



Legal Power and Protection

STANDARD MEMBERSHIP AGREEMENT

MEMBERSHIP TERMS

1. We are Legal Expenses Insurance Southern Africa Limited, LegalWise, who insure and manage all aspects of The Member's Legal Expenses insurance.

2. In consideration of payment of the monthly premium reflected in the Schedule of Insurance we will pay The Member's Legal Expenses for:

- a Civil Matter in a court of law, statutorily constituted body or other independent forum, which arises from Relevant Facts; or

- a Criminal Matter in which a Member is charged with a criminal offence which arises from Relevant Facts without the Member having the option of paying an admission of guilt fine;

which is covered in terms of this Policy and occurs in the Republic of South Africa.

3. We do not pay Legal Expenses if the Matter is listed under Exclusion clause 35 and Our liability is subject to all the provisions of this Policy.

4. The Member includes:

- the person in whose name the Application is completed ("the Applicant");

- the spouse or partner named in the Application;

- The Member's children under 18 (eighteen) years of age;

- The Member's children between 18 (eighteen) and 21 (twenty-one) years who are studying fulltime at a school, college or university and who are financially dependent on the Applicant and spouse or partner.

- The person/s added by the Applicant in terms of the Extended Family Protector, subject to the provisions of the Extended Family Protector.

5. Extended Family Protector means the Extended Family Protection Plan.

6. A Matter means all Civil Matters and Criminal Matters that arise from the same Relevant Facts. A Matter has commenced when The Member first consults a Lawyer in connection with a demand or legal process received or to be issued in regard to a Matter.

7. Legal Expenses will only be paid if The Member is a citizen of the Republic of South Africa ("RSA") residing in the RSA, a permanent resident of the RSA or in possession of a lawful RSA work permit.

8. The Period of Insurance is each period of one month during which a Premium is paid to Us.

9. The Period of Indemnity commences after 3

(three) consecutive Periods of Insurance commencing from the Issue Date and is a continuous unbroken series of monthly Periods of Insurance during which the Premium is paid and the Policy is renewed every month.

10. The Policy is the monthly contract between the parties which consists of the documents referred to in clause 51.

11. The Premium is the stipulated amount paid to Us each month in order to renew the Policy month by month.

12. Legal Expenses are, subject to the limits of benefits, The Member's Lawyer's costs and fees, and the opponent's costs that a Court orders The Member to pay in connection with a Matter covered under this policy.

13. A Lawyer is an attorney or advocate who lawfully practices in the RSA.

14. All disputes which relate to this insurance or this Policy which cannot be settled will be determined by the Courts of the RSA according to the laws of the RSA.

15. A Claim is a written Claim Notification in the standard LegalWise format completed and signed by the Lawyer of The Member in respect of Legal Expenses incurred or to be incurred in regard to a Matter, received by Us within the prescribed time limits.

16. If We refer to "Relevant Facts", We mean a state of affairs, breach, infringement, omission, neglect or act that occurs entirely in the RSA and gives rise to a criminal charge or dispute of law or fact in the area of private law rights or obligations. If the validity or interpretation of any document, statute or any other legislation is in dispute, the date of coming into existence of the document, statute or legislation, is a Relevant Fact.

17. The Member's Place of Residence is the address on the Application, or, if no physical address is furnished, The Member's full-time residence. That address must be in the RSA.

TERMS AND CONDITIONS

18. A Matter is only covered and Legal Expenses are only payable in respect of a Matter if:

18.1 the Relevant Facts occur; and

18.2 the Matter commences and is concluded; and

18.3 the Legal Expenses are incurred; and

18.4 the Claim is received by Us; during a Period of Indemnity.

In other words, The Member will only be entitled to payment of Legal Expenses if the Premium is paid every month for an unbroken Period of Indemnity during which all of the events listed above occur. The Member is not entitled to an indemnity if the Relevant Facts occur prior to or within 3 (three) months after the Issue Date.

19. The Issue Date means:

19.1 If we receive and accept The Member's first Premium on or before the 15th day of a month, the Issue Date is the first day of that same month, regardless of the date of receipt of the Member's Application.

19.2 If we receive and accept the Member's first Premium after the 15th day of a month, the Issue Date is the first day of the following month, regardless of the date of receipt of the Member's Application.

20. Legal Expenses will only be paid if the Relevant Facts affect or are caused by or performed by The Member as an individual in a personal and private capacity and relating to the personal and private affairs of The Member.

21. Legal Expenses will only be paid in respect of a Civil Matter in which The Member has a direct proprietary and financial interest.

22. Legal Expenses will only be paid if The Member has a reasonable prospect of success in a Civil Matter.

23. A Serious Offence is murder, rape, robbery, sexual or physical abuse of children, assault

with intent to do grievous bodily harm, dealing in narcotic drugs, kidnapping, bribery, extortion, blackmail, corruption, housebreaking, breaking and entering, theft and fraud, or an attempt to commit any of those crimes. If a Criminal Matter is a Serious Offence, We only pay Legal Expenses if:

The Member has not claimed Legal Expenses from Us for a Serious Offence at any stage in the past; and The Member has not committed a Serious Offence in the previous six years.

24. If a Criminal Matter is not a Serious Offence, Legal Expenses will only be paid if The Member has not committed a similar offence in the previous three years.

FINANCIAL LIMITS OF BENEFITS

25. We only pay Legal Expenses that are within the limits of the LegalWise Tariffs in force from time to time which The Member can inspect at any reasonable time.

26. The total aggregate limit of Our Liability for the Legal Expenses which any person who has ever been a Member referred to in any policy can claim during his/her lifetime (no matter how many policies they are party to) is 10 000 (ten thousand) times the Premium in force at the time We enforce the limit. Such Member shall not be entitled to payment of any further Legal Expenses notwithstanding any future Premium increases.

27. The maximum limit for Legal Expenses per Matter for each Member is 1 000 (one thousand) times the Premium when The Member reports the Matter to Us.

28. We only pay Legal Expenses that are Proportionate to the value of the Matter, namely either:

28.1 an amount not greater than twice the reasonable value of the claim against The Member; or

28.2 not greater than twice the value of a settlement or judgement of the Court in the Matter; or

28.3 not greater than the reasonable value of an unsuccessful claim by The Member; whichever is the lowest amount.

OTHER LIMITS TO BENEFITS

29. We only pay Legal Expenses after the Matter has been concluded. However, We may, in Our sole discretion, pay disbursements and, in exceptional circumstances, fees during the course of the Matter. If the Premium is not paid by or on behalf of The Member for the entire Period of Indemnity during which all the events listed in clause 18 above occur, The Member will be obliged to refund any Legal Expenses already paid.

30. We only pay Legal Expenses that arise from litigation:

30.1 if all reasonable attempts are made to settle the Matter before litigation is instituted and during the course of litigation;

30.2 until the date upon which an offer is first made by an opponent and not accepted by The Member which is equal to or better than the total amount of money or other relief eventually accepted by The Member or awarded to The Member by the Court.

31. If:

31.1 other persons benefit from the legal services which The Member's Lawyer renders, or if they have a similar interest in the Matter to that of The Member, We only pay a portion of the Legal Expenses proportionately to the number of people who benefit or have an interest in the Matter;

31.2 The Member has any other policy or agreement which entitles The Member to claim legal expenses for the same Matter, We will only pay the rateable proportion of such expenses.

32. We do not pay Legal Expenses that are punitive costs awards.

33. We do not pay Legal Expenses duplicated

by changing Lawyers or incurred because The Member does not co-operate with the Lawyer handling a Matter.

AMOUNT THE MEMBER MUST PAY

34. The Member must pay an amount towards the Legal Expenses equal to 3 (three) times the Premium in respect of each Matter before We become liable.

EXCLUSIONS

35. We do not pay Legal Expenses if the Matter arises out of, is based on, or relates to any of the following:

35.1 defamation, insult, verbal abuse or any other infringement of The Member's personality, reputation or dignity;

35.2 marriage, divorce, enforcement or annulment of a divorce order, alimony, maintenance disputes, maintenance investigations or enquiries or other proceedings, custody of children, visitation rights, child support, guardianship, paternity, engagement or promise to marry and living together as husband and wife or as permanent partners;

35.3 The Member's rights or obligations as an agent, contractor or sub-contractor;

35.4 The Member's rights or obligations as a director or officer in terms of the Companies Act, 1973, as amended, or Close Corporations Act, 1984, as amended;

35.5 The Member's rights or obligations as a principal, shareholder, owner, co-owner, partner or member of an existing or proposed business, farm, professional practice or any other business-related entity or activity;

35.6 a claim for commission by or against The Member as an agent or principal;

35.7 any surety, cession, assignment, novation, delegation or other derived right of recourse;

35.8 the drafting, negotiating, entering into or

signing of any contract or any agreement or any will or testamentary document;

35.9 a tax or fiscal law;

35.10 a mineral right;

35.11 a copyright, patent or trade mark;

35.12 The Member's rights or obligations as a landlord;

35.13 immovable property other than The Member's Place of Residence;

35.14 changing The Member's own status, right or obligation, or the status, zoning or right of use of the Member's Place of Residence;

35.15 political activity;

35.16 a dispute between The Member and Us or any of Our employees or agents arising out of this Policy;

35.17 fraud or any other Criminal Matter related to Legal Expenses payable under this Policy;

35.18 an environmental issue;

35.19 insolvency;

35.20 a class or collective action;

35.21 inquests, burial disputes or the exhumation of bodies;

35.22 strike, lock-out or riot, civil commotion, labour disturbances, public disorder or civil disobedience or any act or activity which is calculated to bring about any of the above;

35.23 war, martial law, mutiny, military coup or usurped power, rebellion or revolution;

35.24 an unlawful protest, intimidation or threat of violence or force, to any public body;

35.25 an act aimed at promoting or frustrating economic, political, social or environmental change;

35.26 a dishonourable cause or motive or is tainted with illegality;

35.27 a cause of action which is vexatious or malicious or the proceedings themselves are vexatious or malicious;

35.28 a dispute which is capable of being resolved by Us or any administrative body or

independent and impartial forum without legal representation.

PREMIUM INCREASES, CHANGES AND TERMINATION

36. This Policy will be deemed not to have been renewed from the first day of any month in which The Member fails to pay the Premium before the 15th (fifteenth) day of that month. The Member bears the onus to ensure and prove that the Premium has been paid to Us.

37. On 30 (thirty) days' notice by ordinary mail posted to The Member's Place of Residence, We may:

- give notice that We do not intend to renew this Policy for any reason in Our own discretion;
- increase the Premium or change any of the terms and conditions of future monthly Policies from time to time.

PREMIUM REFUND AND RETRENCHMENT ASSISTANCE

38. We do not refund Premiums for any reason whatsoever unless the Policy terminates during the 3 (three) month period referred to in clauses 9 and 18.

39. If a monthly Policy is not renewed and We receive the tender of a Premium after the 15th (fifteenth) day of the month, We will treat it as an Application for a new Policy.

40. If the Applicant is retrenched or becomes Totally and Temporarily disabled as a result of an accident due to unnatural causes after more than a 12 (twelve) month continuous period of indemnity, there will be a grace period during which no Premiums need be paid of 6 (six) months or until the Applicant is again employed or is no longer so disabled, whichever is shorter, and We will renew the Policy each month during the grace period.

CLAIMS PROCEDURE

41. We will not be liable for payment of any

Legal expenses relating to a Matter:

41.1 if a Claim is not received by Us within 30 (thirty) days of consulting a Lawyer for the first time about such matter; and

41.2 unless We confirm the Claim and issue a written Confirmation of Cover to The Member.

42. We will pay The Member's Legal Expenses only on receipt of a detailed statement of account from the Lawyer handling the Matter.

REJECTION OF CLAIMS AND DISPUTES

43.

■ If LegalWise rejects a claim, the Member will have 90 days from the date of receipt of the notice of rejection to make representations in respect of Our decision. We will advise the Member of Our final decision in writing within 30 days of receiving the representations. The Member will have six months after the expiry of the 90 day period allowed for making representations to institute legal action against Us claiming Legal Expenses which the Member alleges are due under the policy.

■ If the Member makes representations during the 90 day period and if the claim is not rejected on the basis of non-payment of Premiums, the Member can within the 90 day period also request in writing that Our rejection be reviewed by an independent appraiser chosen by Us and at Our cost. The independent appraiser's opinion is not binding on Us.

■ We will advise the Member of Our final decision within 30 days of receiving the Member's representations.

■ The Member will not have a claim against Us if the Member does not institute legal proceeding against Us claiming Legal Expenses within six months after the expiry of the 90 day period for making representations and the Member therefore has only 90 days plus six months within which to sue from the date of receipt of Our first notice rejecting the

Member's claim.

44.

■ If LegalWise disputes the quantum of a claim, the Member will have 90 days from the date of receipt of the notice of rejection to make representations in respect of Our decision. We will advise the Member of Our final decision in writing within 30 days of receiving the representations. The Member will have six months after the expiry of the 90 day period for making representations to institute legal action against Us claiming Legal Expenses which the Member alleges are due under the policy.

■ The Member will not have a claim against Us if the Member does not institute legal proceedings against Us claiming Legal Expenses within six months after the expiry of the 90 day period for making representations and the Member therefore has only 90 days plus six months within which to sue from the date of receipt of Our first notice disputing the quantum of the Member's claim.

45. Our address for the purpose of any legal process is:

Block B, Constantia Ridge Office Park, 764 Golf Club Terrace, Roodepoort.

46. The Member's address for all purposes under this Policy is The Member's last known Place of Residence.

INDULGENCES

47. If for any reason, We do not enforce any provision in this Policy strictly or at all, this does not mean that We waive any of Our rights or change Our obligations under this Policy nor will that indulgence stop Us from enforcing this Policy strictly thereafter.

INFORMATION

48. The Member agrees that We may obtain any information about a Matter from The Member's Lawyer or any third party acting as The Member's agent for this purpose.

CESSION AND SETTLEMENT

49. The Member hereby cedes to Us any contingent future or actual right to claim costs in respect of a Matter and;

49.1 The Member is not entitled, without Our consent in writing, to settle a Matter unless such settlement includes the right of full recovery of all Legal Expenses paid or to be paid by Us;

49.2 any amount recovered will first be used to pay all Legal Expenses paid by Us and any balance will belong to The Member.

BREACH OF CONDITIONS

50. We may in Our sole discretion refuse to pay any Legal Expenses if The Member breaches any material condition of this Policy.

BASIS OF AGREEMENT

51. This Membership Agreement including The Schedule of Insurance, The Member's Application, The Member's LegalWise Membership Card, the Standard LegalWise Claim Notification Form, the LegalWise Tariffs Schedule, given to The Member all form the basis of the agreement between The Member and Us and is the Member's insurance policy with Legal Expenses Insurance Southern Africa Limited which is the insurance company which provides the insurance in terms of this policy. Such Policy is The Member's sole agreement with Us.

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LegalWise is an Authorised Financial Services Provider