

Notes

- This chapter should be read in conjunction with the contract documents. If there is any conflict or inconsistency between the contents of the contract documents and this chapter, the provisions of the contract documents will prevail.
- Take note that information contained in this technical guide is with regard to the latest versions of the applicable products/benefits. Refer to the contract documents for information about the existing products/benefits of a life insured.
- Any reference to "you" or "your" refers to the life insured. Any reference to "we", "us", "our" or "ours" refers to Sanlam Life Insurance Limited (Sanlam Life)

Sanlam Tax-free Investments

Why Sanlam Tax-free Investments?	3
Comparison with a linked investment	3
Products, benefits and investment funds	4
Product and product code	4
Waiver of payment benefits not available	4
Investment funds	4
Comparison between product options	4
Role players and cessions	5
Number of role players	5
Planholder and life insured	5
Beneficiary	5
Conditions for appointment of beneficiaries	5
May the appointment of a beneficiary be changed?	5
Payments	6
Payment option	6
Payment frequency for recurring payments	6
Payment method for recurring payments	6
Payment limits	6
Maximum payment allowed by legislation	6
Minimum and maximum payments for Core product option	7
Minimum and maximum payments for Comprehensive product option	7
One-off payments	7
Recurring payments	8
Payment growth	8
Fixed growth	8
Sanlam inflation	8
General information	9
Start date of plan	9
Start date for only one-off payment	9
Start date for only recurring payments	9
Start date for combination of one-off and recurring payments	9
Backdating	9
Limits for inception age	9
Chosen term and target savings date	9
Open-ended term	9
Working day	9
Tax on proceeds of plan	10
Cooling-off period	10
Changes to a plan	10
Changes between product options	10
Other changes	10
Description of Sanlam Tax-free Investment: Core product option	11

Investment	11
Life time investment option	11
How and when is the amount allocated to a specific investment fund, invested?	11
Unit price	11
Trading of assets	11
Fund value	11
Charges	11
Tax included in charges	11
Charges for the plan	12
Deductions made by the asset managers	12
Alteration charge	12
Transaction charge	12
Realising the plan benefits	12
Termination of the plan	12
An ad hoc withdrawal from the plan	12
Benefit payable at death	12
Description of Sanlam Tax-free Investment: Comprehensive product option	13
Investment	13
Life time investment option	13
How and when is the amount allocated to a specific investment fund, invested?	13
Unit price	13
May an investment fund be closed?	13
Switching of investment funds	13
Cost to switch investment funds	14
Trading of assets	14
Fund value	14
Charges	14
Tax included in charges	14
Charges for the plan	14
Deductions made by the asset managers	14
Asset management discount	14
Alteration charge	15
Transaction charge	15
Investment advice agreement between the planholder and the intermediary	15
Realising the plan benefits	15
Termination of the plan	15
An ad hoc withdrawal from the plan	15
Regular withdrawals from the plan	15
Benefit payable at death	15

Why Sanlam Tax-free Investments?

Any reference to "you" or "your" in this section refers to the planholder.

Our Sanlam Tax-free Investments offers a transparent and affordable investment, as well as the flexibility you may need to manage your investments. Some of the features of this product are as follows:

- The proceeds of your plan are currently tax-exempt with respect to earnings and capital gains.
- A simple and transparent charge structure.
- Contribution flexibility with access to your funds at any time, to accommodate your needs.
- You can start saving from as little as R400 per month.
- To increase the levels of savings, our Sanlam Tax-free Investments provides you the opportunity to reduce the administration charge by encouraging your friends and family to join your social group. All clients within your social group will qualify to significantly reduce the administration charge.
- Two tailored investment options, to cater for your unique investment needs.

Comparison with a linked investment

A Sanlam Tax-free Investment product is an endowment policy, and should not be confused with a linked investment of a linked investment services provider (LISP). A Sanlam Tax-free Investment product is an insurance policy, whereas a LISP plan is not, and therefore the product features and regulations applicable to both will differ. Some of the differences between a Sanlam Tax-free Investment product and a LISP plan are indicated below.

Some of the differences between Sanlam Tax-free Investments and LISP plan		
Item	Sanlam Tax-free Investments	A LISP plan that is not a tax-free investment
Tax	<ul style="list-style-type: none"> • Currently no tax is levied in the policyholders' fund for this product. • Currently the proceeds of the plan are not taxable in the hands of the planholder. • In event of death, if the plan forms part of the estate it could result in estate duty being applicable. 	<ul style="list-style-type: none"> • The LISP pays no tax in an investment fund. • Income, dividends, and realised capital gains are currently taxable in the hands of the planholder, unless such a LISP plan is also a Tax-free investment in own right. • In event of death, if the plan forms part of the estate it could result in estate duty being applicable.
Regulations that apply	<ul style="list-style-type: none"> • FAIS • The Long-term Insurance Act 	<ul style="list-style-type: none"> • FAIS
Other features	<ul style="list-style-type: none"> • One life insured applicable • At the death of the life insured, the benefit is paid to <ul style="list-style-type: none"> • the beneficiaries, if any, who have accepted the appointment, or • the planholder's estate. 	<ul style="list-style-type: none"> • No lives insured applicable • At the death of the planholder the investment forms part of the estate of the deceased planholder, unless a new planholder was nominated, and he or she has accepted the nomination.

Products, benefits and investment funds

Product and product code

The product and product code is indicated below.

Product	Product code
Sanlam Tax-free Investments	E99*

*The same product code applies for the Direct sales product option.

Waiver of payment benefits not available

Waiver of payment benefits (OGG and OPG) are not available for this product.

Investment funds

For the Core product option, only a life time investment option is available.

For the Comprehensive product option, the choices are the following:

- A life time investment option, or
- A choice between any investment funds.

All these investment choices are indicated on the quotation system.

If a life time investment option is not selected, up to 10 investment funds may be selected. We do not guarantee the performance of the investment funds. The value of units may increase or decrease, and past performance is no guarantee of future performance. For example, the value of assets in foreign currencies may increase or decrease materially due to changes in exchange rates.

Information about all investment funds we offer, is available on the Sanlam website at www.sanlam.co.za.

Comparison between product options

The main differences between the Core and Comprehensive product options are indicated in the table below. In this table, LTIO refers to the available life time investment option.

Product feature	Core product option	Comprehensive product option
Investment funds	LTIO	Choice between: <ul style="list-style-type: none">• LTIO, or• Choice between any investment funds
Switches between investment funds	Not allowed	<ul style="list-style-type: none">• Not allowed for LTIO• Allowed if not LTIO

Role players and sessions

Number of role players

The minimum and maximum number of role players are indicated below.

Number of role players		
Role player	Minimum	Maximum
Planholder / Life insured	1	1
Beneficiary	0	10

Planholder and life insured

The planholder and life insured must be the same and must be a natural person.

Beneficiary

The benefit amount is equal to the fund value on the date that we receive notice of the death of the life insured.

The benefit amount of a plan will be paid to the planholder's estate. However, the planholder may appoint one or more beneficiaries to receive the benefit amount, subject to certain conditions as indicated under "Conditions for appointment of beneficiaries". A beneficiary may only accept or reject the appointment after the death of the life insured.

If beneficiaries were appointed, the benefit amount of a plan will be paid to the following, in the order as indicated:

- the beneficiaries, if any, who have accepted the appointment as beneficiaries after the death of the life insured, as mentioned above;
- the estate of the planholder.

Payment to any of the above will relieve us of any obligations to pay any other party.

Conditions for appointment of beneficiaries

It is recommended that beneficiaries are appointed, although doing so is not compulsory. If beneficiaries are appointed, the following applies:

- the existing planholder must be a natural person;
- the planholder must be the life insured on the plan;
- the planholder may appoint one or more beneficiaries, up to a maximum of 10;
- a beneficiary must be a natural person;
- the percentage, between 0% and 100%, allocated to each beneficiary, must be specified separately. However, the total percentage allocated to beneficiaries may not be more than 100%;
- if the total percentage allocated to beneficiaries for a benefit amount is less than 100%, the remaining part of that benefit amount will be paid to the planholder's estate.

May the appointment of a beneficiary be changed?

An appointment may be added, cancelled or changed at any time. It must be in writing and signed by the planholder, and must reach the Sanlam Life head office before the death of the life insured.

Payments

All payments must be made in South Africa in South African currency.

Payment option

Choice between:

- Only one-off payment
- Only recurring payments
- Combination of one-off and recurring payments.

The payment option of a plan cannot be changed after the start date of the plan.

Payment frequency for recurring payments

Choice between:

- Monthly
- Yearly.

Payment method for recurring payments

Choice between:

- Debit order
- Stop order
- Internal funding.

A monthly or yearly payment frequency is allowed for a debit order payment method. Only a monthly payment frequency is allowed for other payment methods.

The same payment applies for all payment methods.

Payment limits

The minimum amount that may be allocated to an investment fund is R50.

Other conditions that apply to the minimum and maximum payments of a plan are indicated below.

Maximum payment allowed by legislation

According to legislation, a maximum payment per person per tax year is allowed (currently R36 000 per tax year, and R500 000 over the life time for all tax-free investments of such a person). These maximums may increase from time to time. We may adjust the payment growth so that the maximum payment allowed per person per tax year for the plan is not exceeded.

If money from a similar tax-free product is transferred to this product, the maximum payment allowed per person per tax year will not apply to the amount being transferred.

Minimum and maximum payments for Core product option

The minimum and maximum payments for the Core product option are indicated below, subject to legislation.

Minimum and maximum payments for Core product option*						
Payment option	One-off payment (R) per year		Recurring payment (R) per month		Additional one-off payment (R)	Recurring payment increase (R) per month
	Minimum	Maximum	Minimum	Maximum	Minimum	Minimum
Only one-off payment	15 000	36 000	-	-	2 500	-
Only recurring payments	-	-	400	3 000	2 500	150
Combination of one-off and recurring payments	2 500	36 000	400	3 000	2 500	150

*The minimum and maximum payments are subject to legislative restrictions, as indicated under "Maximum payments allowed by legislation".

The following are taken into account when calculating the maximum additional one-off payments and recurring payment increases allowed for a tax year:

- payments already received during the tax year, and
- expected future payments for the rest of the tax year.

Minimum and maximum payments for Comprehensive product option

The minimum and maximum payments for the Comprehensive product option are indicated below, subject to legislation.

Minimum and maximum payments for Comprehensive product option*						
Payment option	One-off payment (R) per year		Recurring payment (R) per month		Additional one-off payment (R)	Recurring payment increase (R) per month
	Minimum	Maximum	Minimum	Maximum	Minimum	Minimum
Only one-off payment	15 000	36 000	-	-	2 500	-
Only recurring payments	-	-	500	3 000	2 500	150
Combination of one-off and recurring payments	2 500	36 000	500	3 000	2 500	150

*The minimum and maximum payments are subject to legislative restrictions, as indicated under "Maximum payments allowed by legislation".

The following are taken into account when calculating the maximum additional one-off payments and recurring payment increases allowed for a tax year:

- payments already received during the tax year, and
- expected future payments for the rest of the tax year.

One-off payments

One-off payments may be made, provided that they are not less than our minimum allowed. If the transaction date for a payment, as indicated in the statement, is more than one day later than the payment date, we will adjust the payment to allow for the delay from the day following the payment date to the transaction date.

Recurring payments

The first recurring payment is payable on the contract start date. If the first payment is not made on the contract start date, the plan will lapse. Our obligations take effect after the first payment is received.

Recurring payments are allowed, but then they should apply from the start of the plan. They cannot be added later. However, recurring payments may be increased later.

A recurring payment, if applicable, is due on the same day of each month or year, as indicated in the statement.

If recurring payments are made by debit order, and the requested day on which we have to collect the payment does not fall on a working day, or a month does not have the particular day, we will collect it on the following working day.

The transaction date for a recurring payment is the later of the payment due date and the actual payment date. If this is not a working day, the transaction date will be the first working day thereafter. We will not adjust a recurring payment to allow for early payment if it is made before the transaction date.

If a recurring payment is not made in full within a 30 day period of grace, we may consider the recurring payment stopped.

Payment growth

If the plan has payment growth, the recurring payment will be increased according to the conditions of the type of payment growth, as chosen. We may adjust the payment growth so that the maximum payment allowed per person per tax year is not exceeded. Refer to "Maximum payment allowed by legislation" in this *Sanlam Tax-free Investments* chapter for more information.

We offer the following type(s) of payment growth:

- Fixed growth
- Sanlam inflation.

The payment growth type that applies for a plan is indicated in the statement.

Fixed growth

The recurring payment will be increased each year by the chosen fixed percentage. A percentage from 5% per year up to 20% per year can currently be selected.

Sanlam inflation

The recurring payment will be increased each year by the inflation rate, as determined by us. In setting the rate, we will take into account the change in the consumer price index, or any other commonly accepted method of measuring inflation that may apply at the time. The Sanlam inflation rate may differ from official rates, due to differences in calculation methods. A minimum and maximum increase apply, which may change from time to time.

General information

Start date of plan

The start date of a plan will be determined by the payment option, the date all applicable payments are received by us, and the date all information regarding the plan is captured in our system.

Start date for only one-off payment

The start date of a plan can be any day of the month.

The start date of a plan will be the later of the payment date of the one-off payment and the date all the applicable information, including any additional information requested by us, is captured in our system.

Start date for only recurring payments

The date of a payment and the start date of a plan may differ, e.g. a stop order may be paid on 15 May, while the start date of the plan may then be 1 June of the same year. The start date will be determined as follows:

- If a recurring payment is made by stop order, the start date of the plan will be the 1st of the month following the first payment.
- For all other payment methods, the start date of the plan will be
 - the same as the payment date, if the payment date is from the 1st of a month, up to and including the 28th of the same month.
 - the 1st of the month following the first payment, if the payment date is from the 29th up to and including the 31st of the month.

Start date for combination of one-off and recurring payments

The start date of a plan depends on the payment date of the recurring payment of the combination, while the payment date of the one-off payment has no influence on the start date.

To determine the start date of a plan, refer to "Start date for only recurring payments" above.

Backdating

No backdating allowed.

Limits for inception age

The minimum and maximum inception ages of a life insured are indicated below.

Role player	Inception age next birthday	
	Minimum	Maximum
Life insured	1	90

Chosen term and target savings date

No chosen term applies.

However, a target savings date can be chosen at inception. The target savings date is used for the calculation of the effective annual cost (EAC) for a plan. If a life time investment option is applicable for the plan, the target savings date is also used to determine when the shifting of the investment to stable investment funds will start. The minimum term for the target savings date is 5 years.

Open-ended term

There is no fixed term. The plan will continue until the planholder terminates the plan.

Working day

Any reference to "working day" in this *Sanlam Tax-free Investments* chapter refers to any day of the week from Monday to Friday, excluding public holidays.

Tax on proceeds of plan

Tax is levied according to the applicable policyholders' fund. Currently no tax is levied in the policyholders' fund for this product. The proceeds are currently tax-free in the hands of the planholder. However, if a planholder contributes more than the maximum allowed per tax year, the South African Revenue Services (SARS) will tax the planholder on assessment of the tax year on the excess contribution at 40%. Refer to "Maximum payments allowed by legislation" in this *Sanlam Tax-free Investments* chapter for more information.

Cooling-off period

If the plan really does not meet the planholder's requirements, and if the planholder has not made any changes to it, he or she may cancel it by notifying us in writing within 31 days (the cooling-off period) of receiving the contract documents. We will then refund any payments the planholder has already made. If the assets in which the payments were invested have decreased in value, or if the planholder has already received benefits from the plan, we will reduce the amount to be refunded to the planholder accordingly.

The cooling-off period is not applicable to a re-issue.

Changes to a plan

Changes between product options

Changes from the Core product option to the Comprehensive product option are allowed, but not the other way around.

A once-off administration charge will be levied for the change in product option. This charge will be deducted from the fund value of the plan by cancelling units to the value of the charge.

Other changes

The following changes to a plan **are allowed**, provided that our conditions at the time are met:

- Make additional one-off payments
- Increase, decrease or stop recurring payments
- Add, cancel or change payment growth
- Add, cancel or change beneficiaries
- Terminate a plan
- Make ad hoc withdrawals from a plan.
- Make regular withdrawals from a plan.(not available on Core product option).

The following changes to a plan **are not allowed**:

- Add or remove lives insured
- Add, cancel or change nominee to become the new planholder
- Add, cancel or change collateral cessions
- Add, cancel or change outright cessions
- Take loans against a plan.

Description of Sanlam Tax-free Investment: Core product option

The plan is an insurance policy as described under, and regulated by the Long-term Insurance Act, 1998 and the Insurance Act, 2017. The plan is a contract between the planholder, and us, Sanlam Life Insurance Limited (Sanlam Life).

The contract consists of the following:

- the quotation;
- the application for the plan;
- the plan description, as updated from time to time, and available on the Sanlam website at <http://www.sanlam.co.za>;
- the statement, as updated from time to time;
- other documents, correspondence and information, if any, that by implication form part of the contract.

Investment

We invest a payment less charges, if applicable, in the investment funds indicated in the statement.

Life time investment option

Closer to the target savings date, we will gradually shift the allocation of the investment by switching the investment funds as indicated in the statement. When we switch investment funds, we sell units of the investment funds out of which a switch is done, and buy units of the investment funds into which a switch is done.

How and when is the amount allocated to a specific investment fund, invested?

We use the amount allocated to a specific investment fund to buy units in that investment fund on the transaction date.

Unit price

A unit price is calculated daily in South African currency, on the basis of the market value of the assets in the investment fund.

The following are taken into account when the unit price is calculated for a specific investment fund:

- tax, as levied in the applicable policyholders' fund. Currently no tax is levied in the policyholders' fund for this product;
- the fees charged by the asset managers.

The unit price of an investment fund is not guaranteed, and may increase or decrease over time.

Trading of assets

We may use the assets in the investment funds for transactions such as scrip lending. Any income or loss arising from these transactions will be for our own account, and therefore will not affect the plan benefits.

Fund value

The fund value of a specific investment fund is the number of units multiplied by the unit price for that investment fund.

The fund value of the plan is the total fund value of all the investment funds for that plan.

Charges

Tax included in charges

Tax is levied according to the applicable policyholders' fund. Currently no tax is levied in the policyholders' fund for this product.

Charges for the plan

The current charges are indicated in the statement and can be one or more of the following:

- An **initial marketing charge**, deducted from each payment, depending on the level of commission negotiated.
- A **payment charge**, deducted from recurring payments, if payments are made by stop order. The charge is calculated as a percentage of the recurring payment.
- A yearly **marketing and administration charge**, which is calculated as a percentage of the fund value. This charge is subject to a minimum monthly rand amount which will be increased from time to time to allow for inflation, as determined by us. The charge is calculated on a monthly basis, which means the percentage is divided by 12 to calculate the monthly amount. The charge is deducted monthly from the fund value by selling units to the value of the charge.

For as long as social savings groups are applicable to this product, and the plan is part of such a group, the marketing and administration charge is calculated on the sum of the fund values of the plans that are part of the specific savings group. We may at any time limit the number of plans in a social savings group. The minimum marketing and administration charge is not affected by the social savings group.

Deductions made by the asset managers

An asset manager charges fees for investment research and for selecting the underlying assets of an investment fund. These fees are taken into account in the calculation of the daily unit price of an investment fund. The published performance figures of an investment fund are therefore net of these fees. More information on these fees and their current values are available in the statement part of the contract.

Alteration charge

A plan may be changed at any stage, provided we agree to the alteration. We will not levy an alteration charge.

Transaction charge

A plan may be changed at any stage, provided we agree to the alteration. We will not levy an transaction charge.

Realising the plan benefits

The plan benefits may be realised in one of the ways described below. To realise a benefit, we will sell units on the day on which we receive the request.

Termination of the plan

A plan may be terminated on request. The fund value will be paid to the planholder when the plan is terminated.

An ad hoc withdrawal from the plan

The planholder may make an ad hoc withdrawal from the plan, provided that our conditions at the time are met. As these conditions will change from time to time, they will be communicated when the planholder applies for an ad hoc withdrawal. We will sell the required number of units to pay the withdrawal amount. The fund value will reduce by the value of the units sold.

Benefit payable at death

The benefit amount is equal to the fund value on the date that we receive notice of the death of the life insured.

One or more beneficiaries may be appointed to receive the benefit amount. A beneficiary may only accept or reject the appointment after the death of the life insured. Refer to "Role players and cessions" in this *Sanlam Tax-free Investments* chapter for more information.

Description of Sanlam Tax-free Investment: Comprehensive product option

The plan is an insurance policy as described under, and regulated by the Long-term Insurance Act, 1998 and the Insurance Act, 2017. The plan is a contract between the planholder, and us, Sanlam Life Insurance Limited (Sanlam Life).

The contract consists of the following:

- the quotation;
- the application for the plan;
- the plan description, as updated from time to time, and available on the Sanlam website at <http://www.sanlam.co.za>;
- the statement, as updated from time to time;
- other documents, correspondence and information, if any, that by implication form part of the contract.

Investment

We invest a payment less charges, if applicable, in the investment funds indicated in the statement.

Life time investment option

Closer to the target savings date, we will gradually shift the allocation of the investment by switching the investment funds as indicated in the statement. When we switch investment funds, we sell units of the investment funds out of which a switch is done, and buy units of the investment funds into which a switch is done.

How and when is the amount allocated to a specific investment fund, invested?

We use the amount allocated to a specific investment fund to buy units in that investment fund on the transaction date.

Unit price

A unit price is calculated daily in South African currency, on the basis of the market value of the assets in the investment fund.

The following are taken into account when the unit price is calculated for a specific investment fund:

- tax, as levied in the applicable policyholders' fund. Currently no tax is levied in the policyholders' fund for this product;
- the fees charged by the asset managers.

The unit price of an investment fund is not guaranteed, and may increase or decrease over time.

May an investment fund be closed?

Yes. This may occur if, for example, legislation changes or certain classes of assets become unavailable or it is in our opinion no longer prudent to invest in the specific investment fund. If the plan is affected, we will request the planholder to choose another investment fund allowed at that stage for this type of plan, and to inform us of the choice made. If we receive no response to such a request, we will decide in which investment fund to invest the affected part of the plan.

Switching of investment funds

Switching of investment funds allowed at the time for this type of plan may be done on request. We will sell units of the investment funds out of which a switch is done, and buy units of the investment funds into which a switch is done. We do this on the first working day after receiving the switch request.

Future payments may be allocated to any investment fund allowed for this type of plan. The payments already allocated to the current investment funds, will then remain in these investment funds.

If a life time investment option is active when any requested switch is done, or payments are allocated differently on request, the option will be cancelled.

Cost to switch investment funds

Currently there is no transaction charge for the first four switches in a plan year. For each subsequent switch in a plan year, we will levy a transaction charge, which will be determined at the time. The current transaction charge is indicated in the statement. We may change the number of free switches from time to time.

Any switch of investment funds that we do according to the chosen life time investment option, will be free of charge. No transaction charge will be levied.

Trading of assets

We may use the assets in the investment funds for transactions such as scrip lending. Any income or loss arising from these transactions will be for our own account, and therefore will not affect the plan benefits.

Fund value

The fund value of a specific investment fund is the number of units multiplied by the unit price for that investment fund.

The fund value of the plan is the total fund value of all the investment funds for that plan.

Charges

Tax included in charges

Tax is levied according to the applicable policyholders' fund. Currently no tax is levied in the policyholders' fund for this product.

Charges for the plan

The current charges are indicated in the statement and can be one or more of the following:

- An **initial marketing charge**, deducted from each payment, depending on the level of commission negotiated.
- A **payment charge**, deducted from recurring payments, if payments are made by stop order. The charge is calculated as a percentage of the recurring payment.
- A yearly **marketing and administration charge**, which is calculated as a percentage of the fund value. This charge is subject to a minimum monthly rand amount which will be increased from time to time to allow for inflation, as determined by us. The charge is calculated on a monthly basis, which means the percentage is divided by 12 to calculate the monthly amount. The charge is deducted monthly from the fund value by selling units to the value of the charge.

For as long as social savings groups are applicable to this product, and the plan is part of such a group, the marketing and administration charge is calculated on the sum of the fund values of the plans that are part of the specific savings group. We may at any time limit the number of plans in a social savings group. The minimum marketing and administration charge is not affected by the social savings group.

Deductions made by the asset managers

An asset manager charges fees for investment research and for selecting the underlying assets of an investment fund. These fees are taken into account in the calculation of the daily unit price of an investment fund. The published performance figures of an investment fund are therefore net of these fees. More information on these fees and their current values are available in the statement part of the contract.

Asset management discount

Some asset managers provide a discount on the asset management charge because we offer their investment funds for this type of plan and meet their conditions. The size of the discount may differ between investment funds and can change over time.

One way an asset manager may provide the discount is to reduce the asset management charge of an investment fund with the discount. The value of the discount is therefore passed on to the fund value of the plan. In this case the asset management charge indicated in the statement for the specific investment fund is already reduced by the discount.

Alternatively, an asset manager may pay the rand value of the discount to us at the end of each month. In this case we pass the discount on to the fund value of the plan by adding additional units on a monthly basis. This means that the yearly discount percentage indicated in the statement, if applicable, is divided by 12 to calculate the monthly amount.

Alteration charge

A plan may be changed at any stage, provided we agree to the alteration. We will not levy an alteration charge.

Transaction charge

A plan may be changed at any stage, provided we agree to the alteration. We will not levy a transaction charge for changes other than the switching of investment funds.

We will levy a transaction charge for switching of investment funds. This transaction charge will be increased from time to time to allow for inflation, as determined by us.

Every transaction charge will be taken from the fund value by selling the required number of units.

Investment advice agreement between the planholder and the intermediary

The planholder may request us to pay a fund-based fee, including VAT if applicable, for ongoing investment advice for his or her investment. We will pay this fee monthly to the intermediary who provides this advice.

This investment advice is a discretionary service that is provided by an intermediary nominated by the planholder. It is not part of the intermediary services for which we pay commission.

The fund-based fee for the investment advice is specified as a percentage per year of the fund value. The planholder must specify the percentage. The fund-based fee is calculated on a monthly basis, which means that the specified percentage is divided by 12. It is deducted monthly from the fund value by means of a withdrawal. Because the fund-based fee is based on the fund value, the rand value of the fee will fluctuate. For example, a fund-based fee of 0.50% implies R41.67 per month if the fund value equals R100 000.00.

The current fund-based fee, if applicable, is indicated in the statement.

Realising the plan benefits

The plan benefits may be realised in one of the ways described below. To realise a benefit, we will sell units on the day on which we receive the request.

Termination of the plan

A plan may be terminated on request. The fund value will be paid to the planholder when the plan is terminated.

An ad hoc withdrawal from the plan

The planholder may make an ad hoc withdrawal from the plan, provided that our conditions at the time are met. As these conditions will change from time to time, they will be communicated when the planholder applies for an ad hoc withdrawal. We will sell the required number of units to pay the withdrawal amount. The fund value will reduce by the value of the units sold.

Regular withdrawals from the plan

The planholder may apply to make regular withdrawals from the plan, provided that our conditions at the time are met. One of these conditions is that regular withdrawals may not be made while recurring payments are being made. However, as conditions will change from time to time, they will be communicated when the planholder applies for regular withdrawals.

The details of the regular withdrawals will be indicated in the statement after we have accepted the application for making regular withdrawals.

We will sell the required number of units from the applicable investment funds in proportion to their fund values to pay the withdrawal amount. The fund value will reduce by the value of the units sold.

We will sell the units on the requested withdrawal day. If a month does not have this particular day, or if it does not fall on a working day, we will sell the units on the following working day. We will pay the withdrawal amount as soon as possible after the units have been sold.

We will stop the regular withdrawals when they fail to satisfy our conditions.

Benefit payable at death

The benefit amount is equal to the fund value on the date that we receive notice of the death of the life insured.

One or more beneficiaries may be appointed to receive the benefit amount. A beneficiary may only accept or reject the appointment after the death of the life insured. Refer to "Role players and cessions" in this *Sanlam Tax-free Investments* chapter for more information.