Transfer of long-term insurance business agreement

between

Absa Life Limited

and

Guardrisk Life Limited

and

Instant Life Proprietary Limited

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Annexure A: Assets and Liabilities Relating to the Policies and Distributable Reserves

Transfer of long-term insurance business agreement

Parties

Absa Life Limited

Guardrisk Life Limited

Instant Life Proprietary Limited

Introduction

A The Policies transferred in terms of this Agreement were introduced to Guardrisk Life and administered by Instant Life through its cell captive arrangement with Guardrisk Life, to which notice of termination of its relationship with Guardrisk Life in respect of the Policies has been provided.

B Guardrisk Life will therefore transfer the Policies to Absa Life on the terms and conditions contained in this Agreement.

C Instant Life will continue to administer the Policies in terms of its cell captive arrangement with Absa Life.

It is agreed

1 Definitions and interpretation

1.1 In this Agreement, unless the context requires otherwise:

(1) **Absa Life** means Absa Life Limited, registration number 1992/001736/06, a company registered according to the company laws of South Africa and a licensed long-term insurer in terms of the LTIA;

(2) **Absa Life Actuary** means the statutory actuary appointed by Absa Life in terms of section 20(1) of the LTIA;

(3) **Absa Life Auditor** means Ernst & Young Incorporated, the auditor registered in terms of the *Auditing Profession Act*, 2005 and appointed by Absa Life in terms of section 19(1) of the LTIA in accordance with the provisions of the *Companies Act*, 2008;

(4) **Agreement** means this Transfer of long-term insurance business agreement including all schedules and annexures to it;

(5) **Approval Date** means the date that the Registrar approves the Transfer;

(6) **Assets and Liabilities Relating to the Policies** means all the assets and liabilities relating to the Policies as listed in **Annexure A**;

(7) **Business Day** means any day other than a Saturday, Sunday or official public holiday in South Africa;

(8) **Operative Date** means the date referred to in clause 5.2;

(9) **Contingency Reserve** represents assets in the Corporate Tax Fund, which relates to the Instant Life Cell Captive underwritten by Guardrisk Life, to the value of R500,000 if available;

(10) **Corporate Tax Fund** means all surplus assets and liabilities which does not relate to Assets and Liabilities Relating to the Policies and which are attributable to the shareholders of the Instant Life Cell Captive underwritten by Guardrisk Life;

(11) **Distributable Reserves** means all the assets in the Corporate Tax Fund of the Instant Life Cell Captive underwritten by Guardrisk Life as listed in **Annexure A**, but excluding the Share Capital and Contingency Reserve;

(12) **Effective Date** means 01 June 2018;

(13) **Guardrisk Life** means Guardrisk Life Limited, registration number 1999/013922/06, a company registered according to the company laws of South Africa and a licenced long-term insurer in terms of the LTIA;

(14) **Guardrisk Life Actuary** means the statutory actuary appointed by Guardrisk Life in terms of section 20(1) of the LTIA;

(15) **Guardrisk Life Auditor** means Price Waterhouse Coopers Inc, the auditor registered in terms of the *Auditing Profession Act*, 2005 and appointed by Guardrisk Life in terms of section 19(1) of the LTIA in accordance with the provisions of the *Companies Act*, 2008;

(16) **Instant Life** means Instant Life Proprietary Limited, registration number 2007/032320/07, a company registered according to the company laws of South Africa;

(17) **Instant Life Agreement** means the Binder Agreement and the Outsource Agreement entered into between Guardrisk Life and Instant Life on 01 December 2012 and 01 April 2015 respectively together with any amendments thereto;

(18) **Instant Life Cell Captive underwritten by Guardrisk Life** means the Cell Captive structure entered into between Guardrisk Life and Instant Life on 28 March 2013 together with any amendments thereto;

(19) **Insurers** means, Absa Life or Guardrisk Life and **Insurer** in the context means either one of them;

(20) **LTIA** means the *Long-term Insurance Act*, 1998 together with all subordinate legislation made under that Act;

(21) **Parties** means, Absa Life, Guardrisk Life or Instant Life and **Party** in the context means any one of them;

(22) **Policies** means the following types of life insurance policies sold and administered by Instant Life under the Instant Life Cell Captive underwritten by Guardrisk Life and to be transferred to Absa Life:

(a) Life cover;

(b) Accidental Death Cover;

(c) Work Disability Cover;

(d) Critical Illness Tiered Cover;

(e) Critical Illness Cover;

(f) Cancer Cover;

(g) FitLife Cover;

(h) Convenient Life Cover

(i) Funeral Cover; and

(j) Family Funeral Cover.

(23) **Policyholders** means the policyholders or proposers or owners of the Policies;

(24) **Registrar** means the Registrar and the Deputy Registrar of Long-term Insurance referred to in section 2 of the LTIA;

(25) **Reinsurance Treaty** means the reinsurance agreement between Guardrisk Life and a reinsurer under which the Policies are reinsured;

(26) **Share Capital** represents assets in the Corporate Tax Fund to the value of R1,100,000;

(27) **Signature Date** means the date of the last signatory to this Agreement;

(28) **South Africa** means the Republic of South Africa;

(29) **Statutory Actuaries** means the Guardrisk Life Actuary and the Absa Life Actuary;

(30) **Suspensive Conditions** means the suspensive conditions referred to in clause 3;

(31) **Transfer** means, when used as a noun, the transfer of part of the business of Guardrisk Life to Absa Life comprising the Policies and the rights and obligations relating to the Policyholders and the Assets and Liabilities Relating to the Policies within the Instant Life Cell Captive underwritten by Guardrisk Life; and

(32) **Transfer Date** means 01 July 2016.

1.2 Any reference in this Agreement to:

(1) a **clause** is, subject to any contrary indication, a reference to a clause of this Agreement;

(2) **law** means any law including common law, statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other measure of any government, local government, statutory or regulatory body or court having the force of law; and

(3) **person** means any natural or juristic person, firm, company, corporation, government, state, agency or organ of a state, association, trust or partnership (whether or not having separate legal personality).

1.3 Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

1.4 The headings do not govern or affect the interpretation of this Agreement.

1.5 If any provision in a definition confers rights, or imposes obligations on any Party, effect is given to it as a substantive provision of this Agreement.

1.6 Unless the context indicates otherwise an expression which denotes any gender includes all the others; reference to a natural person includes a juristic person; the singular includes the plural, and the plural includes the singular.

1.7 Any number of days prescribed in this Agreement excludes the first day and includes the last day; and any relevant action or notice may be validly done or given on the last day.

1.8 Unless the context indicates otherwise if the day for payment of any amount or performance of any obligation falls on a day which is not a Business Day, that day will be the next Business Day.

1.9 The words "**including**", "**include**" and "**in particular**" are without limitation.

1.10 Any reference to legislation is to that legislation as at the Signature Date, as amended or replaced from time to time.

1.11 Any reference to a document or instrument includes the document or instrument as ceded, delegated, novated, altered, supplemented or replaced from time to time.

1.12 A reference to a Party includes that Party's successors-in-title and permitted assigns.

1.13 A time of day is a reference to Johannesburg time.

1.14 The rule of interpretation that, in the event of ambiguity, the contract must be interpreted against the Party responsible for the drafting of the contract does not apply.

1.15 The termination of this Agreement does not affect those of its provisions which expressly provide that they will operate after termination, or which must continue to have effect after termination, or which must by implication continue to have effect after termination.

2 Transfer

2.1 Guardrisk Life and Absa Life have agreed to enter into a scheme where the liability of Guardrisk Life towards the Policyholders is to be substituted by the liability of Absa Life towards such Policyholders so that the business of Guardrisk Life represented by the Policies, its rights and obligations to such Policyholders as well as the Assets and Liabilities Relating to the Policies of such Policyholders, is transferred to Absa Life by Guardrisk Life.

2.2 Instant Life has entered into a cell captive arrangement with Absa Life and will perform the binder, management and administrative functions relating to the Policies transferred to Absa Life once the Policies are transferred from Guardrisk Life to Absa Life.

2.3 The Transfer will be with effect from the Transfer Date in accordance with the provisions of Part V of the LTIA.

2.4 Instant Life will continue to administer and perform all binder, management and administrative functions relating to the Policies from the Effective Date until the Approval Date.

2.5 Guardrisk Life agrees that its will declare the maximum dividend available from the Distributable Reserve to Instant Life in terms of the Instant Life Cell Captive underwritten by Guardrisk Life, as soon as possible after the Approval Date, but before the Operative Date, subject to Guardrisk Life's standard sign-off procedures. Instant Life agrees that Guardrisk Life may pay such dividend directly to Absa Life. Absa Life agrees that such dividend will be used to capitalise the cell captive arrangement between Absa Life and Instant Life.

3 Suspensive Conditions

The Transfer is subject to the Suspensive Conditions that:

3.1 the Registrar of Long-Term Insurance approves the Transfer in terms of Part V of the LTIA; and

3.2 the board of directors of each of the Insurers approves the Transfer subject only to clause 3.1.

4 Non-fulfilment of Suspensive Conditions

If the Suspensive Conditions in clause 3 are not fulfilled, the Transfer shall not take place. In this instance Guardrisk Life will remain the insurer of the Policies.

5 Effective and Operative Dates

5.1 This Agreement takes effect on from the Effective Date, but the Policies shall only be transferred on the Transfer Date in terms of clause 3.

5.2 The closing of this Agreement will take place on the 30th Business Day (**Operative Date**) after the fulfilment of the last Suspensive Conditions.

5.3 The obligations of Guardrisk Life relating to all claims which are still under investigation as at the Operative Date will transfer to Absa Life. Instant Life will continue handling and dealing with such claims in terms of a handover process concluded between the Parties by the Operative Date

6 Role of Statutory Actuaries

The Transfer shall take place subject to the approval and according to the requirements of the Guardrisk Life Actuary and the Absa Life Actuary.

7 Basis of transfer

7.1 Guardrisk Life will:

(1) cede, assign and delegate all rights and obligations in terms of and arising from the Policies to Absa Life;

(2) transfer to Absa Life the Assets and Liabilities Relating to the Policies; and

(3) declare dividends to Instant Life to the maximum available from the Distributable Reserves

which transfer must be approved by the Statutory Actuaries who shall determine that the reasonable benefit expectations of the Policyholders and the management of their Policies and their benefits are not materially adversely affected by the Transfer.

7.2 The Guardrisk Life Actuary must certify that the policyholders of Guardrisk Life not included in the Transfer are not materially adversely affected by the Transfer.

7.3 The Absa Life Actuary must certify that the other policyholders of Absa Life not included in the Transfer are not materially adversely affected by the Transfer.

7.4 The Statutory Actuaries must be satisfied that all the liabilities and commitments and assets and privileges relating to the business transferred and to the Policies and the Policyholders relating to the business transferred by Guardrisk Life are transferred to Absa Life and that any profits to Policyholders are likely to be maintained after the Transfer.

7.5 The assessment of the impact of the proposed Transfer on the financial position of Guardrisk Life will be based on the audited financial statements of Guardrisk Life to be prepared as at 30 June 2016 and 1 July 2016.

7.6 The assessment of the impact of the proposed Transfer on the financial position of Absa Life will be based on the audited financial statements of Absa Life to be prepared as at 30 June 2016 and 1 July 2016.

7.7 The Insurers confirm the Policies transferred from Guardrisk Life to Absa Life will be on the same terms and conditions. As a result no Policyholder will be prejudiced by the proposed Transfer.

7.8 Absa Life and Guardrisk Life confirm that the valuation basis of the assets relating to the Policies will be the same for Absa Life and Guardrisk Life. [Financial assets are valued in accordance with International Financial Reporting Standards.]

7.9 No cash amount shall be payable to Policyholders as a result of the Transfer or of this Agreement.

8 Consideration and payment

No consideration is payable from Absa Life to Guardrisk in respect of the Policies.

9 Transitional period

9.1 During the transitional period between the Approval Date and the Operative Date:

(1) The Reinsurance Treaty will continue to reinsure the Policies. Guardrisk Life will continue to perform all the services as the long-term insurer in respect of the Policies save for:

(a) any reasonable extent to which Absa Life wishes to be involved in the performance of such services; and

(b) any reasonable request by Absa Life to perform such services.

(2) The day-to-day management and administration of the transferring Policies will be managed by Instant Life in terms of Instant Life Agreement.

(3) Absa Life will indemnify Guardrisk Life against all claims of whatsoever nature arising from the performance of any services by Absa Life or Instant Life or the performance of any services by Guardrisk Life at the request or on the instructions of Absa Life.

(4) During the period between the Effective Date and the Operative Date, Guardrisk Life undertakes:

(a) to conduct and carry on the business in the ordinary and regular course;

(b) to take reasonable steps to ensure that there will be no material adverse change in the financial position of the business as a result of anything done by Guardrisk Life; and

(c) not to enter into any transaction or incur any liability or dispose of any asset of or relating to the business save in the ordinary and regular course of the conduct of the business.

10 Post-transfer indemnity by Absa Life

Subject to clause 15, Absa Life hereby indemnifies Guardrisk Life against all claims of whatsoever nature relating to the Policies by Policyholders or any other person relating to or arising from the Policies after the Transfer Date or arising from anything done by Absa Life or Instant Life from the Effective Date to the Operative Date.

11 Implementation

11.1 The Parties undertake to do everything in their power to implement the Transfer fully and expeditiously in terms of this Agreement and the LTIA.

11.2 If it is necessary to extend the Operative Date, Effective Date or Transfer Date, the date may be amended with the prior written consent of Guardrisk Life, Absa Life, the Registrar and the Statutory Actuaries subject to any reasonable conditions that the Registrar and/or the Statutory Actuaries may impose.

12 Closing

12.1 On the Operative Date the following documents and assets save to the extent that delivery has already taken place:

(1) Guardrisk Life will deliver anything relating to the Policies to Absa Life together with all files and documents (in physical or electronic form) relating to the Policies or relating to the assets to be transferred from Guardrisk Life to Absa Life in respect of the Transfer together with any documents of title relating to such assets and any cession, assignment or delegation required in order to effect the Transfer.

(2) Copies of any financial records of Guardrisk Life required by Absa Life in order to take cession, assignment and delegation of the Policies and the rights, obligations and commitments in terms of such Policies and to comply with the LTIA in that connection.

Any files and documents referred to in clauses 12.1(1) and 12.1(2) above in possession of Instant Life shall be deemed to have been delivered to Absa Life in fulfilment of Guardrisk Life's obligations.

12.2 The Parties agree that Guardrisk Life may retain any records of data relating to the Policies in order to comply with its statutory obligations. Once Guardrisk Life has complied with its statutory obligations, it will destroy, delete or de-identify the data as soon as reasonably practicable.

13 Title to assets

A lump sum cash payment equivalent to the assets referred to in terms of this Agreement and documented in **Annexure A** together with all risk and benefit relating to the business and the Policies and the Policyholders shall pass to Absa Life on or before the Operative Date, but after the Approval Date.

14 Use of Guardrisk Life's name

Absa Life and Instant Life shall not be entitled to use the name of Guardrisk Life in connection with the business or the Policies or in communication with the Policyholders or in any other manner save to the extent necessary in order to identify the Policies as policies previously underwritten by Guardrisk Life.

15 Warranties

15.1 Guardrisk Life warrants to Absa Life as at the Signature Date and the Operative Date that:

(1) to Guardrisk Life's knowledge and belief, all information given by Guardrisk Life to Absa Life or Absa Life's representatives in relation to the Policies and/or Assets is true, accurate and complete in all material respects;

(2) to Guardrisk Life's knowledge and belief, the conduct of the Business has complied, and will, up to the Operative Date, comply in all material respects with all applicable laws;

(3) Guardrisk Life has, or will, prior to the Operative Date, have fully and finally settled all amounts owing to Policyholders in respect of the Policies that have been reported to Guardrisk Life and for which a final claims decision has been made before the Operative Date;

(4) as at the Operative Date, Guardrisk Life will not have been in breach of any of the material terms of any Policy unless such breach has been remedied by Guardrisk Life prior to the Operative Date and Absa Life will not incur any liability as a result thereof; and

(5) Guardrisk Life will not do anything as a result of which the Reinsurance Treaty or any rights under the Reinsurance Treaty can be terminated.

15.2 Without prejudice to Absa Life's other rights, Guardrisk Life shall indemnify and hold Absa Life harmless from and against any loss, liability, damage, expense or cost (including any fine, tax or other fiscal charge, penalty and/or claim against Absa Life) relating to the Instant Life Cell Captive underwritten by Guardrisk Life which may be suffered or incurred by, imposed on or brought against Absa Life as a result of:

(1) any breach of any warranty; or

(2) any excluded liability that does not form part of the transferred Assets and Liabilities Relating to the Policies.

16 Jurisdiction and governing law

This Agreement is governed by South African law and the High Court Gauteng Local Division (Johannesburg) shall have jurisdiction in respect of any dispute.

17 Confidentiality

The Parties shall at all times maintain confidentiality with respect to each other's systems, know-how, trade secrets, computer software and instructions for use and all other information of a confidential nature, which is not available to the general public and which may become known or made available to them during the currency of this Agreement and the Parties shall not disclose the same to any person except insofar as disclosure is

necessary for the due performance by them of their obligations in terms of this Agreement and on the written approval of any of the other Parties.

18 Dispute resolution

18.1 Mediation

(1) Subject to the provisions of this Agreement, any dispute arising from or in connection with this Agreement, including this Agreement's existence, validity or termination, shall be referred to the Managing Director of Guardrisk Life, the Managing Director of Instant Life and the Managing Executive of Absa Life (**Executives**) who shall attempt to resolve such dispute within 14 days.

(2) Should the Executives be unable to resolve the dispute, any Party will be entitled to initiate dispute resolution proceedings on seven Business Day's written notice to the other. The dispute will first be referred to non-binding mediation by an independent third party mutually agreed upon by the Parties or, failing agreement, appointed by the Chairman of the Bar Council in Sandton. If any Party affected thereby is not prepared to voluntarily accept the independent mediator's opinion, that Party may refer the dispute to arbitration in accordance with the provisions of clause 18.2.

18.2 Arbitration

(1) All disputes between any of the Parties in respect of the provisions of this Agreement that remain unresolved after the mediation process referred to in clause 18.1 may be referred by any of the Parties on written notice to arbitration. All references in this Agreement to "arbitration" are a reference to arbitration in terms of the *Arbitration Act*, 1965, or in terms of any statute which replaces it.

(2) The arbitrator shall be a person agreed upon between the Parties and failing agreement, a person nominated by the Chairman of the Bar Council in Sandton and the arbitrator need not necessarily be a lawyer.

(3) The arbitration shall be held in Sandton in accordance with the Rules of the Arbitration Foundation of South Africa (**AFSA**).

(4) No Party shall, except jointly with all the other Parties, invoke the provisions of Section 23(a) of the Arbitration Act or any other similar provision which may hereafter exist.

(5) The decision of the arbitrator shall be final and binding upon the Parties (unless the appeal provisions of clause 18.3 are invoked) and the arbitrator shall also be entitled to direct who shall pay his costs of resolving the dispute and the Parties costs in relation to the arbitration.

18.3 Right of Appeal

Insofar as a Party is not satisfied with a decision of the arbitrator, that Party shall have a single right of appeal in accordance with the rules of AFSA, which appeal must be initiated within 14 Business Days of the decision of the arbitrator being delivered to the Parties.

18.4 This clause 18 is severable from the rest of this Agreement and shall remain in full force and effect despite any termination or cancellation of this Agreement.

19 Breach

Save as otherwise provided in this Agreement, should any Party (**Defaulting Party**) breach any provision of this Agreement and fail to remedy such breach within seven days after receiving written notice from any other Party (**Aggrieved Party**) requiring the Defaulting Party to remedy such breach, then the Aggrieved Party shall be entitled, without prejudice to its other rights in law including the right to claim damages, to cancel this Agreement at any time prior to the Operative Date. Notwithstanding anything to the contrary herein contained, but without prejudice to the Parties' rights in law to claim damages or specific performance, no Party shall be entitled to cancel this Agreement on or after the Operative Date.

20 Notices and addresses

20.1 Notices

Any notice, consent, approval or other communication in connection with this Agreement (**Notice**) will be in writing in English.

20.2 Addresses

(1) Each Party chooses the physical address and/or email address corresponding to its name below as the address to which any Notice must be sent.

(a) Absa Life:

Physical address:	7th Floor
	15 Troye Street
	Johannesburg
	2000
Marked for the attention of:	Cobus Fourie; and

(b) Guardrisk Life:

Physical address:	102 Rivonia Road, Sandown, Sandton
Email address:	Info@Guardrisk.co.za
Marked for the attention of:	The Portfolio Manager; and

(c) Instant Life:

Physical address:	Cornerstone House, Stonemill Office Park
	300 Acacia Road
	Darrenwood
	Randburg
	2194
Email address:	compliance@absainstantlife.co.za
Marked for the attention of:	Nthabiseng Sehlapelo

(2) Any Party may by Notice to any other Party change its address and/or the person, if any, for whose attention any Notice must be marked in clause 20.2(1).

20.3 Effective on receipt

(1) Any Notice takes effect when received by the recipient (or on any later date specified in the Notice) and, unless the contrary is proved, is deemed to be received:

(a) on the day of delivery, if delivered by hand to a responsible person at the recipient's physical address in clause 20.2. If delivery is not on a Business Day, or is after ordinary business hours on a Business Day, the Notice is deemed to be received on the Business Day after the date of delivery; and/or

(b) on the first Business Day after the date of transmission, if sent by email to the recipient's email address in clause 20.2.

(2) Despite anything to the contrary in this Agreement, a Notice actually received by a Party is effective even though it was not sent, or delivered, or sent and delivered to its address in clause 20.2.

20.4 Service of legal process

(1) Each Party chooses its physical address referred to in clause 20.2(1) as its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served (**domicilium citandi et executandi**).

(2) Any Party may by Notice to the other Party change its address at which legal process and other documents in legal proceedings in connection with this Agreement may be served to another physical address in South Africa.

21 General

21.1 This Agreement is the whole agreement between the Parties in regard to its subject matter.

21.2 No addition to or variation or consensual cancellation of this Agreement, including this clause 22.2, has effect unless in writing and signed by the Parties.

21.3 No indulgence by a Party to another Party, or failure strictly to enforce the terms of this Agreement, will be interpreted as a waiver or be capable of founding an estoppel.

21.4 The Parties undertake to do everything reasonable in their power necessary for or incidental to the effectiveness and performance of this Agreement.

21.5 Save as is specifically provided in this Agreement, no Party is entitled to cede any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Party affected by the transfer of rights or obligations.

21.6 Any illegal or unenforceable provision of this Agreement may be severed and the remaining provisions of this Agreement continue in force.

22 Legal costs

22.1 Each Party shall bear any costs incurred by it in relation to negotiation, drafting and preparation, execution and implementation of this Agreement.

22.2 Absa Life will bear its own costs in respect of independent actuaries and auditors' fees including the fees and costs of the Guardrisk Life Actuary and the Guardrisk Life Auditor incurred relating to the Transfer contemplated in this Agreement.

22.3 The application fee for the application made to the Registrar of Long-term Insurance shall be paid by Absa Life.

23 Counterparts

This Agreement may be executed in counterparts, each of which will be an original and which together constitutes the same agreement.

Signed at Johannesburg on the 14th day of June 2018.

For and on behalf of
Absa Life Limited

Name:
Capacity: M. Ndeklerk.
Who warrants authority

Signed at SANDTON on the 22 day of JUNE 2018.

For and on behalf of
Guardrisk Life Limited

Name: FC SCHAAP
Capacity: DIRECTOR
Who warrants authority

Signed at Absa Towers North on the 14th day of June 2018.

For and on behalf of
Instant Life Proprietary Limited

Name: Jacky Reilly CFO
Capacity:
Who warrants authority

Annexure A

Assets and Liabilities Relating to the Policies and Distributable Reserves

Summary of Assets and Liabilities as at 30 June 2016

Individual Policyholders' Fund	
Assets relating to the Policies	**8 355 446**
Liabilities	**8 355 446**
Policyholder Liabilities	5 232 637
Current Liabilities	3 122 809
Negative Current Debtors	0

Corporate Tax Fund	
Assets	**10 738 201**
Contingency Reserve	500 000
Share Capital	1 100 000
Distributable Reserves	9 138 201

Notes:

- The schedule above serves to ensure that the Parties agree in principle on how the Assets and Liabilities Relating to the Policies are to be transferred. The actual amounts to be transferred will depend on the financial position as at the Transfer Date;

- Based on the Transfer date of 1 July 2016, the transfer of the assets (with a total value of R19,093,647) would be as follows:

    - All assets relating to the Policies will be paid over as cash from Guardrisk Life to Absa Life to the value of R8,355,446. In principle, all the assets in the Policyholder Tax Funds will be transferred to the Absa Life Policyholder Tax Fund.

    - The Distributable Reserve of R9,138,201 will be declared as a dividend to Instant Life upon transfer. In principle, this relates to all the assets in the Corporate Tax Fund less the Contingency Reserve and Share Capital as has been defined.

    - The Share Capital of R1,100,000 will paid over to Instant Life after the initial transfer of the Policyholder Assets, Liabilities and Distributable Reserves to Absa Life. The transfer of the Share Capital is however subject to the termination of the Instant Life Cell Captive underwritten by Guardrisk Life.

    - The Contingency Reserve of R500,000 will fund any miscellaneous expenses still to be incurred in respect of the Instant Life Cell Captive underwritten by Guardrisk Life. This includes the termination of the cell. The remaining amount (post the settlement of the expenses) will be paid over to Instant Life.