SA HOME LOANS

SA HOME LOANS GROUP LANGUAGE POLICY

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1. INTRODUCTION

The Constitution promotes the recognition of the twelve official languages and the National Credit Act ("NCA") lends support to this recognition balanced against usage, practicality, expense and regional circumstances of the credit provider with the ultimate objective being consumer protection, which is assisted by improved disclosure by credit providers and understanding of disclosures by the consumers.

This policy is intended for all employees of SAHL Investment Holdings Proprietary Limited, its subsidiaries, consolidated entities and entities managed by its wholly owned subsidiary SA Home Loans Proprietary Limited (Collectively referred to as "the Group") to recognise the fundamental right of all individuals to use their home language and wishes to promote this right in its business transactions, as a sign of its respect for the diversity of our Nation.

It is in this spirit that the Group adopts this Language Policy in terms of Section 63(2)(a) of the NCA.

2. REGULATORY FRAMEWORK

SAHL Group intends for this policy to fully comply with the National Credit Act, specifically the below section:

SECTION 63: NATIONAL CREDIT ACT

Section 63(1) of the NCA states the following, which sets out the right of the consumer and forms the basis for our approach to formulating a language policy:

"A consumer has the right to receive any document that is required in terms of this Act in an official language that the consumer reads or understands, to the extent that is reasonable having regard to usage, practicality, expense, regional circumstances and the balance of the needs and preferences of the population ordinarily served by the person required to deliver that document."

In drafting this policy, numerous factors were taken into account, including the business model and operations of the Group, the legislative framework, and research around language use in South Africa.

3. SCOPE OF APPLICATION

This policy is applicable to all permanent employees within the SAHL Group.

4. PURPOSE AND OBJECTIVE

This policy is designed to inform all employees, including supervisory employees, of their duties and obligations regarding speaking in a plain language and an official language as well as interpreting documents in a language that clients can understand.

The purpose and objectives of this policy are to:

a) establish a policy for the Group in accordance with Section 63(2)(a) of the NCA;
b) determine the languages to be used when interacting with consumers in terms of the NCA;
c) determine the languages to be used in general communication with consumers forming part of the Group's client base and non-client consumers.

5. OVERVIEW OF THE GROUP'S OPERATIONS

SA Home Loans is a, innovative and dynamic company which commenced business in 1999 with the intention to empower the South African consumer with a non-bank choice for the provision of home loans. The Group was founded and is headquartered in Durban, KwaZulu-Natal. The head office complex in Durban is the centralised processing and decision-making hub of the Group. Nationally, the Group is represented in the major cities by a satellite branch network established to act as a localised customer interface. The branch network forwards applications and all related data for processing at the Head Office. Ongoing communication with clients is handled from the national call centres that are also based in Durban.

While the Group has a national presence, the provinces of Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape, respectively, are the largest sources of business and make up 90% of the Group's clients and business. Since the launch in 1999, the Group has positioned itself as a trusted consumer champion recognised for amazing service and credited with encouraging competition within the home loan market. The Group remains a small player in the home loan market with a current market share of 4% but has demonstrated its standing as a reliable lender by maintaining its market share even in the tough economic times.

The Group offers two broad types of lending products both of which are linked to home financing, these are:

- Home loans to finance the purchase of an existing home or to finance the switch from another institution to the Group; and
- Bridging finance in the form of an advance of a portion of the equity in the client's property, and which may be advanced to clients switching their home loans from other institutions, and provided that there is equity in the property.

The Group further offers unsecured lending products, these are:

- Personal Loans which may be advanced to clients for their personal use; and
- Housing Access Loans which may be advanced to clients to finance building or renovating their home.

Since the Group is not a deposit taking institution, the primary source of financing comes from the local debt and capital markets in the form of Securitisation. The Group is recognised as a pioneer of the securitisation industry locally. Securitisation is a technical and legally intensive process that results in institutional investors investing in RMBS issued by Special Purpose Vehicles within the Group that house home loans originated by SA Home Loans.

6. LANGUAGE USE IN SOUTH AFRICA

To ensure a well-informed approach to this policy, we have researched statistics relating to language use within South Africa. The table below illustrates the findings of the South Africa Yearbook 2024/25, against the Language use profile for the Group:

Language use in South African provinces that form the main business regions of SAHL								
Provincial Language Statistics	**Gauteng**		**Kwa-Zulu-Natal**		**Western Cape**		**Eastern Cape**	
Business Language	English		English		English		English	
Principal Home Languages	isiZulu	**23.10%**	Zulu	**80.00%**	Afrikaans	**41.20%**	Xhosa	**81.80%**
	Sesotho	**13.10%**	English	**14.40%**	IsiXhosa	**31.40%**	Afrikaans	**9.60%**
	Sepedi	**12.60%**	IsiXhosa	**3.10%**	English	**22.00%**	English	**4.8%**
	Setswana	**10.40%**	Afrikaans	**1.00**				
	English	**9.20%**						
	Afrikaans	**7.70%**						
SAHL Loan Book preferred business language (Percentage @ March 2025)		**99.60%**		**99.73%**		**99.84%**		**99.51%**

English is:

- the recognised business language of the country;
- one of the principal home languages in each of the four main business regions of the Group;
- the most widely understood language in South Africa;

- the preferred language in which speakers with principal languages other than English wish to conduct their financial affairs[1]; and
- the primary language used by the courts.

isiXhosa is the second most common principal home language across the main SAHL regions and appears as a principal home language in two of the four main business regions of SAHL.

isiZulu is the most common principal home language across the main SAHL business regions and appears as a principal home language in two main business regions of SAHL.

Afrikaans appears as a principal home language in two of the four main business regions of SAHL.

Afrikaans, English, isiZulu and isiXhosa are most commonly understood among speakers of African languages. Thus, to some extent, other language speakers will be catered for by the provision of documents in either Afrikaans, English or isiZulu.

From the research conducted it is clear that the languages most widely spoken, read and understood by personal consumers are isiZulu, isiXhosa, Afrikaans and English.
Our analysis of the principal home languages in the remainder of the provinces revealed that in all the provinces, at least one of the principal home languages in that province is one of the abovementioned languages.

Other sources of language research, including the 2022 census and the South African Home Language Populations Statistics returned similar results. It was also apparent from the research that there was a great deal of multilingualism amongst Sesotho, Sepedi, Ndebele, Xitsonga, isiSwati and Tswana speakers, and that providing key documents in English, Afrikaans, isiZulu and SeSotho, well over 80 percent of the population would be catered for, and if the calculation were adjusted by the Group's concentration in its main areas of business, this would be even greater.

7. BUSINESS PROCESSES AND OPERATIONS

It is important to place the requirements of the NCA within the context of the business operations of the Group. The Group's market exposure is concentrated on middle income earning homeowners. As such, a wide spectrum of consumers is serviced by the Group. The success of the Group depends on the Group's ability to meet the needs of its consumers.

8. LIMITATIONS

The Group recognises the right of a consumer to receive documents in their language of choice; however, there are a number of factors that act as a barrier to the enforcement of this recognition. These limitations, listed below, require that a compromise be reached based on an assessment of what is reasonable having regard to usage, practicality, expense, regional circumstances and the balance of the needs and preferences of the consumer and the Credit Provider respectively.

While the Group accepts business from all regions, 90 percent of the Group's customers and likely prospective customers are located in four main business regions. Therefore, the Group has taken the decision to primarily address the preferences of the clients in these main business regions, with the

knowledge that this would not unduly prejudice the clients in the remainder of the regions.
The Group has its national call centres and the centralised processing hub in Kwa-Zulu Natal. The scarce availability of resources that can communicate in all official languages is a limiting factor and where these resources are imported from other provinces, the cost would be prohibitive given the limited benefit of such steps.

Language use in the main business regions of the Group is summarised above. An additional limiting factor, and a legitimate concern is the lack of lexicon in a number of the official languages which and sometimes renders the documents, or concepts contained therein, incapable of practical, accurate and clear translation. The transactions in particular the secured lending transactions, to ensure that the security is not capable of being arbitrarily set aside require transactions and concepts to be accurately described, causing the loan documentation and ancillary documents to be detailed in nature.

For the Group to remain competitive in the mortgage loan industry, it is dependant on the funding raised through securitisation. The concept of securitisation itself is complex and requires a specific type of lending and security to optimise the efficiency of the process. Accordingly, as a pre-requisite for a successful securitisation transaction, the agreements entered into by consumers are reviewed to ensure they accurately describe certain aspects relevant to securitisation and successfully protect the

interests of investors. Any discrepancy in the loan agreements entered into by consumers, puts the funding mechanisms at risk of failure.

The translation of every document in use by the Group to all official languages, is impractical and will be exorbitantly costly given the technical nature of the concepts which require translations and is likely to ensure understanding of the concepts. The home loan documents in use by the Group are available in English and they have also been translated into isiZulu, seSotho and Afrikaans. Over 100 documents in the Group's core lending have been identified as being impacted by the NCA. The home loan documents which consist of parts A, B and C as well as the Letter of Grant and Quotation agreement and the Section 129 Notification have been translated into isiZulu, Sesotho, English and Afrikaans. The practicality of maintaining multiple updated versions of documents, including that of the home loan documents and ensuring uniformity across several languages is diminished with each new language amendment or update added, particularly given the nature of loan conditions applied to each home loan, which may be specifically tailored for each client.

Thus far, all translations have been carried out by external parties, as the Group does not have staff with the ability to translate legal documentation into other languages and is reliant on such external translators to ensure the accuracy of the translations, despite the fact that they may not have an acute understanding of our processes and unique product types.

9. THE GROUP'S USE OF LANGUAGES

Flowing from the considerations outlined above, the Group is committed to pursue the language policy reflected below and continued implementation of this policy for the purposes of the NCA.

English, for the reasons outlined above, has been adopted as the primary language to conduct all business proceedings, transactions, communications, documentation and any other purposes that require a choice of primary language.

Afrikaans, SeSotho and isiZulu have been adopted as the secondary languages of the Group. The Group has the home loan documents and Section 129 Notification available in the above languages as required by the NCA, to assist consumers to understand terms of transactions with the Group. Should a client who does not understand any one of the above languages query the contents of any document, the Group shall endeavour, to the extent possible, to communicate with that Consumer in a language of their choice. In addition to catering for English and Afrikaans speakers, adopting isiZulu as a secondary language will cater for Nguni speaking groups of the population, while SeSotho will cater for non-Nguni speaking language groups.

10. DOCUMENTS PRESCRIBED BY THE NCA

Where the supply of documentation and the content thereof is prescribed by the NCA, such documentation shall be made available in the Consumer's choice of English, Afrikaans, isiZulu, or seSetho or will be made available in a dual language format. Specifically, this shall include the following documents:

- Loan documents and schedules
- Quotations
- Section 129 Notice
- Enforcement Notices
- Quarterly statements
- Other documentation prescribed by the NCA (if applicable)
- Standardised correspondence (if applicable)

If a consumer does not understand the contents of a document provided, the Group will endeavour to communicate with that Consumer in a language which he or she understands to explain the contents and significance of the document which has been queried and/or provide a translated version of the document to the relevant consumer.

All documents signed by the Consumer and a credit provider in the Group are legally binding and as such may be used as evidence in legal proceedings. Court proceedings are predominantly conducted in English. Although there is a willingness by the justice system to accommodate proceedings in other languages, the logistics of conducting proceedings in languages other than English are challenging and costly.

The business conducted by the Group is predominantly home loan lending. As such the majority of documentation used forms part of the home loan lending process, and several documents are required to be lodged at the relevant Deeds Office. The official languages of the Deeds Offices are all eleven official languages of the Republic. Although all eleven languages are official, English is often the predominant language used in the Deeds Office. Regulation 35(2) of the Deeds Registry Act states that if a condition is already recorded in a registered deed in a particular official language (which historically, was often English or Afrikaans, that same language can be perpetuated in subsequent deeds).

It is recorded that only the English version of the documents will be regarded as the signature version. Accordingly, although Afrikaans, isiZulu and seSotho versions of the documents are available, the English version will be the signed version, and where a conflict exists between the interpretation of the English documents and the version in any other language, the English version shall prevail. It is specifically noted that in enforcing the provision of the documentation, the Group will rely on and

litigate based on the English versions.

Enforcement notices are currently given in English and have been translated into Afrikaans, isiZulu and seSotho.

The Group has done its best to to ensure that all translated versions of the documentation are accurate in their entirety and coincide with the English version of the documents.

11. BRANCHES, HELP DESKS AND CALL CENTRES

Client call centres and the Group's help desk shall operate in English. In the event that a Consumer requests that the Group communicate on a particular telephone call in a language of the Consumer's choice, the branches, Client Services helpdesk and the call centres will, to the extent possible, comply with that request, if any member of staff of the helpdesk is able to communicate in the chosen language. It is recorded that the Group will, to the extent possible, if a Consumer does not understand the contents of a document provided, endeavour to communicate with that Consumer in a language which he or she understands to explain the contents and significance of the document which has been queried and/or provide a translated version of the document to the relevant Consumer.

12. OTHER COMMUNICATION

Any other forms of communication, such as targeted marketing campaigns and advertising, will be in the language most suited to the market or media targeted by the communication.

13. SAHL INTERNAL IMPLEMENTATION STRATEGY

13.1. STRATEGIES

13.1.1. The Group must ensure that members of staff are sensitive to the value of multilingualism and encouraged to accommodate the language use and preference of clients;
13.1.2. Translation services must be provided by skilled language professionals;

13.1.3. The Group must actively encourage and support the development of the language skills of members of staff;
13.1.4. Members of staff should be encouraged to learn and understand languages other than their own thus enhancing the value of multilingualism and promoting respect for cultural diversity; and
13.1.5. When recruiting new staff, the Group shall promote the principles of this language policy and endeavour to employ resources with the skills required to give effect to the undertakings set out in the language policy.

13.2. FINANCIAL IMPLICATION

The affected business units shall be responsible for the budgetary provisions required to facilitate the implementation of the principles of this language policy.

14. REVISION AND APPROVAL

The policy will be reviewed annually by the Head of Legal and Compliance. The policy must be

presented to the SAHL IH Audit, Risk and Compliance Committee (ARCC) for approval within the same year of review. The Group Company Secretary will sign the policy on behalf of the Committee Chairperson.