OPTISELECT

APPLICATION FORM

Insurance Contract underwritten by Old Mutual
Old Mutual Life Assurance Company (Namibia) Limited Reg. No.: 97/081

OLD MUTUAL CORPORATE

OLDMUTUAL CORPORATE

OPTISELECT APPLICATION FORM

Old Mutual Life Assurance Company (Namibia) Limited. Reg. No: 97/081

Statements in this Application Form must be complete and accurate. All questions must be fully answered, unless otherwise specified. Print in BLOCK LETTERS or by marking a box [X] where appropriate, using black or blue ink only. Please write within the margins of the character box to enable speddy processing.

FOR OFFICE USE ONLY:

This Application Form has been checked for accuracy, completeness and that the intermediary is accredited.

Name of Admin. Support person: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Telephone number: Code ☐☐☐☐☐☐☐ No. ☐☐☐☐☐☐☐

E-mail address of Admin. Support person: ____________________

OPTISELECT SERVICE CENTRE DETAILS:

Telephone number: 061 299 3452
Address: 223 Independence Ave, Mutual Tower, 9th Floor,Windhoek, Namibia
PO Box 165, Windhoek, Namibia
Email: NAM-CSOptiselectAnnuity@oldmutual.com

SECTION A: PURCHASE OPTIONS

Details in respect of the investment from Transferring Fund, if applicable

Transferring Fund registration number: ☐☐☐☐☐☐☐☐☐☐

Name of Transferring Fund: ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Type of fund: Pension Fund ☐ Provident Fund ☐ Retirement Annuity ☐

Investment Amount: N$ ☐☐☐☐☐☐☐ , ☐☐ Deposit Slip / Proof of EFT must be attached
(Minimum N$25 000)

Bank Account Details: OMLACNA EB RISK PENCARE **Branch Code:** 461 617
Branch: Corporate Business Centre **Account Number:** 11051000287

SECTION B: PRODUCT DETAILS

Please indicate how the cash value of the non-commutable annuity must be allocated:

(a) Select Annuity N$ ☐☐☐☐☐☐☐☐

Alto Growth 3.5% ☐ Mezzo Growth 4.5% ☐ Base Growth 5% ☐

(b) Escalating Annuity N$ ☐☐☐☐☐☐☐☐

Escalation Rate ☐☐ %
1% - 7.5% (Maximum rate dependent on prevailing interest rates)
guarenteed escalation % of growth

(c) Level Annuity N$ ☐☐☐☐☐☐☐☐

TOTAL **N$** ☐☐☐☐☐☐☐☐

NOTE: (1) Pension does not have to be split across all options.
(2) Ensure that total amount equals amount in Seciton A.

APPLICANT'S INITIALS: ________

SECTION C: PURCHASE DETAILS

1. PERSONAL DETAILS OF THE ANNUITANT

Title Surname

First name(s)

Date of birth D D M M Y Y Y Y Identity number (original certified copy of ID must be attached)

Marital status: Married Unmarried Divorced Widowed Gender: Male Female

Income tax number: Tax rate: If lower than the tabled rate, tax directive must accompany application.

Receiver of Revenue office:

2. ADDRESS DETAILS OF THE ANNUITANT

Residential address

Postal address

Telephone numbers:

Home Code Number Cellphone number

Work Code Number

Email address

3. PENSION DETAILS

Single Life Joint and Survivorship Pension

If Joint and Survivorship Pension, please insert the details of the Second Life if applicable:

First name(s)

Surname

Relationship

Date of birth D D M M Y Y Y Y Identity number (original certified copy of ID must be attached)

Gender: Male Female

On the death of the annuitant, the annuity is to: continue in full OR be reduced to 50% 75%

Term certain and thereafter the annuity is guaranteed for years (5, 10, 15 or 20 years), irrespective of whether the annuitant is alive or not.

4. BANK ACCOUNT DETAILS OF THE ANNUITANT

Name of bank:

Branch:

Account number: Branch code:

Type of account: Current Savings Transmission Bank verification done by Old Mutual

Kindly attach proof of your banking details.

5. ANNUITY PAYMENT INSTRUCTIONS

Payment frequency: Monthly payment mode In arrears

Payment frequency and mode may not be changed.

APPLICANT'S INITIALS: ________

6. BENEFICIARY NOMINATION

I nominate the following persons to receive any benefits payable on my death.

Personal details of the nominated beneficiaries					
Surname	**Initials**	**Title**	**Date of birth**	**Relationship to Annuitant**	**Benefit %**

Annuitant is responsible for communicating any change in their personal details to Old Mutual Namibia Corporate Segment in writing and signed by the Annuitant.

SECTION D: DECLARATIONS

1. DECLARATION BY THE TRANSFERRING FUND AND AUTHORITY TO PAY BENEFIT, IF APPLICABLE

The Transferring Fund hereby proposes to purchase an annuity from Old Mutual Namibia, in respect of the annuitant named in Section C.4. The Transferring Fund confirms that the benefit selected by the member is allowed by the rules of the Transferring Fund and indemnifies Old Mutual Namibia against any costs incurred by Old Mutual Namibia should this not to be the case.

I hereby authorise the Transferring Fund to transfer to Old Mutual Namibia the investment amount which is to be used as a consideration to purchase an annuity for the member after the deduction of any fees charged by Old Mutual Namibia.

Signature of Authorised Transferring Fund Signatory: Date: D D M M Y Y Y Y

First name(s):

2. DECLARATION BY ANNUITANT'S SPOUSE (MARRIED IN COMMUNITY OF PROPERTY)

First name(s):

Surname:

Identity number:

I am the spouse of the Annuitant, married to each other in community of property, I hereby confirm that the consequences of the Annuitant's selection of an annuity in terms of this Application Form has been explained to me and that I have read the Optiselect Information Document attached to this Application Form.

Signature: Date: D D M M Y Y Y Y

3. DECLARATION BY ANNUITANT

A. I understand that I am purchasing a compulsory purchase annuity.
B. I confirm I have read the Optiselect Information Document and understand the terms and conditions contained therein / they have been explained to me by my adviser.
C. I am fully aware of the implications for myself and my dependants / nominee of the annuity options which I have selected and I accept that
- income tax, if applicable, will be deducted in accordance with the relevant tax rates as determined by the Receiver of Revenue;
- all fees payable have been explained to me.

I hereby authorise the Transferring Fund to transfer to Old Mutual Namibia the investment amount which is to be used as a consideration to purchase an annuity after the deduction of any fees charged by Old Mutual Namibia.

Signature: Date: D D M M Y Y Y Y

SECTION E: COMMISSION DETAILS

1. COMMISSION DETAILS (to be completed if commission is payable)

Commission payable:

Select, Level & Escalating Annuity: 0,0% ☐ 0,5% ☐

Commission payable to (tick applicable block): Broker ☐ Old Mutual representative ☐

2. BROKER DETAILS

Title Surname

First name(s)

Broker code: Prefix

Postal address

Telephone numbers:

Work Code Number Cellphone number

Fax Code Number

Email address

Name of bank:

Branch:

Account number: Branch code:

Type of account: ☐ Current ☐ Savings ☐ Transmission

Signature: Date: D D M M Y Y Y Y

3. OLD MUTUAL REPRESENTATIVE DETAILS

Title Surname

First name(s)

Broker code: Prefix

Postal address

Telephone numbers:

Work Code Number Cellphone number

Fax Code Number

Email address

Signature: Date: D D M M Y Y Y Y

APPLICANT'S INITIALS: ________

OLD MUTUAL
OPTISELECT

INFORMATION DOCUMENT

INVESTMENTS | SAVINGS | INSURANCE

OLD MUTUAL
CORPORATE SEGMENT

1. INTRODUCTION

A **pension** is also often referred to as an annuity.

Legislation requires that on retirement from a **pension** fund you use at least two-thirds of your retirement capital to purchase a **pension** (although if your total retirement benefit is less than N$50 000, the total benefit may be taken in cash).

No such legislative requirement currently exists for provident funds, nevertheless, depending on your personal financial circumstances, it may be beneficial to use part of your retirement capital to purchase a **pension**.

Section 2 provides details of the arrangement that is being made available to you. Section 3 provides some important information on Old Mutual.

The Annexure to this document provides some definitions and examples, which you may find helpful in understanding your quotations and the terminology used in this document.

2. DETAILS OF THIS ARRANGEMENT

Old Mutual Corporate (a division of the Old Mutual Life Assurance Company (Namibia) Limited) offers you access to group rates on their OptiSelect product. These rates are possible because the **pensions** are made available on a group basis rather than an individual basis.

The **pension** quotation that you receive from Old Mutual will be based on individual's specific needs that will be determined by their circumstances in consultation with their financial adviser – each financial adviser can decide what is best for your specific needs.

IMPORTANT ISSUES WITH REGARD TO THE **OLD MUTUAL OPTISELECT** QUOTATIONS

A. The quotations are provided for your information in the event that they may be of interest or use to you.

B. The provision of the quotations and this explanatory document are not intended to be advice. The quotations provide factual information on particular products and include the procedures for entering into a transaction in respect of this product.

C. There is a lot of information in this document, some of which is of a fairly technical nature. It is therefore important that you fully understand it before determining whether a quotation is suitable for you or not.

D. The decisions that you make now regarding your retirement savings will have a huge impact on your financial security in future. You are strongly encouraged to seek advice from an appropriately qualified and registered financial adviser, prior to making any decision about what to do with your retirement savings. This will ensure that you make the right decision, taking your personal needs and circumstances into account.

3. IMPORTANT INFORMATION RELATING TO OLD MUTUAL

Old Mutual is financially stable and has a long history of paying **pensions** to retirees.

3.1 Portfolio size (as at 31 December 2016)

	OLD MUTUAL
Portfolio	OptiSelect
Portfolio size	N$559,027,091

3.2 Pension increase methodology

As a pensioner, one of your main concerns is how your **pension** will increase in future. Ideally, you would like your **pension** to keep pace with inflation to ensure that you can maintain your standard of living in retirement.

The philosophy used by Old Mutual in declaring pension increases is to ensure stable increases over time, so that market volatility is absorbed as far as possible and not passed on to you as the pensioner.

Old Mutual declares a **pension** increase each year to ensure that the **pensions** increase in a smooth manner over time and to provide **pension** increases that help counter the effects of inflation over the long-term. This means that in years when investment performance is strong, Old Mutual will withhold some of the returns earned and credit them to a Bonus Smoothing Reserve. The opposite is also true: in years when investment returns are poor, the Bonus Smoothing Reserve will be drawn upon to ensure that **pensions** are not affected negatively by the poor investment returns. In doing so, Old Mutual ensures that pensions progress smoothly upwards, over time, and that pensioners are not exposed to excessive market volatility.

The following factors are considered when deciding on the pension increase each year:

- The investment returns earned on the underlying assets.
- The size of the Bonus Smoothing Reserve at the **pension** increase declaration date.
- How the **pension** increases declared compare to headline consumer price inflation.
- The long-term sustainability of (pension increases on) the pensioner portfolio.
- **Pension** increases declared by Old Mutual's competitors on their with-profit pensions.

Pension increases, once declared, can never be removed, i.e. the **pension** can never reduce.

3.3 Historical pension increases

The **pension** increases granted by Old Mutual on their various **pension** categories over the last ten years are set out below. These are compared to the increase in inflation over the same period – inflation is measured as the year-on-year increase in the Namibian Consumer Price Index over the year to 31 December in the year before each increase was granted.

Please refer to your OptiSelect quotation to see which Pension Portfolio, Pension Increase Type and Pricing Interest Rate you have selected.

Year	Select I (3.5%)	Select II (4.5%)	NCPI
2004	4.50%	3.45%	2.60%
2005	6.50%	5.00%	4.30%
2006	7.00%	6.00%	3.50%
2007	11.50%	10.50%	6.00%
2008	9.50%	8.50%	7.10%
2009	6.50%	5.50%	10.90%
2010	8.50%	7.50%	7.00%
2011	4.00%	3.00%	3.10%
2012	4.50%	3.50%	7.20%
2013	6.50%	5.50%	6.30%
2014	6.50%	5.50%	5.00%
2015	5.50%	4.50%	4.60%
2016	3.50%	2.50%	3.70%

NOTES:
Increases are effective from the increase date in the calendar year shown. Inflation figures shown are for the previous calendar year.
NCPI - Namibian Consumer Price Index

It is important to note that past pension increases are not necessarily a good guide to determine **pension** increases that will be granted in the future.

3.4 Investment strategy and fees (applicable to Old Mutual OptiSelect)

The **pension** increases that can be granted by Old Mutual will, to a large extent, depend on the investment returns that can be achieved on the assets in the **pension** pool, the investment management and other fees that are levied.

	OLD MUTUAL
Asset manager	Old Mutual Investment Group Namibia

The benchmark asset allocations for the portfolio is as follows:

	SELECT I & SELECT II
	Strategic Asset Allocation
Local	**75.0%**
Equity: Namibia	4.0%
Equity: Dual Listed & South African	17.0%
Namibian Alternatives	2.5%
Property	4.0%
Matched Bonds	47.5%
Bonds: Namibia	0.0%
Bonds: South Africa	0.0%
MM/Cash: Namibia	0.0%
MM: South Africa	0.0%
International	**25.0%**
Equity	25.0%
International Alternatives	0.0%
Bonds	0.0%
Cash	0.0%
Total	**100.0%**

Old Mutual levies the following charges/fees:

TYPE OF FEE	AMOUNT
Investment management charge	0.7% to 0.8% of assets, per annum*
Capital charge	1.5% of assets, per annum
Administration fees - initial	N$2 095
Administration fees - renewal	N$95 pm (Select)

* This varies slightly from time to time as the asset allocation varies.

3.5 Financial strength and credit rating

All guarantees in respect of OptiSelect are backed by the capital of Old Mutual. This capital serves to protect policyholders' guaranteed investments from adverse investment conditions. As can be seen from the figures below, the financial strength of Old Mutual is robust and provides investors with the necessary security and peace of mind that, irrespective of prevailing investment conditions, the guarantees underlying the with-profit pension portfolios are steadfast.

Old Mutual is holding significantly higher reserves than required by law as at 31 December 2016.

Capital Adequacy Ratio	
Multiple of required ratio	3.2X

Insurance Companies are rated by major international rating agencies and the credit ratings awarded to Old Mutual are higher than any other insurer.

Credit rating	
Moody's Investor Services:	
Rating	za Baa1
Reporting date	June 2016

Old Mutual carries insurance which covers losses sustained as a result of the negligence and/or dishonesty of their directors and officers. This cover extends to claims for damages or other relief arising from wrongful acts, including breaches of duty, neglect and misrepresentation.

3.6 Corporate citizenship and compliance

Old Mutual is a registered long-term life insurer and approved retirement fund administrator. Old Mutual is therefore subject to, amongst others, the provisions of the Long-term Insurance Act, 1998 and the Pension Funds Act, 1956.

Should you have any statutory compliance queries, please address these in writing to:

Postal address: The Compliance Officer
Old Mutual Corporate
PO Box 165
Windhoek
Namibia

Tel: 061 299 3032

Readers of this document should be aware that short-term performance can be volatile and that past performance is not necessarily indicative of future performance. Every effort has been made to ensure that the information contained in this document is accurate. For further information, visit www.oldmutual.com.na.

ANNEXURE

DEFINITIONS, IMPORTANT INFORMATION & EXAMPLES

COMMUTATION ON RETIREMENT

Your benefit on retirement is the Fund Credit in your retirement fund. In terms of legislation, if you are in a **pension** fund you must use at least two-thirds of this amount to purchase a **pension** from a registered insurance company of your choice when you retire (although if your total retirement benefit is less than N$50 000, the total benefit may be taken in cash).

Any portion of your Fund Credit that you elect to take as cash may be subject to tax.

LIFE PENSIONS

A **pension** is a financial product that, in exchange for a specified upfront payment, will pay you a certain amount of money at regular intervals.

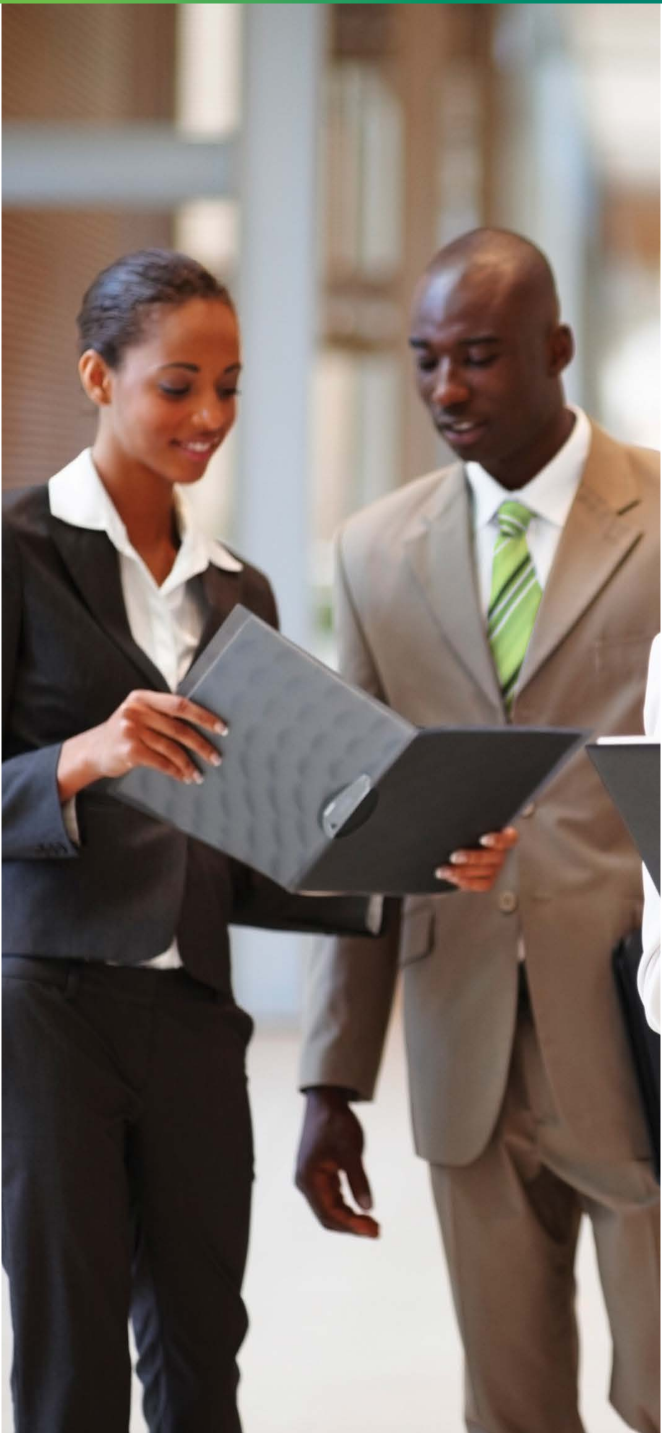
A **life pension** is a type of pension where you pay an upfront amount to an Insurance Company when you retire, who will then guarantee to pay your monthly **pension** for the rest of your life. Buying a **life pension** means that you will not run the risk of outliving your money, as the Insurance Company guarantees that payment of your **pension** will continue until you pass away. The Insurance Company therefore takes on the risk should you live longer than they expected. Insurance Companies can sell **life pensions** to people, because people who live longer than expected will be balanced out by people who pass away sooner than expected.

WITH-PROFIT LIFE PENSIONS

Under a **with-profit life pension (such as OptiSelect)**, the Insurance Company uses the investment return earned on the assets backing the pension to declare an **annual pension increase**. The increases are not guaranteed and the percentage of the increase depends on the investment return earned – the Insurance Company will smooth the pension increases over time.

SECOND LIFE

The **second life** is the person you nominate to continue to receive your pension in the event of your death. This could be your spouse (husband or wife) but could also be any other nominated person.



SINGLE AND JOINT LIFE PENSIONS

A **single life pension** is a life **pension** that is payable for the rest of your life – no further amounts will be payable after you pass away (unless this is within the **guaranteed period** – see guaranteed period on page 13) even if you have a spouse, common law spouse or life partner and that person is still alive when you pass away.

A **joint life pension** is a life **pension** that is payable for the rest of your life and will continue to be paid, usually at a reduced level (refer to **second life percentage** after this section), to your nominated second life for the rest of his/her life after you pass away. If the second life passes away before you do, no further amounts will become payable after your death (unless this is within the guarantee period).

The benefit of buying a **joint life pension** is that the second life will continue to receive a pension after your death, ensuring that they can maintain their standard of living if you pass away.

SECOND LIFE PERCENTAGE

Your nominated second life will, in all likelihood, not require 100% of your **pension** to maintain his/her standard of living if you pass away before he/she does. In a **joint life pension**, the second life percentage is the percentage of your **pension** at the date of your death that will become payable to your nominated second life if you pass away before they do – this reduced **pension** will be payable until the second life passes away.

There is no reduction to your **pension** if your nominated second life passes away before you do.

EXAMPLE: You buy a ***joint life pension*** with a **second life percentage** on death of 75%.

- If you receive a monthly **pension** of N$1 000 and pass away (and the second life is still alive), the second life will receive a monthly **pension** of N$750 (75% of N$1 000). This pension will be payable to the second life for the rest of his/her life, and also qualifies for annual increases.

- If your nominated second life passes away (and you are still alive) when your monthly pension is N$1 000, this pension (with no reduction) will continue to be paid to you for the rest of your life.

GUARANTEED PAYMENT TERM

When a life **pension** is bought, the pensioner can elect to have the **pension** (without reduction) paid for a minimum period after retirement, regardless of whether you survive to the end of that period or not. A guaranteed period is simply insurance against passing away soon after buying a life **pension** and ensures that the **pension** continues to be paid to your beneficiaries until the end of the guaranteed period.

EXAMPLE (SINGLE LIFE PENSION): You buy a **single life pension** with a **guaranteed period** of 10 years.

- If you pass away, say, two years after buying the **pension**, then you will receive your **pension** for those two years and your nominated beneficiary will then continue to receive the monthly **pension** until the end of the guaranteed period. On special request, Old Mutual could pay the remainder of the **pension** as a lump sum; or

- If you pass away, say, 30 years after buying the **pension** then you will receive your **pension** for the full 30 years up until the date of your death, after which the **pension** will stop.

EXAMPLE (JOINT LIFE PENSION): You buy a **joint life pension** with a **guarantee period** of 10 years and a **second life percentage** on death of 75%.

- If you pass away, say, two years after buying the **pension** and your nominated second life survives for more than 10 years after you buy the **pension** - in this case, you will receive your **pension** for the first two years and your **pension** will continue to be paid to your nominated second life at the same level (i.e. without being reduced by the second life percentage) for a further eight years (a total of 10 years of payments at the full rate) after which it will reduce to 75% and will be payable to your nominated second life for the rest of his/her life.

- If you pass away, say, two years after buying the **pension** and your nominated second life passes away three years after your death - in this case, you will receive your **pension** for the first two years and your **pension** will continue to be paid to your nominated second life at the same level (i.e. without being reduced by the second life percentage) for a further three years until his/her death. The annual **pension** at the date of the second life's death will then be paid to his/her nominated beneficiary for a further five years (or otherwise an equivalent lump sum will be paid to his/her estate).

• If you pass away, say, five years after buying the pension and your nominated second life passes away before you - in this case, you will receive your pension for the first five years and your annual **pension** at the date of your death will be paid to your nominated beneficiary for a further five years (or otherwise an equivalent lump sum will be paid to your estate).

• If you pass away, say, 30 years after buying the **pension** and your nominated second life is still alive – in this case you will receive your **pension** for the full 30 years up until the date of your death, after which the **pension** will reduce to 75% and will be payable to your nominated second life for the rest of his/her life.

ANNUAL PENSION INCREASES

Inflation is likely to erode the value of your **pension** over time if you do not buy a pension that provides for **annual pension increases** after retirement. It is a fact of life that prices tend to increase (food, medical aid, transport, electricity, etc.) and that you will therefore be able to buy less with, say, N$1 000 in 10 years' time than you can buy with it today.

EXAMPLE: If you buy a **pension** of, say, N$1 000 per month that does not increase in future (referred to as a level **pension**):

• If inflation is, say, 5% per year in future, then the N$1 000 will only buy goods equivalent to the value of N$610 in 10 years' time and only N$375 in 20 years' time.

• If inflation is, say, 10% per year in future, then the N$1 000 will only buy goods equivalent to the value of N$385 in 10 years' time and only N$150 in 20 years' time.

It is thus critically important that your **pension** makes some allowance to counter the effects of inflation each year.

Pension quotations are with-profit life pensions (applicable to OptiSelect). Please refer to your quotation to see what type of annuity has been selected.

On with-profit life **pensions** the insurer aims to increase your monthly pension each year, and increases, once granted can never be taken away. i.e. your **pension** will never decrease. Increases could however, be zero in the event of persistent poor investment performance.

With-profit **pensions** generally provide good inflation protection over the long-term, however it is important to note that these products do not guarantee inflation related increases but instead increases are linked to the performance of the product.

PLEASE **CONTACT** YOUR **FINANCIAL ADVISER** OR **BROKER** FOR MORE **INFORMATION**.

CONTACT DETAILS

OLD MUTUAL CORPORATE:
Tel: 061 299 3067
Email: Nam-CorporateSalesTeam@oldmutual.com

OLDMUTUAL
CORPORATE SEGMENT