

# **10X Living Annuity Policy**

Underwritten by  
Guardrisk Life Limited

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## 1. Introduction

1. This Policy is a life policy issued in your name by Guardrisk in terms of which you transfer a lumpsum retirement benefit from a registered retirement fund or a lumpsum from another living annuity policy to Guardrisk in return for an Annuity Income / Death Benefit.
2. This is a linked investment policy in terms of which the amount of the Annuity Income / Death Benefit is not guaranteed by Guardrisk but is to be determined solely by reference to the value of the underlying investment.
3. The Annuity Income under this Policy is not guaranteed for your lifetime. The lifespan of your Annuity Income will depend on the Annuity Income selected by you throughout the duration of the Policy and the investment performance of the underlying investment.
4. Guardrisk is licenced in terms of the Insurance Act 18 of 2017 to carry on certain life insurance business and as such, Guardrisk is duly authorised to enter into this Policy under the terms and conditions set out below. The terms and conditions are also available on our website: <https://www.10x.co.za/terms-and-conditions>
5. This Policy Document, together with your application form (and all subsequent instructions) and the Policy Summary will form the agreement between Guardrisk and the Policyholder.

## 2. Interpretation

### 2.1. In this Policy Document:

“**10X**” means 10X Investments (Pty) Ltd, registration number 2005/033587/07.

“**Annuity Income**” means the regular income that you will receive from your Policy, expressed as a percentage or rand amount, which must fall within the legislative limits.

“**Anniversary Month**” means the calendar month in which the Policy Anniversary falls.

“**Applicable Laws**” means the reference to the laws set out in this Policy which will also include POPIA and any other legislation dealing with data management and such processes.

“**Beneficiary(ies)**” means the person(s) you nominate to receive the Death Benefit under the Policy.

“**Business Day**” means any day other than a Saturday, Sunday, South African public holiday and the period starting on 24 December and ending on the second day after 1 January that is neither a Saturday nor a Sunday, both dates inclusive.

“**Death Benefit**” means the balance of your Investment Account as at the date of payment (less fees or charges that are due) that will be paid to your Beneficiaries or your estate.

**"Draw-down Rate"** means the amount of Annuity Income, expressed as a percentage of your Investment Balance that you select each year, which must fall within the legislated limits.

**"Financial Adviser"** means the financial adviser appointed by the Policyholder, duly licenced by the FSCA.

**"FSCA"** means the Financial Sector Conduct Authority.

**"Guardrisk"** means Guardrisk Life Limited, registration number 1999/013922/06 and FSP No 76.

**"Inception date"** means the Business Day on which your Investment Amount and all required documents have been received and your Policy becomes effective.

**"Investment Account"** means the account through which your Investment Portfolio is administered.

**"Investment Amount"** means the initial lump sum amount invested by the Policyholder as indicated in the application form.

**"Investment Portfolio"** means the underlying investment options available to you.

**"Payment Frequency"** means the frequency of the payment of your Annuity Income in respect of this Policy as stipulated by the Policyholder.

**"Personal Information"** means personal information as defined in POPIA.

**"Policy"** means the 10X Living Annuity Policy contemplated in this Policy Document.

**"Policy Anniversary"** means the anniversary of your Inception Date. In the event of a transfer from another living annuity policy, "Policy Anniversary" means the inception date of the policy from which you are transferring.

**"Policy Document"** means this policy document, as amended from time to time.

**"Policyholder"** means "you", the owner of the Policy, who will receive the Annuity Income.

**"PPR"** means the Policyholder Protection Rules under the LTIA.

**"SARS"** means the South African Revenue Services.

**"Unclaimed Benefit"** means a benefit that has fallen due but has not been claimed or paid out and where the Policyholder or Beneficiary(ies) is/are not known or not contactable.

- 2.2. Any reference to an Act is to that Act as amended from time to time.
- 2.3. When any number of days is prescribed in this Policy Document, those days shall include the first and exclude the last day unless the last day falls on a day which is not a Business Day, in which case the number of days shall be reckoned to the next Business Day.
- 2.4. In the event that the day for performance or payment of any amount due in terms of this Policy Document falls on a day which is not a Business Day, that day shall be the immediately preceding Business Day.

### 3. Investment Amount

- 3.1. 10X will invest the net Investment Amount in accordance with your instruction and in the manner contemplated in this Policy within (5) five Business Days of receiving the Investment Amount, provided that we have received a duly completed application form together with all relevant supporting documentation.
- 3.2. The Investment Amount can be:
  - 3.2.1. A lumpsum transfer from an approved pension fund, an approved provident fund, an approved pension preservation fund, an approved provident preservation fund or an approved retirement annuity fund.
  - 3.2.2. A lumpsum transfer from another living annuity policy.

### 4. Annuity Income

- 4.1. In terms of the ITA, your Annuity Income must always fall within regulated limits. You are presently required to take an Annuity Income of at least 2.5% but no more than 17.5% of the balance of your Investment Account per year. Any legislative changes to these limits will apply to this Policy.
- 4.2. You can choose to receive your Annuity Income monthly in arrears or, quarterly, semi-annually, or annually in advance.
- 4.3. You may specify your Annuity Income as a rand amount or as a Draw-down Rate. Should you specify a Draw-down Rate, your Annuity Income is calculated by multiplying the Draw-down Rate that you have selected with the balance of your Investment Account (after the fees have been deducted) on your Policy Anniversary for the year ahead.
- 4.4. You must select your Annuity Income and Payment Frequency at the start of your Policy. You may change these at every Policy Anniversary but at no other time. If the Investment Amount is a lumpsum transferred from another living annuity policy the Policy Anniversary, Annuity Income and Payment Frequency will remain the same as the policy from which it was transferred.
- 4.5. Prior to each Policy Anniversary, 10X will send you an Annuity Income review letter and election form. 10X will provide you with an indicative balance on your Investment Account with your election form to assist you in choosing your Draw-down Rate but 10X will apply the actual balance on your Investment Account on the date of Policy Anniversary to calculate your Annuity Income. The form is also available on the 10X Member Portal at [www.10x.co.za](http://www.10x.co.za).
- 4.6. If you wish to make any changes to your Annuity Income or Payment Frequency, you must submit the election form by no later than the 15<sup>th</sup> day of the Anniversary Month. If you do not submit your request on time, 10X will calculate your Annuity

- Income for the next year based on the Draw-down Rate from the last time you selected an Annuity Income.
- 4.7. If your selected Draw-down Rate falls outside the regulatory limits your Annuity Income will be automatically adjusted to comply with the regulatory limits.
  - 4.8. Your Annuity Income is paid from money realized from your Investment Account and such payments reduce the balance on your Investment Account.
  - 4.9. Your first Annuity Income payment will commence in the first month of your Policy if the Inception Date is prior to the 15th of the month, otherwise in the following month. Your Annuity Income will be paid into a South African bank account, in rand, on the 25th of the first month of each period. If the 25th does not fall on a Business Day, your Annuity Income will be paid on the previous Business Day. It may take up to two Business Days to reflect in your bank account.
  - 4.10. Your Annuity Income is not guaranteed. If you choose the same Draw-down Rate annually, your Annuity Income will not be the same each year due to changes in your Investment Balance from year to year. Your Annuity Income may also be impacted by regulatory and/or legislative changes.

## **5. Investment Account**

- 5.1. Your Investment Amount (and additional investments) will be invested according to your Investment Portfolio selection and will be recorded in your Investment Account.
- 5.2. The value of your Investment Account depends on the market value of your Investment Portfolio(s). It is not guaranteed, and you carry the risk that it may move up or down. The past performance of the underlying investments does not guarantee the future performance.
- 5.3. The balance on your Investment Account increases with any additional transfers in and positive investment returns, and decreases with Annuity Income payments, negative investment returns, and fees. All interest and dividend income received is also invested. These changes will appear on your statement.
- 5.4. You must select an Investment Portfolio from the options offered by 10X. You are responsible for regularly reviewing your Investment Portfolio and ensuring that it suits your financial needs and circumstances. Guardrisk and 10X do not take responsibility for your selection. You may switch between Investment Portfolios, free of charge, up to four times a year.
- 5.5. If you select more than one Investment Portfolio, the weights of the Investment Portfolios will be automatically rebalanced back to the stated initial weight when the weights are more than 5% away from the specified initial weight.

- 5.6. 10X will allocate bank interest into your Investment Account on amounts deposited into the 10X Living Annuity Policy bank account, provided that the deposit arises from a completed policy transfer into or out of the 10X Living Annuity Policy and prior to investment or transfer.

## **6. Death Benefit**

- 6.1. Your Death Benefit will be paid to your nominated Beneficiary(ies). If you did not nominate any Beneficiaries, your Death Benefit will be paid to your estate as a capital lumpsum.
- 6.2. A related party must notify 10X of your death in writing by completing the required forms, including all supporting documentation requested by 10X.
- 6.3. If you did not nominate any Beneficiaries, 10X will only act on the instructions received from the executor of your estate.
- 6.4. On receiving the notice, the balance of your Investment Account will be switched to a cash-only Investment Portfolio.
- 6.5. If tax is payable on the Death Benefit, 10X will deduct tax according to the tax directive before paying the Beneficiary.
- 6.6. If no Beneficiary(ies) were nominated, 10X will apply for a tax directive from SARS and deduct tax according to the tax directive before paying the benefits to your estate.
- 6.7. These administrative steps are subject to 10X's processing requirements and agreed timelines.

## **7. Beneficiary Nominations**

- 7.1. You may nominate one or more natural persons or legal entities as Beneficiaries to receive the remaining capital within your investment in the event of your death.
- 7.2. If you are married in community of property, you may not nominate a Beneficiary other than your spouse without your Spouse's written consent.
- 7.3. Upon death, the nominated Beneficiary may choose to:
  - 7.3.1. invest in an annuity in their name; or
  - 7.3.2. take the capital as a lump sum; or
  - 7.3.3. choose a combination of an annuity and a capital lump sum.

These options are subject to the ITA and related legislation and may be subject to estate duty.

- 7.4. If you nominated a legal entity as a Beneficiary, the Death Benefit will only be paid as a capital lumpsum to the Beneficiary. Payment will be subject to the ITA and related legislation and may be subject to estate duty.
- 7.5. You are entitled to change your Beneficiaries at any time.
- 7.6. In the event that you have not nominated a Beneficiary or a Beneficiary predeceased you, the Death Benefit (or the portion thereof awarded to the predeceased Beneficiary) will be paid to your estate as a capital lumpsum. Payment will be subject to the ITA and related legislation and may be subject to estate duty.

## **8. Additional Investments**

- 8.1. You can make additional investments into your Policy, provided that the additional investment(s) is a lumpsum transferred from an approved pension fund, an approved provident fund, an approved pension preservation fund, an approved provident preservation fund or an approved retirement annuity fund.
- 8.2. The Policy Anniversary, the Draw-down Rate and Payment Frequency will remain unchanged.
- 8.3. Additional investments made during a policy year can increase the rand amount paid to you, even though the Draw-down Rate will remain unchanged. In such an event, the Annuity Income will be recalculated taking into consideration the amount received; investment date; next Anniversary Date and the selected Draw-down Rate, Payment Frequency; Annuity Income amount and total incomes already paid.
- 8.4. Your Annuity Income will only be adjusted at the next Policy Anniversary, subject to your elections in your annual income review.
- 8.5. You cannot make additional investments by transferring a lumpsum from another living annuity policy.

## **9. Withdrawing from your Policy**

- 9.1. You may withdraw the full value of your Policy as cash when the balance of your Investment Account falls below the specified amount set out in the Income Tax Act (currently R125 000).

## **10. Tax**

- 10.1. Under present law, the investment returns (capital growth, interest, and dividends) within the Policy are not taxed.
- 10.2. Your Annuity income will be taxed, at your marginal rate, according to the prevailing income tax tables.



- 10.3. 10X will deduct income tax from your Annuity Income according to the prevailing personal income tax table. The applicable tax rate is calculated based on your annualised Annuity Income, unless otherwise specified. If you provide 10X with a SARS tax directive, income tax will be deducted accordingly.
- 10.4. Income tax may also be incurred when:
- 10.4.1. a Beneficiary commutes their Death Benefit to a cash lumpsum; or
  - 10.4.2. you fully withdraw the balance of your Investment Account, provided the balance of your Investment Account is less than the amount prescribed by the Income Tax Act (R125 000).
- 10.5. 10X must provide you with income tax certificates for taxation purposes where applicable.

## 11. Fees and Charges

- 11.1. The following fees are levied against your Policy:
- Initial fee: Nil
  - Policy fee: The policy fee is calculated by applying a sliding scale to your investment balance, aggregated across your policies. You will be charged progressively lower fees for higher investment balances. The policy fee covers all fees for investment management, administration, reporting and the Guardrisk fee.
  - Investment fee: The investment fee will be applicable on certain International Investment Portfolios and will be disclosed to you.
  - Financial Adviser fee: As agreed between you and your Financial Adviser.
- 11.2. No fees are charged for switches or withdrawals.
- 11.3. Fees are calculated daily on the value of your Investment Account and deducted monthly in arrears from your Investment Account.
- 11.4. 10X will notify you three months in advance of any changes in any fees charged against your Policy.
- 11.5. Policy fees and your Financial Adviser fee (if applicable) are clearly disclosed on your investment statement. Your Effective Annual Cost (EAC) is available for download from the 10X Member Portal at [www.10x.co.za](http://www.10x.co.za).

## 12. Transferability

- 12.1. You may transfer this Policy to another life insurer by written request to Guardrisk.

12.2. You may convert this Policy to a conventional life annuity administered by another insurer by transferring the Policy to another insurer (as applicable). Once such decision to convert is made it cannot be reversed.

### **13. Cession**

Your benefits under the Policy may not be transferred or pledged to someone else. You may not use your Policy or any benefit or entitlement under the Policy to secure a loan.

### **14. Emigration**

The Applicable Laws do not allow for the cancellation of this Policy, or the commutation of the benefits under the Policy, upon your emigration.

### **15. Cancellation and Cooling off**

You may not cancel this Policy and no cooling-off period shall apply to the Policy

### **16. Duration**

Your Policy will become effective from the Inception Date, and will cease:

- Upon your death; or
- When this Policy is transferred to another provider; or
- If you choose to withdraw the balance of your Investment Account, provided the balance of your Investment Account is less than the amount prescribed by the Income Tax Act (R125 000).

### **17. Amendments**

- 17.1. No amendments to the Policy shall be of effect unless agreed to in writing between you and Guardrisk. Amendments to this Policy Document shall be effected by means of endorsements.
- 17.2. Guardrisk may not reduce the rights and benefits that you have under the Policy, except where the amendment is due to a change in industry practice, interpretation of the law by any court, rule or directive of any regulatory authority, regulation or legislation, affecting the Policy, 10X or Guardrisk.
- 17.3. 10X may add or remove at its discretion and with appropriate notice, any of the relevant Investment Portfolios offered from time to time. In the event of an Investment Portfolio being removed, you will be asked to complete a switch instruction. In the absence of any instruction from you within the required time period, we will affect a switch to a similar Investment Portfolio, where available.

### **18. Administration**

18.1. Guardrisk has appointed 10X to Administer the Policy on their behalf.

- 18.2. 10X is responsible for processing your instructions within the timelines that apply to your instructions. You must provide all instructions in the prescribed form as required by 10X for the instructions to be effective. You must ensure that all information in instructions and supporting documentation that 10X receives from you is true, complete and accurate.
- 18.3. Your instructions must also comply with:
- 18.3.1. the requirements of Guardrisk, 10X and relevant legislation at the time of the transaction;
  - 18.3.2. the processing requirements of 10X at the time of the instruction (this includes cut-off times and time periods for processing);
  - 18.3.3. the terms and conditions of the Policy; and
  - 18.3.4. any minimum amounts applicable to the transaction at the time of the transaction.
- 18.4. 10X may suspend, delay or cancel your instruction if they do not comply with any of the above requirements. If this should be the case, 10X will notify you. 10X may refuse any instructions or transactions, or take any other action considered necessary in order to comply with the Applicable Law or to stop any undesirable or criminal activity.
- 18.5. In order to switch between Investment Portfolios, you must submit the 10X Living Annuity Switch Form which must be approved by 10X. Once submitted, the change will take effect in the last week of the calendar month. The cut off time for submission of completed instructions is 12:00pm on a business day.
- If the completed instruction is received before 12:00 pm and all requirements are met, the switch will be processed within 9 business days from the day of approval of instruction.
- If the instruction is received after the relevant cut off time, the instruction will be processed within 10 business days from the day of approval of instruction.
- 18.6. 10X will provide you with an annual statement in respect of the Policy, reflecting information such as the market value of the Investment Portfolio and all fees applicable to the relevant period. A statement is also available from the Member Portal at [www.10X.co.za](http://www.10X.co.za).

## 19. Indemnities

- 19.1. If you require financial advice it is your responsibility to appoint a Financial Adviser. Neither Guardrisk nor 10X provide Advice.
- 19.2. Guardrisk and 10X are not responsible for, and will be indemnified against, any tax, duty, levy or similar charge by a government authority as a result of this Policy. You

will be liable for any tax and will obtain a tax opinion from a tax consultant, where required.

- 19.3. You take all the investment risk associated with this Policy. Neither the income nor the capital in this investment is guaranteed. You will carry any losses due to market fluctuations. Neither Guardrisk nor 10X provide any guarantees in relation to the income that you will receive from this Policy or the capital held in the Policy.
- 19.4. Guardrisk and 10X will not be liable for any losses that you may suffer if:
  - 19.4.1. 10X rejects any forms or notices received from you;
  - 19.4.2. 10X did not process your instruction and you did not notify us within 20 days of sending the instruction;
  - 19.4.3. your Financial Adviser acts outside of their FSCA licence or the intermediary agreement; and/or the manager of a portfolio included in your Investment Portfolio does not comply with its turnaround times.
- 19.5. 10X will carry out instructions at the earliest possible opportunity, subject to its administrative procedures and processing timelines. Neither 10X nor Guardrisk accepts responsibility for delays in processing instructions or Annuity Income payments as a result of events that cause disruptions or those beyond 10X and Guardrisk's control.

## **20. Financial Advice**

- 20.1. You may appoint a Financial Adviser to assist you in your retirement planning, and with selecting your living annuity provider and/or your Investment Portfolio.
- 20.2. Your Financial Adviser must be an authorised Financial Services Provider, licenced with the FSCA to provide you with advice and must enter into an Intermediary Agreement with Guardrisk in terms of the PPR.
- 20.3. If you use the services of a Financial Adviser, you can instruct 10X to pay their fee from your Investment Account. It is your responsibility to negotiate this fee with your Financial Adviser, but 10X will accept your instruction only if the agreed fee is no more than 1% pa (ex VAT) of the balance of your Investment Account. The fee payment can be cancelled or changed at your discretion, and it is your responsibility to inform 10X of this change / cancellation in writing by submitting the relevant documentation.
- 20.4. You may appoint, change or remove your Financial Adviser at any stage by submitting the relevant documentation to 10X.

## 21. Unclaimed Benefits

If a valid and approved Death Benefit / Annuity under this Policy is not claimed within 6 (six) months of the approval / due date, we will be obligated to start the process of tracing the Policyholder / Beneficiary.

We will take the necessary steps in accordance with the Code on Unclaimed Benefits set by the Association for Savings and Investment South African (ASISA) which is available on their website [www.asisa.org.za](http://www.asisa.org.za) and in line with the Insurer's Unclaimed Benefits Management Framework. These steps may include the use of various external data sources and tracing agents. We will deduct any administrative and tracing costs from the Benefit payable.

## 22. Consent to use Personal Information

Both Guardrisk and 10X, in their respective capacities, may collect, use, disclose or otherwise process your Personal Information for the purposes of providing the products and/or services which you have requested in terms of this Policy. Guardrisk and 10X are required to process and keep investor and investor representative information to perform its obligations lawfully, fairly and competently. Guardrisk and 10X have controls and security measures in place to protect your Personal Information from unauthorised use. They may share your Personal Information with their employees, agents, sub-contractors, with other entities within their respective groups of companies, with your Financial Adviser and/or their duly appointed agent(s), where directed. Personal Information may be transferred to offshore providers. In such instances Guardrisk and 10X will ensure that the Applicable Laws are adhered to and/or agreements are in place for the Personal Information to remain adequately protected. You are entitled to request access to the Personal Information they have collected, processed and shared. All processing of Personal Information will be done in accordance with Applicable Laws and privacy policies.

## 23. Applicable Laws

This Policy is to be interpreted and implemented in accordance with the laws of the Republic of South Africa, including, but not limited to:

- The Insurance Act, 18 of 2017
- The Long-Term Insurance Act, 52 of 1998 ("LTIA")
- Exchange Control Regulations
- The Income Tax Act, 58 of 1961 ("ITA")
- The Financial Intelligence Centre Act, 38 of 2001
- The Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS")
- The Protection of Personal Information Act, 4 of 2013 ("POPIA")

## 24. Complaints

If you are not satisfied with this Policy or the service of 10X, you can write to the 10X Complaints Officer at the address below. Your submission must include all relevant supporting documents. The Complaints Officer will acknowledge the complaint in writing, and provide you with the contact details of the person that is most likely to resolve it.

Postal address:                      Head: Client Experience  
The Terraces  
14th Floor, Office 01401  
Corner of Bree and Waterkant Street  
Cape Town  
8001

Tel:                                      021 412 1010  
Email:                                  [Feedback@10x.co.za](mailto:Feedback@10x.co.za)

If you are not satisfied with the response from 10X then you can contact Guardrisk at:

Postal address:                      Guardrisk Life Limited  
PO Box 786015  
Sandton  
2146

Tel:                                      0860 333 361  
Email:                                  [complaints@guardrisk.co.za](mailto:complaints@guardrisk.co.za)

If you are not satisfied with the response from Guardrisk, you can contact the Ombudsman for Long-term Insurance at:

Postal address:                      The Long-term Insurance Ombudsman  
Private Bag X45  
Claremont  
7735

Tel:                                      021 657 5000  
Sharecall:                            0860 103 236  
Fax:                                    021 674 0951  
Email:                                  [info@ombud.co.za](mailto:info@ombud.co.za)

If you have a complaint about 10X or advice given by a Financial Adviser relating to this Policy, you can write to the Ombud for Financial Service Providers at:

Postal address:                   The Ombudsman for Financials Services (FAIS Ombud)  
  PO Box 74571  
  Lynwood Ridge  
  0040

Toll-free                           0860 324 766  
Email:                             [info@faisombud.co.za](mailto:info@faisombud.co.za)