CAPFIN CREDIT LIFE

(Settles your outstanding debt)

Please read the explanation of words below to ensure that you understand the meaning of the words used in this policy. Please also read the DISCLOSURES included in your policy pack and make sure that you understand the contents thereof.

1. EXPLANATION OF THE WORDS USED IN THIS POLICY

1.1. "CAPFIN" means Capfin, a division of Pepkor Trading (Pty) Ltd, a private company duly incorporated in the Republic of South Africa with Registration Number 1958/003362/07 and licensed Credit Provider NCRCP13053.

1.2. "DISABILITY" means a physical or mental impairment that affects your ability to earn the QUALIFYING INCOME or to meet your obligations under the CAPFIN LOAN.

1.3. "INSURER" means Abacus Life Limited, a public company duly licensed and registered as a life insurer in the Republic of South Africa with Registration Number 2007/032597/06.

1.4. "CAPFIN LOAN" means your loan with CAPFIN with the same number as this policy.

1.5. "QUALIFYING INCOME" means the income disclosed by you when you applied for the loan and recognised and utilised by Capfin in the affordability assessment of your loan granted and includes but is not limited to salary, wages, other employment, fixed-term contract or business income, grants and pensions.

1.6. "THE AMOUNT YOU OWE IN TERMS OF YOUR CAPFIN LOAN" means your outstanding monetary obligations to CAPFIN in terms of your CAPFIN LOAN on the date of your DEATH / DISABILITY/ LOSS of YOUR QUALIFYING INCOME.

2. YOUR POLICY

2.1. You have entered into a CAPFIN LOAN agreement with CAPFIN. In support of your CAPFIN LOAN, you have elected to buy this CAPFIN CREDIT LIFE policy that will give you BENEFITS upon the happening of certain events that can affect your ability to pay your instalments due in terms of your CAPFIN LOAN.

2.2. You are the INSURED covered by this policy. The INSURER that will pay the BENEFITS in terms of this policy is ABACUS LIFE LTD.

2.3. Your policy number is the same as your CAPFIN LOAN number as this policy is directly linked to your obligations in terms of your CAPFIN LOAN. Please use this CAPFIN LOAN or policy number on all correspondence with the INSURER or CAPFIN.

3. WHAT DOES YOUR POLICY COVER? (YOUR BENEFITS)

When the monthly INSURANCE PREMIUMS as detailed in your loan quotation and Capfin Disclosure in terms of sec 106(5)(b) of the NCA ("NCR 21 NOTICE") included in your policy pack is paid, the INSURER will settle any amount that you still owe in terms of your CAPFIN LOAN on the date of:

3.1. YOUR DEATH;

3.2. YOUR DISABILITY, that is a physical or mental impairment that reduces your ability to:

3.2.1. earn the QUALIFYING INCOME; or

3.2.2. meet the obligations under the CAPFIN LOAN due to a material increase in your monthly expenses as a result of the disability; and

3.3. The LOSS of YOUR QUALIFYING INCOME (other than due to your DISABILITY).

If you are a disabled person on the date of entering into this POLICY, the above disability cover includes any further physical or mental impairment that reduces your ability to earn the QUALIFYING INCOME or to meet the obligations under the CAPFIN LOAN.

Please note the following EXCLUSIONS (OCCURRENCES NOT COVERED AND THE BENEFIT WILL NOT BE PAID):

3.4. The DEATH and DISABILITY benefit will NOT be paid if your DEATH or DISABILITY resulted from:

3.4.1. The abuse of alcohol, drugs or narcotics;

3.4.2. Willful self-inflicted injury or suicide;

3.4.3. Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war be declared or not), civil war, insurrection, rebellion revolution, civil commotion of uprisings, military power;

3.4.4. The use of nuclear, biological or chemical weapons, or any radioactive contamination;

3.4.5. Participation in criminal activities;

3.4.6. Participation in hazardous activities such as mountain climbing, bungee jumping and speed racing.

3.5. The LOSS of QUALIFYING INCOME benefit (other than due to your DISABILITY) will NOT be paid in the following circumstances:

3.5.1. If you lose your QUALIFYING INCOME within the first 3 months of your CAPFIN LOAN (only applicable if your CAPFIN LOAN has a term of longer than 6 months); or

3.5.2. If you lose your QUALIFYING INCOME as a result of:

3.5.2.1. Lawful dismissal including dismissal as a result of willful misconduct that is a violation of some established, definite rule of conduct, a forbidden act, willful dereliction of duty or misconduct;

3.5.2.2. Voluntary forfeiture of your QUALIFYING INCOME including but not limited to: salary, wages, other employment, fixed-term contract or business income, grants or pensions;

3.5.2.3. Voluntary retrenchment or termination of employment;

3.5.2.4. Resignation;

3.5.2.5. Retirement;

3.5.2.6. Participation in an unprotected strike; or

3.5.2.7. Retrenchment from employment of which you were aware or received notice of during the 3 months preceding the date on which cover under this policy commenced.

4. WHAT DO YOU HAVE TO PAY? (INSURANCE PREMIUMS)

4.1. **Please note:** In the event that you are a disabled person or a pensioner at the time of entering into this policy your death risk is more expensive due to your DISABILITY or AGE, whichever is applicable. The full premium disclosed in the NCR 21 NOTICE that is payable by you, is thus charged in respect of your death risk. No premium is charged for the DISABILITY or LOSS of QUALIFYING INCOME benefits. However, in the event that you qualify for these BENEFITS as per the terms and conditions of this policy, the INSURER will consider and pay your claim if found to be valid.

4.2. A NCR 21 NOTICE is included in your policy pack. In this NCR 21 NOTICE, it explains all the details of the INSURANCE PREMIUMS payable by you in terms of this policy. You will note that your INSURANCE PREMIUM is included in the total monthly instalment that you have to pay in terms of your CAPFIN LOAN and is thus payable with your monthly instalment. Please make sure that you understand the contents of the NCR 21 NOTICE.

4.3. Your monthly premium is payable in arrears. If you have not paid your premium your cover will be suspended until such time as you have paid up your arrears.

5. PERIOD OF THIS POLICY

5.1. Your insurance Policy together with all the applicable terms and conditions and the relevant exclusions shall become effective upon the disbursement of your loan, and it is valid for one month.

5.2. Please refer to your Policy to familiarise yourself with the applicable waiting period and exclusions.

5.3. Your Policy is automatically renewed for another month provided Abacus receives the monthly CREDIT LIFE PREMIUM in full as explained to you in the NCR 21 NOTICE.

Please note that:

5.4. You cannot renew your policy if you have cancelled or terminated your CAPFIN LOAN for any reason. Any right you may have had in terms of this policy will cease immediately upon the cancellation of your CAPFIN LOAN.

5.5. The INSURER may cancel your policy if the INSURER gives you 31 days' written notice of its intention to cancel this policy.

5.6. You may cancel your policy at any time by giving the INSURER 31 days' notice in writing. Please note that this type of insurance is a CONDITION to your CAPFIN LOAN. You can only cancel your policy if you replace it with a similar policy otherwise you will not be complying with your obligations in terms of your CAPFIN LOAN.

5.7. Your policy will automatically lapse when CAPFIN has to write off your CAPFIN LOAN as a bad debt.

5.8. If you are placed under DEBT REVIEW, your debt is RESTRUCTURED, you are provisionally or finally sequestrated or placed under administration this policy will immediately lapse.

6. HOW TO CLAIM

When you or your family wants to claim a benefit in terms of this policy, you or your family has to, within 14 days after your DEATH, DISABILITY or LOSS of QUALIFYING INCOME:

6.1. Contact the INSURER in one of the following ways:

6.1.1. Abacus website: https://web.abacus-insurance.co.za/Index/claim, to register your Capfin Credit Life claim and follow the prompts to submit a claim;

6.1.2. E-mail to: claims@abacus-insurance.co.za; or

6.1.3. Call 0800 777 444 option 2 (toll free).

6.2. You need to submit the following documentation with your claim:

6.2.1. DISABILITY

6.2.1.1. Certificate by a qualified medical doctor that you are physically or mentally impaired to such an extent that you cannot earn the QUALIFYING INCOME anymore;

6.2.1.2. In the event that an increase in expenses and costs relating to your DISABILITY have the result that you cannot afford the instalment payable in terms of your CAPFIN LOAN anymore, an affidavit stating how your expenses increased as a result of the DISABILITY and copies of all the relevant invoices and statements;

6.2.1.3. Your bank statement;

6.2.1.4. Copy of your ID.

6.2.2. LOSS of QUALIFYING INCOME (other than due to a DISABILITY)

6.2.2.1. An affidavit stating how your QUALIFYING INCOME was lost and any proof required by the INSURER to the effect that you have lost the QUALIFYING INCOME for example a retrenchment letter or proof of closure of business, or similar documents

6.3. In the event that your claim or the supporting documentation is incomplete or illegible, your claim will be rejected as invalid. You may submit the claim again and it will be assessed if you comply with all the requirements.

6.4. In the event of a claim Abacus will, within 2 business days after all required documents in respect of the claim have been received inform the claimant if the claim is valid, approved, rejected or disputed. Your account will be settled immediately on approval of a claim.

6.5. If your claim is rejected, you may request reasons from the INSURER.

6.6. You may make representations to the INSURER if you disagree when your claim is rejected or if you disagree with the amount paid to you in respect of the claim within 90 days of receipt of the notice.

6.7. In the event of your claim being rejected and you do not make any representations within the 90-day period after the rejection notice, all BENEFITS in respect of that claim shall expire.

6.8. In the event of a claim being rejected and legal action not being commenced within 6 (six) months after the expiry of the 90 (ninety) day representation period, all BENEFITS afforded under this policy in respect of any such claim shall be forfeited.

6.9. The INSURER may investigate all circumstances that led to your claim and may in this regard contact your employer or any relevant third party.

6.10. If your claim is found to be fraudulent in any respect, it will be rejected, and legal action will be taken against you.

6.11. You are welcome to contact the Claims Department at any time to enquire about the progress of your claim.

7. IMPORTANT CONDITIONS OF COVER

7.1. If you make any misrepresentations, misdescriptions or non-disclosures in any material respect upon your application for credit to CAPFIN in terms of your CAPFIN LOAN, your policy will be invalid.

7.2. You may not withhold payment to CAPFIN in terms of your CAPFIN LOAN due to the existence of this policy or if you have instituted action against the INSURER.

7.3. Unless specifically provided you are the only person that has rights in terms of this policy, and you may NOT transfer these rights to any other person.

7.4. Benefits are only paid in South African Rand (ZAR) and within the borders of the Republic of South Africa.

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