

**ENDORSEMENT TO
INVESTMENT POLICY**

Issued to the

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION
PRESERVATION FUND**

With effect from 1 October 2012

underwritten by

**LIBERTY GROUP LIMITED
REG NO. 1957/002788/06**

and its

ASSOCIATED COMPANIES

PHYSICAL ADDRESS

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**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
FUND**

("the Fund")

WHEREAS the Fund has made application to Liberty Group Limited (hereinafter referred to as "Liberty Life") for the purpose of the investment of monies for Members and their Beneficiaries in terms of its Rules

AND WHEREAS Liberty Life has agreed to invest the amounts as specified in the said application on the basis of written or electronically transmitted statements and declarations made on or in connection with the application,

With effect from 1 October 2012 ("the Endorsement Date") Liberty Life hereby endorses any existing policy and endorsement issued thereto and replaces them by the issue of this policy to the Fund in the name of the Fund (hereinafter referred to as "this Policy").

In terms of this Policy it is agreed by and between the Fund and Liberty Life and is declared as follows:

In consideration of payment of the amounts described in this Policy, Liberty Life shall invest monies and pay such benefits as described in the Schedules to this Policy on receipt of satisfactory proof of the happening of the events described therein;

Provided always that all dealings with benefits and payments made shall be subject to the conditions of all of the following documents, which shall be deemed to form part of this Policy:

- (i) any Proposal, Declaration, Scheme Authority and Member Authority;
- (ii) any Endorsements, Schedules and Annexures attached hereto;
- (iii) the Rules as defined in this Policy; and
- (iv) all documents or electronic transmissions furnished in terms of this Policy and the Rules;



LIBERTY LIFE

15 March 2013

DATE

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION
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LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 1 - GENERAL CONDITIONS

1. GENERAL

1.1 INTERPRETATION

In this Policy, where the context or circumstances so admit or require and unless otherwise expressly stated:

1.1.1 Words and expressions defined as Policy Definitions shall have the meanings given to them.

1.1.2 Words and expressions defined as Schedule Definitions shall have the meanings given to them in respect of that Schedule only.

1.1.3 Words importing the singular shall include the plural and vice versa.

1.1.4 Words importing one gender shall include the other genders and vice versa.

1.1.5 For the purposes of this Policy, the phrase "in writing" shall mean written communications as well as information stored or transferred electronically in terms of the Scheme Authority or Member Authority

1.1.6 Any headings to clauses, the Schedules, any Endorsements or any Annexure hereto do not form part of, nor do they affect, the interpretation of this Policy, but are for convenience of reference only.

1.2 POLICY DEFINITIONS

"ACT" means the Pension Funds Act (Act 24 of 1956) as amended or any replacement thereof.

"ACTUARY" means Liberty Life's statutory actuary as provided for in the Long-term Insurance Act (Act 52 of 1998) as amended or replaced.

"AD HOC RETURN" in respect of the Liberty Stable Growth Fund Portfolio, means a return, whether positive or negative, declared on all investments in the portfolio, at the discretion of the Actuary, and effective immediately at the time of declaration. This is a different return from the monthly return based on the Return Formula, which is declared and effected linearly over the Return Period.

LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 1 - GENERAL CONDITIONS

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"BONUS PERIOD"	in respect of the Corporate Advanced Bonus Portfolio, means the period of 3 months commencing on 1 st January, 1 st April, 1 st July and 1 st October of each year,
"BONUS YEAR"	in respect of the Corporate Balanced Bonus Portfolio only, means the period of 12 months commencing on 1 st January of each year.
"BUSINESS DAY"	means every day except a Saturday or Sunday or official South African public holiday.
"COMMENCEMENT DATE"	means the date on which Liberty Life first issued a Policy to the Fund.
"COMMISSIONER"	has the meaning as defined in the Rules.
"CONTRIBUTIONS"	means all monies payable to Liberty Life for the purposes of providing the benefits afforded by this Policy.
"INVESTMENT PORTFOLIO"	means an investment portfolio which Liberty Life may make available from time to time for this class of Policy and shall include the expression "Portfolio".
"MEMBER"	means any person who is admitted to membership of the Fund in accordance with the Rules and shall include any such person as long as they are prospectively entitled to a Benefit Payment from the Fund. "MEMBERSHIP" shall have a corresponding meaning.
"NET CONTRIBUTION"	means the amount remaining and invested in this Policy, after the deduction of any charges, other than asset-based administration fees, from the Contributions (including any voluntary contributions or transfers from another fund).
"POLICY VALUE"	means the sum of the Portfolio Values.
"PORTFOLIO VALUE"	means in respect of all portfolios (other than the Corporate ALSI 40 Portfolio and the Corporate Balanced Bonus Portfolio) at any time: (1) the value of Units then allocated to the Fund, which shall equal the number of Units allocated multiplied by the current

LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 1 - GENERAL CONDITIONS

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- Unit repurchase price,
- (2) plus Net Contributions received but not yet invested in the Investment Portfolio,
 - (3) less all Asset-based Policy Fees including Fees not yet disinvested,
 - (4) less all Tax including Tax not yet disinvested,
 - (5) less all Statutory and similar charges not included in the determination of the Unit Price including charges not yet disinvested,
 - (6) less the value of any Benefit Payments or Switches not yet disinvested, which shall equal the number of Units related to the Benefit Payment or Switches not yet disinvested, multiplied by the Unit repurchase price at the appropriate date of disinvestment,
 - (7) plus, where appropriate, property capital surplus;

and in respect of the Corporate ALSI 40 Portfolio shall mean at any time:

- (1) Net Contributions including Net Contributions received but not yet invested in the Investment Portfolio,
- (2) plus, or less, any change in the ALSI 40 Index as published by the Johannesburg Stock Exchange attributable to the Policy at the relevant time,
- (3) plus any bonuses declared,
- (4) less all Asset-based Policy Fees including Fees not yet disinvested,
- (5) less all Tax including Tax not yet disinvested,
- (6) less all Statutory and similar charges including charges not yet disinvested,
- (7) less the value of any Benefit Payments or Switches not yet disinvested;

and in respect of investments in the Corporate Balanced Bonus Portfolio shall mean at any time:

the Net Contributions paid by the Fund together with any interest credited and surplus attributable to the Policy at the relevant time, less any Benefit Payments or Switches made in terms of this Policy.

"REGISTRAR"

has the meaning as defined in the Rules.

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SECTION 1 - GENERAL CONDITIONS

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"RETURN FORMULA"	in respect of Liberty Stable Growth Fund Portfolio, means the formula used to determine the regular monthly returns, whether positive or negative, declared on investments in the Portfolio.
"RETURN PERIOD"	in respect of the Liberty Stable Growth Fund Portfolio means the period of 1 month commencing on the first day of each calendar month.
"RULES"	means the Rules governing the Fund.
"SCHEME AUTHORITY"	means an authority signed by an authorised representative of the Fund or Participating Employer by virtue of which notices, communication, data or any other information in respect of the Fund, its Members or any party having a valid interest in the Fund may be communicated or stored utilising electronic means, which shall include, but not be limited to, facsimile, e-mail, electronic data interchange (EDI) or any other computer readable medium. "MEMBER AUTHORITY" shall, where the context so permits, have a similar meaning.
"SWITCH"	means the transfer of all or a portion of the existing Policy Value to an Investment Portfolio or Portfolios different from that in which the Policy Value is currently invested.
"UNIT"	means the units as described in the Investment Schedule forming part of this Policy.

1.3 NOTICES AND COMMUNICATION

- 1.3.1 Every notice or communication to be given, sent or made under this Policy shall be in writing, which shall include electronic communication.
- 1.3.2 Where electronic communication is utilised, the onus shall be on the sending party to prove delivery to the receiving party.

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1.3.3 Any such notice or communication addressed to the Fund shall be sent to the Fund at the address last notified by it in writing to Liberty Life.

1.3.5 Any such notice or communication addressed to Liberty Life shall be sent to Liberty Life at its Head Office for the time being.

1.4. CURRENCY, PLACE OF PAYMENT

All payments to or by Liberty Life under this Policy shall be made in the lawful currency of the Republic of South Africa by means of an electronic fund transfer to or from an account designated by Liberty Life.

1.5. LAW

Any question of law arising under this Policy shall be decided in accordance with the laws of the Republic of South Africa.

1.6. AMENDMENT TO POLICY CONDITIONS

1.6.1 Liberty Life may amend any provision or condition of this Policy after giving the Fund one month's written notice (or such other period of notice as specifically provided for in this Policy) of its intention to effect the alteration.

1.6.2 No provision or condition of this Policy may be waived or modified in any way whatsoever except by an endorsement signed by an authorised official of Liberty Life.

1.6.3 Should any statutory authority introduce measures which affect this Policy or in the event of Liberty Life's basis of taxation being changed or should a Fund which requires registration or approval by the relevant authorities have such registration or approval refused or withdrawn, Liberty Life shall make such amendments to this Policy as it considers appropriate, without any notice to the Fund, but shall consult with the Fund with regard to the reasons for such amendment.

1.6.4 If the Fund considers any amendment to be prejudicial it may discontinue this Policy in full or in part, subject to the relevant discontinuance provisions contained herein.

1.7. DISCONTINUANCE AND TERMINATION

1.7.1 The Fund may discontinue Contributions to this Policy on expiry of one calendar month's written notice to Liberty Life.

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SECTION 1 - GENERAL CONDITIONS

CONTINUED

- 1.7.2 Liberty Life may discontinue accepting Contributions to this Policy at any time on the occurrence of any one of the following events:
- 1.7.2.1 The Fund being placed under judicial management or in liquidation or effecting a compromise with its creditors.
 - 1.7.2.2 A material non-compliance by the Fund with the provisions of its Rules or with the Provisions of this Policy.
 - 1.7.2.3 Cessation of Contributions by the Fund without notice as required under Clause 1.7.1 above.
 - 1.7.2.4 Before implementing the provisions of this Clause, Liberty Life shall give the Fund 7 (seven) calendar days' written notice of its intended action.
- 1.7.3 The discontinuance of Contributions to this Policy will not affect any claim by the Fund where the event giving rise to the claim occurred before Contributions were discontinued, provided that the potential claim is notified to Liberty Life within one month of the occurrence of the event giving rise to the claim.
- 1.7.4 On the discontinuance of Contributions to this Policy the following terms and conditions will apply.
- 1.7.4.1 Upon discontinuance, the benefits secured by the Contributions shall be held as paid-up benefits or, in terms of the relevant cash redemption provisions contained in the Investment Portfolio Schedules be disposed of in accordance with the provisions of the Rules.
 - 1.7.4.2 The date at which the Policy is made paid-up (the 'Termination Date') shall be the earlier of:
 - 1.7.4.2.1 the expiry of the notice period, described in Clause 1.7.1 ,
 - 1.7.4.2.2 the date on which the event specified in Clause 1.7.2.1 is effective,
 - 1.7.4.2.3 the expiry of the notice period as described in Clause 1.7.2.4.

1.8 DISPUTES

- 1.8.1 In the event of conflict between the provisions of the Rules and the conditions of this Policy, the following shall apply:

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SECTION 1 - GENERAL CONDITIONS

CONTINUED

- 1.8.2 in all matters relating to the rights and obligations of the Fund under this Policy, the conditions of this Policy shall prevail;
- 1.8.3 in all other matters, including the rights and obligations of Members, the provisions of the Rules shall prevail;
- 1.8.4 in all matters relating to the conditions of this Policy, if disputes arise which cannot be resolved amicably between the parties, the matter shall be referred for resolution by mediation under the rules of the Arbitration Foundation of Southern Africa ("AFSA"), which mediation decision shall be binding.
- 1.8.5 Should mediation fail, the matter under dispute must, within 15 Business Days of such failure, be referred for expedited arbitration in Sandton, Gauteng, under the rules of AFSA.
- 1.8.6 The parties to the dispute shall, by agreement appoint a single arbitrator to rule on the dispute.
- 1.8.7 Should the parties fail to agree on the arbitrator within 10 Business Days after referral, an arbitrator will be appointed by the Secretariat of AFSA to hear the matter.
- 1.8.8 The arbitrator's decision shall be final.
- 1.8.9 Notwithstanding the above, the disputing parties may shorten or lengthen the periods referred to in respect of negotiation or mediation by written agreement.
- 1.8.10 The contents of this clause shall not preclude any party from access to an appropriate court of law or alternate dispute resolution body established by law or otherwise, for appropriate relief in any matter under dispute.
- 1.8.11 The contents of this clause shall continue to be binding notwithstanding the fact that the one or more parties to the dispute may have ceased to exist.

1.9 BENEFITS ARE NON-ASSIGNABLE

This Policy is issued solely for the benefit of the Fund and no right, title, interest or benefit herein or hereunder may be ceded, assigned or disposed of in any manner without the prior written approval of Liberty Life.

1.10 DISCHARGE OF LIABILITY

Notwithstanding anything to the contrary contained in this Policy or in the Rules, the production by Liberty Life of an instruction, duly signed by or on behalf of the Fund, to make any payment to any person or body, and proof that such payment has been made by electronic fund transfer to the account reflected in such instruction, shall be final and conclusive

LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 1 - GENERAL CONDITIONS

CONTINUED

evidence and proof that the payment has been paid and received. Liberty Life shall not be liable for any further action, claim or demand of whatever nature in respect thereof.

2. DUTIES AND RESPONSIBILITIES OF THE FUND

The Fund shall:

- 2.1 Where it is required to be registered by the Registrar or to be approved by the Commissioner,
 - 2.1.1 ensure that it is registered by the Registrar, or
 - 2.1.2 ensure that it is approved by the Commissioner; and
 - 2.1.3 ensure that it at all times complies with the provisions of the Act, the Income Tax Act and any other legislation relevant to the Fund.
- 2.2 Provide proof to the satisfaction of Liberty Life of the occurrence of an event giving rise to a claim for Benefit Payments under this Policy.
- 2.3 Provide such other information as may reasonably be requested by Liberty Life.

Such advice shall be delivered in a form acceptable to Liberty Life within 30 Business Days of the date of such event or request.
- 2.4 Pay Contributions into this Policy in accordance with the Fund's Rules and the provisions of the Act.
- 2.5 Advise Liberty Life of its intention to discontinue Contributions to a particular Portfolio or to the Policy as a whole as provided for in the relevant Schedules to this Policy.
- 2.6 Advise Members of any restriction or condition imposed by this Policy. Failure to do so shall not affect the operation of such restriction or condition.
- 2.7 Where the Fund is required to act in respect of a Participating Employer, the Fund may delegate the duty to provide information, pay contributions or give notice to a duly authorised representative of such Participating Employer. Such delegation shall not absolve the Fund from any liability imposed upon it under this Policy.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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**SECTION 1 - GENERAL CONDITIONS
CONTINUED**

3. DUTIES AND RESPONSIBILITIES OF LIBERTY LIFE

Liberty Life shall:

- 3.1 Apply the amounts received in terms of this Policy for the purposes as set out in the relevant Schedules to this Policy.
- 3.2 Pay all amounts and/or benefits as set out in the relevant Schedules to this Policy.
- 3.3 Furnish the Fund with any information it may reasonably require regarding this Policy.
- 3.4 Be entitled to discontinue all or part of this Policy after providing the Fund with such written notice as set out in the relevant Schedules to this Policy.
- 3.5 Not accept any claim for interest or any other compensation in respect of delays in payment of amounts resulting from the Fund's failure to provide:
 - 3.5.1 timeous proof of the occurrence of the event giving rise to such claim for benefit, or
 - 3.5.2 timeous discharge, indemnity or such other documents as may be required for the purposes of paying such amount or benefit.
- 3.6 Not accept any claim for interest or any other compensation in respect of delays in investing amounts resulting from the Fund's failure to provide timeous or accurate information as required in terms of Clause 2 of this Section of the Policy.

LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 2 - INVESTMENT SCHEDULE

1. UNITS

- 1.1 It is recorded that, solely for the purpose of ease of administration and simplicity in determining the Portfolio Value and without conferring on the Fund any interest or undivided share of whatsoever nature in any of the investments held in the Investment Portfolio, the Investment Portfolio shall be divided into Units.
- 1.2 The Unit price, which shall be applied for the purchase and the sale of Units, shall normally be determined daily (the "Valuation Date") or, where deemed appropriate by Liberty Life, on a more, or less, frequent basis. All Net Contributions shall be used to purchase Units in an Investment Portfolio using the Gross Selling Price ruling on the later of the Business Day following receipt of such Net Contributions or the date on which the Net Contribution is identified as being available for allocation to this Policy.
- 1.3 The "Gross Selling Price" shall be the price, as made available by the fund manager of the Investment Portfolio, increased by any purchase fees levied by the fund manager of the Investment Portfolio and any other amounts incurred in the purchase of units.
- 1.4 The "Repurchase Price" shall be the price as made available by the fund manager of the Investment Portfolio, and shall be reduced by any redemption fees levied by the Investment Portfolio and any other costs associated with the sale of units.
- 1.5 Net income distributions received or accrued from an Investment Portfolio shall be adjusted for income tax and applied to purchase Units at the Gross Selling Price.
- 1.6 Benefit Payments and Switches shall be disinvested by the sale of Units at the Repurchase Price.
- 1.7 Except under the circumstances as set out in the particular Investment Portfolio Schedule, the number of Units will only be increased at the time of the addition of investments. Units will only be cancelled at the time of the disposal or exclusion of investments.
- 1.8 On the acquisition or disposal of investments, the new number of Units shall be determined in such a manner that the Unit price is the same immediately before and after such acquisition or disposal.

2. CHOICE OF INVESTMENT PORTFOLIO

- 2.1 The Fund may invest in any of the Investment Portfolios that Liberty Life may make available from time to time for this class of Policy.
- 2.2 The Portfolios from which the Fund may elect to invest at the date of issue of this Policy, shall be those set out in the available Investment Portfolio Schedule attached to this Policy.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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**SECTION 2 - INVESTMENT SCHEDULE
CONTINUED**

- 2.3 Investment Portfolios fall into the following main category:
- Liberty Series of Portfolios
- 2.4 The Fund may, request a Switch to any other Investment Portfolio which Liberty Life may make available for this purpose from time to time.
- 2.4.1 The request for a Switch shall be made in writing in the format prescribed by Liberty Life from time to time.
- 2.4.2 Liberty Life will not give effect to any request for a Switch where the written request is incomplete or reflects Investment Portfolios that are not available to the Owner at the time of the request.
- 2.4.3 Liberty Life shall advise the Fund of Switch requests received within 3 (three) Business Days of receipt and whether or not they have been or will be effected, and if not, the reason therefore.
- 2.4.4 The Fund shall ensure that any requested Switch has been appropriately completed and shall advise Liberty Life within 5 Business Days of such request, should the notice referred to in Clause 2.4.3 above not have been received.
- 2.4.5 The onus of proof that Liberty Life has been provided with a valid Switch request shall reside with the Fund and Liberty Life shall not be liable for any losses incurred prior to the receipt of any such request.
- 2.4.6 Switch requests shall be subject to the relevant Portfolio disinvestment provisions in accordance with Liberty Life's practices from time to time and in the manner reflected in the relevant Investment Portfolio Schedule.
- 2.5 In respect of investments in an Investment Portfolio other than the Corporate Advanced Bonus and Corporate Balanced Bonus Portfolio, Liberty Life will complete the Switch as a single transaction within 3 (three) Business Days of receipt subject to such terms and conditions as Liberty Life may determine from time to time.
- 2.6 In respect of investments in the Corporate Balanced Bonus Portfolio, Liberty Life will complete the Switch over a period as if the Policy were redeemed as described in Clause 5 of the Investment Portfolio Schedule applicable to the Corporate Balanced Bonus Portfolio.
- 2.7 Should the Fund prove that Liberty Life received a valid written r Switch request, but did not act on that request in terms of Clauses 2.4 above, Liberty Life shall immediately on receipt of such proof place the Fund in the same position which it would have been in, had the request been processed in accordance with the said Clauses.

LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION FUND

SECTION 2 - INVESTMENT SCHEDULE CONTINUED

3. INVESTMENT AND DISINVESTMENT

- 3.1 All Net Contributions received by Liberty Life shall be divided amongst, and invested in, the available Investment Portfolios in the proportions agreed to in writing between the Fund and Liberty Life.
- 3.2 All benefits paid by the Fund shall be divided and treated as disinvestments from the appropriate Investment Portfolios in proportion to the balance in each Portfolio at the date referred to in Clause 3.4 below.
- 3.3 Allocation of Net Contributions shall be made on the Business Day following receipt of such Net Contributions or the Business Day following that on which the Net Contribution is identified as a Net Contribution.
- 3.4 All payments will be disinvested on the Business Day preceding payment. Where any discharge, indemnity or other document required for the purpose of a payment is outstanding on receipt of a request for payment, Liberty Life shall disinvest the amount due and invest it in the Standard Bank Corporate Money Market Portfolio until the date on which payment can be made.
- 3.5 The Fund shall have no property or real rights in relation to the investments which comprise any Investment Portfolio, which investments shall at all times be and remain the unencumbered property of Liberty Life.

4. ASSET-BASED ADMINISTRATION FEES

Asset-based Administration Fees payable by the Fund shall be as set out in the Schedule of Asset-based Administration Fees contained in Section 3 of this Policy, but shall be subject to a minimum annual fee as advised in writing by Liberty Life from time to time.

5. COMMISSION

A charge for commission in terms of the provisions of the Long-term Insurance Act, as is applicable to this class of policy, shall be levied in addition to any other charges reflected herein, in a manner determined by the Actuary.

6. REDEMPTION BY THE FUND

- 6.1 The notice period required for redemption of the Policy on discontinuance and the terms and conditions applicable to repayment of the Portfolio Value shall be as set out in this Policy.
- 6.2 The notice period required for redemption of all or part of this Policy as a result of a Switch and the terms and conditions applicable to repayment of the Portfolio Value shall be as set out in Clause 2 above.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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**SECTION 2 - INVESTMENT SCHEDULE
CONTINUED**

7. ASSET COMPOSITION

- 7.1 Notwithstanding the Fund's choice of Investment Portfolios as contemplated in Clause 2 above, Liberty Life shall do all things necessary to ensure that the asset composition of the available Investment Portfolios complies with the requirements of the Act or any replacement legislation.
- 7.2 Where requested, Liberty Life shall provide the Fund with a certificate confirming compliance with the Act within two calendar months of the Fund's financial year end.
- 7.3 Where requested by the Fund, Liberty Life shall report to the Fund in respect of the investment managers' compliance with such mandates.
- 7.4 Liberty Life shall report to the Fund in respect of the investment manager's compliance with such mandates.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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**SECTION 3 - SCHEDULE OF ASSET-BASED
FEES AND CHARGES**

1. ASSET-BASED ADMINISTRATION FEES

- 1.1 Asset-based Administration Fees payable by the Fund shall be 0,40% of the assets of the Fund or such other amount as shall be agreed to in writing by Liberty Life and the Fund from time to time.
- 1.2 One-twelfth of the above fee shall be paid monthly in arrears on the last Business Day of a month, based on the Policy Value at that time. The fee shall be deducted by reducing the unit balance or by such other means of payment as is agreed between the Fund and Liberty Life.
- 1.3 In addition to the fees referred to in Clause 1.1 above, Liberty Life shall be entitled to recover any fees or costs incurred with the acquisition of foreign assets or the securing of foreign investments. Such fees or costs shall be levied as follows:
- 1.3.1 In respect of the Corporate International Assets Portfolio, such costs will be included in the Unit price.
- 1.3.2 In respect of all other Portfolios, on that portion of the Policy Value which constitutes investments in Portfolios where such fees and costs are applicable. These fees shall be levied in the same way as the fees referred to in Clause 1.2 above.
- 1.3.3 In respect of all Single Contributions invested in the Portfolios referred to in Clauses 1.3.1 and 1.3.2, the fees shall be deducted from the Contribution on receipt thereof.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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**SECTION 3 - SCHEDULE OF ASSET-BASED
FEES AND CHARGES
CONTINUED**

- 1.4 In addition to the fees referred to in Clause 1.1 and Clause 1.3 above, Liberty Life shall be entitled to an asset-handling fee of 0,25% per annum of the value invested in any Investment Portfolio, other than the Corporate Series of Portfolios the Liberty Series of Portfolios or an Investment Portfolio wholly managed by Stanlib Collective Investments Ltd. The asset-handling fee shall be levied in the same way as the fees referred to in Clause 1.2 above.
- 1.5 Liberty Life shall give one calendar month's written notice of any variation to the above fees. The Fund shall be deemed to have unconditionally accepted such variation if Liberty Life does not receive written notice of the Fund's intention to redeem the Policy within two calendar months from Liberty Life giving written notice of the proposed variation.
- 1.6 Liberty Life will not levy fees in respect of Switches other than where the Fund incurs a buy/sell spread on Switches.
- 1.7 The above Fees exclude any fees charged by specific investment managers on their respective Portfolios.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
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SCHEDULE OF INVESTMENT PORTFOLIOS**

**THE LIBERTY SERIES OF PORTFOLIOS
THE LIBERTY STABLE GROWTH FUND PORTFOLIO**

The following terms and conditions shall apply to the Liberty Stable Growth Fund Portfolio:

1. RETURN AND ALLOCATION

- 1.1 The Policy will participate in that part of the return smoothing reserve of the Liberty Stable Growth Fund Portfolio as determined by the Return Formula and agreed to by the Actuary, for each Return Period.
- 1.2 The return smoothing reserve is determined gross of the Asset-based Administration Fees reflected in the Schedule of Asset-based Policy Fees contained in this Policy.
- 1.3 The return smoothing reserve shall be distributed by means of an investment return determined in terms of the Return Formula that will be declared at the commencement of each Return Period and will vest linearly over the Return Period. The investment return determined in terms of the Return Formula may be positive, zero or negative.
- 1.4 An Ad Hoc Return, either positive or negative, may be declared at any time that the Actuary deems it necessary. This Ad Hoc Return will vest immediately, and the unit price will be adjusted to reflect the Ad Hoc Return.
- 1.5 The Unit price on any Valuation Date shall be adjusted from that of the previous Valuation Date, to reflect the return referred to in Clause 1.3, and Clause 1.4, above for the intervening period, giving the new Unit price.

2. PORTFOLIO REDEMPTION PAYMENT

- 2.1 Liberty Life will recognise two types of disinvestment from this portfolio;
 - 2.1.1 Withdrawals, being
 - Individual member Benefit Payments and Switches, and
 - 2.1.2 Partial and Full Terminations, being;
 - Aggregate Withdrawals as reflected in Clause 2.1.1 above in excess of 20% (twenty percent) of the Fund's investment in this Portfolio, measured over any preceding three month period, and
 - Any other payments from the Portfolio.

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SCHEDULE OF INVESTMENT PORTFOLIOS**

**THE LIBERTY SERIES OF PORTFOLIOS
THE LIBERTY STABLE GROWTH FUND PORTFOLIO (CONTINUED)**

- 2.2 Disinvestments in respect of Withdrawals as reflected in Clause 2.1.1 above will normally be Switched or paid out within 3 (three) Business Days of receipt of the request to disinvest or Switch.
- 2.3 In respect of Partial and Full Terminations as reflected in Clause 2.1.1 above, the Fund shall give Liberty Life the following written notice of its intention to redeem in whole or in part, from this Portfolio;
- 2.3.1 30 (thirty) calendar days in respect of amounts of less than R 50 000 000 (Fifty million Rand),
- 2.3.2 90 (ninety) calendar days written notice in respect of amounts of R 50 000 000 (Fifty million Rand) but not exceeding R 200 000 000 (two hundred million Rand), and
- 2.3.3 180 (one hundred and eighty) calendar days notice in respect of amounts greater than R 200 000 000 (two hundred million Rand).
- 2.4 The redemption will take place subject to Liberty Life having received such indemnities, discharges and documents or information as it may require.
- 2.5 Notwithstanding the content of Clause 2.2 and 2.3 above, where the Actuary is of the opinion that a redemption would prejudice the other investors in the Portfolio, the Actuary may apply increased notice periods, or any other measures deemed necessary to protect the interest of the other investors in this Portfolio.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
FUND
SCHEDULE OF INVESTMENT PORTFOLIOS**

**THE CORPORATE SERIES OF PORTFOLIOS
OTHER THAN THE CORPORATE ADVANCED BONUS, THE CORPORATE ALSI 40
PLUS AND THE CORPORATE BALANCED BONUS PORTFOLIOS**

The following terms and conditions shall apply specifically to the Corporate Series of Portfolios other than the Corporate Advanced Bonus Portfolio, the Corporate ALSI 40 Plus Portfolio and the Corporate Balanced Bonus Portfolio.

1. SURPLUS AND ALLOCATION

- 1.1 Normal surplus shall be calculated by the Actuary on each Valuation Date and shall comprise the following two items:
 - 1.1.1 Income surplus, which shall include all attributable income, whether accrued or received, in respect of the investments held in the Investment Portfolio.
 - 1.1.2 Capital surplus, which shall reflect all changes in the market value of the investments held in the Investment Portfolio, other than fixed properties and property companies.
- 1.2 The Unit price on any Valuation Date shall be adjusted from that of the previous Valuation Date to reflect the normal surplus referred to in Clause 1.1 above for the intervening period, giving the new Unit price.
- 1.3 Property capital surplus and any other valuations agreed to by the directors of Liberty Life shall be calculated on 31 December of each year or such other date as Liberty Life determines from time to time, provided that such date shall not be later than twelve calendar months after the previous valuation. It shall reflect the change in market value of fixed properties and property companies since their previous valuation.
- 1.4 Property capital surplus and any other valuations agreed to by the directors of Liberty Life referred to in Clause 1.3 above shall be allocated either by the addition or subtraction of Units.
- 1.5 The value of the total number of Units created or cancelled on 31 December of each year, or such other date as referred to in Clause 1.3 above, shall equal the total property capital surplus attributable to the Investment Portfolio for that period. The Units attributable to the Fund shall relate to the proportion of the Fund's investment in properties during the period in question.
- 1.6 Any costs incurred in obtaining and holding specific assets of the portfolio, including, but not limited to, stamp duty, marketable securities tax, brokerage and asset swap fees, shall be charged to the Investment Portfolio by way of a reduction in the Unit repurchase price, or by an addition to the gross selling price, as deemed appropriate by Liberty Life.

**LIBERTY CORPORATE UNCLAIMED BENEFITS PENSION PRESERVATION
FUND**

**SECTION 4 - SCHEDULE OF
INVESTMENT PORTFOLIOS
CONTINUED**

**THE CORPORATE SERIES OF PORTFOLIOS
THE CORPORATE ADVANCED BONUS PORTFOLIO**

The following terms and conditions shall apply to the Corporate Advanced Bonus Portfolio:

1. SURPLUS AND ALLOCATION

- 1.1 The Policy will participate in that part of the net surplus of the Corporate Advanced Bonus Portfolio as the Actuary decides is attributable to it.
- 1.2 The net surplus is determined by the Actuary, gross of the Asset-based Policy Fees reflected in the Schedule of Asset-based Policy Fees contained in this Policy.
- 1.3 The net surplus shall be distributed by means of a bonus that will be declared at the commencement of each Bonus Period and will vest linearly over the Bonus Period.
 - 1.3.1 A bonus may not be negative, and
 - 1.3.2 A bonus, once declared, may not be reduced.
- 1.4 The Unit price on any Valuation Date shall be adjusted from that of the previous Valuation Date, to reflect the bonus referred to in Clause 1.3 above for the intervening period, giving the new Unit price.

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)
(This notice does not form part of the Policy)**

IMPORTANT - PLEASE READ CAREFULLY

As a long-term insurance policyholder, or prospective policyholder, you have the right to the following information:

1. The intermediary (insurance broker or representative) dealing with you must at the earliest reasonable opportunity disclose:
 - (a) Name, physical and postal address and telephone number.
 - (b) Legal capacity: whether independent or representing an insurer or brokerage.
 - (c) Concise details of relevant experience.
 - (d) Insurance products that may be sold.
 - (e) Insurers whose products may be marketed.
 - (f) Indemnity cover held - Yes / No.
 - (g) Shareholdings in insurers if 10% or more.
 - (h) Name of insurers from which the intermediary received 30% or more of total commission and remuneration during the past calendar year.

The intermediary must be able to produce proof of contractual relationship with and accreditation by the insurers concerned.

2. Your right to know the impact of the decision you elect to make:
 - (a) The intermediary or insurer dealing with you must inform you of:
 - (i) The premium you may be paying.
 - (ii) The nature and extent of benefits you may receive.
 - (b) If the benefits are linked to the performance of certain assets:
How much of the premium will go towards the benefit
To what portfolio will your benefits be linked.
 - (c) The possible impact of this purchase on your finances.
 - (d) The possible impact of this purchase on your other policies (affordability).
 - (e) The possible impact of this purchase on your investment portfolio (affordability).
 - (f) The flexibility of changes you may make to the proposed contract.
 - (g) The contract terms of the product you intend to purchase.

It is very important that you are quite sure that the product or transaction meets your needs and that you feel you have all the information you need to make a decision.

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)
(This notice does not form part of the Policy)**

3. Your right when being advised to replace an existing policy.

You may not be advised to cancel a policy to enable you to purchase a new policy or amend an existing policy, unless:

- (a) The intermediary identifies the policy as a replacement policy.
- (b) The implications of cancellation of the policy are disclosed to you such as:
 - (i) The influence on your benefits under the old policy.
 - (ii) The additional costs incurred with the replacement.
- (c) The insurer which issued the original policy will contact you, you are advised to discuss the matter with its representative.

4. Your right to be informed by the Insurer.

The insurer will forward you documentation confirming policy details as discussed in paragraph 2 of this Notice, which will also include:

- (a) The name of the insurer.
- (b) The product being purchased.
- (c) The cost in Rands of the transaction and specifically:
 - (i) the loadings, if any;
 - (ii) the initial expense; and
 - (iii) the amount of commission and other remuneration being paid to the intermediary.
- (d) In the case of policies with an investment element, the ongoing expense and any other fees or charges payable.
- (e) The summary in terms of Section 48 of the Long Term Insurance Act, 1998
- (f) The contact number and address of the Complaints and the Compliance Officers of the insurer

The insurer may disclose the above Information on a generic basis with additional policyholder specific disclosure.

5. Your right to cancel the transaction

In most cases, you have a right to cancel a policy in writing within 30 days after receipt of the summary contemplated in section 48 from the insurer. The same applies to certain changes you may make to a policy.

The insurer is obliged to confirm to you whether you have this right and to explain how to exercise it.

Please bear in mind that you may not exercise if you have already claimed under the policy or if the event, which the policy insures you against, has already happened. If the policy has an investment component, you will carry any investment loss

**STATUTORY NOTICE TO POLICYHOLDERS IN TERMS OF
SECTION 62 OF THE LONG-TERM INSURANCE ACT (1998)
(This notice does not form part of the Policy)**

6. IMPORTANT WARNING

It is very important that you are quite sure that the product or transaction meets your needs and that you feel you have all the information you need before making a decision.

It is recommended that you discuss with the intermediary or insurer the possible impact of the proposed transaction on your finances, your other policies or your broader investment portfolio. You should also ask for information about the flexibility of any proposed policy.

Where paper forms are required, it is advisable to sign them only once they are fully completed. Feel free to make notes regarding verbal information, and to ask for written confirmation or copies of documents.

Remember that you may contact either the Long-term Insurance Ombudsman or the Registrar of Long-term Insurance, whose details are set out below, if you have any concerns regarding a product sold to you or advice given to you.

7. Particulars of Long-term Insurance Ombudsman

PO Box 45007
CLAREMONT
7735
Tel: (021) 674-0330
Fax: (021) 674-0951

8. Particulars of Registrar of Long-term Insurance

Financial Services Board
PO Box 36656
MENLO PARK
Tel: (012) 428-8000
Fax: (012) 347-0221