

Dear Valued Cell Owner

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 Transaction 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 Transaction 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. Guardrisk Insurance intends to make use of the binder holder(s) of your cell arrangement to communicate with the policyholders. A copy of the instruction letters to the binder holders are attached hereto.

Once the Prudential Authority approves the Proposed Transaction, 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 regarding the Proposed Transaction, please contact your portfolio manager at any time.

Kind regards

Guardrisk Insurance