1. **Preamble**

The Vaal Triangle Technikon (VTT) recognizes the need by its employees to be empowered for financial independence and will endeavour to provide opportunities in which such independence could be achieved. Against this goal, the Technikon will consider granting its employees loans on a limited scale. For this purpose, a policy is required to ensure uniformity and consistency in assisting deserving employees.

2. **Scope of policy**

The policy will cover all VTT employees for incidents with traumatic financial implications. The policy excludes salary shortfalls related to unpaid leave and maternity leave, instalment sale and loan agreements with creditors, legal fees, municipal bills, and any other foreseeable debt incidents. The financial implications regarding maternity leave will be handled in terms of the provisions of the Unemployment Insurance Fund, where applicable.

3. **Provisions of the policy**

3.1. The VTT may assist employees financially by granting interest-based loans for the following incidents only:

3.1.1. Debts related to medical aid excess;
3.1.2. Funeral arrangements of a close relative, e.g. spouse, child, legally adopted child, mother or father (including in-laws); and
3.1.3. School requisites of registered dependant children.
3.2. Such loans will be granted subject to the following conditions:

3.2.1 The budget and cash flow position of Technikon will be an important consideration before loans are granted;
3.2.2 No loans will be granted if an employee’s take-home pay consequently reduces to lower than 25%;
3.2.3 Loans shall not be revolving, i.e. an employee will not be granted a loan of the portion of what he or she has already paid towards the debt owing;
3.2.4 A contract must be entered between the employee and the Technikon;
3.2.5 The maximum loan amount shall be equal to one month’s basic salary;
3.2.6 Loans must be redeemed in full before another one could be considered; and
3.2.7 Documentary proof should accompany all applications for loans.

3.3 All loans shall be redeemed over a maximum period of twelve months at an interest rate of the current prime bank lending rate, as may be amended from time to time by the Reserve Bank;

3.4 In the event of death of an employee, the accumulative leave benefits or bonus payable to the employee will be used to redeem the debt; and

3.5 Any abuse of the loans facility constitutes misconduct, and will be dealt with in line with the disciplinary procedures of the Technikon.

3.6 Management reserves the right to withdraw this privilege at any time.

4 Authorisation

4.1 All loans will be approved by the Senior Director: Human Resources on advice from the Salaries Section, and he or she will represent the
4.2 The Salaries Section shall compile a loans schedule for management information on a quarterly basis.

5 Review

The policy shall be reviewed periodically in keeping with the trends observed in granting the loans.
<table>
<thead>
<tr>
<th></th>
<th>Full names and surname</th>
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<tbody>
<tr>
<td>2.</td>
<td>Personnel Number</td>
</tr>
<tr>
<td>3.</td>
<td>Department</td>
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<tr>
<td>4.</td>
<td>Bonus month</td>
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<td>5.</td>
<td>Amount required</td>
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<tr>
<td>6.</td>
<td>Motivation for loan</td>
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</tbody>
</table>

(Please attach proof)

I, the undersigned do hereby declare that the motivation provided on this application form is, to the best of my knowledge, the truth.

Signature of Applicant: ........................................
Date: ...................................................

For office use only:

The applicant qualifies for a pro rata bonus of: ...........................

Signature: ........................................
Salaries Section

Approved/Rejected ........................................

Signed: ........................................
Senior Director: Human Resources
Date: ...................................................
# VAAL TRIANGLE TECHNIKON
## STAFF LOAN UNDERTAKING

<table>
<thead>
<tr>
<th></th>
<th>EMPLOYEE</th>
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<tbody>
<tr>
<td>1.</td>
<td>I, .................................................. (full names and surname), have applied for a staff loan to the amount of ................., in respect of .................................................. (purpose for which loan was granted);</td>
<td>1.2 I undertake to repay the loan from ......................... (date), in ............ equal instalments (maximum 12) of ......................... plus interest.</td>
<td>1.3 I understand and authorize that in the event of termination of my service, the loan will be redeemed from my termination benefits, pro rata reduced by amounts already paid; and 1.4 I undertake, if required by the Technikon, to attend any counselling program provided by the employer. 1.5 I elect, for purposes of any correspondence regarding this loan, the following as my residential address: .................................................................</td>
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