

**SMALL ENTERPRISE EMPLOYEES PROVIDENT FUND
SEPARATE GROUP SCHEMES
(Summary of Terms and Conditions)**

1. Definitions

- 1.0 In this Policy, unless inconsistent with or otherwise indicated by the context:
- 1.1.1. "Administrator" means Absa Consultants and Actuaries (Proprietary) Limited, registration Number 1961/001434/07, having its registered address at Block A Hatfield Gardens, Arcadia Street, Pretoria;
- 1.1.2. "Appendix 1" means the document annexed hereto as Table Addendum, which sets out
- 1.1.3. the different benefits payable, according to the benefit selected by the Participating Employer;
- 1.1.4. "Application Form" means the application form for Cover in terms of this Policy completed by the Principal Member and lodged with the Administrator;
- 1.1.5. "Benefit means the death Benefit payable in case of death of an Eligible Person as set in The Table Addendum, according to the benefit selected by the Participating Employer;
- 1.1.6. "Benefit cessation age" means 65 years of age or on Retirement;
- 1.1.7. "Business Days" means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;
- 1.1.8. "Channel Life" means Channel Life, registration number 1969/012487/06, having its registered address at Grosvenor Corner, 195 Jan Smuts Avenue, Rosebank;
- "KGA Life" means KGA Life, registration number 1998/023657/06, having its registered address at 53 Canterbury Street, Bellville, 7530.
- 1.1.9. "child" means all unmarried children of the Principal Member (including a stillborn child) under the age of 21, or 25 if the child is a full-time student or disabled, provided that they have not left the home of the Principal Member for six or more months;
- 1.1.10. "Commencement Date" means in respect of each Participating Employer and the Principal Members, the date upon which benefits for the Principal Member of that Participating Employer concerned shall commence;
- 1.1.11. "Cover" means the assurance cover / benefit provided in terms of this Policy;
- 1.1.12. "discretion" means a discretion that shall be exercised arbitrium boni viri;
- 1.1.13. "Eligible Person" means the Principal Member, his / her Partner (limited to two in any twelve month period), and / or children who are named in the Application form and satisfy the eligibility conditions specified in this Policy;

- 1.1.14. "Employee" means any person who is in the full time employ of a Participating Employer up to an Employee's Normal Retirement Date, and "Employ" shall bear a corresponding meaning;
- 1.1.15. "the Fund" means ABSA Small Enterprise Provident Fund, having its registered address at Block A, Hatfield Gardens, Arcadia Street, Pretoria;
- 1.1.16. "Nominated Beneficiary" means that / those person/s nominated by the Principal Member in the Application Form, who in the event of the Principal Member's death would receive the proceeds of any Benefit payable in terms of this Policy, and / or be responsible for the Principal Member's funeral arrangements;
- 1.1.17. "Normal Retirement Date" means the Normal Retirement Date selected by a Participating Employer, between an Employee's 55th and 65th birthdays;
- 1.1.18. "Participating Employer" means any Participating Employer and any subsidiary or associated company of the Participating Employer that applies for Cover in respect of its Employees and whose application is accepted by the Fund and Channel Life and KGA Life in writing;
- 1.1.19. "Partner" means a person:
- 1.1.18.1 who is the spouse of the Principal Member, including a party in a customary union according to traditional law and custom or to a union recognized as a marriage under the tenets of any Asiatic religion;
- 1.1.18.2 in a union of two adults, whether of the same or opposite sex, if the Administrator is satisfied that the parties cohabited as if married based on the objective criteria of mutual dependency and a shared common household, provided that:
- 1.1.18.2.1 Channel Life and KGA Life has been notified in writing of such union; and
- 1.1.18.2.2 Premiums have been paid in full to the date of the death of the person concerned;
- 1.1.19 "Policy Effective Date" means 1 April 2005;
- 1.1.20 "Premium" means the gross contribution or premium payable by Principal Members who participate in any Group Scheme established by the Fund and specifically includes any underwriting portion, administration fees and commission;
- 1.1.21 "premium cessation age" means the age of 65 years;
- 1.1.22 "Principal Member" means an Employee (excluding a male Employee's wife is she is also an Employee) aged under 65 years, who is eligible for Benefits in terms of this Policy and with six consecutive months continuous service with the Participating Employer at entry to the Scheme;
- 1.1.23 "Renewal Date" means 1 August of each subsequent year;
- 1.1.24 "Retirement" means the termination of the Principal Member's employment due to superannuation or ill-health;
- 1.1.25 "Scheme" means The ABSA Workers Funds Combined Group Life and Funeral Scheme, as set out in the Policies;
- 1.1.26 "stillborn child" means a child who has had at least six months intra-uterine existence, but who shows no sign of life after complete birth;

- 1.1.27 “Waiting Period” means a six months waiting period after the Commencement Date in respect of the Principal Member concerned;
- 1.1.28 Any reference to the singular includes the plural and vice versa; and any
- 1.1.29 Any reference to a gender includes the other gender.
- 1.1. The clause headings in this Policy have been inserted for convenience only and shall not be taken into account in its interpretation.
- 1.2. If any provision is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive clause in the body of the Policy, notwithstanding that it is only contained in the interpretation clause.
- 1.3. This Policy shall be governed by and construed and interpreted in accordance with the law of the Republic of South Africa.

2. PREMIUMS

- 2.1 The Participating Employers shall bear the cost of the premiums required to provide the benefits under this Policy and shall pay the premiums and administrative charges due to the Administrator who shall in turn pay the premiums to Channel Life and KGA Life. The amount of premiums payable to secure the benefits under the Policy shall be calculated by Channel Life and KGA Life in accordance with the scale of premium rates in force at the date of calculation and which shall be based on the information provided to Channel Life and KGA Life by the Administrator.
- 2.2 The premiums required to secure a Principal Member’s benefits in terms of the Policy shall be payable throughout the Principal Member’s membership of the Scheme.
- 2.3 Channel Life and KGA Life reserves the right to change the premium rate at any time, on giving one month’s written notice to the Administrator, if any of the following should occur; -
- 2.3.1 there is a change in membership of the Scheme or categories of Principal Members which in the opinion of Channel Life and KGA Life affects the risk under this Policy; or
- 2.3.2. The benefit structure under this Policy changes.

3. REINSTATEMENT OF LAPSED BENEFITS

- 3.1 Where this Policy or any portion thereof that is applicable to any individual Participating Employer has lapsed, a written request to reinstate benefits must be made to Channel Life and KGA Life.
- 3.2 Reinstatements of the Policy shall at all times be subject to such further conditions as Channel Life and KGA Life may determine at that time. Channel Life and KGA Life reserves the right in its own discretion to repudiate any claim arising from date of lapse until date of reinstatement.
- 3.3 Reinstatement of the Policy shall not be entertained by Channel Life and KGA Life until all arrear premiums have been paid to Channel Life and KGA Life. Should Channel Life and KGA Life decide that reinstatement of the Policy is unacceptable, and then all premiums paid from the date of lapse, less any related expenses that Channel Life and KGA Life may have incurred, shall be refunded to the Administrator for onward disbursement to the Participating Employer concerned. All liability to pay any benefit to any Member shall be extinguished from the date of lapse.

4. COMMENCEMENT OF COVER

Cover in respect of a Principal Member shall commence on the first day of the month coinciding with or, if not coinciding with, the next following

the date of his first qualifying as a member of the Scheme, provided, however, that in respect of an Employee who is absent from work due to illness or injury on the day on which his Cover is to commence or on the day that his Cover is increased, his Cover, or any increase in Cover, as applicable, shall not commence without the express consent of Channel Life and KGA Life, until he resumes full-time active employment for a period of at least two consecutive months.

5. TEMPORARY ABSENCE

Should a Principal Member, be temporarily absent from the Employ of the Participating Employer, during which time he receives no or reduced remuneration, the Participating Employer must notify Channel Life and KGA Life in writing, as far in advance as is reasonably possible, and the following provisions shall apply:-

- 5.1 payment of premiums shall be continued by the Participating Employer and the Principal Member shall continue to enjoy Cover at the level at which he was Covered immediately before his absence began;
- 5.2 after twelve consecutive months' absence, the Cover in respect of that Principal Member shall automatically terminate, provided however where such absence is due to illness, the Participating Employer may extend the absence beyond the twelve month period for a further period of up to twelve months, as it in its sole discretion may deem expedient, and the Participating Employer shall notify Channel Life and KGA Life in writing of any such extension.

6. NOTIFICATION OF CLAIM

- 6.1 The Participating Employer shall notify the Administrator in writing within six months that an incident has occurred that is likely to give rise to a claim under this Policy.
- 6.2 The Administrator shall notify Channel Life and KGA Life when a notice in terms clause 10.1 above has been received from a Participating Employer and Channel Life and KGA Life shall be entitled to audit the claims register of the Administrator in order to ensure that the notice as envisaged in clause 10.1 has been given within the 6 month period by the Participating Employer.
- 6.3 Formal written notification of a claim including all claim documents and evidence shall be lodged with Channel Life and KGA Life within six months immediately following the occurrence of an event that gives rise to a claim under this Policy, failing which, the claim shall not be considered and any liability of Channel Life and KGA Life in respect of such claim shall be extinguished and no Benefit shall be payable in respect of such claim.
- 6.4 The Participating Employer, shall, at its own cost, provide Channel Life and KGA Life with all the initial information and assessments required by Channel Life and KGA Life in order to adequately assess the claim, failing which the claim shall not be considered.
- 6.5 On admission of the claim, and on the satisfaction of the provisions of the Policy, Channel Life shall pay the applicable Benefit to the Administrator as contemplated in clause 14.2.2.
- 6.6 In order for a claim to be admitted, premiums in respect of a Participating Member's Cover must be paid.
- 6.7 Channel Life and KGA Life shall be entitled to call for any further evidence at any stage while a Participating Member / Eligible Persons claim is being considered, or at any relevant time thereafter. Any such evidence submitted must be as comprehensive as is required by

Channel Life and KGA Life and must be satisfactory to Channel Life and KGA Life in all respects.

7. CLAIM PROCEDURE

Subject to the terms and conditions of the Policy, payment of any Benefit may be withheld until all the requirements contained in this Policy and more specifically clause 11.2 have been satisfied.

7.1 The following certified duly completed documentation must be submitted at Channel Life

and KGA Life registered address:-

- 7.1.1 Fully completed claim form;
- 7.1.2 Copy of death certificate;
- 7.1.3 Copy of the Participating Member's identity document;
- 7.1.4 Copy of the deceased's identity document (if applicable);
- 7.1.5 Proof of membership of the Scheme;
- 7.1.6 Copy of notification of death from doctor concerned;
- 7.1.7 Proof of marriage (if applicable);
- 7.1.8 Birth certificate (if applicable);
- 7.1.9 Adoption certificate (if applicable);
- 7.1.10 Declaration by the police in case of an unnatural death.
- 7.1.11 Channel Life and KGA Life shall have the right to require a post mortem examination of the body of the deceased Eligible Person(s) should it deem it necessary in its sole and absolute discretion.

8. CONDITIONS OF MEMBERSHIP

- 8.1 Membership of the Scheme is compulsory for all Employees of the Participating Employer who satisfy the membership qualifications as stipulated in this Policy.
- 8.2 On becoming a Participating Member each Participating Member shall be deemed to have accepted the terms and conditions of this Policy and thus agree to be bound by them.
- 8.3 Any membership qualification for a particular Participating Member may be waived if the Administrator and Channel Life and KGA Life so agree in writing.
- 8.4 Membership of the Scheme shall not in any way affect the right of the Participating Employer to discharge any Employee who is a member of the Scheme nor shall the benefits under the Policy be made grounds of increasing a claim for damages in any action, which may be brought against a Participating Employer by a former member.

9. CESSATION OF MEMBERSHIP AND COVER

- 9.1 Membership of a Participating Member of the Scheme shall cease on the earlier of the date on which he ceases to be an Employee of the Participating Employer or on the first day of the month following his Benefit cessation age.
- 9.2 Cessation of Cover: A Participating Member's Cover and / or Eligible Persons Cover shall cease on the earliest of the following:-
 - 9.2.1 termination of this Policy by Channel Life and KGA Life or the Participating Employer; or
 - 9.2.2 Cessation of payment of premiums, subject to the provisions of clause 5; or
 - 9.2.3 The Participating Member ceasing to be an Employee of the Participating Employer; or
 - 9.2.4 The Participating Employer ceasing to remain in business; or
 - 9.2.5 The date on which a person ceases to be an Eligible Person; or
 - 9.2.6 Upon the death of a Participating Member prior to premium cessation age; or

- 9.2.7 The Participating Member reaching the Benefit cessation age; or
- 9.2.8 The date on which the Participating Member becomes admitted for a disability claim on any such Insurance that he may have access to.
- 9.3 Reapplication for Cover: A Participating Member on whose life the Cover ceases by virtue of his having ceased to qualify therefore in terms of this Policy, shall be treated in all respects as a new Participating Member on prequalification and reapplication for Cover 'n terms of this Policy
- 9.4 **Exclusions**
- 9.4.1 No benefit shall be paid where death is directly or indirectly due to or caused by any of the following:
- 9.4.2 War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, martial law, rebellion, revolution, insurrection, military or usurped power;
- 9.4.3 Terrorism (including nuclear, chemical or biological terrorism);
- 9.4.4 Riot or civil commotion;
- 9.4.5 Provided that;
- 9.4.5.1 As Channel Life and KGA Life has reinsured some or all of the above exclusions, the reinsured exclusions shall not apply for as long as such reinsurance remains in force and the appropriate premiums have been and continues to be paid;
- 9.4.5.2 Should such reinsurance or part of such reinsurance be discontinued, Channel Life and KGA Life reserve the right upon giving one month's notice to impose an exclusion from benefits in respect of any one or more of the exclusions specified above.
- 9.5 Amount of Death Benefit**
- 9.5.1 The lump sum Benefit, shall be payable upon the death of an Eligible Person(s) after completion of the Waiting Period and whilst the Participating Member is an Employee, provided that such Benefit shall be payable in respect of the violent, visible and accidental death of an Eligible Person before completion of the waiting Period.
- 9.6 Payment of Death Benefit**
- 9.6.1 Payment of the Benefit by Channel Life and KGA Life shall at all times be subject to such evidence (medical or otherwise) as Channel Life and KGA Life, in its discretion, may require.
- 9.6.2 The Benefit shall be paid by Channel Life and KGA Life to the Fund. From the proceeds of the Benefit the Fund shall be entitled to refund any advance of the Benefit as may have been made by the Fund to the Participating Member or his / her Nominated Beneficiary, as the case may be, alternatively the Fund shall pay the Benefit directly to the Participating Member or his / her Nominated Beneficiary, as the case may be, in discharge of the Fund's obligation to the Principal Member or Nominated Beneficiary, as the case may be.
- 9.6.3 The receipt of the Benefit by the Fund shall be effectual discharge of all Channel Life and KGA Life and the Administrator's liability in respect of any Eligible Person.
- 10. BENEFITS NOT ASSIGNABLE**
- 10.1 A Participating Member may not cede, pledge or otherwise alienate his benefits or his rights to benefits in terms of the Policy and such benefits shall not be subject to any form of execution or judgment and shall not, on

insolvency, or on surrender form part of the estate of the Participating Member or his dependent(s).

11. SURRENDER VALUE

11.1 This Policy shall not participate in the profits of Channel Life and KGA Life nor shall it have any surrender value.

12. UNCLAIMED MONEY

12.1 If any amount payable to a claimant in terms of this Policy is not claimed within three years from the date on which it became due for payment, all rights and claims of the claimant in respect thereof shall be forfeited.

13. DISPUTE RESOLUTION

13.1 Should there be any ambiguity in the terms and conditions contained in this Policy, or should any dispute arise from the terms and conditions of this Policy between any parties to this Policy, the Ombudsman for Life Assurance shall be called upon to arbitrate in the dispute. The arbitration shall be conducted subject to the procedures and rules as determined by the Ombudsman for Life Assurance. The interpretation and / or decision of the Ombudsman for Life Assurance shall be final and binding upon all parties.

14. ALTERATION OF POLICY

Channel Life and KGA Life shall reserve the right to alter from time to time any of the conditions as well as the definitions, benefits, privileges and premium rates or to terminate this Policy, provided that Channel Life and KGA Life shall have given to the Fund and the Administrator three month's notice in writing of any such alteration or termination.