

## 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.
- 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 Nimbus Investments

<b>Why Sanlam Nimbus Investments?</b>	<b>3</b>
Comparison with a linked investment	3
<b>Product and investment funds</b>	<b>4</b>
Product and product code	4
Investment funds	4
<b>Role players and cessions</b>	<b>4</b>
Number of role players	4
Planholder	4
Life insured	4
Beneficiary	4
Conditions for appointment of beneficiaries	5
May the appointment of a beneficiary be changed?	5
Can the appointment lapse?	5
Nominee to become the new planholder	5
Conditions for nomination	5
May a nomination be changed?	5
Can the nomination lapse?	5
Cession as security (collateral cession)	5
Change of planholder (outright cession)	5
<b>Payments</b>	<b>6</b>
Payment option	6
Payment limits	6
New business: one-off payments	6
Additional one-off payments	6
One-off payments	6
<b>General information</b>	<b>6</b>
Start date of plan	6
Backdating	6
Age limits for inception age	6
Chosen term	6
Option date	6
Amount on option date	6
Open-ended term	7
Working day	7
Tax on proceeds of plan	7
Cooling-off period	7
Changes to a plan	7
Continuations and conversions not allowed	7
<b>Description of Sanlam Nimbus Investments</b>	<b>8</b>
Investment	8
How and when is the amount allocated to a specific investment fund, invested?	8
Unit price	8

May an investment fund be closed?	8
Switching of investment funds	8
Cost to switch investment funds	8
Trading of assets	8
<b>Fund value</b>	<b>8</b>
<b>Loyalty bonus</b>	<b>9</b>
<b>Charges</b>	<b>9</b>
Tax included in charges	9
Charges for the plan	9
Deductions made by the asset managers	10
Alteration charge	10
Transaction charge	10
<b>Investment advice agreement between the planholder and the intermediary</b>	<b>11</b>
<b>Realising the plan benefits</b>	<b>11</b>
Termination of the plan	11
A loan against the plan	11
An ad hoc withdrawal from the plan	11
Regular withdrawals from the plan	11
<b>Legislative restrictions</b>	<b>12</b>
<b>Benefit payable at death</b>	<b>12</b>

# Why Sanlam Nimbus Investments?

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

Sanlam Nimbus Investments is an extremely cost effective, once-off investment solution for you. It is an endowment policy with no investment guarantees, and requires an initial investment period of 5 years.

Sanlam Nimbus Investments is designed to pay a lump sum after the contractual chosen term, or at the death of the last surviving life insured. You can, however, extend your investment period after the chosen term, at no extra cost.

Other features include the following:

- The charges are among the lowest in the market.
- An additional allocation of at least 5% is added upfront to the one-off payment, ensuring that your investment increases immediately.
- A **loyalty bonus** is added to your plan on specified dates.
- A quality investment fund offering:
  - As only a select range of quality investment funds is offered, it is easier to choose your investment funds.
  - You can invest in one or more of the available investment funds at the same time.
  - You can do switches between any of the available investment funds at any time, with four free switches in a plan year.
- It is easy to establish the value of your investments, as the unit prices for all investment funds are updated daily on the Sanlam website.
- The proceeds of your plan are currently tax-exempt.
- Your investment may be cashed in, or you may apply for a loan or withdrawal against the plan, subject to legislative restrictions (Section 54 of the Long-term Insurance Act), as indicated under "Legislative restrictions" in this *Sanlam Nimbus investments* chapter.

Sanlam Nimbus investments is ideally suited for individuals

- who do not need liquidity
- who would like access to some of the best investment funds at the lowest prices
- who do not require investment guarantees
- who have a marginal tax rate greater than 30%.

## Comparison with a linked investment

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

Main differences between Sanlam Nimbus Investments and LISP plan		
Item	Sanlam Nimbus Investments	LISP plan
Tax	<ul style="list-style-type: none"><li>• The life insurance company currently pays the tax of an endowment policy (this plan)</li><li>• Currently the proceeds of the plan are not taxable in the hands of the planholder.</li></ul>	<ul style="list-style-type: none"><li>• The LISP pays no tax in an investment fund</li><li>• Income, dividends, and realised capital gains are currently taxable in the hands of the planholder.</li></ul>
Regulations that apply	<ul style="list-style-type: none"><li>• FAIS</li><li>• The Long-term Insurance Act</li><li>• Restricted dealing with the investment within the first five years of the start date of the investment, i.e. during the restriction period (Section 54 of the Long-term Insurance Act).</li></ul>	<ul style="list-style-type: none"><li>• FAIS</li><li>• The Long-term Insurance Act does not apply</li><li>• No restriction period, and therefore no restricted dealing with the investment applies within the first five years of the start date of the investment, or thereafter.</li></ul>
Other features	<ul style="list-style-type: none"><li>• One or more lives insured required</li><li>• Beneficiaries may be appointed</li><li>• At the death of the last surviving life insured the benefit payable at death is paid to the planholder, if he or she is still alive, or to his or her estate, or to the beneficiaries, if any, who have accepted the appointment.</li></ul>	<ul style="list-style-type: none"><li>• No lives insured applicable</li><li>• No beneficiaries allowed</li><li>• 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.</li></ul>

# Product and investment funds

## Product and product code

The product code for Sanlam Nimbus Investments is E45. The same product code applies for ABSA, but a separate application form is available.

## Investment funds

Up to 10 investment funds may be selected, as indicated on the quotation. These funds are available in Safrican's Individual Policyholder's Fund (IPF) only. As a result of this, the type of planholder and successive planholders may be limited, as indicated under "Role players and cessions" in this *Sanlam Nimbus investments* chapter. Information about all investment funds offered, is available on the Sanlam website at <http://www.sanlam.co.za>.

# Role players and cessions

## Number of role players

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

Number of role players		
Role player	Minimum	Maximum
Planholder	1	1
Life insured	1	10
Beneficiary	0	10
Nominee to become new planholder	0	1
Cessionary for cession as security (collateral cession)	0	1
Cessionary for change of planholder (outright cession)	0	1

## Planholder

The planholder can be a natural person or trust, where all the beneficiaries of the trust are natural persons. Where a trust is the planholder, the tax status of a plan is determined by the status of the trust beneficiaries, for example a natural person or an entity that is taxable or not, in terms of section 29A(4) of the Income Tax Act. Please notify us if the status of one of the trust beneficiaries changes.

The planholder specifies which lives insured must be on a plan, and is also responsible for the payments of the plan. Another party may make the payments, but the planholder remains responsible. The planholder does not have to be a life insured on the plan.

## Life insured

A life insured must be a natural person.

## Beneficiary

The benefit amount is equal to the fund value on the date that notice of the death of the last surviving life insured is received.

The benefit amount of a plan will be paid to the planholder if he or she is still alive, or otherwise to his or her estate.

However, the planholder may appoint one or more beneficiaries to receive the benefit amount payable at the death of the last surviving life insured, 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 last surviving life insured.

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

- the planholder, if he or she is still alive;
- the beneficiaries, if any, who have accepted the appointment as beneficiaries after the death of the applicable life insured, as mentioned above;
- the estate of the planholder.

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

## Conditions for appointment of beneficiaries

We recommend 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 may appoint one or more beneficiaries, up to a maximum of 10;
- the planholder may be a life insured on the plan;
- a beneficiary can be a natural person, trust, tax-paying institution or tax-exempt institution;
- 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 last surviving life insured.

## Can the appointment lapse?

An appointment will lapse if the plan is ceded outright. If the plan is ceded as collateral security, the appointment will not lapse, but the rights of the cessionary will take preference over any rights of a beneficiary.

## Nominee to become the new planholder

A nominee may be nominated to become the new planholder after the death of the planholder. The nominee may only accept or reject a nomination after the death of the planholder.

If the nominee does not accept the nomination, or if nobody has been nominated, the plan will be an asset in the estate of the planholder.

## Conditions for nomination

If a nominee is appointed, the following applies:

- the planholder may nominate one nominee;
- the existing planholder must not be a life insured on the plan, or, if he or she is a life insured on the plan, he or she may not be the only life insured;
- the nominee can be a natural person or trust, where all the beneficiaries of the trust are natural persons.

## May a nomination be changed?

A nomination 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 planholder.

## Can the nomination lapse?

A nomination will lapse if the plan is ceded, whether outright or as collateral security.

## Cession as security (collateral cession)

With a collateral cession the planholder may cede the plan as security to one other party, where this party may be a natural person, trust, tax-paying institution or tax-exempt institution.

If the planholder cedes the plan as security, he or she must notify Sanlam Life of the cession in writing. The notice will take effect when Sanlam Life receives it.

An appointment of a beneficiary to receive the benefit amount payable at the death of the last surviving life insured will not be cancelled, but the party to whom the plan is ceded, will have the first right to benefits when they become payable.

A nomination of a person or trust to become the planholder at the planholder's death, will be cancelled when a plan is ceded as security.

## Change of planholder (outright cession)

The planholder can cede his or her rights as planholder to another natural person or trust, where all the beneficiaries of the trust are natural persons, who will then replace him or her as planholder. The planholder must notify Sanlam Life of the cession in writing. The notice will take effect when Sanlam Life receives it.

An appointment of a beneficiary to receive the benefit amount payable at the death of the last surviving life insured, and a nomination of a person or trust to become the planholder at the planholder's death, will then be cancelled.

# Payments

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

Payments may be made by an institution. However, the institution may not be the planholder, but only the payer.

## Payment option

Only one-off payment.

## Payment limits

The payment limits are indicated below.

### New business: one-off payments

- Minimum: R100 000
- Maximum: None

### Additional one-off payments

- Minimum: R25 000
- Maximum: None

## One-off payments

One-off payments may be made at the start of a plan and at a later stage, provided that they are allowed by legislation (Section 54 of the Long-term Insurance Act) and 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 add interest to the payment to allow for the delay from the day following the payment date to the transaction date.

# General information

## Start date of plan

The start date of a plan will be determined by the date the one-off payment is received by us, and the date all information regarding the plan is captured in our system. 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.

## Backdating

No backdating allowed.

## Age limits for inception age

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

- Minimum: 1 next birthday
- Maximum: 90 next birthday

## Chosen term

The chosen term is 5 years.

## Option date

It is the date which indicates the end of the term and is indicated in the statement.

## Amount on option date

The fund value is available on the option date. If the planholder decides to take this available amount on the option date, he or she must provide Sanlam Life with a completed claims form at least two days before the option date.

After the available amount is paid to the planholder, the plan will be terminated. Otherwise the plan will continue to be invested in the chosen investment funds until it is terminated, as indicated under "Open-ended term" below. The plan can be continued with or without future payments, according to the choice of the planholder.

## Open-ended term

After the chosen term has expired, the term of the plan is considered as open-ended. This means that the fund value will not be paid out automatically after the chosen term has expired, but that the plan will continue until the planholder terminates the plan.

## Working day

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

## Tax on proceeds of plan

No tax is payable on the proceeds of the plan. Safrican already pays tax in the chosen investment funds.

## 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 Sanlam Life in writing within 30 days (the cooling-off period) of receiving the contract documents. The planholder must also return the contract documents to Sanlam Life. Any payments already made will then be refunded to the planholder. If the assets in which the payments were invested have decreased in value, or if the planholder has already received benefits from the plan, the amount to be refunded will be reduced accordingly.

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

## Changes to a plan

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

- Make additional one-off payments
- Add or remove lives insured
- Add, cancel or change beneficiaries
- Add, cancel or change nominee to become the new planholder
- Add, cancel or change collateral cessions, subject to approval of cessionary
- Add, cancel or change outright cessions, subject to approval of cessionary
- Terminate plan\*
- Take loans against a plan\*
- Make ad hoc withdrawals from a plan\*
- Make regular withdrawals from a plan after the option date\*.

\*Subject to legislative restrictions (Section 54 of the Long-term Insurance Act), as indicated under "Legislative restrictions" in this *Sanlam Nimbus investments* chapter.

## Continuations and conversions not allowed

Continuations and conversions to Sanlam Nimbus Investments are not allowed.



# Description of Sanlam Nimbus Investments

The plan is an insurance policy as described under, and regulated by the Long-term Insurance Act, 1998, and is issued under the insurance licence of Safrican Insurance Company Limited (Safrian). The plan is a contract between the planholder, and Safrian. Safrian has contracted Sanlam Life Insurance Limited (Sanlam Life) to deal with all administrative matters on Safrian's behalf.

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

A one-off payment plus an additional allocation, if applicable, is invested in the respective chosen investment funds. The additional allocation depends on the level of commission negotiated at the start.

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

The amount allocated to a specific investment fund is used 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 charges are taken into account when the price is calculated for a specific fund:

- tax, as levied in the applicable policyholders' fund;
- the marketing charge;
- the asset management charge;
- a performance charge for the fund manager, if applicable to the investment fund;
- direct investment expenses, for example collective investment initial fees, brokerage, audit fees, bank charges and trustee fees.

The unit price of an investment fund is not guaranteed, and may increase or decrease over time, unless it is specifically stated otherwise in the contract.

## 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 Safrian's opinion no longer prudent to invest in the specific investment fund. If the plan is affected, Safrian will request the planholder to choose another investment fund allowed at that stage for this type of plan, and to inform Safrian of the choice made. If Safrian receives no response to such a request, Safrian 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.

Units of the investment funds out of which a switch is done will be sold, and units of the investment funds into which a switch is done, will be bought. This will be done 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.

## 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, a transaction charge will be levied, which will be determined at the time. The current transaction charge is indicated in the statement. The number of free switches may be changed from time to 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.

## Loyalty bonus

Rebates on certain charges are added to the fund value in the form of a loyalty bonus on the plan anniversaries indicated below. The amount of the loyalty bonus is calculated as a percentage of some of the charges deducted from the plan since the date on which the previous loyalty bonus was added or since the start date for the first loyalty bonus.

The rebate percentage for each relevant plan anniversary is as follows:

Plan anniversary from start date	Rebate on charges %
5	0
10	40
15	50
20	60
25, and every 5 years thereafter	70

The charges included in the calculation of the loyalty bonus are

- the yearly marketing charge, plus
- the variable administration charge.

For the purpose of this calculation these charges are adjusted at the same rate at which the unit price of each investment fund changes.

A loyalty bonus will also be added if the plan is terminated after more than five years from the start date:

- due to a death claim, or
- on request on or after the option date.

If for either of the above termination events, the termination date falls between any of the plan anniversaries in the relevant table above, the next plan anniversary in the table is used to determine the percentage of the rebate.

The loyalty bonus will be added to the fund value of the plan by adding units to the plan. If the plan anniversary or termination date on which the loyalty bonus is payable, is not on a working day, the units will be added on the first working day thereafter.

## Charges

### Tax included in charges

Tax is levied according to the rate applicable to Safrican's Individual Policyholder's Fund.

### 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**, if applicable, deducted from a one-off payment.
- A yearly **marketing charge\***, which is a percentage of the fund value and may differ for different investment funds. It is taken into account when the daily price of the units is calculated.
- An **ongoing marketing charge**, if applicable, which is a percentage of the fund value, and depends on the negotiated ongoing commission. This charge is calculated on a monthly basis, which means it is divided by 12. The charge is deducted monthly from the fund value by selling units to the value of the charge.
- A yearly **variable marketing and administration charge**, which is a percentage of the fund value. This charge is calculated on a monthly basis, which means it is divided by 12. The charge is deducted monthly from the fund value by selling units to the value of the charge.

The variable marketing and administration charge changes as the fund value increases to higher fund value bands, as indicated in the statement.

\*An asset manager may pay a **platform management fee** for some investment funds. Such a fee is taken into account when the yearly marketing charge is calculated. The impact of this is that the yearly marketing charge is lower than what it would have been without a platform management fee. If the platform management fee changes, the yearly marketing charge will be adjusted accordingly. The size of the platform management fee as a percentage of the market value for each investment fund is indicated in a table in the statement.

## Deductions made by the asset managers

An asset manager may levy one or more of the following for an investment fund. These are taken into account when Safrican calculates the daily price of the units.

- A yearly **asset management charge**, which is a percentage of the plan's part of the market value of the assets in an investment fund. This charge is calculated on a daily basis, which means it is divided by 365. The current charge for an investment fund is indicated in the statement.

Some investment funds may invest in one or more of the managed asset classes in order to improve the diversification of the investment fund. Managed asset classes include, among other, hedge funds, exchange traded funds, property investments, private equity investments, derivatives and credit conduits. The managers of these managed asset classes, which may include companies within the Sanlam Group, deduct their management fees, performance fees and expenses directly from the investment returns. Some investment funds invest in other funds. The fund managers of these other funds will deduct their management fees, performance fees and expenses directly from the investment returns. These deductions are therefore not included in the indicated percentage for the asset management charge in the statement.

If the planholder is a natural person and a member of Reality, and depending on the Reality option and tier that the planholder is on at the time, Safrican may give a discount on the asset management charge for certain investment funds. This discount is not guaranteed. The discount will be added monthly to the fund value of the plan by adding additional units to the value of the discount.

- A **performance charge**, which is levied if the investment fund outperforms its benchmark. The current minimum and maximum charges as well as the current benchmark for an investment fund are indicated in the statement, if a performance charge is applicable to an investment fund. The performance charge depends on the investment performance of the fund and is not included in the asset management charge. Detail on the benchmark, and how the charge is calculated, is available from the asset manager.
- Direct investment expenses, for example collective investment initial fees, brokerage, audit fees, bank charges and trustee fees.

## Alteration charge

A plan may be changed at any stage, provided Safrican agrees to the alteration. An alteration charge will be levied if the alteration is done before the alteration charge date. The alteration charge date is the date until which an alteration charge will be levied for certain alterations. The alteration charge date is determined at the start, and does not change at subsequent alterations.

The alteration charge will be taken from the fund value by selling the required number of units.

The alteration charge date and the current alteration charge for the most common alterations, are indicated in the statement.

## Transaction charge

In addition to the above-mentioned alteration charge, a transaction charge will be levied for each of the following alterations:

- Termination of the plan;
- A loan against the plan;
- An ad hoc withdrawal from the plan.

The amount of this transaction charge is determined by means of regulatory measures and it will change in future if such regulatory measures or legislation change.

This transaction charge will not be levied on or after the option date.

A transaction charge will also be levied for other transactions, as mentioned in this *Sanlam Nimbus investments* chapter, and as indicated in the statement. This transaction charge will be increased from time to time to allow for inflation, as determined by Safrican.

A transaction charge will still be levied after the alteration charge date.

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 Safrican to pay a fee, including VAT if applicable, for ongoing investment advice for his or her investment, but only from the option date. Safrican will pay this fee monthly to the intermediary who provides this advice.

This investment advice is an optional service that the planholder may request, and is provided by an intermediary nominated by the planholder. It is a specialised service which is in addition to and not part of, the intermediary services for which Safrican pays commission.

The fund-based fee for this investment advice is specified as a percentage per year of the fund value. The planholder must specify the percentage. The fee is calculated on a monthly basis, which means it is divided by 12. It is deducted monthly from the fund value by means of a withdrawal to the value of the monthly fee. The amount of the fund-based fee is linked to and will therefore fluctuate with the fund value, for example, a 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, units will be sold on the day on which the request is received.

Legislative restrictions, as mentioned in this *Sanlam Nimbus investments* chapter, may apply.

## Termination of the plan

A plan may be terminated on request. The fund value less the alteration and transaction charges, if applicable, will be paid to the planholder when the plan is terminated.

## A loan against the plan

Two months after the start date the planholder may apply for a loan against the plan, provided that Safrican's conditions at the time are met.

Currently the conditions are the following:

- The loan amount may not be less than a minimum amount.
- The fund value, less the loan amount and the alteration and transaction charges, if applicable, may not be less than a minimum.
- The loan amount may not exceed a certain percentage of the termination value.

As these conditions will change from time to time, they will be communicated when the planholder applies for a loan.

The day on which the request for a loan is received, a number of units will be switched, equivalent in value to the approved loan amount, to units in the Stratus Loan Fund for planholders. This fund does not participate in any growth.

The calculation of the alteration charge, if applicable, will be based on the reduction in the fund value as a result of the loan amount and the transaction charge.

## An ad hoc withdrawal from the plan

The planholder may make an ad hoc withdrawal from the plan, provided that Safrican's 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. The required number of units will be sold to pay the alteration and transaction charges, if applicable, and 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 after the option date, provided that conditions at the time are met. 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 the application has been accepted for making regular withdrawals.

A transaction charge is levied for each withdrawal payment made. The charge will vary over time. Its current level is indicated in the statement.

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

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

The regular withdrawals will be stopped when they fail to satisfy Safrican's conditions.

## Legislative restrictions

In terms of current legislation, a restriction period applies to the plan, ending on the restriction period end date, as indicated in the statement.

During a restriction period, if the planholder wants to terminate the plan, Safrican may not pay more at the termination than an amount determined according to legislative restrictions (Section 54 of the Long-term Insurance Act). If the termination value is more than the amount restricted by legislation, Safrican will pay the restricted amount as an ad hoc withdrawal. The balance will remain invested until the restriction period end date.

Only one ad hoc withdrawal may be made from the plan during a restriction period. The amount of such an ad hoc withdrawal is limited to the amount as determined above. If an ad hoc withdrawal was made during a restriction period, another ad hoc withdrawal will not be allowed before the restriction period end date.

In addition, only one loan may be granted against the plan during a restriction period. The amount of such a loan is also limited, as described above. If a loan has been granted during a restriction period, another loan may not be granted before the restriction period end date.

Regular withdrawals may only be made from the plan after the restriction period end date.

## Benefit payable at death

The benefit amount is equal to the fund value on the date that notice of the death of the last surviving life insured is received.

The benefit amount of a plan will be paid to the planholder if he or she is still alive, or to his or her estate. However, the planholder may appoint one or more beneficiaries to receive the benefit amount. Refer to "Role players and cessions" in this *Sanlam Nimbus investments* chapter for more information.