

**NOTICE OF THE TRANSFER OF A PORTION OF THE INSURANCE BUSINESS OF  
GUARDRISK INSURANCE COMPANY LIMITED TO GUARDRISK LIFE LIMITED IN  
TERMS OF SECTION 50 OF THE INSURANCE ACT 18 OF 2017**

It is the intention of Guardrisk Insurance Company Limited (registration number 1992/001639/06) ("**Guardrisk Insurance**") to transfer a portion of its insurance business to Guardrisk Life Limited (registration number 1999/013922/06) ("**Guardrisk Life**") in terms of section 50 of the Insurance Act 18 of 2017 ("**Act**") ("**Proposed Transaction**"). This Proposed Transaction is necessitated as a result of a change in the Act, and the instructions from the Prudential Authority to Guardrisk Insurance.

The policies affected by the Proposed Transaction constitute all consumer credit insurance policies underwritten by Guardrisk Insurance, other than the consumer credit insurance policies of Full House Retail Proprietary Limited and Stop Discount Furnishers Proprietary Limited ("**Transfer Policies**").

Upon implementation of the Proposed Transaction, the Transfer Policies will no longer be treated as non-life policies but will rather be underwritten by Guardrisk Life as life policies, as contemplated in the Act.

The terms of the Transfer Policies will not change, and all benefits will remain secure.

Since the Transfer Policies were previously underwritten as non-life policies, Value Added Tax ("**VAT**") was charged on the premiums payable. However, once the Transfer Policies are transferred to Guardrisk Life, VAT will no longer be charged on the premiums, despite any disclosures on the Transfer Policies, credit agreements and/or debit order mandates indicating a VAT inclusive premium.

Due to the different manner in which the premiums are calculated by Guardrisk Insurance and Guardrisk Life, the premiums payable to Guardrisk Life will increase upon implementation of the Proposed Transaction, which increase is equal to the VAT currently charged on the premiums. This means, whilst the premiums will increase upon implementation of the Proposed Transfer, that the costs to the policyholders will remain exactly the same. It should also be noted that the rate on which premiums are calculated, will remain unchanged as a result of the Proposed Transfer.

The Proposed Transfer is affected in accordance with the terms and conditions of an assignment and indemnity agreement concluded between Guardrisk Insurance and Guardrisk Life ("**Agreement**").

Because the Proposed Transfer involves a transfer of the Transfer Policies from Guardrisk Insurance to Guardrisk Life without the policyholders' consent, a detailed regulatory process is required in terms of the Act, which includes, amongst others, the approval of the Proposed Transaction by the Prudential Authority.

Once the Prudential Authority approves the Proposed Transfer, Guardrisk Life shall be responsible for carrying out all the obligations of Guardrisk Insurance that relate to the Transfer Policies. Guardrisk Life will therefore become the new insurer of the Transfer Policies and will comply with all the obligations that Guardrisk Insurance currently have under the Transfer Policies.

Copies of documents relevant to the Proposed Transfer will be made available from 15 October 2021 to 11 November 2021 on the website of the Guardrisk group at <https://guardrisk.co.za/transfer-of-credit-guardrisk-life/> ("**Inspection Period**").

Any person who has an interest in this matter may submit any comments, complaints or enquiries to Guardrisk Insurance during the Inspection Period per email to [Transfer@Guardrisk.co.za](mailto:Transfer@Guardrisk.co.za) or telephonically at 0800 167 634. This means that any comments, complaints or enquiries must reach Guardrisk Insurance by no later than 11 November 2021.