

FinSavvy Graduate Safety Net™ Contract.

The FinSavvy Graduate Safety Net initiative which will begin as from 1 January 2020 would have a simple stokvel model that works on the basis of the parents, corporations or learners & students themselves paying R200 a month during either the student's primary, secondary or/and tertiary school career (Minimum of 3 years and a maximum of 6 years). The Graduate Safety Net will be carried out in collaboration with the FSP licensed firm PSG Wealth East London who will be financially managing and investing the funds beneficiaries contribute not including the administration fee. The PSG Wealth website is www.psg.co.za. Parents may also register their children who have not begun school as yet. Once the student has graduated and is about to go into the real world, they will begin to receive a monthly stipend of R2 050 from the month after their graduation has been confirmed by both the student as well as the secondary or tertiary institution if they do not have a job lined up immediately. The monthly stipend would only last for a period of 12 or 24 months but it will help keep the currently unemployed matric or graduate on their feet, allow the recent matric or graduate to help their family, buy toiletries, socialise and just to have some financial security and be able to obtain potential necessities such as credit cards and have the equivalent of a payslip for any other official reasons that could make the matric or graduate's life easier whilst unemployed. Having a constant "income" could also help recent matriculates and graduates be able to qualify to purchase a car if a car is necessary for their first job (We will ask advisory firms to advise recent graduates on advisable cars to purchase as a first car). Students who do graduate and get a job will have a R24 600 (R2 050 x 12) or R49 200 (R2 050 x 24) safe keep that will help to sustain them for 12 or 24 months should they become unemployed within 5 years from the day they have confirmation of them matriculating or graduating (results having been released). They must have been retrenched/medically advised to leave their job. They may not receive the stipend if they voluntarily left their job for nothing or got fired for breaking company rules or national laws just to get the stipend as that would make the model counterproductive. There will also be considerations for the non-receipt of the stipend if the youth was fired on grounds of breaking the law. This money will also help them pay for necessities such as printing, traveling and presentable clothing for things relating to job interviews. The unemployed youth will also receive information from us as FinSavvy on places they can go gain work experience from while unemployed but receiving the stipend from FinSavvy. The money could also be used to pursue entrepreneurial activities as well, which is encouraged. The success of the FinSavvy Graduate Safety Net will depend on the support from the general public. In the event that FinSavvy is not able to meet the stipend obligations to beneficiaries who are unemployed as at 1 January 2023, FinSavvy will return the monthly amounts paid in to all beneficiaries who have been paying their monthly amounts consistently. The administration fee for the initiative to be carried out is 2, 5% p.a.

NOTE: Please print the contract & initial on each page of the contract, fill in and sign the declaration at the end of this contract and email (using the **beneficiary's name and surname** as the subject of the email) the contract as well as the accompanying documents (ID, bank statement & proof of residence) to admin.safetynet@fin-savvy.co.za

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Important Stipulations for the Initiative.

“The Initiative” refers to The FinSavvy Graduate Safety Net in the stipulations.

- Nothing will be paid out to beneficiaries within the first 30 months & until 36 months monthly amounts have been paid in full for the 3 year plan or within 60 months & until 72 months monthly amounts have been paid in full for the 6 year plan. In the first 3 years of the FinSavvy Graduate Safety Net, nothing will be paid out to beneficiaries until 36 months of business operations have passed.
- Clients and Beneficiaries may not arrive and pay R7 200 (R200 x 36) and begin receiving the R2 050 stipend in the following month for the next 12 months. They must finish paying 36 months monthly amounts and they must have been registered on the initiative as well as paying consistently for at least 2 and a half years (30 months) so that their monthly amounts have had time to accrue with the rest of the clients' money to be eligible to get the stipend during unemployment.
- Qualifications from before beneficiaries registered on the initiative do not qualify beneficiaries to be eligible for the stipend during unemployment. Only qualifications obtained by beneficiaries **after** having registered on the initiative qualify beneficiaries to be eligible for the stipend during unemployment.
- Beneficiaries may not receive the stipend whilst still registered and studying at a primary, secondary or tertiary education institution.
- Beneficiaries **and** their Secondary or Tertiary institutions on their physical certificate/diploma/degree must confirm the qualifications obtained by the beneficiary.
- Beneficiaries who received work immediately after school must have been retrenched or medically advised to quit within 5 years from the day they were confirmed to be matriculating or graduating to be eligible for the stipend during their involuntary unemployment.
- Coupled with that, if voluntarily quitting, criminal activity or breaking of the law is a reason for the beneficiary's employment termination, the unemployed youth will not receive the stipend.
- Beneficiaries who do become unemployed through quitting, being fired for breaking company or national laws may only claim their pure monthly amounts paid in back if they wish to do so. Pure monthly amounts paid in being their investment amounts, e.g. R200 paid in over the years they have been on the initiative with the interest accrued.
- Students who do graduate and get a job immediately will have for e.g. a R24 600 (R2 050 x 12) or R49 200 (R2 050 x 24) safe keep that will help to sustain them for 12 or 24 months should they become involuntarily unemployed within 5 years from the day they were confirmed to be graduating or matriculating.
- Drop outs (before the 3 year minimum time period) may claim their pure monthly amounts paid in with the interest that accrued over the time they had paid in if they wish to claim it or they can continue paying until a qualification is obtained and still be eligible for the stipend if they become unemployed after obtaining a qualification.
- Beneficiaries (registered before they matriculate) who complete matric and immediately register/enter into tertiary education but eventually drop out without graduating from tertiary education may only be eligible for the stipend during unemployment if they were registered and attending a tertiary education institution for at least 24 months (2 years). Exceptions to this stipulation will be made if reasons such as lack of finances or medical reasons are hindering the student from continuing with their studies.

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- Registered learners/students who wish to deregister from the FinSavvy Graduate Safety Net may claim their pure monthly amounts paid in with the interest that accrued over the time they had paid in if they wish to claim it. Should a learner/student who deregistered wish to register again, said learner/student will have to register on the FinSavvy Graduate Safety Net and start from month 1 again, thereby delaying when a beneficiary would be eligible to receive the stipend during unemployment.
- Beneficiaries who do not use the total stipend figure that was guaranteed to them after 5 years have passed may not claim the balance remaining if the balance remaining is more than their monthly amounts paid in with interest accruing was the day they were confirmed to be matriculating or graduating.
- The beneficiary named in the declaration at the end of this document is the only person eligible to receive the stipend after the completion of the beneficiary's studies and during the beneficiary's unemployment. The stipend may not be passed on or transferred to friends or family members if the beneficiary named in the declaration at the end of this document becomes employed after the completion of their studies and thereby not require the stipend at that moment in time.
- Unemployed beneficiaries receiving the stipend must CC FinSavvy in all communication with potential employers (during their studies for Tertiary students) and ask potential employers to continue to CC FinSavvy in all their communication back to the unemployed beneficiary. The unemployed beneficiary must apply at least 3 times a month to different organisations during unemployment.
- Beneficiaries must show proof of having applied for jobs through emails or letters engaging with potential work places. Letters must be response letters from employers. Beneficiaries are also required to present proof of using the stipend for job searching related costs as far as is possible, e.g. a receipt from a printing shop or a receipt from a shop the beneficiary purchased input material for an entrepreneurial venture they are embarking on.
- The stipend will cease to be paid to a beneficiary who finds employment a month (30 days) after they have begun their new job.
- The guaranteed monthly stipend amount is subject to change according to the prevailing economic situation at the time beneficiaries require the stipend to be disseminated to them from the account financially managed by PSG Wealth EL post matriculation/graduation and during unemployment.
- Beneficiaries who are found to be employed **and** receiving the stipend will face legal action for providing FinSavvy (Pty) Ltd dishonest information to receive the stipend whilst not being unemployed. Beneficiaries being employed and receiving the stipend would be in breach of this contract because one of the necessary requirements for beneficiaries to receive the stipend is for the beneficiary to be unemployed.
- The stipend will cease to be paid to the unemployed beneficiary for 30 days if they do not submit proof of job searching for more than 2 months (60 Days) during unemployment. The stipend will only commence after 30 days if the unemployed beneficiary submits proof of job searching during that suspended 30 days after the stipend has ceased at the requested 3 times per month minimum.
- Representatives of FinSavvy (Pty) Ltd will ask beneficiaries whether they are sure of their decision to activate the process of them receiving the stipend during unemployment for procedural purposes.
- Clients who fail to pay 3 consecutive months of monthly amounts paid in without reason or a suggested payment plan during that 90 day period of not paying will be deregistered and given back the money they have already paid into the FinSavvy Graduate Safety Net. Clients who are deregistered and given their money back will have to register on the FinSavvy Graduate Safety Net and start from month 1 again, thereby delaying when a beneficiary would be eligible to receive the stipend during unemployment. The validity of a reason given as well as the subsequent payment plan to make up for the 3 consecutive months of missed monthly amounts paid in will be determined at the discretion of FinSavvy (Pty) Ltd.

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***Documents required to accompany this signed form to register on The FinSavvy Graduate Safety Net are:**

- Copy of ID of the person paying monthly amounts as well as that of the intended beneficiary (1 copy if the 2 aforementioned people is one person).
- Latest bank statement with the bank's official stamp of the person who will be paying the monthly amounts with the address printed on the bank statement.
- Proof of residence of the person paying the monthly amounts. (If your bank statement has your current address that will be acceptable as proof of address).

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Declaration:

I _____ have read and acknowledged the explanations & stipulations above and wish to choose and commit to the **R200 per month** FinSavvy Graduate Safety Net plan over **(Circle your preferred period)** 3 years or 6 years on behalf of _____ who is currently **(for e.g. “In Grade 7” or “Studying First year” or “Not in school yet”)** _____ & who will be the beneficiary of the stipend should he/she/they become unemployed after completing their secondary or tertiary education. My email address for official communication is _____.

I would like to pay via a monthly debit order (Circle your answer): Yes or No

- Suggested date for the debit order to go off of your account? (e.g. 7th) _____.

NOTE:

Parents/Guardians (who register their children who are still in primary, secondary or tertiary school) and students (who are still in tertiary school and who wish to register themselves) who wish to pay their monthly amounts via debit order need to set up a debit order at their bank or on their personal banking application themselves.

The details of the Nedbank account (managed by PSG Wealth East London) which the monthly amounts should be sent to via debit order are below. Should you as the parent or the student need help in setting up a debit order or require help with anything relating to making payments, please contact Margie Beaumont who is the Cash Placement Administrator at PSG Wealth East London via email or via telephone listed here:

Email: margie.beaumont@psg.co.za

Telephone: 043 726 1344

Cell: 072 174 5795

I would like to pay cash on a monthly basis (Circle your answer): Yes or No

- **If yes, the bank details of the account managed by PSG Wealth EL are below (only EFT transfers from your bank account are possible into this account):**
- Bank: Nedbank Limited
- Branch: Nedbank of South Africa
- Branch Code: 198765
- Account number: 902 1811 593
- Account name: FinSavvy (PTY) Ltd
- Type of Account: Savings Account (Nedbank Corporate Saver).
- Reference: **Beneficiary’s name & surname.**

X _____

(Sign)

(Date)

FinSavvy (Pty) Ltd.
Company Registration Number: (2018/466213/07).

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