RETIREMENT NOTIFICATION

BEFORE YOU RETIRE

Make an informed decision:

- Please consider the tax implication of your decision. You may request a tax simulation by completing the 'SARS tax directive simulation request' form which will give you an estimated tax liability. If you submit the simulation form at the same time as this instruction, your instruction will not be valid unless you accept the simulation response within 2 business days.
- Refer to our Product Range brochure or member information booklet if you need to review the rules of this product.
- Decide how you would like to receive your retirement money (review your options on page 2 of this form).

Consider getting financial advice:

- Allan Gray does not provide financial advice. However, we believe in the merits of good independent advice.
- If you are not comfortable making your own investment decisions, consider using the services of an independent financial adviser (IFA). To locate an IFA in your area, refer to the 'Find an adviser' section of our website.

ADDITIONAL INFORMATION

Before retiring please take note of the following important information:

- Please only complete this form if you have reached retirement age as stipulated by the Rules of your Fund, or if the trustees of the Fund have approved your request for early retirement.
- The retirement benefit you will receive is the market value of all your investment accounts, less fees, charges and any tax due to SARS.

STEP 1
COMPLETE THE FORM & AGREE TO CONDITIONS OF MEMBERSHIP

- Complete all the information on the form to ensure that there is no delay in processing your instruction.
- Read and agree to the Conditions of Membership of your Allan Gray Retirement Annuity, Allan Gray Pension Preservation, Allan Gray Provident Preservation, or Allan Gray Umbrella Retirement Fund investment.

STEP 2
SEND DOCUMENTS

Send us the documents listed below:

Email: instructions@allangray.co.za or Fax: 0860 000 655 or +27 (0)21 415 2492

- ☐ Completed 'Retirement notification' form
- ☐ Signed copy of your South African bar-coded ID or valid passport (if foreign national)
- ☐ Copy of your compulsory annuity application form, if applicable
- ☐ Proof of your bank details (e.g. cancelled cheque or bank statement), if not previously provided
- ☐ Completed 'Acting on behalf of the Investor' form and supporting documents, if you are representing the member

CUT-OFF TIMES

Please note that if instructions and documents are received:

- Before 14:00 on a business day, we will start processing on that day.
- After 14:00 on a business day, we will start processing on the next business day.
- On a weekend or public holiday, we will start processing on the next business day.

WHAT HAPPENS NEXT?

- Once we receive your retirement notification and all required documents, we will apply for a tax directive from SARS. The tax directive may not be altered or cancelled and your retirement notification cannot be retracted.
- If you have requested a cash lump sum, we will disinvest the units in your investment accounts and invest them in the Allan Gray Money Market Fund to facilitate obtaining a tax directive from SARS.
- You will receive communication once we have processed your instruction.
- You can track the progress of your instruction online via your Allan Gray Online account.

☎ Contact us if you need help:
Call 0860 000 654 between 07:30 - 17:30 (Mon - Fri) or Email: info@allangray.co.za

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RETIREMENT NOTIFICATION

The Allan Gray Retirement Annuity Fund's Registration Number is 12/8/37186/R, the tax approval number is 18/20/4/41566. The Allan Gray Pension Preservation Fund's Registration Number is 12/8/37184/R, the tax approval number is 18/20/4/41344. The Allan Gray Provident Preservation Fund's Registration Number is 12/8/37185/R, the tax approval number is 18/20/4/41565. The Allan Gray Umbrella Pension Fund's Registration Number and tax approval number is 12/8/38164. The Allan Gray Umbrella Provident Fund's Registration Number and tax approval number is 12/8/38180. These funds are collectively referred to as the Allan Gray Umbrella Retirement Fund. Allan Gray Investment Services Proprietary Limited, an approved Fund administrator and authorised administrative financial services provider, is the Administrator.

1. Please provide us with your details

Account number A G

Full name and surname

ID number (passport number if foreign national)

Are you registered for tax in South Africa? Yes ☐ No ☐

If yes, please provide your South African income tax number*

Estimated taxable income for the current tax year R

*If you do not provide us with your income tax number and you are registered for tax in South Africa, SARS will decline the tax directive application. This may delay the processing of your instruction.

2. Please complete your retirement details

From which funds would you like to retire?

☐ Allan Gray Pension Preservation Fund (AGPE)
☐ Allan Gray Provident Preservation Fund (AGPR)
☐ Allan Gray Retirement Annuity Fund (AGRA)
☐ Allan Gray Umbrella Pension Fund (AGUF)
☐ Allan Gray Umbrella Provident Fund (AGUP)

The retirement Fund(s) selected above will be referred to as 'the Fund'.

Would you like to retire from all of your investment accounts?

Yes ☐ No ☐

If no, please specify to which investment accounts the retirement should apply:

Account number A G A G
A G A G

If you are not retiring from all of your investment accounts within your selected retirement fund, please note that:

- The minimum retirement amount is R150 000 per retirement fund.
- Your remaining balance must be at least R150 000 per retirement fund.

Court Orders

Has any Court Order been made against your interest in the Fund which has not been paid to the interested party?

Yes ☐ No ☐

If yes, please attach a certified copy of the Court Order and Settlement Agreement, or amended Agreement, if not previously provided.

Employer compensation claims (AGUF and AGUP members only)

Have any employer compensation claims been made against you?

Yes ☐ No ☐

If yes, please attach the relevant documents to provide us with more detail.

When would you like us to start your retirement process?

Retirement process start date D D M M Y Y Y Y   Age as at this date ☐☐☐

If you are not yet 55 or have not yet reached your retirement age (as stipulated in the Special Rules for your Umbrella Retirement Fund account), has your application for early retirement (due to permanent disability) been approved by the trustees of the Fund?

Yes ☐   No ☐

If no, you cannot retire from the Fund until you reach the age of 55 or your application for early retirement is approved. If you are in the Allan Gray Umbrella Retirement Fund you must retire when you reach the retirement age stipulated by your employer in the Special Rules of the Fund.

If you have not yet submitted a 'Request for early retirement' form, please refer to the information contained in that form which can be found at www.allangray.co.za/forms-and-documents/.

3. Please select a retirement option

Select one of the following retirement options:

☐ **Option 1: Purchase a compulsory annuity (all retirement funds)**

- You may use your full retirement benefit to buy a compulsory annuity (i.e. a living or guaranteed life annuity) in your name from a registered South African insurer of your choice.
- Your retirement benefit must meet the minimum investment requirements of the insurer of your choice.
- Please provide the details of the compulsory annuity as set out in section 5 of this form.

Unit Transfer

A unit transfer to an insurer, including the Allan Gray Living Annuity, is only available if you have not requested a cash lump sum. Unit transfers are subject to the rules and requirements of the receiving insurer. If a unit transfer is not selected, units in your investment accounts will be sold and the money will be transfered to the receiving insurer of your choice.

Would you like a unit transfer?   Yes ☐   No ☐

☐ **Option 2: Receive a cash lump sum and purchase a compulsory annuity (all retirement funds)**

- If you are invested in the AGRA, AGPE or the AGUF and AGUP the maximum cash lump sum you are allowed to take is one-third of the market value of your investment in the Fund. According to current legislation, the balance must be transferred to a compulsory annuity.
- Please note that the cash lump sum portion of the benefit will be reduced by any tax that may be payable as determined by legislation (refer to section 4 of this form for tax information).
- Please provide the details of the compulsory annuity as set out in section 5 of this form.

Please indicate your cash lump sum amount:

☐ One-third cash lump sum, or

☐ Rand amount or percentage. Please indicate to which accounts this should apply in the table below.

Account number	Rand amount		Percentage
A G	R	or	%
A G	R	or	%
A G	R	or	%
A G	R	or	%

☐ **Option 3: Receive 100% of your retirement benefits as a cash lump sum**

- If you are invested in the AGPR or AGUP you may take your full benefit as a cash lump sum.
- If you are invested in the AGRA, AGPE and AGUF and the pre-tax value of your benefit is less than or equal to R247 500 (or any amount determined by legislation) per Fund you may take the full benefit as a cash lump sum.
- Please note that the cash lump sum will be reduced by any tax that may be payable as determined by legislation (refer to section 4 of this form for tax information).

4. Cash lump sum payments and tax information

- The cash lump sum is subject to a tax directive issued by SARS. Allan Gray is required to deduct tax before making payment.
- Once we have applied for a tax directive it cannot be cancelled.
- The following section covers instances that may qualify as an allowable deduction from your cash lump sum for tax purposes.
- Please note that Allan Gray cannot confirm or guarantee what information will be taken into account or accepted by SARS.
- We strongly encourage you to refer to the attached document 'Lump sum payments and tax directives' for more information about the tax implications.

Excess contributions (all retirement funds)

Excess contributions are contributions made to a retirement fund which were not deductible for tax purposes because the amount exceeded the annual allowable deduction in the year it was made.

Total excess contributions made by you to a provident fund before 1 March 2016:

R

Total excess contributions to all retirement funds made before or after 1 March 2016 (excluding the above contributions):

R

Please note that SARS may require proof of these contributions in the form of a copy of your latest ITA34 (Notice of Assessment) from SARS. If you have made contributions to a provident fund before 1 March 2016, you may need to attach copies of your IRP5s which indicate these contributions per tax year.

Public sector information (all retirement funds)

A public sector fund is a fund created for the benefit of government and municipal employees. Prior to 1 March 1998, the benefits of public sector funds were tax-free. This tax-free portion of a member's benefit is retained where the member transferred directly to a retirement fund from a public sector fund, or where it was the second transfer from a public sector fund to a retirement fund (which occurs on or after 1 March 2018).

Period you were a member of the public sector fund:

Date from D D M M Y Y Y Y Date to D D M M Y Y Y Y

Amount attributed to the period of membership in the public sector fund R

Date the amount was transferred from the public sector fund D D M M Y Y Y Y

Was the above benefit received by Allan Gray directly from the public sector fund? Yes ☐ No ☐

If no, please provide us with the date of transfer from the first approved fund to Allan Gray D D M M Y Y Y Y

The information above must agree with the information which was provided by the transferring fund to Allan Gray.

5. Provide us with the details of the compulsory annuity you have selected

☐ Allan Gray Living Annuity (please complete the Allan Gray Living Annuity application form)

☐ Another insurer of your choice (please send us the completed application form)

6. Provide us with your bank account details

If you are taking a cash lump sum, please provide us with your personal bank details. We make all payments electronically to a South African bank account in your name. We will not make any payments to credit cards, market-linked accounts or third party bank accounts.

Name of account holder

Name of bank

Branch code

Account number

Type of account Current/Cheque ☐ Savings ☐

7. Member declaration

- The information provided in this form is accurate.
- I authorise the Fund to pay proceeds as per the instructions contained in this form, subject to the rules of the Fund and applicable legislation.
- I have not received advice from the Administrator regarding this instruction.
- I have read, understood and agree to the relevant and latest Conditions of Membership and Member information booklet which I understand may have changed since my original investment.
- I understand the options available to me, have read the 'Lump sum payments and tax directives' document (where a cash lump sum is selected) and declare that the bank details in section 6 are my personal bank account details.

Signature of member/Authorised signatory __________ Date D D M M Y Y Y Y

Print full name __________

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Lump sum payments and tax directives

A tax directive is a notice from the South African Revenue Service (SARS) instructing us to deduct a fixed tax amount from an individual's lump sum payment.

A. Who is regarded as an individual?

Depending on the product and instruction type, the term 'individual' refers to:

- A member (i.e. an investor in the Allan Gray Pension Preservation, Provident Preservation, Retirement Annuity, or Umbrella Retirement Fund)
- A non-member spouse (i.e. the member's ex-spouse)
- An annuitant (i.e. an investor in the Allan Gray Living Annuity)
- An executor of an estate (i.e. the person appointed by the Master of the High Court to handle the deceased member's estate)

B. Why do we apply for a tax directive?

We are legally required to apply for a tax directive before making a lump sum payment from the following products:

- Allan Gray Pension Preservation Fund
- Allan Gray Provident Preservation Fund
- Allan Gray Retirement Annuity Fund
- Allan Gray Umbrella Retirement Fund
- Allan Gray Living Annuity

The purpose of a tax directive is to determine the tax to be withheld from a lump sum before it is paid out. We are also required to apply for a tax directive for transfers between retirement funds and full transfers to a living annuity, even though these transfers may be tax neutral (i.e. 0% tax).

C. When do we apply for a tax directive?

We will start the application process as soon as we receive one of the following:

- A withdrawal instruction
- A retirement notification
- An instruction from beneficiary relating to the allocation of a death benefit
- An instruction from an individual relating to a divorce order

Once we have received your instruction, we are required to apply for the tax directive. SARS sees the taxpayer as being entitled to the lump sum amount when the Fund receives a completed instruction form. This means you need to ensure you understand and carefully consider the tax implications of your decision before submitting an instruction.

D. How long does it take SARS to issue a tax directive?

We will apply for a tax directive as soon as we receive your instruction and supporting documents. Although it usually takes SARS two business days to issue a tax directive, there are instances where we have to apply for a tax directive manually. Manual tax directives take a minimum of 21 business days to be issued.

E. Does SARS take in to account previous lump sum payments when issuing a tax directive?

Yes. SARS takes into account all previous taxable withdrawal and retirement lump sums and severance benefits received when issuing a tax directive. These include:

- All retirement lump sum benefits (this includes death benefits* and cash lump sum withdrawals from a living annuity that do not form part of the regular annuity income payments) accruing from 1 October 2007
- All withdrawal lump sum benefits accruing from 1 March 2009
- All severance benefits accruing from 1 March 2011

*When an individual dies, the cash lump sum that the beneficiary chooses to take is regarded as a retirement lump sum benefit and is taxed in the hands of the deceased individual.

To obtain a tax estimate requires a holistic understanding of an individual's previous lump sum payments. Individuals are encouraged to consult a tax practitioner or contact SARS to establish the probable tax impact before exercising their decision to take a cash lump sum. Alternatively, an individual may request a simulation by submitting a completed SARS Tax Directive Simulation Request form to Allan Gray which will provide an estimated tax liability on the cash lump sum they wish to take. See below for more details with regards to the SARS Tax Directive Simulator.

F. What is the SARS tax directive simulator?

The SARS Tax Directive Simulator enables the fund administrator or insurer to request a simulation of the tax directive result before submitting the actual directive, in order to determine the estimated tax liability on the retirement or withdrawal lump sum benefit. This will assist the member, non-member or beneficiary in making an informed decision before an election is made in respect of the benefit.

It is important to note that the tax directive simulation result is based on the information which exists on the SARS system when the simulation is requested, and therefore the tax amount when the actual tax directive is requested may differ from the simulation request if additional actual directive requests are received after the simulation response was issued and before the actual directive is processed.

A simulation request does not constitute an election/accrual, and you will not be compelled to proceed with an exit (retirement or withdrawal) instruction once you have received the results of the simulation. The simulation response must be accepted within 2 business days of receipt if you want to proceed with your exit.

Please note that SARS will indicate if there are outstanding taxes (IT88L) on the member's tax record, but no outstanding tax amounts will be made available on the Tax Directive Simulation response. The actual outstanding tax amounts will only be available when the actual directive is processed.

G. How is the tax on withdrawal lump sum benefits calculated?

Withdrawal lump sum benefits are taxed according to the rates shown in Table 1. The first R25 000 of a withdrawal lump sum is taxed at 0%. This is a once-off concession for the duration of the individual's life and applies across all of the individual's retirement funds (including those from Allan Gray and other third-party fund providers).

Table 1: Withdrawal tax table

Taxable income from lump sum benefits	Rate of tax
R0 - R25 000	0% of taxable income
R25 001 - R660 000	18% of taxable income above R25 000
R660 001 - R990 000	R114 300 + 27% of taxable income above R660 000
R990 001 and above	R203 400 + 36% of taxable income above R990 000

H. How is the tax on retirement lump sum benefits calculated?

Retirement lump sum benefits (including death benefits from retirement funds and living annuities), severance benefits and withdrawals from living annuities that are below the prescribed limits, are taxed according to the rates shown in Table 2. The first R500 000 of such a lump sum is taxed at 0%. This is a once-off concession for the duration of the individual's life and applies across all of the individual's retirement funds (including those from Allan Gray and other third-party fund providers).

Table 2: Retirement tax table

Taxable income from lump sum benefits	Rate of tax
R0 - R500 000	0% of taxable income
R500 001 - R700 000	18% of taxable income above R500 000
R700 001 - R1 050 000	R36 000 + 27% of taxable income above R700 000
R1 050 001 and above	R130 500 + 36% of taxable income above R1 050 000

I. Deciding to withdraw or retire from an Allan Gray preservation fund

Members of the Allan Gray Pension Preservation Fund and the Allan Gray Provident Preservation Fund are allowed a once-off partial or full withdrawal before retirement (assuming there aren't any restrictions from the transferring fund). Pre-retirement withdrawals from a preservation fund reduce the tax-free amount available at retirement and result in the retirement benefit being taxed at a higher rate. As there are different tax implications for withdrawal and retirement lump sums, members over the age of 55 who have not yet taken a once-off withdrawal are encouraged to carefully consider the potential tax implications of each option before making a decision.

J. Can the tax payable on a lump sum benefit be reduced?

Yes. The tax payable on a lump sum benefit can be reduced if you:

Contributed to the Government Employees' Pension Fund (GEPF) or another public sector fund before 1 March 1998

Contributions made to the GEPF or another public sector fund before 1 March 1998 are regarded as tax-free and can be offset against the lump sum benefit. The pre-1 March 1998 tax-free portion is only applicable in the following instances:

- the benefit was transferred directly to Allan Gray from a public sector fund, or
- the benefit was transferred twice: from a public sector fund to another retirement fund and thereafter to Allan Gray after 1 March 2018.

Contributed in excess of the deductible amount (as determined by legislation at the time of contribution)

Contributions that exceeded the deductible amount, i.e. excess contributions, can be offset against the lump sum benefit. To do this we will need to be provided with a schedule of your contributions per year and/or a copy of your ITA34 which reflects these excess contributions. The process will require us to apply for a manual tax directive, which will take a minimum of 21 business days to be issued.

K. What happens if a tax directive is rejected?

If any of the details on your instruction do not match the information SARS has on record for you, they will reject the application. This often happens if an individual receives a new ID number (i.e. where the last three digits have changed) and fails to inform SARS or us. We will not be able to proceed with the lump sum payment and will only be able to re-apply for a new directive once the issue has been resolved.

L. Can a tax directive be cancelled?

No. Once we have submitted an application to SARS for an actual tax directive it cannot be cancelled. This is a SARS requirement to prevent individuals from using the tax directive system to obtain tax estimates. As a tax estimate requires a holistic understanding of your previous lump sum payments, we encourage you to consult a tax practitioner or contact SARS before deciding to take a cash lump sum. Alternatively you may submit a completed SARS Tax Directive Simulation Request form (see section F).

M. What should I do if I have a tax dispute?

If you wish to dispute the tax payable you will need to contact SARS directly. It is important to note that tax legislation requires us to deduct tax according to the tax directive and pay it to SARS regardless of whether or not the dispute has been resolved.