

Loan Agreement
Pre-Agreement Statement and General Terms & Conditions
in terms of section 92 of the National Credit Act No 34 of 2005

Definitions

In this Agreement the following words have the meanings as set out in this definition clause.

"**Act**" means the National Credit Act 34 of 2005, as amended from time to time.

"**Agreement**" means your loan agreement with the Credit Provider, recorded and concluded by DirectAxis on behalf of the Credit Provider either through electronic channels, or otherwise in writing, or verbally and which includes:

- these Terms and Conditions; and
- the Quotation.

"**Annual interest rate**" is the fixed annual interest rate you must pay on any amount of the Principal Debt that you still owe (the outstanding balance) in terms of the Agreement.

"**Credit Cost Multiple**" means the Total Cost of Credit divided by the Loan amount.

"**Credit Provider**" is FirstRand Bank Limited, company registration number 1929/001225/06, an authorised financial services provider and registered credit provider with registration number NCRCP20. Its chosen address for legal documents is 4th Floor, 4 Merchant Place, 1 Fredman Drive, Sandton, 2196.

"**DebiCheck**" refers to the mechanism of authenticating your debit order mandate electronically through online banking, at an ATM, on a cell phone (USSD), etc. A mandate means a written, verbal or electronic authority you give, allowing the Credit Provider to debit your bank account.

"**DirectAxis**" is a business unit of FirstRand Bank Limited who processes and manages loan agreements on behalf of the Credit Provider.

"**Direct Axis SA (Pty) Ltd**", company registration number 1995/006077/07, an authorised financial services provider who offer's the credit life insurance policy. Its chosen address for legal documents is 108 De Waal Road, Diep River, 7800.

"**Loan amount**" is any loan amount paid to you in terms of this Agreement.

"**Loss payee**" means the Credit Provider nominated under a credit life insurance policy that applies to this Agreement.

"**Personal/Customer Protection Plan**" or the "**Plan**" is the credit life insurance policy offered, underwritten by the insurer as specified in your credit life insurance policy.

"**Principal Debt**" is the amount on which interest is calculated. It includes the loan amount paid out to you in terms of the Agreement, interest and any other fees and costs added as allowed for in the Act when they become due.

"**Quotation**" means the quote provided in terms of the Act that sets out the cost of credit, and other information required in terms of the Act.

"**Terms and Conditions**" refers to the terms set out in this document which includes your Pre-Agreement Statement and General Terms and Conditions as required by the Act.

"**Total Cost of Credit**" means Loan amount, all fees, interest and credit life insurance (if applicable) that will apply to the Agreement, charged in terms of the Act.

"**you or your**" means the person who enters into the Agreement with the Credit Provider.

By applying for a loan, you confirm that:

- You are not currently over-indebted;
- You are not going through financial difficulty;
- A court has not declared you mentally unfit;
- You have not applied for or are currently under administration, provisional or final sequestration or debt review;
- If married in community of property, or by customary or tribal law your spouse has given written consent for you to enter into this Agreement;
- All information given is true and correct; and
- You will ensure that you have read or listened to and understood the Terms and Conditions before accepting the terms of the Agreement.

The Credit Provider may:

- check and verify any information required in connection with this Agreement; and
- contact you by SMS or email about this or future applications.

You **must** read or listen to the Terms and Conditions of the Agreement and understand it before you accept any specific terms in your **Quotation**.

1. Quotations

If your application is successful, you will receive a Quotation containing all costs and other loan information specific to you.

Quotations are valid for 5 (five) business days after the date on which the Quotation is presented in terms of the Act. Once accepted, the Agreement is conditional upon the receipt of required documents. These may include proof of your identity, residential address and income, proof of payment of the initiation fee and proof of credit life insurance policy. The Credit Provider will not pay out the Loan amount before it has received and validated the documents. Should these documents not be received and validated within 5 (five) business days of the Quotation being presented or if the documents do not reflect the information provided at application, or be found to be unsuitable, the Credit Provider may withdraw or recalculate your Quotation.

2. Costs of credit (costs related to the Agreement)

You must pay the following costs of credit:

- **Interest** at the fixed annual interest rate set out in the Quotation, which is calculated daily and added to the Principal Debt every month on your chosen payment date.
- **Initiation fee** for the costs of preparing a new Agreement, which you may:
 - pay upfront and send proof before pay-out of the loan amount; or
 - include in the Principal Debt and will be charged interest on.
- **Service fee** which is a monthly fee for managing your Agreement. If you enter into the Agreement during the month, a pro rata fee (just the relevant portion) for that calendar month will apply. The monthly fee will be added to the Principal Debt. The service fees charged will never exceed the maximum fee in terms of the Act (which fee may be amended from time to time if the Act is amended). You will receive at least 5 (five) business days' written notice if this fee increases.
- **Default administration and collections costs** when you do not pay any amount due on time or do not comply with any of the other terms or conditions of this Agreement. Default and collections costs include any administration, legal and/or collection costs and commissions that a debt collection company or attorneys may charge in terms of relevant laws.
- **Premiums** for any Personal/Customer Protection Plan you decide to take out, charged monthly.

3. Debit Order Mandate, Repayment Arrangements and Allocating your payments

Your first monthly payment is due within 14 (fourteen) calendar days after you accepted the Quotation and every month after that on the date you agreed in your application. You may make any payment early.

Your payments first go towards (1) interest then (2) any fees, and then (3) the loan amount.

The Credit Provider uses usage-based DebiCheck mandates with a maximum collection amount of 1.5 times your instalment amount. Should you have a DebiCheck mandate in place, you agree and authorise the Credit Provider to debit a varied amount up to the maximum collection amount:

- if your instalment amount changes as a result of your total cost of credit changing or
- in order for the Credit Provider to recover any arrears due by you.

You further agree that:

- your monthly instalment will be paid in terms of the authorisation you have provided. You authorise the Credit Provider to deduct payments from the bank account your income is paid into. The deduction will take place on the same day your salary is paid, or on the last business day before this date where

this date falls on a weekend or public holiday. In December the deduction may take place before the due date in the event that your salary is paid earlier and if the Credit Provider gives prior notice;

- your debit order date can be changed if your salary payment date changes, however you will be notified accordingly. Should you have a DebiCheck mandate in place, you agree to re-authenticate the mandate with the new salary payment date;
- you will notify DirectAxis should your bank account details change;
- if your debit order cannot be processed for any reason, the Credit Provider will be able to track the account for a further 10 (ten) calendar days after the collection failed and will debit the account, without notification to you, once there is an amount equal to the agreed instalment in the account;
- this debit order mandate will apply until the Credit Provider has been paid what is owed under the Agreement or until this mandate is validly cancelled. If this mandate is cancelled, the Agreement with the Credit Provider will not automatically cancel;
- amounts which have been collected from the account under this authority cannot be reclaimed if such amounts were legally owed to the Credit Provider; and
- the Credit Provider reserves the right to require you to authorise the DebiCheck mandate information sent by your Bank to you in order to deduct payments from your bank account before your loan is paid out or during the course of your Agreement. Should you not authorise the mandate, your loan might not be paid out.

4. Credit Life Insurance

The Credit Provider requires you to maintain credit life insurance to cover your outstanding obligations under the Agreement at any time, and to be nominated as the “Loss Payee” under the policy.

In this regard, a Plan which is priced to your actual risk profile and the benefits (e.g. death, disability, dread disease or retrenchment) you can claim for will be offered. The Plan provides cover to settle your outstanding balance and provides limited cover for retrenchment or loss of income (where applicable).

The terms of the insurance are specified in the policy agreement entered into between you and the relevant insurer.

You have the right to waive the Plan offered, and to substitute it with an equivalent credit life policy of your choice. In such a case, the Credit Provider requires documentary proof of the existence of this cover, the details thereof, and that the Credit Provider has been named as a Loss Payee under the policy up to the settlement value of the Agreement (as per Form 23 of the Act). The Loan amount will not be advanced until such time as the Credit Provider has received and are satisfied with the proof provided.

Should you need further details of the Plan before you exercise your choice, a copy of the detailed policy document will be sent to you prior to you deciding whether to accept this policy or to substitute a policy of your choice.

Where you agree to accept the proposed Plan, no surcharge, fee, or additional premium above the actual cost of this insurance will be added and all costs will be disclosed in the Quotation, as required by the Act.

You acknowledge that you have free choice as to the policy, the insurer, the broker or intermediary, and that you have exercised this choice without being coerced or induced.

The insurers details are Hollard Life Assurance Company Ltd: phone 0800 000808. Further contact details are specified in your policy agreement.

5. Consolidation Loan

Where this Agreement is intended to be an agreement in terms of which certain of your existing credit agreements are to be settled and closed by this Agreement (“Consolidation Loan Agreement”), you acknowledge and confirm that:

- you have requested the Credit Provider to utilise the proceeds of your Consolidation Loan Agreement to settle certain of your existing accounts as you specified;
- you have further requested that the Credit Provider instructs your existing creditors to close such accounts and to terminate any credit facility that may exist under any such agreement;
- if the amount paid was insufficient to settle any account, you will pay any shortfall directly to your existing creditors and will communicate with your existing creditors to ensure that the account is then closed and any credit facility on the account terminated;
- you will not incur any further debt on any credit facility that you may have on any of the specified accounts from the date of this Agreement even if your existing creditors do not terminate the facility; and

- your obligation to repay all amounts owing in terms of this Agreement shall remain unaffected by any act or omission on the part of your existing creditors.

You further agree that the Credit Provider will not be liable for:

- any claims, loss, damages or liability suffered or incurred by you arising in connection with any fraudulent, unauthorised or mistaken transaction, payment instruction, reversal or error or correction made by your existing creditor listed on the Consolidation Loan Agreement;
- any cause or event in connection with the Consolidation Loan Agreement outside the reasonable control of the Credit Provider; and
- any indirect, consequential or incidental loss, damages or liability suffered or incurred in any circumstances whatsoever in connection with services or products supplied by your existing creditor listed on the Consolidation Loan Agreement.

6. Pre-Payment is allowed without penalty

You may pay any amount you owe in terms of the Agreement even if it is before the date which the payment is due. The Credit Provider will credit each payment made under the Agreement as follows: (1) interest, then (2) any fees or charges, and then (3) the loan amount. Pre-payments made and allocated will not be refunded.

7. Early settlement of the entire amount is allowed

If you want to pay the total outstanding amount in terms of the Agreement, you must request a settlement amount. The settlement amount is made up of the unpaid balance of your loan amount, unpaid interest, plus other fees and charges payable up to the date of settlement. The Credit Provider will give you the settlement amount at no cost within 5 (five) business days from when you request the settlement quotation. The settlement quotation may be given to you: in person, by e-mail, telephone, or other form of electronic communication. The settlement amount quoted must be paid within 5 (five) business days from the date that it was delivered. If you do not pay the settlement amount within 5 (five) business days, the settlement quotation will no longer be valid. The Agreement will continue as normal and you will need to get a new settlement quotation if you still want to pay up your loan early.

8. Breach

If you do or fail to do or allow anything that could harm the Credit Provider's rights or cause any loss under the Agreement, you will immediately be in default of the Agreement. This includes if you pay late or do not pay in terms of the Agreement.

If any payment is late, you must pay extra interest on the arrears at the interest rate in the Quotation.

If 3 (three) debit orders in a row fail, your debit order will automatically be cancelled. You must then make a manual payment every month for the amount you owe.

If you do not pay any amounts due under the Agreement, the Credit Provider may start legal action against you to enforce and terminate the Agreement, as allowed for by the Act. This does not affect the Credit Provider's rights. If you are in default, you will immediately owe the balance of the Principal Debt plus default costs that apply in terms of relevant law.

If the Credit Provider decides to enforce the Agreement, the following procedure applies:

- the Credit Provider will send you a letter notifying you of your default;
- that letter will propose that you refer the Agreement to a debt counsellor, alternative dispute resolution agent, consumer court or ombud with jurisdiction. The aim will be to resolve any disputes and / or agree a plan to bring the payments up to date; and
- if any debt review you applied for is not finalised within 60 business days from the date you applied for the debt review, the Credit Provider may send a notice ending the debt review (under section 86 of the Act).

If you apply for debt review, you may not apply for or accept any more credit until your application has been rejected or you have settled all your debts under credit agreements as agreed by the court. This means you may not borrow any money, enter any credit agreement or incur any charges under a credit facility (such as a credit card).

The Credit Provider will not start legal action against you unless:

- you have been in default for at least 20 (twenty) business days; and

- at least 10 (ten) business days have passed since delivery of the default letter or notice referred to above (which could be at the same time as the 20 (twenty) days); and
- you have failed to respond to the default letter, or have rejected our proposal.

If the Credit Provider terminates the Agreement under section 123 of the Act, the same procedure set out above will first be followed.

You may reinstate any Agreement in default by paying all overdue amounts plus default costs before the Agreement ends.

9. Statement of account

Unless otherwise agreed, the Credit Provider will send you a quarterly statement of account to the email address or postal address that you selected as the address at which you wish to receive statements.

10. Addresses and receiving documents

You agree that the Credit Provider may send legal notices to the residential address you provide from time to time in writing.

The Credit Provider will send all other communications, including statements of account, to the address that you give from time to time. The Credit Provider will only send you emails for correspondence in terms of the Act, if you give specific permission to do so. The Credit Provider may assume that you receive a notice or letter five days after it has been posted, or two days after it has been emailed to you. You agree to receive any notice in terms of section 129 by registered mail at the residential address you provide from time to time.

You must inform DirectAxis (on behalf of the Credit Provider) or the Credit Provider directly about any change of legal name, address, email address, telephone number or other contact details. You must send proof of any new legal name and/or residential address.

11. Certificate of amount due

The Credit Provider may issue a written notice showing the amount you owe and how it has been calculated.

You agree that the Credit Provider may take legal action based on the amount in the notice, but you have the right to prove to any court that a particular amount is wrong.

12. Cession and assignment (transfer) of debt

The Credit Provider may transfer any of its rights and responsibilities under the Agreement, with or without notice to you, including the right to collect the amounts due by you as agreed in terms of the debit order mandate. You must continue to fulfil your responsibilities as set out in the Agreement to the person to whom the rights and responsibilities have been transferred.

13. Credit reporting and credit sharing practices

By accepting the Quotation and these Terms and Conditions you agree that:

- The Credit Provider may share information about your application, the Agreement and your conduct with any credit reference company (credit bureau), including information about late repayments or other breaches; and
- the credit reference companies may use information shared with them to create a credit profile and score indicating your credit worthiness.

The Credit Provider will give you at least 20 (twenty) business days' notice before sharing certain adverse (negative) information about you. This includes information about legal action taken against you to recover debt.

You may ask any credit reference company at any time to see your credit record and to correct any wrong information (that the Credit Provider cannot show is correct).

The Credit Provider will share your information with the following credit reference companies:

- **Transunion:** phone 011 214 6000 or 0861 482 482 or email webmaster@transunion.co.za
- **Experian:** phone 011 799 3400 or 0861 105 665 or email info@experian.co.za
- **Xpert Decision Systems:** phone 011 645 9100 or email info@xds.co.za
- **Compuscan:** Phone 021 888 6000

Note that credit bureaus provide credit profiles and possibly credit scores on credit worthiness.

14. Complaints and disputes

If you have a question, complaint or dispute about this Agreement or the Plan offered, please first contact DirectAxis Customer Care on behalf of the Credit Provider who will do their best to help you. Please refer to your accompanying welcome letter for contact details.

Should they be unable to help, you may contact:

- **Banking Ombudsman:** phone 011 838 0035/38/39 or email info@obssa.co.za
- **National Credit Regulator:** phone 0860 627 627 or email info@ncr.org.za
- **National Consumer Tribunal:** phone 012 683 8140 or email Registry@thenct.org.za
- **Long Term Insurance Ombudsman:** phone 021 657 5000 or email info@ombud.co.za
- **FAIS Ombud:** Phone 012 470 9080 or info@faisombud.co.za

You may resolve a complaint by way of alternative dispute resolution in terms of section 134 of the Act. You may also ask the Banking Ombudsman to help you resolve a complaint or dispute.

15. Right to apply to a debt counsellor

You may apply to a debt counsellor to be declared over-indebted under section 86 of the Act. You may apply before the Credit Provider takes legal action against you for any default under this Agreement. The debt counsellor will help you with your application and you will have to pay the relevant fee. They could reject your application in terms of the Act.

The National Credit Regulator may give you contact details of debt counsellors in your area.

16. Other rights under the Act

You have the right to be excluded from any:

- marketing phone calls (telemarketing) by or on behalf of the Credit Provider;
- marketing or customer list sold or shared by the Credit Provider (except as the Act requires); or
- mass email or sms messages sent by or on behalf of the Credit Provider.

You may exercise your rights when accepting your loan Quotation, or at any other time by phoning DirectAxis Customer Care.

17. Amending this Credit Agreement

The Credit Provider will amend this Agreement only where necessary in accordance with the requirements of the Act and will give you at least 5 (five) days' written notice.

18. Customer and Transaction Screening

The Credit Provider will do its best to stop or prevent any criminal activities including money laundering and terrorist financing. In assisting with this you acknowledge that the Credit Provider:

- may verify (check and confirm) your identity as well as that of any persons related to or acting on behalf of or involved with you at the start of the business relationship and as often as reasonably necessary thereafter.
- will not willingly and knowingly do business with any person, that appears on any "sanction" list in terms of legislation or in the management of its risk or that is linked to any person that appears on such sanction list, or linked to any restricted countries or the government agencies of such restricted countries. Note that these lists are updated on a regular basis.
- may monitor any transactions, instructions, and recipients and can request/verify further information before acting on an instruction or transaction. This could result in a delay in carrying out the instruction.
- may refuse to carry out any instruction or transaction, and place a hold on any account should it consider necessary.

You agree to assist the Credit Provider to comply with the laws by providing all the information and documents reasonably required from time to time. If you fail to do so or provide false information, the Credit Provider can refuse to enter into a relationship with you, refuse to carry out an instruction or process an instruction and can also end its relationship with you.

PLEASE NOTE: The Credit Provider will not be responsible to you, or any person, or customer for any loss or damage, you or they suffer if any steps mentioned in this clause or anything else necessary to comply with the laws.

19. Other acknowledgements and confirmations

By accepting the Agreement, you confirm that:

- you have reviewed the Quotation and Terms and Conditions and that you understand and appreciate the costs of credit, risks, rights and obligations that apply to the Agreement;
- you have answered all questions fully and truthfully and that you can afford the monthly loan repayments in terms of the Quotation;
- you have not borrowed any more money or accepted further credit after you first applied for this loan with the Credit Provider;
- all information you have given is true and up-to-date, and the Credit Provider can rely on it;
- the Credit Provider may contact you on any day of the week in line with applicable laws about any amount you have not paid under the Agreement and
- The Credit Provider may withdraw from the Agreement at any time before the Loan amount has been paid out by writing to you if it finds out about anything that might make it more difficult for you to repay the loan. The Agreement will then have no effect and neither party will have any claim against the other.

The Quotation, your application information, the Terms and Conditions and any subsequent confirming SMS/MMS or telephone call of the cost of credit, form the whole Agreement between you and the Credit Provider. If you have chosen the credit life insurance offered, the relevant insurance policy will also form part of the record of the Agreement. No changes may be made to the Agreement unless these changes are agreed to in writing or verbally (voice-recorded and confirmed in writing) or unless the Act allows it.