

Dear Binder Holder

As previously communicated to you, Guardrisk Insurance Company Limited ("**Guardrisk Insurance**") is obliged, due to the changes to the Insurance Act, 18 of 2017 ("**Insurance Act**"), to transfer all consumer credit policies (other than the consumer credit insurance policies of Full House Retail Proprietary Limited and Stop Discount Furnishers Proprietary Limited) ("**the Transfer Policies**") underwritten by it, to Guardrisk Life Limited ("**Guardrisk Life**") in terms of section 50 of the Insurance Act ("**Proposed Transaction**").

This is required because non-life insurers (such as Guardrisk Insurance), may no longer underwrite the Transfer Policies as non-life policies. These Transfer Policies must in future be treated as life policies and must be underwritten by a life insurer, such as Guardrisk Life.

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 Insurance Act, which includes, amongst others, the approval of the Proposed Transfer by the Prudential Authority.

Guardrisk Insurance is therefore obliged to implement a fully-fledged communication plan towards the policyholders informing them of the Proposed Transaction and the transfer of the Transfer Policies to Guardrisk Life.

Since you are the binder holder of the Transfer Policies, we believe you are best placed to communicate with the policyholders of whom you are the binder holder. We therefore advise that you are required to attend to the following in accordance with the strict instructions as set out below:

- **Sending of SMS messages:**
  - Please send an SMS in the form and manner set out in **Annexe 1** to all policyholders of the Transfer Policies of whom you are the binder holder.
  - The SMS must be sent to **all** policyholders of the Transfer Policies during the period between **15 October 2021 and 22 October 2021**. You may not deviate in any manner from

the wording set out in Annexure 1, neither may the SMSs be sent at a different time or period due to instructions from the Prudential Authority.

- You are required to keep records of:
  - the number of SMSs sent and to whom the SMS'es were sent;
  - the date of distribution of the SMS;
  - the number of SMSs successfully delivered; and
  - the number of SMSs which were not successfully delivered.
- Guardrisk Insurance will request such records in order to report to the Prudential Authority.

- **Sending an email communication**

- Please send an email in the form and manner set out in **Annexe 2** to all policyholders of the Transfer Policies of whom you are the binder holder.
- The email must be sent to all policyholders of the Transfer Policies during the period between **15 October 2021 and 22 October 2021**.
- You may not deviate from this wording set out in Annexure 2, neither may the emails be sent at a different time or period due to instructions from the Prudential Authority.
- You are required to keep records of:
  - the number of emails sent and to whom the emails were sent;
  - the date of distribution of the emails;
  - the number of emails successfully delivered; and
  - the number of emails which were not successfully delivered.
- Guardrisk Insurance will request such records in order to report to the Prudential Authority.

As mentioned above, you are required to keep records of SMSs and emails sent to the policyholders in a distribution logbook, an example of which is attached as **Annexe 3**.

If you receive any enquiries or complaints regarding the Proposed Transfer, we request that you log these in an enquiries / complaints logbook, an example of which is attached as **Annexe 4**. Please promptly, and without delay, refer all such complaints and/or enquiries to Guardrisk Insurance per email to **Transfer@Guardrisk.co.za** or per telephone to **0800 167 634**.

More information about the Proposed Transfer is contained on the website of the Guardrisk Group at <https://guardrisk.co.za/transfer-of-credit-guardrisk-life/>. You are directed to refer policyholders of the Transfer Policies to the website if more information about the Proposed Transaction is required.

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.

If you have any questions about the instructions set out herein, or require any assistance, please contact your portfolio manager at any time.

Kind regards

Guardrisk Insurance

*(annexures excluded)*