KEY FEATURES OF PPS INSURANCE
MUTUALITY AND PPS

PPS operates on the principle of mutuality - this means that there are no external shareholders, PPS exists solely for the benefit of its select graduate professional members, “belonging” to its members. Every Rand of value that PPS creates goes to benefit our members with PPS Provider policies and qualifying products through the PPS Profit-Share Account. Members also enjoy voting rights in PPS.

PPS MEMBERSHIP

• Exclusive access to PPS Insurance, PPS Short-term Insurance, PPS Investments and Profmed
• Exclusive products for graduate professionals who hold at least a 4-year academic qualification (or equivalent thereof) at a University or University of Technology, that is in a profession eligible for PPS membership and practicing in their field of study
• The largest multidisciplinary group of graduate professionals in the world - over 200 000 members
• Members share the profits via their PPS Profit-Share Accounts
• Unique global cover, be it travel or emigration, no restrictions or loadings applied and no need to inform PPS of travel activities
• Exclusive cover when partaking in any hazardous activity or sport (such as scuba diving, motorised racing or sailing), no restrictions or loadings applied and no need to inform PPS of activities

EXAMPLE

Cover was provided for PPS members taking part in the 2014 Cape to Rio event, a yacht race where competitors sail across the Atlantic ocean

PPS PROFIT-SHARE ACCOUNT

The PPS Profit-Share Account is a unique benefit only offered by PPS. Members share the profits of PPS if they are PPS Provider policyholders with qualifying products. Profit allocations are made to members’ PPS Profit-Share Accounts in the form of operational profits and investment returns. The PPS Group product range contributes to the PPS Profit-Share Account, be it direct profit allocations due to a specific product or indirect allocations via the qualifying PPS Provider range of products. These allocations are declared annually at the end of the financial year.

Closer to retirement, members can choose how their PPS Profit-Share Account is invested through the PPS Profit-Share Account Portfolio Choice. After retirement, members can exercise the Vested PPS Profit-Share Account and have full control over how these funds are invested at PPS Investments. This allows them to utilise their accumulated profits as part of their retirement strategy.

FEATURES

• Tax-free amount when received by members and payable on retirement or earlier death
• Payable regardless of any claims made (including claims on Profmed) or health status
• Claims and health status have no impact on profit-sharing or the accumulated PPS Profit-Share Account
• No additional premium is levied, the PPS Profit-Share Account is a member’s share in the profits of PPS
• The more qualifying products held, the greater the allocations to the PPS Profit-Share Account
• Protected against creditors whilst unvested
PPSWIFT

When applying for benefits, PPS offers the following to enhance the member’s experience and to fast-track the application:

• A member may elect to have a travelling nurse collect the medical requirements (for example tests or medical questionnaires) from a location convenient to the member, instead of having to go to a doctor or laboratory him- / herself

• In certain instances the required medical tests may be acquired using rapid tests instead of the traditional laboratory tests, a faster method to obtain the results

IMMEDIATE COVER

Immediate cover is applicable to members under the age of 62 who are applying for life cover at PPS from the date the application is uploaded onto the PPS system until the earliest of:

• The date PPS underwriting accepts the benefits* or
• 30 days after the application has been signed

PPS will pay the life cover benefit if the life insured dies due to an accident. The amount is equal to the life cover applied for up to a maximum of the PPS Accidental Death benefit.

FREE COVER

Free cover is applicable to members under the age of 62 at date of application, from the latest of:

• The date PPS underwriting accepts the benefits* or
• 30 days before the selected issue date (after PPS underwriting accepts the benefits*)

Members will enjoy full benefits as applied for from the above date until the issue date of the policy without the need to pay premiums for this period, subject to terms and conditions.

DECLARED ANNUAL INCREASES

• Effective annually on the 1st of January and increases all benefits free from underwriting

• Ensures that benefits stay in line with earnings inflation and applied automatically unless declined in writing by the member

• Historically an average of 2% to 3% above CPI

<table>
<thead>
<tr>
<th>YEAR</th>
<th>INFLATION (CPI)**</th>
<th>PPS ANNUAL INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 JANUARY 2010</td>
<td>7.1%</td>
<td>9.7%</td>
</tr>
<tr>
<td>1 JANUARY 2011</td>
<td>4.3%</td>
<td>7.9%</td>
</tr>
<tr>
<td>1 JANUARY 2012</td>
<td>5.0%</td>
<td>7.9%</td>
</tr>
<tr>
<td>1 JANUARY 2013</td>
<td>5.6%</td>
<td>8.6%</td>
</tr>
<tr>
<td>1 JANUARY 2014</td>
<td>5.7%</td>
<td>8.6%</td>
</tr>
<tr>
<td>1 JANUARY 2015</td>
<td>6.1%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

* Acceptance is when the benefits:
  • Are accepted at ordinary rates, or
  • Are accepted with loadings and/or exclusions and the Counter Offer terms are accepted by the member

** Average annual CPI headline inflation for the previous year
SICKNESS & PERMANENT INCAPACITY BENEFIT

The PPS Sickness and Permanent Incapacity Benefit is a monthly benefit that pays out should a member (as life insured) not be able to perform their usual professional duties due to a sickness or condition. The benefit payment is designed to replace or supplement the graduate professional’s income.

The PPS Sickness and Permanent Incapacity Benefit consists of the Sickness Benefit (with included Actual Business Expense Benefits and optional Hospital Benefit and Family Hospital Benefit) and the Permanent Incapacity benefit (with optional Permanent Incapacity Booster). The amount of cover a member could take out is based on his Gross Professional Income. The member has a choice of 2 premium patterns (level or age-rated), differentiated by gender and smoking status.

GROSS PROFESSIONAL INCOME

- Unique definitions used by PPS offering total cover for earnings when used appropriately
- Corporate (salaried) professionals can cover full Cost to Company including fringe benefits and average annual bonuses over the past 3 years
- Self-employed professionals can cover all earnings including overhead expenses
  - Expenses that will stop if the business is closed / sold covered as actual business expenses
  - All remaining earnings (including expenses that will not stop) covered as personal income

SICKNESS BENEFIT

- Designed to support the professional during the initial sickness period so that any realignment of their usual professional duties within their profession or reasonable adaptations to their work methods / duties can be made whilst receiving either total or partial sickness benefits
- Tax-free benefit payable upon sickness for up to 728 days (2 years) for every unrelated sickness or condition, be it continuous or intermittent
- Sickness benefit - covers personal income at up to 66% paid tax-free
- Actual business expense benefit - covers expenses related to a business up to 100% paid tax-free
- No proof of loss of income required at claim stage
- No aggregation or payment offset against any other income earned or benefits received
- Hospitalisation not a requirement to claim for sickness
- A choice of 2 waiting periods, available to both self-employed and salaried professionals:
  - 7-day: Payable from day 1 after a total sickness period of 7 consecutive days
  - 30-day: Payable from day 31 after a total / partial sickness period of 30 consecutive days
- A choice of 4 benefit retirement ages, namely 60, 65, 70 and whole of working life
- Direct profit allocation to the PPS Profit-Share Account, even when receiving a benefit payment from PPS
- PPS has a simple claims process – easy-to-complete member claim form and declaration by a medical doctor*
- Occupational therapy and rehabilitation assistance offered where possible

HOSPITAL BENEFIT

- An optional rider benefit that provides cover to members when hospitalised and pays an additional amount equal to the sickness benefit
- Payable retrospectively from day 1, after being hospitalised for 4 consecutive days
- Payable for up to 6 months (182 days) in a 12 month (364 day) cycle

* Additional information may be requested
FAMILY HOSPITAL BENEFIT

- An optional rider benefit that pays an amount equal to the Sickness benefit if a member’s spouse or children is hospitalised, providing the ability to take time off work
- Payable retrospectively from day 1, after being hospitalised for 4 consecutive days
- Payable for up to 6 months (182 days) in a calendar year if the spouse or child is on Profmed, or 3 months (91 days) in a calendar year in other circumstances (for example if on another medical aid)
- Covers children between the ages of 4 months and 21 years, and spouses until they are 70*
- No need to specify the spouse or children and they are not medically underwritten upfront**
- The following additional benefits are automatically included:
  - Child Terminal Illness
    ◊ A lump-sum payment of up to 12 month’s benefit if a child is diagnosed with a terminal illness and likely to pass away within 12 months, removing the necessity to submit monthly claims
  - Child Death
    ◊ A lump sum payment of up to 1 month’s benefit if a child passes away and no Child Terminal Illness Benefit was paid

EXAMPLE - SICKNESS, HOSPITAL & FAMILY HOSPITAL BENEFITS

A member has a R 1 000 daily Sickness Benefit, Hospital Benefit and Family Hospital Benefit. The member and his family had an unfortunate motor vehicle accident, he was hospitalised for 15 days, his spouse for 10 days and his child for 5 days. Thereafter the member spent another 10 days away from work to fully recover.

THE MEMBER RECEIVED THE FOLLOWING BENEFITS FROM PPS:

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Benefit Amount</th>
<th>Days Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sickness Benefit</td>
<td>R 1 000 x 25 days = R 25 000</td>
<td>Days member was unable to work</td>
</tr>
<tr>
<td>Hospital Benefit</td>
<td>R 1 000 x 15 days = R 15 000</td>
<td>Days member was hospitalised</td>
</tr>
<tr>
<td>Family Hospital Benefit</td>
<td>R 1 000 x 10 days = R 10 000</td>
<td>Longest period a family member was hospitalised</td>
</tr>
<tr>
<td>TOTAL</td>
<td>R 50 000</td>
<td>Total amount received by member</td>
</tr>
</tbody>
</table>

PREGNANCY COMPLICATIONS

- Sickness cover for 17 listed pregnancy complications
  - Pays out for a pre-defined number of days when claims criteria is met
- Sickness cover when hospitalised for 4 days or more
  - Cover for all unlisted pregnancy complications resulting in hospitalisation
  - Not necessary to have the PPS Hospital Benefit
- Available to all female PPS Sickness and Permanent Incapacity benefit policyholders (automatically included)
- No waiting period applicable to the benefit
- No extra premium payable for the benefit
- Same claims process as sickness benefit, only necessary to add a report from the treating obstetrician and proof of hospital admission (if applicable)

* Spouse shall mean a person to whom the policyholder is married, according to the South African legal system, including civil and customary marriages and civil unions. Children shall mean biological, legally adopted and stepchildren.
** Proof of relationship required at claims stage. Pre-existing conditions excluded. 182-day (6-month) waiting period from start date of benefit.
PERMANENT INCAPACITY BENEFIT

• Assesses any residual effects of the sickness or condition on a member’s ability to perform their usual professional duties and makes an appropriate award to compensate for the loss of ability to generate professional earnings.

• More comprehensive than an “own occupation” disability benefit as it covers a member’s usual professional duties. Each case is considered on its own merits. For example, an orthopedic surgeon performing mostly long and complicated surgeries is assessed exactly as such and not only as a “generic” orthopedic surgeon or general surgeon.

• Benefit payable at incapacity (after the sickness period) until the chosen expiry age based on the incapacity determination awarded as either 20%, 60% or 100% through the Permanent Incapacity Assessment Process.

• Benefit retirement age the same as the Sickness Benefit. If a member selects the whole of working life Sickness benefit, there is a choice of 3 benefit retirement ages, namely 60, 65 or 70.

• Claim amount limited to 100% of after tax Personal Income paid tax-free.

• No proof of loss of income required at claim stage.

• No aggregation or payment offset against any other income earned or benefits received.

• Direct profit allocations to the PPS Profit-Share Account, even when receiving a benefit payment from PPS.

PERMANENT INCAPACITY BOOSTER

• An optional rider benefit that increases the payment to a non-reviewable 100% once a Permanent Incapacity award is given.*

• Award never reviewed and payable until the member reaches the chosen Permanent Incapacity benefit retirement age.

• Benefit is paid out even if the member continues working and will not be aggregated or offset against any other income earned or benefits received.

• Sickness and Permanent Incapacity benefit premiums are waived.

• Sickness and Permanent Incapacity benefit direct profit allocations to the PPS Profit-Share Account continue.

PPS PROFESSIONAL LIFE PROVIDER

• A stand-alone lump-sum benefit that pays out to the nominated beneficiaries or estate should the member pass away. The payout may be used to provide for remaining family and dependents, settle debts or ensure estate liquidity.

• Differentiated premium rates (taking into account gender and smoking status) with a level or age-rated premium pattern available.

• Direct profit allocation to the PPS Profit-Share Account.

• No limit on the number of life policies a member can have at PPS.

• No maximum limits on the amount of life cover**

• The ability to cede the life cover, partially or fully as security.

*Certain conditions are specifically excluded from the Permanent Incapacity Booster benefit. This includes chronic fatigue syndrome, mental illness and fibromyalgia. These benefits will be assessed under the Permanent Incapacity Benefit and members may still be able to receive up to a 100% of their claim amount depending on the determination made through the Permanent Incapacity Assessment Process.

** Subject to underwriting and reassurance acceptance where applicable.
The following additional benefits are automatically included:

» Immediate needs benefit
  ◊ A lump-sum benefit of up to R 50 000 is payable to the nominated beneficiaries within 2 working days of the submission of a valid death certificate

» Terminal Illness benefit
  ◊ Accelerates 50% of the life cover sum assured if the policy holder is diagnosed with a terminal illness and is likely to die within the next 12 months

The following optional rider benefits are available:

» Accelerated Professional Disability Benefit
  ◊ A lump-sum benefit that accelerates the life cover should the member become occupationally disabled
  ◊ Occupation Specific Rider Benefit
    * A rider benefit covering the member’s own specific nominated occupation

» Accelerated Professional Health Provider Benefit
  ◊ A lump-sum benefit that accelerates the life cover should the member suffer from a listed trauma, physical impairment or critical illness condition and pays out a percentage based on the severity level
  ◊ CatchAll Benefit
    * A rider benefit that adds a benefit category covering any severe condition not covered under the listed categories
  ◊ Core 100% Benefit
    * A rider benefit that pays out 100% of the benefit, irrespective of severity level, for heart attack, cardiac surgery and procedures, stroke or cancer

» Accidental Death Benefit
  ◊ An additional lump-sum benefit that pays out an amount additional to the life cover if the member dies due to an accident

PPS PROFESSIONAL DISABILITY PROVIDER

» A stand-alone lump-sum benefit that pays out should the member become occupationally disabled. The payout may be used to fund workplace adaptations, property adaptations or assistive devices, or settle debt to ensure the member can remain independent and may continue enjoying his / her possessions

» Certain conditions are covered under this benefit regardless of the effect it has on the ability of a member to practice their occupation, for example paraplegia

» Differentiated premium rates (taking into account gender and smoking status) with a level or age-rated premium pattern available

» Direct profit allocation to the PPS Profit-Share Account

» No maximum limits on the amount of disability cover*

» No aggregation or benefit offset against income or any other benefits received, be it lump-sum or income benefits

» No specific waiting periods, once severity and permanence is established, a claim will be assessed

» Converts to the whole of life Severe Illness benefit free of underwriting at retirement after the age of 59**

  » A lump-sum benefit that pays out 100% should the member suffer from a listed severity level A or B trauma, physical impairment or critical illness condition

» The following rider benefit is available:

  » Occupation Specific Rider Benefit
    ◊ A rider benefit covering the member’s own specific nominated occupation

* Subject to underwriting and reassurance acceptance where applicable

** This benefit is subject to the maximum Severe Illness cover and it will be aggregated with all Professional Health Provider and Professional Health Preserver products, should a member have any of these products in force.
PPS PROFESSIONAL HEALTH PROVIDER

• A stand-alone lump-sum benefit that pays out 25%, 50%, 75% or 100% (based on severity level) should the member suffer from a listed trauma, physical impairment or critical illness condition. The benefits payment may be used to fund lifestyle changes and property adaptations due to the condition suffered to ensure the member can remain independent and may continue enjoying his possessions.

• Preservation and continuation of cover: a member can claim multiple times under the same or different categories (a claim from one category does not deplete other categories). A maximum of 100% of the sum assured is payable per category.

• Unique benefit categories, including gunshot wounds and reconstructive facial surgery.

• Direct profit allocation to the PPS Profit-Share Account.

• Differentiated premium rates (taking into account gender and smoking status) with an age-rated premium pattern available.

• 14-day general survival period. Member may be on life support during the survival period.

• The following rider benefits are available:
  » CatchAll Benefit
    ◊ A rider benefit that adds a benefit category covering any severe condition not covered under the listed categories.
  » Core 100% Benefit
    ◊ A rider benefit that pays out 100% of the benefit, irrespective of severity level, for heart attack, cardiac surgery and procedures, stroke or cancer.
  » Maternity Cover
    ◊ A rider benefit that adds 11 benefit categories related to pregnancy.

PPS ACCIDENTAL DEATH PRODUCT

• A stand-alone lump-sum benefit that pays out to the nominated beneficiaries or estate should the member pass away due to an accident, for example a motor vehicle accident, being a victim of crime or accidental drowning.

• Only financial underwriting applicable, no medical underwriting and no loadings and exclusions applied.

• Direct profit allocation to the PPS Profit-Share Account.

PPS KICKSTART BENEFITS

• KickStart insurance cover and the PPS Profit-Share Account.

• Cover for students (in their fourth year of study towards a profession eligible for PPS membership) and young professionals under the age of 34.

• Shortened application form and process.

• Free from underwriting*.

• Contains the following as a packaged benefit:
  » Sickness Benefits of R2000 per month.
  » Accidental Death Benefits of R200 000.

• Direct profit allocations to the PPS Profit-Share Account.

* Pre-existing conditions excluded.
STUDENT BENEFITS

• Cover to students under the age of 34 years in their fourth year of study towards a profession eligible for PPS membership

• Available products:
  » Student Sickness Benefits
    ◊ Monthly sickness benefit from R 2 000 to R 5 000 per month (tax-free)
    ◊ Optional Hospital Benefit available
  » Life cover of up to R 500 000 (PPS Professional Life Provider), with optional:
    ◊ Accelerated disability benefits (Accelerated Professional Disability Benefit)
    ◊ Accelerated critical illness, trauma and physical impairment benefits available (Accelerated Professional Health Provider Benefit)
      * CatchAll benefit optional
      * Core 100% benefit optional

• Profit allocations to the PPS Profit-Share Account

• PPS student members who have qualified and would like to upgrade benefits may use the Student Upgrade Form (with requirements similar to the PPS My Future Plan offerings) to upgrade benefits. After upgrading with the Student Upgrade Form, these members may use the PPS My Future Plan solution or options to increase benefits in future.

MY FUTURE PLAN SOLUTION

• Available to members / prospective members (full membership) until they turn 35

• Shortened application form and process

• Ordinary membership with the following products:
  » Sickness and Permanent Incapacity Benefits
    ◊ Sickness benefit, Actual Business Expenses benefit and Permanent Incapacity benefit cover up to R 100 000 per month (tax-free) each
    ◊ Optional Permanent Incapacity Booster, Hospital Benefit and Family Hospital Benefit available
  » Life cover up to R 5 000 000 (PPS Professional Life Provider)
  » Disability Cover up to R 5 000 000 (PPS Professional Disability Provider)
    ◊ Stand-alone or accelerated
    ◊ Includes the Occupation Specific Rider Benefit
  » Critical illness, trauma and physical impairment benefits up to R 2 000 000 (PPS Professional Health Provider)
    ◊ Stand-alone or accelerated
    ◊ Optional Core 100%, CatchAll and Maternity benefits available
  » Accidental Death Benefit up to R 2 982 374
    ◊ Stand-alone or add-on benefit
MY FUTURE SICKNESS & PERMANENT INCAPACITY OPTION

- Available to all PPS Sickness and Permanent Incapacity benefit policyholders until they turn 35*
- Similar to future cover but at no additional premium
- Shortened process to increase benefits annually in line with actual earning increases (Gross Professional Income) due to salary increases, promotions and/or bonuses
- No limit on each increase and can be exercised up to 5 times or until the Sickness benefit, Actual Business Expenses benefit and Permanent Incapacity benefit reaches R 100 000 per month (tax-free) each
  » 1st option must be exercised within 18 months of the last application form and subsequent options must be exercised within 12 months of the previous option form
- Limited underwriting

MY FUTURE LIFE COVER OPTION

- Available to all PPS Provider Policyholders (with or without life cover at PPS) until they turn 44*
- Shortened process to take out or increase life cover (PPS Professional Life Provider) on important life events such as getting married, having (or adopting) a baby or incurring debt
  » Can be exercised once per year
  » Must be exercised at least once every 3 years
- No limit on each increase and can be exercised until the total life cover at PPS reaches R 5 000 000
- Limited underwriting

PPS BUSINESS PROVIDER

- Provides cover for Buy-and-Sell agreements, Key Persons, Contingent Liabilities and Credit Loan Accounts
- Policyholder(s) do not have to be eligible for PPS membership and includes trusts or companies
- Life insured must be a PPS member or PPS Student member
- Structure:
  » Multiple policyholders
  » One life insured
  » One payer
- Products and optional rider benefits available:
  » PPS Business Life Provider
    ◊ Accelerated Business Disability Benefit
    ◊ Occupation Specific Rider Benefit
    ◊ Accelerated Business Health Provider Benefit
    ◊ CatchAll Benefit
    ◊ Add-on Accidental Death Benefit

* Initial cover issued at ordinary rates with no exclusions
Differentiated premium rates (taking into account gender and smoking status) with a level or age-rated premium pattern available

- No maximum limit on the number of policies on the life of a PPS member
- No maximum limits on the amount of life cover*
- The ability to cede the life cover benefit either partially as security or outright to change ownership
- No aggregation or benefit offset against any other benefits received, be it lump sum or income benefits
- Declared annual increases apply

KEY PPS UNIQUE FEATURES

- PPS operates on the principle of mutuality - PPS exists solely for the benefit of its select members, sharing 100% of the group’s profits with members
- Exclusive products for graduate professionals
- Members with qualifying products share in the profits via the PPS Profit-Share Account
  » A benefit payable at retirement (or earlier death), tax-free when received by a member, unaffected by claims or health status and no additional premium is levied for the benefit
- Unique global cover, be it travel or emigration, no restrictions or loadings applied and no need to inform PPS of travel activities
- Exclusive cover when partaking in any hazardous activity or sport (such as scuba diving, motorised racing or sailing), no restrictions or loadings applied and no need to inform PPS of activities
- The PPS Sickness and Permanent Incapacity Benefit 7-day waiting period pays all claims retrospectively from day 1, there are no conditions excluded from retrospective payments. The 7-day waiting period is also offered to corporate employees. Finally, once a claim cycle for a specific condition has been started, there are no additional waiting periods, further claims for the same condition at a later stage may be submitted without the need to again fulfil the 7-day waiting period
- No aggregation or payment offset against any other income earned or benefits received
- Unique Gross Professional Income definition offering total cover for earnings when covered appropriately
- Permanent Incapacity benefits (without the Permanent Incapacity Booster) covering a member’s usual professional duties are more appropriate than an “own occupation” benefit
- Permanent Incapacity benefit assessments follow the Permanent Incapacity Assessment Process, PPS’s published process where each member is treated individually
- Unique Permanent Incapacity Booster on Permanent Incapacity benefits - a rider benefit that will “top-up” a Permanent Incapacity award to a non-reviewable 100%

* Subject to underwriting and reassurance acceptance where applicable