

ADDENDUM

REINSURANCE AGREEMENT

entered into between

CHANNEL LIFE LIMITED

(Registration Number 1969/012487/06)

("Channel Life")

and

RENTMEESTER ASSURANCE LIMITED

(Registration Number 1957/002523/06)

("Rentmeester")

M
G

1. RECITALS

1.1 On 13 May 2005 Channel Life and Rentmeester entered into the Reinsurance Agreement;

1.2 The parties wish to amend the Reinsurance Agreement to include a further category of policies on the terms and conditions set out herein.

The parties agree as follows:

2. DEFINITION AND INTERPRETATION

2.1 Terms defined in the Reinsurance Agreement bear a corresponding meaning in this Addendum.

2.2 Clauses 1.2, 13 and 14 of the Reinsurance Agreement shall be deemed to be incorporated into this Addendum.

2.3 This Addendum constitutes the whole agreement between the Parties as to the subject matter hereof and no agreement, representations or warranties between the Parties other than those set out herein are binding on the Parties.

2.4 This Addendum shall be governed by and construed and interpreted in accordance with the law of the Republic of South Africa.

2.5 This Addendum may be executed in counterparts and by each Party in a separate counterpart, each of which so executed shall be an original, but all of which shall together constitute one and the same instrument.

3. AMENDMENTS

3.1 The parties agree that the Reinsurance Agreement is amended as follows:

3.1.1 Clause 1 is amended by inserting the following definition and by renumbering the sub-clauses accordingly:

“1.1.1 “Additional Group Policies” means single premium policies, underwritten by Rentmeester pursuant to its authorisation under the Long-term Insurance Act, the master policies in respect of which are listed in Appendix 3.”

3.1.2 Clause 1.1.7 is amended by inserting the following words after the definition of Effective Date:

“ and in relation to the Additional Group Policies the Effective Date shall mean 00:00:01 on 1 December 2006;”

3.1.3 Clause 1.1.14 is amended by inserting the words “and the Additional Group Policies” before the words “issued by Rentmeester”

3.1.4 Clause 1.1.18 is amended by inserting the words “or Additional Group Policies” after the words “or the Cornerstone Policies”

3.1.5 Clause 2.2 of the Reinsurance Agreement is amended by inserting the following paragraph at the end thereof:

‘The Reinsurance Premium in respect of the Additional Group Policies shall be the amount of R21, 000, 000 (twenty one million rand), which amount shall be paid by Rentmeester to Channel Life within a period of 3 (three) business days from the date of signature of this Addendum by way of electronic transfer of funds into a bank account nominated for such purposes by Channel Life.’

3.1.6 The Reinsurance Agreement is further amended by the addition of Appendix 3:

“APPENDIX 3

Additional Group Policies

MGPF: Munisipale Gemeenskaplike Pensioenfonds (scheme 696)

MRPF: Munisipale Raadslede Pensioenfonds (scheme 700)”


4. GENERAL

Except as specifically amended herein, the terms and conditions of the Reinsurance Agreement shall remain unaltered and in full force and effect.

Signed on behalf of the parties as set out below, each signatory warranting that he or she has due authority to do so.

Signed at Johannesburg on 8 December 2006

For and on behalf of Channel Life



Signature

P. de la Rey

Name:

CFO

Designation:

Signed at _____ on _____ 2006

For and on behalf of Rentmeester



Signature

A. H. Nortjé

Name:

Director

Designation:

21 December 2006



**LIBERTY
LIFE**

Mr. P de la Rey
Channel Life
195 Jan Smuts Avenue
ROSEBANK

2 January 2006

Dear Sir,

AGREEMENTS

Herewith, please find Addendum to the Reinsurance and Administration agreements, for your records.

The amount of R21 000 000 was transferred to your Standard Bank account on 22 December 2006.

Trusting the above meets with your approval.

Yours faithfully

Pat.

Pat de la Rey
PA to Calvin Quan

Copy - Tanya
- Claron
- Lornie
- Iyeka
- Karin
- Craig B QEB
File - Legal - Reinsurance
Lo-Karin

LIBERTY LIFE

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A Romanis (British), MJ Shaw, Dr SP Sibisi, BS Tshabalala. COMPANY SECRETARY: DS Mtshali
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