment Plan offers flexible investment options for individuals and entities, such as trusts and companies, who want to invest in collective investments and a share portfolio. Glacier Financial Solutions (Pty) Ltd, or Glacier for short, is a financial services provider (FSP) and is authorised to act as an administrative FSP.

COMPLETE THE FORM

This form allows you to structure your investment Plan to suit your needs. It allows you to:

- | | |
|---|--|
|  Create or update your profile |  Set up your regular withdrawal |
|  Create your investment plan |  Understand the fees |
|  Select your payment method |  Appoint a financial intermediary |
|  Provide your bank details |  Agree to our terms |

SEND US THE COMPLETED FORM AND SUPPORTING DOCUMENTS

Once you have completed this form and attached the necessary supporting documentation, send it to us at

Email: client.services@glacier.co.za Fax: +27 21 947 9210

Postal address: Glacier Financial Solutions (Pty) Ltd, Private Bag X5, Tyger Valley 7536, South Africa

List of documents we may require:

- Your FICA documents (Addendum A contains a complete list of the FICA documents that we require)
- Proof of deposit
- Wrap fund mandate
- Private securities mandate for share portfolio
- Investment statement from the provider from which you transfer

WHEN WE RECEIVE YOUR DOCUMENTS

We will capture your instructions within two business days of receiving this form and all the relevant supporting documents. Once your investment is finalised we will send you an investment confirmation document that sets out the details of your investment.

IF WE NEED MORE INFORMATION

Who should we contact for further information?

- Your financial intermediary
- Other

Name and surname	<input style="width: 400px;" type="text"/>
Email	<input style="width: 400px;" type="text"/>
Contact number	<input style="width: 200px;" type="text"/>

IF YOU NEED FURTHER ASSISTANCE

Please contact our Communication Centre at +27 21 917 9002 or 0860 452 364, or send an email to client.services@glacier.co.za.

You can access our website at www.glacier.co.za.

1. CREATE OR UPDATE YOUR PROFILE

1

In order to create your investment Plan we need to create a profile for you. If you already have a Glacier investment, you simply need to update any details that may have changed since the last time you gave us an instruction, otherwise you must please complete all the fields.

1.1 Investor information

Existing investment number

What type of investor are you?

Natural person Partnership Close corporation
 Company Trust Other institution (e.g. church, club, school)

Language preference English Afrikaans

Investor contact details

Email

Cell number Telephone (h)

Fax number Telephone (w)

Physical address
 Code

Postal address Same as above
 Code

If you have provided a postal address other than your own, please tell us whose address it is:

Name and surname

1.1.1 If you are investing as an individual, please complete this section. If not, please complete 1.1.2.

Title Surname

Full name(s)

Date of birth Gender M F

Nationality South African Other

ID Number (if you are South African)

If you are not South African, please provide:

Passport number

Passport expiry date

Tax number

Are you a tax-paying citizen or resident of the United States of America? Y N

If yes, please complete the IRS-W9 form. This is available on our website.

What is your principal source of income?

Salary Pension Business Other

What is your occupation?

Who is your employer?

Which industry/sector do you work in?

If the investor is a minor, please provide:

Initials and surname of guardian

Relationship with minor Parent Legal guardian (other than parent)

ID number of guardian



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1.1.2 If you are investing as an entity

2

Registered name of entity

Trading name of entity

Registration number Tax number

Country of registration

What is your principal source of income?

Business Donation Other

Business activity

Industry / sector

Initials and surname of contact person

Designation of contact person

1.2 Tax declarations forms

Depending on where you are resident or registered for tax purposes, you may pay Dividend Withholding Tax (DWT), Interest Withholding Tax (IWT) or tax on distributions from a Real Estate Investment Trust (REIT).

If you are an exempt entity or have a reduced tax rate, please complete the relevant declaration available on our website.

1.3 Choose how we communicate with you

Investment confirmation

To whom should we post your investment confirmation document?

You, OR

Your financial intermediary

Investment statements

We will send quarterly investment statements by email. If you do not provide an email address, we will send the statements by post.

I do not want to receive any quarterly statements by email or post
(If you select this option, you must have a secure online account from which to access your statements)

Secure online access

Once your investment number has been confirmed you can register for a secure online account on our website. This account will allow you to view your investment details and transact on your investment plan.

1.4 Give us additional instructions

If you have any special requests or instructions you would like us to consider, you may list them here.



2. CREATE YOUR INVESTMENT PLAN

We offer a wide range of collective investments and share portfolio options. You or your financial intermediary may structure your portfolio according to your individual risk profile. You may invest a lump sum and you may choose whether to phase in a portion of that amount over time. In addition, you may choose to make a recurring investment.

2.1 Lump sum investment

A lump sum investment is a once-off investment.

Phase in

You may choose to invest the money immediately, or to phase in a portion over time.

Phasing in means moving money invested in a money market collective investment to other collective investments each month or quarter over a specified period.

If you are investing a lump sum the minimum amount is R100 000.

How much would you like to invest?

R (give exact or estimated amount)

If you choose to **phase in** a portion of the money, please complete this section:

When would you like to start phasing in?

As soon as possible after the investment date (this is the default option)

On the 15th of the month following the investment date

How **frequently** and for what **period** would you like to phase in money?

Monthly for months (1–12)

Quarterly for quarters (1–4)

Where would you like to phase the money from?

Glacier Money Market Fund (this is the default option)

Other money market collective investment (please specify below)

2.2 Recurring investment

A recurring investment is a fixed amount invested monthly and paid by debit order.

If you choose a recurring investment in conjunction with a lump sum investment, a minimum of R1 000 per month applies. If you choose a recurring investment on its own, a minimum of R2 500 per month applies. These minimum amounts may change from time to time.

How much would you like to invest per month?

R increasing by % per year on investment anniversary.

You may not make a recurring investment if you wish to receive a regular withdrawal from your investment.



2.3 Choose your investment options

Glacier offers you several investment options. You can choose collective investments or a share portfolio. Your financial intermediary will be able to give you more details on these investment options.

How to complete this table

- Use the table to allocate your lump sum and recurring investment amounts to the investment options of your choice.
- If you choose to invest in a **share portfolio**, at least 3% of this investment must be invested in collective investments on the Glacier platform to provide for fees. If you choose to receive a regular withdrawal from your share portfolio, at least six months worth of regular withdrawal payments should also remain in collective investments on the Glacier platform.
- **Fusion collective investments** have a different fee pricing structure - refer to 6.3 for more detail. If you wish to invest in a Fusion collective investment, please include 'Fusion' in the name of the collective investment.
- If you choose to **phase in** a percentage of your investment:
 - Provide only the name of the collective investment or wrap fund you would like to phase into. It is not necessary to repeat the name of the money market collective investment you have selected to phase from.
 - Indicate the portion of the lump sum to be phased into each collective investment or wrap fund. We will initially invest this portion in your selected money market collective investment.

For example, if you choose to allocate 50% of your lump sum amount to Fund X and choose to phase in 100% of that allocation, you would indicate it as follows:

Investment options	Lump sum		Recurring investment
	% Allocation	% of the allocation to phase in	% Allocation
Collective investment and share portfolio name			
Example: Fund X	50%	100%	
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11 Share portfolio:			
Wrap fund name			
12			
13			
14			
15			
	100%		100%

Availability of collective investments

If, for any reason, a collective investment or fund class is not available on the Glacier platform, we will invest that portion of your investment in the Glacier Money Market Fund until you confirm an alternative.

If, in the future, a collective investment or fund class is no longer available, you may switch to any other available collective investment on the Glacier platform or to another available class of the same collective investment. If you do not switch within the notice period, we will switch this holding to another available class of that same collective investment. If no other fund class is available, the holding will be switched to the Glacier Money Market Fund.



3. SELECT YOUR PAYMENT METHOD

5

3.1 What is the source of the money for this investment?

Salary or business income Savings Transfer from another provider
 Liquidation of existing investment Gift or inheritance Other

3.2 How will you be paying?

Lump sum investments may be paid by electronic fund transfer (EFT), by cheque or by once-off debit order. You may transfer an existing collective investment. **Recurring investments** may only be paid by debit order.

3.2.1 Electronic fund transfer (EFT) or cheque

Pay to: Glacier Financial Solutions Trust Account

Bank: ABSA

Account number: 1003782341

Branch code: 632005

Reference number: M111111111111

3.2.2 Set up a debit order

If you want to invest a lump sum or make a recurring investment by debit order, or both, you may use different bank accounts. If you provide details for only one account, it will be used for both lump sum and recurring investment transactions.

	Account 1	Account 2
Once-off debit order amount	R <input type="text"/>	R <input type="text"/>
Monthly debit order amount	R <input type="text"/>	R <input type="text"/>
Name of account holder	<input type="text"/>	<input type="text"/>
ID or registration number of account holder	<input type="text"/>	<input type="text"/>
Bank name	<input type="text"/>	<input type="text"/>
Branch name	<input type="text"/>	<input type="text"/>
Branch code	<input type="text"/>	<input type="text"/>
Account number	<input type="text"/>	<input type="text"/>
Account type	<input type="checkbox"/> Cheque <input type="checkbox"/> Savings	<input type="checkbox"/> Cheque <input type="checkbox"/> Savings
Date of first debit order	Y Y Y Y M M D D	Y Y Y Y M M D D

I, the account holder, authorise Glacier to arrange with the financial institution(s) named above to collect monies through a debit order from these accounts.

Signature for account 1

Date

Y Y Y Y M M D D

Signature for account 2

Date

Y Y Y Y M M D D

If you provide the bank details of a **third party**, we may request additional information from that party.

If the third party account holder is an individual, please provide a copy of their ID and proof of their address.

Requirements for a third party entity depend on their legal structure.



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3.2.3 Transfer of existing collective investments or share portfolio

6

Details of the **person or entity** in whose name the existing collective investments or share portfolio are held:

Name of investment owner

Identification or entity registration number

If this is an individual or entity other than the investor, we may request additional information.

Details of the collective investments or share portfolio

The transferring provider must supply a weighted average cost per collective investment or share portfolio.

You may only transfer a collective investment where the exact fund class is available on the Glacier platform.

Transferring from	Investment number	Name of collective investment or share portfolio	% of investment to be transferred	Cancel existing debit order?	
				Y	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

How should we invest the transferred collective investments?

- Remain invested as they are (this is the default option)
- Switch according to the lump sum allocation you select in 2.3 of this form

Authorisation

I hereby request that Glacier instruct the transferring provider specified above to transfer the relevant collective investments or share portfolio to an account held in the name of Axis Nominees (Pty) Ltd, or the nominee of the selected stockbroker, for and on my behalf.

Signature of investment owner
(The person in whose name the investment is held)

Signature of parent or guardian if applicable

Print initials and surname

Print initials and surname

Date

Date



4. PROVIDE YOUR BANK DETAILS

7

We use your bank details to deposit your regular or future withdrawals.

- Payments will only be made into a bank account held in your name.
- Payments will not be made to credit cards.

Into which bank account should we deposit your regular or future withdrawals?

Choose an account from section 3.2.2 Account 1 Account 2 , OR specify an alternative account below:

Name of account holder

Bank name

Branch name

Branch code

Account number

Account type Cheque Savings

5. SET UP YOUR REGULAR WITHDRAWAL

Only complete this section if you would like to receive a regular payment from your investment.

A regular withdrawal is a regular payment made to you as frequently as you choose. You may choose to receive a percentage of your total investment value or you may choose a fixed amount.

How often would you like to receive a payment?

Monthly Quarterly Half-yearly Yearly

I would like to receive

% of the total investment value per year.

OR

R per payment increasing by % per year on investment anniversary.

When would you like to start receiving your regular withdrawal? Y Y Y Y M M D D

The first payment may not be made within five business days of the investment date. If you have selected a date that is within five business days of the investment date, the first withdrawal will be paid the following month.

How would you like your regular withdrawal to be paid?

Proportionately from all investment options (wrap funds and collective investments, excluding share portfolio)

From specific wrap fund: Proportionately Money market collective investment only

Wrap fund name:

Proportionately from all collective investments (excluding wrap funds)

From specific collective investments (please specify below)

Collective investment name	% of regular withdrawal
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
	100%

If the value of the specified collective investments is insufficient to pay the regular withdrawal, the amount will be deducted from any available money market collective investments. If you have no money market collective investment, or if its value is insufficient, the regular withdrawal will be paid proportionately from all collective investments.



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6. UNDERSTAND THE FEES

8

Value added tax (VAT) is payable on all fees. We may change the administration fees from time to time, but we will inform you in writing first.

6.1 Glacier initial fees

There are no initial fees on a lump sum investment, but a recurring investment carries the following fee:

	Rate (excl. VAT)
On the first R2 500 of every recurring investment amount	2.50%
On the remaining amount per recurring investment	1.50%

We may charge a fee to recover the cost we incur in processing an unpaid debit order.

6.2 Glacier annual fees on collective investments and share portfolios

Glacier's annual administration fee is calculated daily on the current investment value of all your investment options according to the following sliding scale:

	Rate (excl. VAT)
On the first R350 000	0.75%
On the next R450 000	0.50%
On the next R250 000	0.35%
On the next R4 000 000	0.25%
Thereafter	0.20%

We charge a **minimum annual administration fee** of R64 (excl. VAT) per month. An additional administration fee of 0.15% (excl. VAT) will be charged on the value of a **share portfolio**.

The **fees accrue** at the end of each day on the investment value. The fees are **recovered monthly in arrears** by selling units from the money market collective investments. If no money market collective investments are available, the fees are recovered by selling units proportionately from all underlying collective investments.

6.3 Annual fees on Fusion collective investments

The total annual fee on Fusion collective investments includes the standard annual Fusion financial intermediary service fee of 0.75% (excl. VAT) and annual Fusion administration fee of 0.75% (excl. VAT), as well as the annual collective investment management fee. The total annual Fusion fee accrues daily and is levied within the Fusion collective investments by the collective investment manager. This fee is included in the unit price of Fusion collective investments and is therefore not recovered by selling units from your investment.

Should the Fusion collective investment no longer be available, we may transfer your portfolio from the Fusion collective investments to any other class of the same collective investment on written notice. In that event, the annual fees applicable to that collective investment class and the Glacier annual fees will replace the Fusion fee structure.

6.3.1 Fusion administration fee bonus

The Fusion standard annual administration fee of 0.75% (excl. VAT) is deducted daily within the Fusion collective investments by the different management companies and paid to Glacier monthly in arrears. No additional platform administration fees apply to Fusion collective investments. The sliding scale fee is calculated on the investment value in Fusion collective investments only.

If the standard annual Fusion administration fee of 0.75% (excl. VAT) is higher than the sliding scale fee above, we will allocate the difference to your investment plan. The sliding scale fee is calculated on the investment value in Fusion collective investments only. This Fusion administration fee bonus is subject to:

- The investment remaining with Glacier until the anniversary date of the investment
- The investment value remaining above 95% of the product minimum

The bonus will be allocated annually on the anniversary date and used to purchase additional units in a money market collective investment. If the conditions mentioned above are not met, Glacier will receive the standard annual Fusion administration fee of 0.75% (excl. VAT).



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6.3.2 Fusion financial intermediary service fee

9

If you and your financial intermediary have agreed to a lower fee than the standard Fusion financial intermediary service fee of 0.75% (excl. VAT), we will allocate the difference to your investment plan. This Fusion financial intermediary service fee bonus is subject to:

- The investment remaining with Glacier until the anniversary date of the investment
- The financial intermediary appointment not being terminated before the anniversary date
- The investment value remaining above 95% of the product minimum

The bonus will be allocated annually on the anniversary date and used to purchase additional units in a money market collective investment. If the conditions mentioned above are not met, the financial intermediary will receive the standard annual financial intermediary service fee of 0.75% (excl. VAT).

If you and your financial intermediary have agreed to a higher fee than the standard Fusion financial intermediary service fee of 0.75% (excl. VAT), we will recover the additional fee by selling units from your investment.

6.4 Collective investment management fee

Collective investment managers charge an initial or annual investment management fee, or both, and the rates differ between collective investments. The collective investment manager deducts these fees before declaring income and calculating unit prices. A collective investment may charge a performance fee if a certain level of performance is achieved.

In some cases, the collective investment manager pays Glacier a platform administration fee for cost savings on administration, distribution and marketing. This fee amounts to a maximum of 0.50% of the investment value held on your behalf.



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7. APPOINT A FINANCIAL INTERMEDIARY

10

7.1 Personal details of the financial intermediary

Initials and surname Sanlam code
 Name of FSP
 FSP number

7.2 Contact details of the financial intermediary

Cell number Telephone (w)
 Fax number Email address

7.3 Authority of the financial intermediary

If your appointed FSP is licensed as a discretionary FSP, they may give Glacier investment instructions on your behalf.

Have you mandated your FSP to give Glacier investment instructions on your behalf?

Yes No

7.4 The financial intermediary's fees

You and the financial intermediary may negotiate an initial fee and annual fee.

Please indicate the negotiated fees in the table below. If no fee is specified it will default to 0%.

		Rate (excl. VAT)	
		Maximum fee	Negotiated fee
Initial fee	Lump sum investment	3.00%	
	Recurring investment	3.00%	
Annual service fee		1.00%	

If you have selected Fusion collective investments, please refer to 6.3.2 for details on the standard annual Fusion financial intermediary service fee and financial intermediary fee bonus.

Fee split

If the fees are split between more than one financial intermediary, you may indicate this in the table below.

The financial intermediary whose name appears first will be regarded as the one responsible for advice.

Financial intermediary's initials and surname	Sanlam code	Bank broker application number	Fee split % for		
			Initial fee on lump sum investment	Initial fee on recurring investment	Annual service fee
<input type="text"/>	<input type="text"/>	<input type="text"/>	%	%	%
<input type="text"/>	<input type="text"/>	<input type="text"/>	%	%	%
Total			100%	100%	100%

7.5 FICA declaration by the financial intermediary

I, the financial intermediary, verify that the investor, or the person acting on behalf of the investor and recorded in this application, confirmed his or her identity and address with an original acceptable document, a copy of which is attached.

7.6 Acceptance by the financial intermediary

I, the financial intermediary, accept the appointment and confirm that the information provided is accurate.

Signature of financial intermediary

Date Y Y Y Y M M D D



8. AGREE TO OUR TERMS

11

8.1 The parties involved in administering your investment

- 8.1.1 Glacier Financial Solutions (Pty) Ltd, a FSP, is authorised to act as an administrative FSP. Our FSP number is 770.
- 8.1.2 Glacier holds adequate professional indemnity and fidelity insurance cover.
- 8.1.3 Investments are held in the name of an approved independent nominee, Axis Nominee (Pty) Ltd, for the sole benefit of the investor.
- 8.1.4 The information that you have provided forms the basis of contracts that will be entered into with the third parties providing the investment vehicles you have selected. Those vehicles are subject to the third parties' terms and conditions.

8.2 Where our responsibility ends

- 8.2.1 Investments are inherently risky and performance is subject to events, such as market risk and foreign currency fluctuations, we cannot control and which can affect the value of your investment. This means that we cannot guarantee the performance of any investment option and you may therefore not receive the full amount you invested.
- 8.2.2 Glacier is not be liable for any losses or damages which you may suffer, regardless of how such losses or damages arise, unless the claims are directly attributable to fraud, dishonesty or gross negligence of Glacier or its employees acting in the course and scope of their employment. Glacier is under no circumstances responsible for any indirect, special or consequential losses or damages.
- 8.2.3 Glacier is not required to provide you with any information that any collective investment scheme is obliged to disclose in terms of any law.
- 8.2.4 Glacier is not responsible for any losses caused by the conduct or procedures of any third parties.
- 8.2.5 You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it.
- 8.2.6 We are not responsible for any delays in the processing or rejection of an application or future instructions as a result of your financial intermediary not being appropriately licensed as a financial services provider.
- 8.2.7 You are liable for any tax or levies imposed on the investment or benefits (bonuses) Glacier may allocate to you.
- 8.2.8 We are not responsible for any losses caused by a failure of mechanical or electronic devices, networks or any other events outside our reasonable control.

8.3 Accepting and processing instructions

- 8.3.1 If the information in a quotation differs from that in the application form, the information in this application form will apply.
- 8.3.2 Your investment is subject to a 28-day clearing period and you will not be allowed to repurchase during this period.
- 8.3.3 The following rules will apply to the capturing of investment instructions:
 - a) We will capture investment instructions within two business days after receiving the completed application form, proof of deposit and any other supporting documents we require.
 - b) If your investment instruction is **captured before 16h00**, you should receive the price determined for the following business day. However, we cannot guarantee this in all instances.
 - c) If more than one complete business day elapses between receiving the deposit and capturing the instruction, the interest will be credited to your investments. All other interest will accrue to Glacier.
- 8.3.4 If there is any transaction in progress (switches, phasing, cost recoveries, new business, withdrawals, recurring investment, regular withdrawal payments etc.), the investment instruction could be delayed until the transaction in progress has been priced.
- 8.3.5 Where a collective investment manager is unable to honour a withdrawal owing to liquidity constraints, the entire transaction will either be cancelled or suspended until Glacier receives notification from the collective investment manager that liquidity is sufficient to honour the withdrawal. The transaction will then only be priced once it is re-submitted to the manager.
- 8.3.6 Any income distribution by collective investments will be reinvested in the collective investments concerned within 15 business days of declaration.



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I accept these terms and warrant that the information I provide in this application form and all the supporting documents is complete and accurate.

Signature of investor

[Signature line]

Print initials and surname

[Printed name line]

Date Y Y Y Y M M D D

Signature of parent or guardian or spouse (if married in community of property)

[Signature line]

Print initials and surname

[Printed name line]

Date Y Y Y Y M M D D



Addendum C – Third version of form









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NEW INVESTMENT PLAN

A Glacier Investment Plan offers flexible investment options for individuals and entities, such as trusts and companies, who want to invest in collective investments and a share portfolio. Glacier Financial Solutions (Pty) Ltd, or Glacier for short, is a financial services provider (FSP) and is authorised to act as an administrative FSP.

COMPLETE THE FORM


This form allows you to structure your Investment Plan to suit your needs. It allows you to:

 Create or update your profile	 Set up your regular withdrawal
 Create your investment plan	 Understand the fees
 Select your payment method	 Appoint a financial intermediary
 Provide your bank details	 Agree to our terms

SEND US THE COMPLETED FORM AND SUPPORTING DOCUMENTS

Once you have completed this form and attached the necessary supporting documentation, send it to us at
 Email: client.services@glacier.co.za Fax: +27 21 947 9210
 Postal address: Glacier Financial Solutions (Pty) Ltd, Private Bag X5, Tyger Valley 7536, South Africa

Documents we require

 Wherever you see the paperclip icon we will remind you which documents you need to submit with this form.

- FICA documents (Addendum A contains a complete list of FICA documents)
- Proof of payment if you did an electronic fund transfer into our account
- Wrap fund mandate if you choose to invest in a wrap fund
- Private securities mandate if you choose to invest in a share portfolio
- Investment statement from the provider if you are transferring an existing collective investment

WHEN WE RECEIVE YOUR DOCUMENTS

We will capture your instructions within two business days of receiving this form and all the relevant supporting documents. Once your investment is finalised we will send you an investment confirmation document that sets out the details of your investment.

IF WE NEED MORE INFORMATION

Who should we contact for further information?

You Your financial intermediary

Other Name and surname

 Email

 Contact number

IF YOU NEED FURTHER ASSISTANCE

Please contact our Communication Centre at +27 21 917 9002 or 0860 452 364, or send an email to client.services@glacier.co.za. You can access our website at www.glacier.co.za.

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1. CREATE OR UPDATE YOUR PROFILE

1

In order to create your Investment Plan we need to create a profile for you. If you already have a Glacier investment, you simply need to update any details that may have changed since the last time you gave us an instruction, otherwise you must please complete all the fields.

1.1 Investor information

Existing Glacier investment number

What type of investor are you?

Natural person
 Partnership
 Close corporation
 Company
 Trust
 Other institution (e.g. church, club, school)

Language preference English Afrikaans

Investor contact details

Email

Cell number Telephone (h)

Fax number Telephone (w)

Physical address

Code

Postal address Same as above

Code

If you have provided a postal address other than your own, please tell us whose address it is:

Name and surname

1.1.1 If you are investing as an individual, please complete this section. If not, please complete 1.1.2.

Title Surname

Full name(s)

Date of birth Gender M F

Nationality South African Other

ID Number (if you are South African)

If you are not South African, please provide:

Passport no. Expiry date

What is your principal source of income?

Salary
 Pension
 Business
 Other

What is your occupation?

Who is your employer?

Which industry/sector do you work in?

Tax information

Tax number

Depending on where you are resident or registered for tax purposes, you may pay Dividend Withholding Tax (DWT), Interest Withholding Tax (IWT) or tax on distributions from a Real Estate Investment Trust (REIT). If you are an exempt entity or have a reduced tax rate, please complete the relevant declaration available on our www.glacier.co.za.

If you pay taxes in the United States of America we require additional information from you to comply with the U.S. Foreign Account Tax Compliance Act.

Are you a tax-paying citizen, or resident, of the United States of America? Y N

If yes, please complete the IRS-W9 form. This is available at www.glacier.co.za.



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If the investor is a minor, please provide:

2

Initials and surname of guardian

Relationship with minor Parent Legal guardian (other than parent)

ID number of guardian

1.1.2 If you are investing as an entity

Registered name of entity

Trading name of entity

Registration number

Country of registration

Initials and surname of contact person

Designation of contact person

What is your principal source of income?

Business Donation Other

Business activity

Industry / sector

1.2 Choose how we communicate with you

We will send you your investment confirmation document and quarterly investment statements.
Investment confirmation

To whom should we post your investment confirmation document?

You, OR Your financial intermediary

Investment statements

How do you want to receive your quarterly investment statements?

By email By post By secure online access

Secure online access

Once your investment number has been confirmed you can register for a secure online account on www.glacier.co.za.
This account will allow you to view your investment details and transact on your investment plan.

1.3 Give us additional instructions

If you have any special requests or instructions you would like us to consider, you may list them here.



2. CREATE YOUR INVESTMENT PLAN

3

We offer a wide range of collective investments and share portfolio options. You or your financial intermediary may structure your portfolio according to your individual risk profile. You may invest a lump sum and you may choose whether to phase in a portion of that amount over time. In addition, you may choose to make a recurring investment. Indicate the amounts you want to invest on this page, and indicate your investment options on page 4.

2.1 Lump sum investment

A lump sum investment is a once-off investment. This is the full amount you want to invest.

Phase in

You may choose to invest the lump sum immediately, or to phase in a portion over time.

Phasing in means we take a portion of the full amount of the lump sum and put it in a money market collective investment. We then phase in a portion of that money into the collective investments of your choice over a period of time.

A money market fund entitles an investor to receive their loan amount back at the end of the term of the loan with accumulated interest payments.

If you are investing a lump sum the minimum amount is R100 000.

How much would you like to invest (including amount you want to phase in)?

R

If you choose to phase in a portion of your lump sum, please complete this section:

The portion of your lump sum that you want to phase in will initially be invested in a money market collective investment. From there it will be phased into the collective investments you indicate in the table on page 4.

How much money do you want to phase in?

R

In which money market fund should we initially invest the amount of the funds that you want to phase-in?

Glacier Money Market Fund (this is the default option)

Other money market collective investment (please specify below)

When would you like to start phasing in?

As soon as possible after the investment date (this is the default option)

On the 15th of the month following the investment date

How frequently and for what period would you like to phase in money?

Monthly for months (1–12)

Quarterly for quarters (1–4)

2.2 Recurring investment

A recurring investment is a fixed amount invested monthly and paid by debit order.

If you choose a recurring investment in conjunction with a lump sum investment, a minimum of R1 000 per month applies. If you choose a recurring investment on its own, a minimum of R2 500 per month applies. These minimum amounts may change from time to time.

How much would you like to invest per month?

R increasing by % per year on

investment anniversary.

You may not make a recurring investment if you wish to receive a regular withdrawal from your investment.



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2.3 Choose your investment options

4

Glacier offers you several investment options. You can choose collective investments or a share portfolio. Your financial intermediary will be able to give you more details on these investment options.

How to complete this table

- Use the table below to allocate your lump sum and recurring investment amounts to the investment options of your choice.
- Write the collective investment or share portfolio name. If you choose to invest in a wrap fund, write the wrap fund name under the wrap fund heading.
- If you want to invest as a lump sum, write the amount you want to invest in the "Lump sum allocation" column.
- If you want to phase in a portion of your lump sum investment, write the amount you want to phase in on the same line as the name of the collective investment, share portfolio or wrap fund in the "Amount to phase in" column.
- If you want to invest as a recurring investment, write the amount you want to invest in the "Recurring investment allocation" column.

A collective investment fund is a type of investment structure in which investors' money is pooled so they can easily and safely get access to a wide selection of professionally managed investments.

Investing in a share portfolio gives you ownership of a portion of a company listed on the stock exchange.

A wrap fund is a portfolio of collective investments managed according to a specific risk profile, for example conservative, moderate or aggressive.

Investment options	Lump sum		Recurring investment
	Lump sum allocation	Amount to phase in	Recurring investment allocation
Collective investment and share portfolio name			
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11 Share portfolio*:			
Wrap fund name			
12			
13			
14			
15			



If you choose to invest in a wrap fund, please attach the wrap fund mandate
 If you choose to invest in a share portfolio, please attach the private securities mandate

***Share portfolio instructions**

If you choose to invest in a share portfolio, at least 3% of this investment must be invested in collective investments on the Glacier platform to provide for fees. If you choose to receive a regular withdrawal from your share portfolio, at least six months worth of regular payments should also remain in collective investments on the Glacier platform.

Availability of collective investments

If, for any reason, a collective investment or fund class is not available on the Glacier platform, we will invest that portion of your investment in the Glacier Money Market Fund until you confirm an alternative. If, in the future, a collective investment or fund class is no longer available, you may switch to any other available collective investment on the Glacier platform or to another available class of the same collective investment. If you do not switch within the notice period, we will switch this holding to another available class of that same collective investment. If no other fund class is available, the holding will be switched to the Glacier Money Market Fund.



3. SELECT YOUR PAYMENT METHOD

5

3.1 What is the source of the money for this investment?

Anti-money laundering legislation requires that we are aware of the source of the money that you invest.

<input type="checkbox"/> Salary or business income	<input type="checkbox"/> Savings	<input type="checkbox"/> Transfer from another provider
<input type="checkbox"/> Proceeds of existing investment	<input type="checkbox"/> Gift or inheritance	<input type="checkbox"/> Other <input type="text"/>

3.2 How will you be paying?

Lump sum investments may be paid by electronic fund transfer (EFT), by cheque or by once-off debit order. You may transfer an existing collective investment (on page 6). Recurring investments may only be paid by debit order.

3.2.1 Electronic fund transfer (EFT) or cheque

Pay to: Glacier Financial Solutions Trust Account
 Bank: ABSA
 Account number: 1003782341
 Branch code: 632005
 Reference number: M111111111111

If you pay by electronic fund transfer or cheque, please include proof of payment when you submit this form.



3.2.2 Set up a debit order

If you want to invest a lump sum or make a recurring investment by debit order, or both, you may use different bank accounts. If you provide details for only one account, it will be used for both lump sum and recurring investment transactions.

	Account 1	Account 2
Once-off debit order amount	R <input type="text"/>	R <input type="text"/>
Monthly debit order amount	R <input type="text"/>	R <input type="text"/>
Name of account holder	<input type="text"/>	<input type="text"/>
ID or registration number of account holder	<input type="text"/>	<input type="text"/>
Bank name	<input type="text"/>	<input type="text"/>
Branch name	<input type="text"/>	<input type="text"/>
Branch code	<input type="text"/>	<input type="text"/>
Account number	<input type="text"/>	<input type="text"/>
Account type	<input type="checkbox"/> Cheque <input type="checkbox"/> Savings	<input type="checkbox"/> Cheque <input type="checkbox"/> Savings

I, the account holder, authorise Glacier to arrange with the financial institution(s) named above to collect monies through a debit order from these accounts.

Signature for account 1

Signature for account 2

Date

Date

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

If you provide the bank details of a third party, we may request additional information from that party.



If the third party account holder is an individual, please provide a copy of their ID and proof of their address. Requirements for a third party entity depend on their legal structure.



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3.2.3. Transfer of existing collective investments or share portfolio

6

This section must only be completed if you have an existing investment with Glacier that you want to transfer funds from.

Details of the person or entity (the investment owner) in whose name the existing collective investments or share portfolio are held:

Name of investment owner

Identification or entity registration number

If this is an individual or entity other than the investor, we may request additional information.

Details of the collective investments or share portfolio

The transferring provider must supply a weighted average cost per collective investment or share portfolio.

You may only transfer a collective investment where the exact fund class is available on the Glacier platform.

Transferring from	Investment number	Name of collective investment or share portfolio	Amount of investment to be transferred	Cancel existing debit order?	
				Y	N
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

How should we invest the transferred collective investments?

- Remain invested as they are (this is the default option)
- Switch according to the lump sum allocation you select in 2.3 of this form

Authorisation

I hereby request that Glacier instruct the transferring provider specified above to transfer the relevant collective investments or share portfolio to an account held in the name of Axis Nominees (Pty) Ltd, or the nominee of the selected stockbroker, for and on my behalf.

Signature of investment owner
(The person in whose name the investment is held)

Signature of parent or guardian if applicable

Print initials and surname

Print initials and surname

Date

Date



4. PROVIDE YOUR BANK DETAILS

7

You must complete this section even if you do not plan on taking a regular withdrawal from your investment.

We use your bank details to deposit your regular or future withdrawals.

- Payments will only be made into a bank account held in your name.
- Payments will not be made to credit cards.

Into which bank account should we deposit your regular or future withdrawals?

Choose an account from section 3.2.2 Account 1 Account 2 , OR specify an alternative account below:

Name of account holder

Bank name

Branch name

Branch code

Account number

Account type Cheque Savings

5. SET UP YOUR REGULAR WITHDRAWAL

Only complete this section if you would like to receive a regular payment from your investment.

A regular withdrawal is a regular payment made to you as frequently as you choose. You may choose to receive a percentage of your total investment value or you may choose a fixed amount.

How often would you like to receive a payment?

Monthly Quarterly Half-yearly Yearly

I would like to receive

% of the total investment value per year.

OR

R per payment increasing by % per year on investment anniversary.

When would you like to start receiving your regular withdrawal?

Y Y Y Y M M D D

The first payment may not be made within five business days of the investment date. If you have selected a date that is within five business days of the investment date, the first withdrawal will be paid the following month.

How would you like your regular withdrawal to be paid?

Proportionately from all investment options (wrap funds and collective investments, excluding share portfolio)

From specific wrap fund: Proportionately Money market collective investment only

Wrap fund name:

Proportionately from all collective investments (excluding wrap funds)

From specific collective investments (please specify below)

Collective investment name	Amount of regular withdrawal
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

If the value of the specified collective investments is insufficient to pay the regular withdrawal, the amount will be deducted from any available money market collective investments. If you have no money market collective investment, or if its value is insufficient, the regular withdrawal will be paid proportionately from all collective investments.



6. UNDERSTAND THE FEES

Value added tax (VAT) is payable on all fees. We may change the administration fees from time to time, but we will inform you in writing first.

6.1 Glacier initial fees

There are no initial fees on a lump sum investment, but a recurring investment carries the following fee:

	Rate (excl. VAT)
On the first R2 500 of every recurring investment amount	2.50%
On the remaining amount per recurring investment	1.50%

We may charge a fee to recover the cost we incur in processing an unpaid debit order.

6.2 Glacier annual fees on collective investments and share portfolios

Glacier's annual administration fee is calculated daily on the current investment value of all your investment options according to the following sliding scale:

A sliding scale fee applies different fee percentages to each band to the investment amount.

On an investment of R800 000 an investor will pay R350 000*0.75% + R450 000*0.50%.

Arrears are fees paid/collected at the end of the month.

	Rate (excl. VAT)
On the first R350 000	0.75%
On the next R450 000	0.50%
On the next R250 000	0.35%
On the next R4 000 000	0.25%
Thereafter	0.20%

Minimum administration fee	R 64 per month (excl. VAT)
----------------------------	----------------------------

Additional administration fee on the value of a share portfolio	0.15% (excl. VAT)
---	-------------------

The fees accrue at the end of each day on the investment value. The fees are recovered monthly in arrears by selling units from the money market collective investments. If no money market collective investments are available, the fees are recovered by selling units proportionately from all underlying collective investments.

6.3 Collective investment management fee

Collective investment managers charge an initial or annual investment management fee, or both, and the rates differ between collective investments. The collective investment manager deducts these fees before declaring income and calculating unit prices. A collective investment may charge a performance fee if a certain level of performance is achieved.

In some cases, the collective investment manager pays Glacier a platform administration fee for cost savings on administration, distribution and marketing. This fee amounts to a maximum of 0.50% of the investment value held on your behalf.

6.4. Calculate your fees

In this table you can calculate how much you will pay for your investment. Just fill in the amount that is applicable to your investment, and add up the amounts.

Annual fees	Calculated amount
The first R350 000 * 0.75%	
The next R450 000 * 0.50%	
The next R250 000 * 0.35%	
The next R4 000 000 * 0.25%	
Thereafter * 0.20%	
Minimum administration fee R64 * months of investment	
Additional administration fee value of share portfolio * 0.15%	
Initial fees on recurring investments	
The first R2500 of every recurring investment amount * 2,50%	
The remaining amount of every recurring investment * 1,50%	
Total:	



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7. APPOINT A FINANCIAL INTERMEDIARY

9

When investing with Glacier you must appoint a financial intermediary to help with the investing of your money. You can appoint an intermediary by completing this section.

7.1 Personal details of the financial intermediary

Initials and surname Sanlam code

Name of FSP

FSP number

7.2 Authority of the financial intermediary

If your appointed FSP is licensed as a discretionary FSP, they may give Glacier investment instructions on your behalf. Have you mandated your FSP to give Glacier investment instructions on your behalf?

Yes No

7.3 The financial intermediary's fees

You and the financial intermediary may negotiate an initial fee and annual fee.

Please indicate the negotiated fees in the table below. If no fee is specified it will default to 0%.

		Rate (excl. VAT)	
		Maximum fee	Negotiated fee
Initial fee	Lump sum investment	3.00%	
	Recurring investment	3.00%	
Annual service fee		1.00%	

If you have selected Fusion collective investments, please refer to 6.3.2 for details on the standard annual Fusion financial intermediary service fee and financial intermediary fee bonus.

Fee split

If the fees are split between more than one financial intermediary, you may indicate this in the table below.

The financial intermediary whose name appears first will be regarded as the one responsible for advice.

Financial intermediary's initials and surname	Sanlam code	Bank broker application number	Fee split % for		
			Initial fee on lump sum investment	Initial fee on recurring investment	Annual service fee
			%	%	%
			%	%	%
Total			100%	100%	100%

7.4 FICA declaration by the financial intermediary

I, the financial intermediary, verify that the investor, or the person acting on behalf of the investor and recorded in this application, confirmed his or her identity and address with an original acceptable document, a copy of which is attached.

7.5 Acceptance by the financial intermediary

I, the financial intermediary, accept the appointment and confirm that the information provided is accurate.

Signature of financial intermediary

Date



8. AGREE TO OUR TERMS

10

8.1 The parties involved in administering your investment

8.1.1 Glacier Financial Solutions (Pty) Ltd, a FSP, is authorised to act as an administrative FSP. Our FSP number is 770.

8.1.2 Investments are held in the name of an approved independent nominee, Axis Nominee (Pty) Ltd, for the sole benefit of the investor.

8.1.3 The information that you have provided forms the basis of contracts that will be entered into with the third parties providing the investment vehicles you have selected. Those vehicles are subject to the third parties' terms and conditions.

8.2 What our responsibilities are limited to

8.2.1 Investments are inherently risky and performance is subject to events, such as market risk and foreign currency fluctuations, we cannot control and which can affect the value of your investment. This means that we cannot guarantee the performance of any investment option and you may therefore not receive the full amount you invested.

8.2.2 Glacier holds adequate professional indemnity and fidelity insurance cover. This means that we are covered against claims that are directly attributable to fraud, dishonesty or gross negligence of employees (not intermediaries) acting in the course and scope of their employment. **Note** that you cannot claim for any losses you may suffer that arise for other reasons and you cannot claim for any consequential (also referred to as indirect or special) losses.

8.2.3 Glacier is not required to provide you with any information that any collective investment scheme is obliged to disclose in terms of any law.

8.2.4 Glacier is not responsible for any losses caused by the conduct or procedures of any third parties.

8.2.5 You must not rely on any warranties, representations, disclosures or opinions that have not been incorporated into this document. This document is the only source of our agreement – make sure that it reflects our agreement as you understand it.

8.2.6 We are not responsible for any delays in the processing or rejection of an application or future instructions as a result of your financial intermediary not being appropriately licensed as a financial services provider.

8.2.7 You are liable for any tax or levies imposed on the investment or benefits (bonuses) Glacier may allocate to you.

8.2.8 We are not responsible for any losses caused by a failure of mechanical or electronic devices, networks or any other events outside our reasonable control.

8.3 Accepting and processing instructions

8.3.1 If the information in a quotation differs from that in the application form, the information in this application form will apply.

8.3.2 Your investment is subject to a 28-day clearing period and you will not be allowed to repurchase during this period.

8.3.3 The following rules will apply to the capturing of investment instructions:

- a) We will capture investment instructions within two business days after receiving the completed application form, proof of deposit and any other supporting documents we require.
- b) If your investment instruction is captured before 16h00, you should receive the price determined for the following business day. However, we cannot guarantee this in all instances.
- c) If more than one complete business day elapses between receiving the deposit and capturing the instruction, the interest of your investment that will accumulate after the one business day will be credited to your investments. The interest that will accumulate in the one business day will accrue to Glacier.



8.3.4 If there is any transaction in progress (switches, phasing, cost recoveries, new business, withdrawals, recurring investment, regular withdrawal payments etc.), the investment instruction could be delayed until the transaction in progress has been priced.

Liquidity constraints refer to insufficient funds in the underlying investment funds. The fund might ring-fence you until it is able to provide a withdrawal to you.

8.3.5 Where a collective investment manager is unable to honour a withdrawal owing to the investment manager's liquidity constraints, the entire transaction will either be cancelled or suspended until Glacier receives notification from the collective investment manager that liquidity is sufficient to honour the withdrawal. The transaction will then only be priced once it is re-submitted to the manager.

8.3.6 Any income distribution by collective investments will be reinvested in the collective investments concerned within 15 business days of declaration.

I accept these terms and warrant that the information I provide in this application form and all the supporting documents is complete and accurate.

Signature of investor

Signature of parent or guardian
or spouse (if married in community of property)

Print initials and surname

Print initials and surname

Date

Date



Addendum D – Client Scenario

Client scenario

You have inherited a small fortune from an aunt you never knew and you decide to invest R10Million with Glacier. You don't want to invest everything at once, so you decide to phase in R7Million over time and to invest the rest in one go.

You want to receive a fixed monthly income from the investment to supplement your regular income.

You can choose the funds you want to invest in from the list provided.

Addendum E – List of funds

FUND INDEX

Funds suited for multi-asset portfolio construction

SA - Multi Asset

Income	Low Equity	Medium Equity	High Equity	Flexible
Coronation Strategic Income Prescient Income Provider Prudential Enhanced Income SIM Active Income	Coronation Balanced Defensive* **Nedgroup Stable* (Foord Asset Managers) Prudential Inflation Plus* SIM Inflation Plus**	Coronation Capital Plus*	Allan Gray Balanced* Coronation Balanced Plus* Foord Balanced* Investec Opportunity* SIM Balanced*	PSG Flexible

Global

Multi Asset Flexible
Foord International Feeder

Worldwide

Multi Asset Flexible
Foord Flexible FoF

Passive Fund Alternatives

SA Multi Asset Low Equity	SA Multi Asset High Equity
Satrix Low Equity Balanced Index #	Satrix Balanced Index ##

Funds suited for specialist asset class building block portfolio construction

SA - Interest Bearing

Money Market	Short Term	Variable Term
Glacier Money Market Nedgroup Investments Money Market (Taquanta Asset Managers)	Old Mutual Income Nedgroup Investments Core Income (Taquanta Asset Managers) Stanlib Income	Stanlib Bond

SA - Real Estate

SA Real Estate
Catalyst SA Property Stanlib Property Income

SA - Equity

Equity General **
Coronation Equity Foord Equity Prudential Dividend Maximiser PSG Equity SIM General Equity

SA - Equity Specialist

Mid & Small Cap	Financial	Industrial	Resources
Nedgroup Investments Entrepreneur (ABAX Investments)	Nedgroup Investments Financials (Denker Capital)	SIM Industrial	Investec Commodity

Global

Equity General	Real Estate
Investec Worldwide Equity Feeder Nedgroup Investments Global Equity Fund (Veritas Asset Management)	Catalyst Global Real Estate Feeder

* Regulation 28 compliant ** The SIM Inflation Plus fund has moved from SA Multi Asset Medium Equity category to SA Multi Asset Low Equity category. Please see the SA Multi Asset Low Equity category for commentary. # Strategic Asset Allocation - Equity: 35%; Property: 5%; Nominal Bonds: 25%; ILBs: 10%; Cash: 25%; Local: 80%; Foreign: 20% ## Strategic Asset Allocation - Equity: 70%; Property: 6%; Nominal Bonds: 13%; ILBs: 6%; Cash: 5%; Local: 80%; Foreign: 20%

Addendum F – Version 2 client questionnaire

Thank you for taking part in this study. I am testing how user friendly Glacier's *New Investment Plan* form is. I want to make it very clear that I am testing how well the *New Investment Plan* form works – I am not testing your ability to complete forms of this nature or your knowledge of investments. Please answer the questionnaire as thoroughly as possible, as this will help me immensely in my research. Your privacy will be taken very seriously and no personal information of respondents will be shared in any way.

Section 1 – Scaled questions

Please indicate whether you agree or disagree with the statements by making a cross on the scale. The one extreme (-3) means that you strongly disagree, while the other extreme (+3) means that you strongly agree.

1.1 I found the form usable and easy to fill in.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.2 Refer to the checklist on the cover page.

The checklist is useful in helping me to collect the correct documents.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.3 Refer to 1.1 on page 1.

The existing investment number clearly indicates which account number is required from me.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.4 Refer to the section “How to complete this table” on page 4.

The instructions helped me to understand how to complete the table.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.5 Refer to the example in the section “How to complete this table” on page 4.

The example provided was useful in helping me to complete the table.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.6 Refer to the table on page 6.

Enough information was given for me to fill in the table correctly.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.7 Refer to section 6.3.1 “Fusion administration fee bonus” on page 8.

I fully understand what the Fusion administration fee bonus is.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.8 Refer to section 8 “Agree to our terms” on page 11.

In general I found the terms and conditions easy to read and understand.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.9 Refer to section 8.2 “Where our responsibility ends” on page 11.

I fully understand where Glacier’s responsibility ends and what the implications are for me.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.10 Refer to section 8.2.1 on page 11.

I understand what "...you may therefore not receive the full amount you invested" means.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.11 Refer to section 8.2.8 on page 11.

I understand what is meant by "events outside our reasonable control".

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.12 Refer to section 8.3.3 on page 11.

It is clear what is meant by the word "capturing".

Strongly	Strongly
----------	----------

disagree						agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.13 Refer to section 8.3.3. c) on page 11.

It is clear which interest is referred to in this section.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

Section 2 – Open questions

2.1 What is your general impression of the *New Investment Plan* form?

2.2 Who do you think is the target audience of the form?

2.3 What is the goal of the form?

2.4 What parts of the form did you find difficult to complete? Why?

2.5 What parts of the form did you find easy to complete? Why?

2.6 Please provide definitions for the following terms in your own words.

a) Natural person (page 1; section 1.1)

b) Designation (page 2; section 1.1.2)

c) Arrears (page 8; section 6.3.1)

d) Sliding scale fee (page 8; section 6.3.1)

e) FSP (page 11; section 8.1.1)

f) Warranties (page 11; section 8.2.5)

g) Repurchase (page 11; section 8.3.2)

2.7 Refer to the cover page.

Whose details must be filled in under “If we need more information”?

2.8 Refer to section 1.1.1 on page 1 under “If the investor is a minor”.

In your opinion, would the parent also need to provide their initials and surname, or is the field only for the guardian?

2.9 Refer to section 1.2 “Tax declaration forms” on page 2.

What is your opinion of the placement of this section in the form?

2.10 Refer to section 1.2 “Tax declaration forms” on page 2.

It states “if you are an exempt entity...” Exempt from what?

2.11 Refer to section 1.3 “Choose how we communicate with you” on page 2.

When you complete this form you will receive communication from Glacier. What kind of documents do you expect to receive?

2.12 Refer to “Investment statements” under section 1.3 “Choose how we communicate with you” on page 2.

Based on how you completed the personal information section and your response to section 1.3, how do you think you will receive your quarterly financial statements and investment confirmation document?

2.13 Refer to section 2 “Create your investment plan” on page 3.

Briefly explain the difference between a lump sum investment and a recurring investment.

2.14 Refer to the table on page 4.

What do you think is expected of you in the first “% allocation” column?

2.15 Refer to the table on page 4.

What do you think is expected of you in the “% of the allocation to phase in” section?

2.16 Refer to section 3.2.3 “Transfer of existing collective investments or share portfolio” on page 6.

Who do you think the “investment owner” is?

2.17 Refer to section 5 “Set up your regular withdrawal” on page 7.

What do you think it means to have your regular withdrawal paid “proportionately from all collective investments (excluding wrap funds)”?

2.18 Refer to section 6 “Understand the fees” on page 8.

Based on the way you completed the investment form, please tick (in section 6) the fees that will apply to your investment.

2.19 Refer to section 6.3.1 “Fusion administration fee bonus” on page 8.

Based on the way you completed the investment form, do you think you qualify for the Fusion administration fee bonus?

- a) Yes
- b) No

2.20 Refer to section 6.3.1 “Fusion administration fee bonus” on page 8.

Can you briefly explain what you understand by the term fusion administration fee bonus?

2.21 Refer to section 7 “Appoint a financial intermediary” on page 10.

Must an investor appoint a financial intermediary, or is it possible to invest without one? Please motivate your answer.

2.22 Refer to section 8.1.2 on page 11.

a) What is professional indemnity and fidelity insurance cover?

b) Who is insured?

c) What kind of impression does the term create? Please motivate your answer.

2.23 Refer to section 8.2 “Where our responsibilities ends” on page 11.

What kind of impression does the heading “Where our responsibility ends”, create?

2.24 Refer to 8.2.2 on page 11.

Is Glacier responsible for the performance of your investment?

2.25 Refer to section 8.2.2 on page 11.

What do you think “indirect, special or consequential losses or damages” could include?

2.26 Refer to section 8.2.2 on page 11.

If the term was rephrased as follows, would you feel differently about it?

Glacier holds adequate professional indemnity and fidelity insurance cover. This means that we are covered against claims that are directly attributable to fraud, dishonesty or gross negligence of employees (not intermediaries) acting in the course and scope of their employment. Note that you cannot claim for any losses you may suffer that arise for other reasons and you cannot claim for any consequential (also referred to as indirect or special) losses.

Please motivate your answer.

2.27 Refer to section 8.2 “Where our responsibility ends” on page 11.

Is Glacier responsible if an intermediary negligently invests a client’s funds incorrectly and the client loses money as a result?

2.28 Refer to 8.3 “Accepting and processing instructions” on page 11.

If a quotation differs from an application form, which form will be accepted as correct?

- Quotation
- Application form

2.29 Refer to 8.3.5 on page 11.

What is a “liquidity constraint”?

2.30 To whose “liquidity constraints” does that term refer?

2.31 What do you think will happen if you provide inaccurate information in the form?

Section 3 - Structure of the document

In this section you will receive cards with the names of the main sections of the form on them. Please arrange the cards according to the order that makes sense to you. You will also receive blank cards on which you will be able to write the names of sections that are not in the form, but which you think should be.

Addendum G – Version 2 general interview

[To be audio recorded]

- What was your impression of the form you were asked to complete?
- Do you want to elaborate on your answers in the plus-minus exercise?
- How did the given instructions in the form help you to complete the form as quickly and correctly as possible?
- Did you have all the information you needed to make an informed decision when completing the form? Why or why not?
- How confident are you that you filled in the form correctly? Why?
- Was all the information presented in a logical and user-friendly manner? Why or why not?
- Did you know exactly what was expected of you while filling in the form?
- What changes would you like to see in the forms?
- Did you find the form's style appealing? Why?
- How easy was it for you to navigate to the relevant parts of the form?
- How focused was the form on your needs as an investor or an intermediary?
- How much experience do you have with forms of this nature?
- Are there any final comments you would like to make regarding the form?

Addendum H – Version 3 client questionnaire

Thank you for taking part in this study. I am testing how user friendly Glacier's *New Investment Plan* form is. I want to make it very clear that I am testing how well the *New Investment Plan* form works – I am not testing your ability to complete forms of this nature or your knowledge of investments. Please answer the questionnaire as thoroughly as possible, as this will help me immensely in my research. Your privacy will be taken very seriously and no personal information of respondents will be shared in any way.

Section 1 – Scaled questions

Please indicate whether you agree or disagree with the statements by making a cross on the scale. The one extreme (-3) means that you strongly disagree, while the other extreme (+3) means that you strongly agree.

1.1 I found the form usable and easy to fill in.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.2 Refer to the checklist on the cover page.

The checklist is useful in helping me to collect the correct documents.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.3 *Refer to 1.1 on page 1.*

The existing Glacier investment number clearly indicates which account number is required from me.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.4 *Refer to the section “How to complete this table” on page 4.*

The instructions helped me to understand how to complete the table.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.5 *Refer to the table on page 6.*

Enough information was given for me to fill in the table correctly.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

1.6 *Refer to section 8 “Agree to our terms” on page 10.*

In general I found the terms and conditions easy to read and understand.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.7 Refer to section 8.2 “What our responsibilities are limited to” on page 10.

I fully understand what Glacier’s responsibilities are limited to and what the implications are for me.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.8 Refer to section 8.2.1 on page 10.

I understand what “...you may therefore not receive the full amount you invested” means.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.9 Refer to section 8.2.8 on page 10.

I understand what is meant by “events outside our reasonable control”.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.10 Refer to section 8.3.3 on page 10.

It is clear what is meant by the word “capturing”.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

1.11 Refer to section 8.3.3. c) on page 10.

It is clear which interest is referred to in this section.

Strongly disagree						Strongly agree
-3	-2	-1	0	+1	+2	+3

Please motivate your answer.

Section 2 – Open questions

2.1 What is your general impression of the *New Investment Plan* form?

2.2 Who do you think is the target audience of the form?

2.3 What is the goal of the form?

2.4 What parts of the form did you find difficult to complete? Why?

2.5 What parts of the form did you find easy to complete? Why?

2.6 Please provide definitions for the following terms in your own words.

a) Natural person (page 1; section 1.1)

b) Designation (page 2; section 1.1.2)

c) Arrears (page 8; section 6.2)

d) Sliding scale fee (page 8; section 6.2)

e) FSP (page 10; section 8.1.1)

f) Warranties (page 10; section 8.2.5)

g) Repurchase (page 10; section 8.3.2)

2.7 Refer to the cover page.

Whose details must be filled in under “If we need more information”?

2.8 Refer to “Tax information” under 1.1.1 on page 1.

What is your opinion of the placement of this section in the form?

2.9 It states “if you are an exempt entity...” Exempt from what?

2.10 *Refer to section 1.1.1 on page 2 under “If the investor is a minor”.*

In your opinion, would the parent also need to provide their initials and surname, or is the field only for the guardian?

2.11 *Refer to section 1.2 “Choose how we communicate with you” on page 2.*

When you complete this form you will receive communication from Glacier. What kind of documents do you expect to receive?

2.12 Based on your response to section 1.2, how do you think you will receive your quarterly financial statements and investment confirmation document?

2.13 *Refer to section 2 “Create your investment plan” on page 3.*

Briefly explain the difference between a lump sum investment and a recurring investment.

2.14 *Refer to the table on page 4.*

What do you think is expected of you in the “Lump sum allocation” column?

2.15 *Refer to the table on page 4.*

What do you think is expected of you in the “Amount to phase in” column?

2.16 *Refer to section 3.2.3 “Transfer of existing collective investments or share portfolio” on page 6.*

Who do you think the “investment owner” is?

2.17 Refer to section 5 “Set up your regular withdrawal” on page 7.

What do you think it means to have your regular withdrawal paid “proportionately from all collective investments (excluding wrap funds)”?

2.18 Refer to section 6 “Understand the fees” on page 8.

Based on the way you completed the investment form, please tick (in section 6) the fees that will apply to your investment.

2.19 Refer to section 7 “Appoint a financial intermediary” on page 9.

Must an investor appoint a financial intermediary, or is it possible to invest without one? Please motivate your answer.

2.20 Refer to section 8.2 “What our responsibilities are limited to” on page 10.

What kind of impression does the heading “What our responsibilities are limited to” create?

2.21 Refer to 8.2.1 on page 10.

Is Glacier responsible for the performance of your investment?

2.22 Refer to section 8.2.2 on page 10.

a) What is professional indemnity and fidelity insurance cover?

b) Who is insured?

c) What kind of impression does the term create? Please motivate your answer.

2.23 What do you think “consequential losses” could include?

2.24 Is Glacier responsible if an intermediary negligently invests a client’s funds incorrectly and the client loses money as a result?

2.25 Refer to 8.3.1 on page 10.

If a quotation differs from an application form, which form will be accepted as correct?

- Quotation
- Application form

2.26 Refer to 8.3.5 on page 11.

What is a “liquidity constraint”?

2.27 To whose “liquidity constraints” does that term refer?

2.28 What do you think will happen if you provide inaccurate information in the form?

Section 3 - Structure of the document

In this section you will receive cards with the names of the main sections of the form on them. Please arrange the cards according to the order that makes sense to you. You will also receive blank cards on which you will be able to write the names of sections that are not in the form, but which you think should be.