

## Summary of the material changes to the terms and conditions that govern the relationship between investors and Nedgroup Investments (the 'Investment Agreement').

### 1) **Material changes applicable to all Nedgroup Investment products** (i.e. Units Trust, Tax Free Investments, Living Annuity, Endowments, Retirement Annuity, Pension Preservation Fund, Provident Preservation Fund).

- a) Submission to Nedgroup Investments of initial investment application forms and all subsequent instructions, effective from 1 March 2021.

Previously – investors could submit initial investment application forms and all subsequent instructions in various formats (electronically, paper based, email etc).

From 1 March 2021 – we will only accept or process initial investment and subsequent instruction forms that are completed, signed and submitted electronically in a prescribed format, unless we specifically require an alternative method.

### 2) **Material changes applicable to the Provident Preservation Fund.**

- a) Access your fund benefits

Previously

Investors could access benefits due on

- retirement
- withdrawal (subject to restrictions)
- emigration
- upon the expiry of a South African visa.

From 1 March 2021

Investors can now also access benefits due if no longer tax resident (subject to legislation).

- b) On retirement

Previously

Investors could choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- The full benefit is paid as a cash lump sum.
- A combination of a cash lump sum and a compulsory annuity in your name.

From 1 March 2021

Investors can choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- One third of the full benefit is paid as a cash lump sum, with the other two-thirds used to buy a compulsory annuity.





Subject to legislation and SARS requirements, the full benefit or more than one third can be paid as a cash lump sum:

- if the pre-tax fund value, on the date of retirement, is less than R247 500 or such other amount as set out in legislation; or
- if (as allowed by legislation from 1 March 2021) the benefit includes monies contributed or transferred to a provident or provident preservation fund.

c) Default annuity strategy

From 1 March 2021

Default annuity strategy introduced and applicable to investors.

**3) Material changes applicable to the Pension Preservation Fund.**

a) Access your fund benefits

Previously

Investors could access benefits due on

- retirement
- withdrawal (subject to restrictions)
- emigration
- upon the expiry of a South African visa.

From 1 March 2021

Investors can now also access benefits due if no longer tax resident (subject to legislation).

b) On retirement

Previously

Investors could choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- One third of the full benefit is paid as a cash lump sum, with the other two-thirds used to buy a compulsory annuity.
- The full benefit is paid as a cash lump sum but only if the pre-tax fund value, on the date of retirement, is less than R247 500.

From 1 March 2021

Investors can choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- One third of the full benefit is paid as a cash lump sum, with the other two-thirds used to buy a compulsory annuity.

Subject to legislation and SARS requirements, the full benefit or more than one third can be paid as a cash lump sum:

- if the pre-tax fund value, on the date of retirement, is less than R247 500 or such other amount as set out in legislation; or



- if (as allowed by legislation from 1 March 2021) the benefit includes monies contributed or transferred to a provident or provident preservation fund.

#### 4) Material changes applicable to the Retirement Annuity Fund.

##### a) Access your fund benefits

Previously

Investors could access benefits due on

- retirement
- withdrawal (subject to restrictions)
- emigration
- upon the expiry of a South African visa.

From 1 March 2021

Investors can now also access benefits due if no longer tax resident (subject to legislation).

##### b) On retirement

Previously

Investors could choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- One third of the full benefit is paid as a cash lump sum, with the other two-thirds used to buy a compulsory annuity.
- The full benefit is paid as a cash lump sum but only if the pre-tax fund value, on the date of retirement, is less than R247 500.

From 1 March 2021

Investors can choose to have the full or staggered retirement benefit of their investment paid in one of the following ways:

- The full benefit is used to buy a compulsory annuity.
- One third of the full benefit is paid as a cash lump sum, with the other two-thirds used to buy a compulsory annuity.

Subject to legislation and SARS requirements, the full benefit or more than one third can be paid as a cash lump sum:

- if the pre-tax fund value, on the date of retirement, is less than R247 500 or such other amount as set out in legislation; or
- if (as allowed by legislation from 1 March 2021) the benefit includes monies contributed or transferred to a provident or provident preservation fund.