

PERSONAL LOAN PRE-AGREEMENT STATEMENT

In terms of Section 92 of the National Credit Act No. 34 of 2005 (incorporating rights, obligations, terms and conditions)

1. Definitions and Interpretation

“**the Act**” means the National Credit Act No. 34 of 2005 as amended from time to time.

“**the Agreement**” means your personal loan agreement with the Credit Provider. This Agreement is made up of the verbal and voice-recorded Quotation, recorded and concluded by DirectAxis on behalf of the Credit Provider, the Pre-agreement Statement, and your written or verbal and voice-recorded acceptance of both of these.

“**Annual Interest Rate**” means the fixed annual nominal rate at which interest is calculated on the balance of the Principal Debt owed by you from time to time. The annual interest is calculated daily in arrears and will be added to the Principal Debt monthly on your elected due day for repayment.

“**Credit Provider**” means FirstRand Bank Limited.

“**DirectAxis**” means DirectAxis (SA) (Pty) Ltd, an authorised Financial Services Provider and agent for the Credit Provider.

“**Loss Payee**” means a party to whom an insurance settlement must be paid, which in the context of the Agreement is the Credit Provider.

“**Principal Debt**” means the amount that is deferred and on which interest is calculated. It comprises the loan amount advanced, the initiation fee if not paid upfront, and any other costs including interest which are added as and when they become payable.

Any reference to “**We**”, “**Us**” or “**Our**” shall refer to the Credit Provider.

2. Costs of Credit

The following costs of credit are payable:

- Interest, which is a fixed annual nominal rate charged on the balance of the principal debt owed by you from time to time. It is calculated daily in arrears and will be added to the principal debt monthly on your elected due date for repayment.
- Initiation fee, which is a fee charged for the preparation costs of this Agreement. You have the option of either paying this fee upfront or having it included in the principal debt. If it is included in the principal debt, interest will be charged on the initiation fee. If you choose to pay the initiation fee upfront, you need to make payment to the First National Bank account that we give you, quoting the reference number that we provide, and provide us with proof of such payment before the loan amount can be advanced to you.
- Service fee, which is a monthly fee charged on due date, for the routine monthly administration of your account. If you do not pay this fee on time it will be added to the outstanding balance and interest will be charged on it.
- To the extent permitted by Chapter 6, Part D of the Act, should you at any time be in default in terms of this Agreement, the default administration and collection costs arising from your failure to comply with any of the terms and conditions of this Agreement, and for legal costs and collection commission on all payments made by you if the matter is referred to an external debt collection company or attorney. Such costs will be charged as and when they occur.

- The monthly cost of the Personal Protection Plan premiums, should you choose to accept our offer of credit life insurance as discussed in the next section.

3. Credit Life Insurance

We require you to maintain credit life insurance to cover your outstanding obligations under the Agreement at any time, and that we are named as Loss Payee under this policy.

In this regard, we offer a Personal Protection Plan underwritten by Hollard Life Insurance Company Ltd which provides cover in respect of the settlement value of your loan (excluding any arrears or charges thereon) under the circumstances described below, at any time during the life of the Agreement.

This cover will be provided in the event of your death, permanent disability or being diagnosed as suffering from certain dread diseases such as cancer, heart attacks, strokes, diabetes, renal failure, blindness, total and irreversible loss of use of a limb, serious burns and coma. Most heart related surgery and major organ transplants are also covered.

This plan also provides limited cover for instalments due whilst you are temporarily disabled or in the six months following retrenchment.

Furthermore certain exclusions exist, the main ones being that no claim will be considered in respect of a condition or event arising from:

- Your suicide or attempted suicide or self-inflicted injury within 24 months subsequent to entering the Agreement
- Driving a vehicle while under the influence of intoxicating liquor or narcotic drugs, or your excessive use of such substances
- Your illness, injury or any other condition which materially contributed to your claim against the policy having existed in the 12 months preceding the Agreement and continuing or recurring in the 12 months subsequent to entering the Agreement

You have the right to waive the Personal Protection Plan that we offer, and to substitute a policy of your choice. In such a case we require documentary evidence of the existence of this cover, the details thereof, and that we have 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 we have received and are satisfied with the evidence provided.

Should you need further details of our Personal Protection Plan before you exercise your choice, we will send you a copy of the detailed policy document prior to you deciding whether to accept our policy or to substitute a policy of your choice.

Where you agree to accept our Personal Protection Plan, we will not add any surcharge, fee, or additional premium above the actual cost of this insurance, and we will:

- Disclose the monthly cost of the insurance and include it in your monthly instalment amount
- Disclose the amount of any commission that we may receive
- Pay over all premium payments you make punctually to the insurer and administer your interest in this policy until the Agreement comes to an end
- Prior to concluding the Agreement, explain the benefits, terms and exclusions pertaining to this policy
- After concluding the Agreement, send you a detailed policy document listing benefits, terms, exclusions and claims procedures

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.

4. Repayments and how we will use your payments

If you choose to pay the initiation fee upfront, you need to make payment to the First National Bank account that we give you, quoting the reference number that we provide, and provide us with proof of such payment before the loan amount can be advanced to you.

You must pay the full amount of your instalments as indicated on the Quotation, on or before the date that they are due. To this end, it is a condition of the Agreement that you authorise us to originate a monthly debit order against the bank account that your income is paid into.

You may pre-pay any of the instalments without penalty. Your repayments will be used to reduce your obligations in the following order: (i) against due or unpaid interest (ii) against due or unpaid fees or charges and (iii) against the amount of the principal debt.

5. Early Settlement of the Agreement

You may settle this Agreement in full at any time, with or without notice, by paying the settlement value to us.

In such an event, the settlement value will be the unpaid balance of the principal debt plus the unpaid interest and all other fees and charges payable by you to us up until the settlement date. You may obtain the settlement value from DirectAxis at any time.

6. Breach

If you pay any instalments later than the date that they are due, you will pay additional interest on the arrear amounts at the same interest rate as set out on the Quotation and which applies to the Agreement.

If you fail to pay any amounts due under the Agreement, then we may (without affecting any of our other rights), proceed with legal action for the enforcement and termination of the Agreement, as set out in Chapter 6 Part C of the Act.

This action may include a request to the court that the full outstanding capital balance of the Agreement becomes immediately payable.

Where you are in default under the Agreement, you will also be liable for default administration charges and collection costs in terms of the Supreme Court Act, the Magistrates Court Act, the Debt Collectors Act or the Attorneys Act, whichever is applicable.

Should we elect to enforce the Agreement, the procedure set out hereunder will be followed:

- A letter will be despatched to you drawing your default under the Agreement to your attention;
- A proposal will be made in that letter that you refer this Agreement to a debt counsellor, alternative dispute resolution agent, consumer court or Ombud with jurisdiction, with the intention that we resolve any disputes or develop and agree on a plan to bring the payments under this Agreement up to date;
- If you applied for debt review in terms of section 86 of the Act, and the review is not finalised within 60 business days after you applied for the debt review, we may send a notice, terminating the debt review in terms of section 86(10) of the Act.

Should you apply for debt review in this way, you will not be able to enter into any other credit agreement or incur any further charges under a credit facility (such as using a credit card) until such time as your application has been rejected or you have settled all your obligations under all credit agreements as agreed by the court.

Legal proceedings will not be commenced against you unless:

- You have been in default for at least 20 business days and
- At least 10 business days have elapsed since the default letter or notice referred to above has been delivered (which 10 day period may run concurrently with the 20 day default period) and
- You have failed to respond to the default letter, or you have responded by rejecting our proposal

Should we elect to terminate this Agreement in terms of section 123 of the Act, the same enforcement procedure set out above will be followed prior thereto.

At any time before termination of the Agreement you are entitled to reinstate the Agreement if it is in default by paying all overdue amounts, as well as our permitted default charges and reasonable costs up to the time of reinstatement.

7. Statement of Account

We will send you a regular statement of account, which you may choose to receive monthly or quarterly.

8. Addresses and the receiving of documents

You agree that the residential address you provide is the address to which any legal notices must be sent.

You agree that the postal or email addresses that you provide are the addresses to which we must send all post and other communication, including statements of account. We undertake that we will not send any such communication to you by email unless you give us your permission to do so.

You must advise DirectAxis in writing of any change to any address or to any other of your contact details, including email address and telephone numbers. If you fail to give notice of a change of address, we may use the last address we have for you, even if this address is no longer correct.

You accept that you will be deemed to have received a notice or letter five days after we have posted it or two days after we have emailed it.

9. Certificate of amount due

We may provide a certificate from any of our managers, whose position it will not be necessary to prove, showing the amount that is due to us, and how it is calculated.

Unless you disagree with such amount and are able to satisfy the court that the amount in the certificate is incorrect, it is agreed that we may take any judgment or order that we are entitled to in law based on the facts contained in the certificate, or such amount as the court may find to be owed by you.

10. Cession and Assignment

You may not transfer the Agreement or any of your rights to any other party unless we agree to this.

We may, with or without notice to you, transfer our rights and obligations under the Agreement to any Credit Provider, and you agree that you will continue to fulfil your obligations to the new Credit Provider.

11. Credit bureaus, credit reporting and credit sharing practices

By accepting our Quotation and this Pre-agreement Statement you acknowledge and confirm that:

We may transmit the details of your application for finance and the loan agreement to any Credit Bureau. This includes the entering into and termination of the Agreement, your repayments in terms of the Agreement, and the disclosure of any non-compliance with the repayment terms and due dates under the Agreement.

However, where we intend to submit adverse information such as bad debt or handed over for legal action we will give you at least 20 business days notice thereof.

The Credit Bureaus may use the information that we transmit to provide a credit profile and credit score reflecting your credit worthiness.

You may contact the Credit Bureaus at any time and you have the right to have your credit record disclosed and you may challenge any incorrect information and have the information corrected where we are unable to provide credible evidence verifying the information. Credit Bureau names and contact details to which this information will be submitted are as follows:

- **Transunion ITC:** phone 011 214 6000 / 0861 482482 or email webmaster@transunionitc.co.za
- **Experian:** phone 011 799 3400 / 0861 105665 or email info@experian.co.za
- **Xpert Decision Systems:** phone 011 645 9100 or email info@xds.co.za

12. Complaints and disputes

In the event that you have a query, complaint or a dispute, please contact the Customer Care Line of DirectAxis, who will do their best to resolve the complaint or dispute.

If DirectAxis cannot resolve your complaint or dispute, you also have the right to request the assistance of the Banking Ombudsman, the National Credit Regulator or, should the National Credit Regulator decline to assist you, you may refer the matter directly to the Tribunal. Complaints and disputes contact details are as follows:

- **DirectAxis Customer Care:** phone 021 670 3404 or email customerservice@directaxis.co.za
- **Banking Ombudsman:** phone 011 838 0035/38/39 or email info@obssa.co.za
- **National Credit Regulator:** phone 0860 627627 or email info@ncr.org.za
- **National Consumer Tribunal:** phone 012 394 1721 or email nct@thedti.gov.za

13. Right to apply to a debt counsellor

You have the right to apply to a Debt Counsellor to be declared over-indebted in terms of section 86 of the Act and to ask for assistance prior to our taking any enforcement action against you if you are in default under the Agreement. The contact details for Debt Counsellors in your area can be obtained from the National Credit Regulator if DirectAxis are unable to assist you in this regard. The Debt Counsellor will require you to complete a Form 16 and to pay a fee that is prescribed under the National Credit Act. If your application is accepted, the Debt Counsellor will assess your application and will either reject or accept your application.

14. Other Acknowledgements and Confirmations

All successful loan applicants will be provided with a Quotation as required by the Act, at which time all financial details including interest rate and other costs specific to your application will be disclosed.

Quotations are valid for five business days, during which time any documentation requested from you must be delivered to us.

Such documentation may include, but is not limited to, proof of residential address, spouse consent if married in community of property, proof of payment of Initiation Fee if you choose to pay this fee upfront, and any documentation

relating to credit life insurance where you choose not to accept our Personal Protection Plan.

All applications, quotations and acceptance thereof may be telephonic, in which case it will be voice-recorded and confirmed in writing.

By accepting the Quotation and the terms of this Pre-agreement Statement you acknowledge and confirm that:

- The Quotation and Pre-agreement Statement have been explained to you and you understand and appreciate the costs, risks and obligations associated with you entering into the Agreement.
- You have not taken up any further credit other than that which already existed at the time you applied for finance.
- You were provided with a selection of the following options at the time you applied for finance
 - to be excluded from telemarketing campaigns
 - to be excluded from telemarketing lists for mass distribution
 - to be excluded from mass SMS and email campaigns.
- All the information that you have given us is true and current in every respect and that we may rely on this information.

15. Other rights

Under the National Credit Act, you have the right:

- To apply for credit
- To protection against discrimination in respect of credit
- To request that the dominant reason why credit was declined be provided to you in writing
- To be provided with documentation that is required under the Act, in an official language for which we have been approved by the National Credit Regulator
- To information in plain and understandable language
- To receive all documents that are required by the Act
- To be provided with a quotation that is valid for five business days and with a Pre-agreement Statement, the terms and conditions of both of which shall be fully explained to you prior to you entering into any credit agreement

Your verbal and voice-recorded acceptance of the verbal or written Quotation and written Pre-agreement Statement, or alternatively your signed acceptance of the written Quotation and Pre-agreement Statement, shall constitute the Agreement and be binding until you have paid all the amounts due under the Agreement. No changes may be made to the Agreement unless these changes are agreed to in writing or alternatively are agreed verbally and voice-recorded, and subsequently reduced to writing.