

## Formal Notice

### NOTICE OF THE TRANSFER OF POLICIES OF SHOPRITE INSURANCE COMPANY LIMITED TO CENTRIQ LIFE INSURANCE COMPANY LIMITED AND CENTRIQ INSURANCE COMPANY LIMITED, RESPECTIVELY IN TERMS OF SECTION 50 OF THE INSURANCE ACT

Shoprite Insurance Company Limited (registration number 1948/030484/06) ("**Shoprite Insurance**") intends to transfer all of its insurance business (which includes all Shoprite Insurance policies) to Centriq Life Insurance Company Limited (registration number: 1943/016409/06) ("**Centriq Life**") and Centriq Insurance Company Limited (registration number: 1998/007558/06) ("**Centriq Insurance**"), respectively in terms of section 50 of the Insurance Act, 18 of 2017 ("**Insurance Act**").

The policies which will be transferred are all i) Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income; ii) Consumer Protection Policies: All Risk Insurance; and iii) Consumer Protection Policies: Extension of the Manufacturer's Warranty or Guarantee Policies ("**the Policies**"). The Policies are sold to customers of House & Home ("**House and Home**"), OK Power Express ("**OK Power Express**") and OK Furniture ("**OK Furniture**").

Shoprite Insurance must transfer the Policies because its licence as an insurer will, from the date that the Policies are transferred to Centriq Insurance and Centriq Life, be cancelled due to changes in the Insurance Act.

The Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income are currently underwritten as a short-term policy, but due to changes in the Insurance Act, must be underwritten as life policies. These Policies are therefore transferred to Centriq Life, a licensed life insurer in terms of the Insurance Act.

The Consumer Protection Policies: All Risk Insurance and Extension of the Manufacturer's Warranty or Guarantee Policies will be transferred to Centriq Insurance, a licensed non-life insurer in terms of the Insurance Act.

The terms and conditions of the Policies will not change, except some changes required for improved consumer protection measures. The premiums under the Policies will also not increase for a period of 12 months after approval of the transfer by the Prudential Authority.

In addition, you will no longer have to pay VAT on the premiums in respect of the Consumer Protection Policies: Death, Disability, Loss of Employment or Inability to Earn an Income after the transfer. However, the credit provider of the credit agreements,

namely Rainbow Finance, a division of Shoprite Investments Limited (registration number 1985/000928/07) ("**Rainbow Finance**") will not be able to reduce the instalment amount with the amount of VAT that you no longer have to pay, and Rainbow Finance will use the amount that you used to pay for VAT on your premiums, and apply it as a pre-payment on the instalment amount.

The Policies will be transferred in terms of an agreement entered into between Shoprite Insurance, Centriq Life and Centriq Insurance on 25 May 2021.

Because the Policies will be transferred without the permission of the policyholders, the Insurance Act requires a specific process to be followed, including that the Prudential Authority must approve the transfer. Once the Prudential Authority approves the transfer, Centriq Life and Centriq Insurance respectively will become the new insurers of the Policies, and will comply with all the obligations that Shoprite currently have under the Policies.

More information, a copy of the transfer agreement and other documents relevant to the transfer of the Policies will be made available on the Facebook pages of OK Furniture and House and Home, as well as the websites of OK Furniture and OK Power Express ([www.okfurniture.co.za](http://www.okfurniture.co.za)) and House and Home ([www.houseandhome.co.za](http://www.houseandhome.co.za)) from 15 September 2021 to 7 October 2021.

Any person who has an interest in the transfer of the Policies may submit any comments, complaints or enquiries to Shoprite (call 0861 00 88 61 or email [policytransfer@shoprite.co.za](mailto:policytransfer@shoprite.co.za)) or the Prudential Authority (email [SARB-PA@resbank.co.za](mailto:SARB-PA@resbank.co.za)) before 7 October 2021.