



30 January 2020

Dear Member

NOTICE TO ORDINARY MEMBERS OF THE PROFESSIONAL PROVIDENT SOCIETY HOLDINGS TRUST IT 312/2011: NOMINATIONS FOR 2020 TRUSTEE ELECTIONS

Ordinary Members of The Professional Provident Society PPS Holdings Trust ("PPS") are hereby called upon for nominations of Trustees for election at its annual general meeting to serve on its Board of Trustees ("Board").

IMPORTANT: Composition of the Board – Elected members

- In terms of the trust deed of PPS ("the Trust Deed"), Ordinary Members of PPS are entitled to elect ten Trustees, who must be Ordinary Members of PPS, to serve on its Board. To be eligible, members may not have reached the age of sixty-nine years as at the date of election.
- The Trust Deed provides for the retirement of elected Trustees by rotation at the annual general meetings of PPS, who may stand for re-election.
- Three of the current elected trustees will retire by rotation and are eligible for re-election. Accordingly, Ordinary Members will be entitled to elect Trustees from the Trustees standing for re-election and any new nominees approved by the PPS Board.
- Should you wish to nominate an individual for election at the annual general meeting, which is scheduled to take place on 18 May 2020, in addition to the Trustees standing for re-election, kindly complete the following documentation accompanying this letter and **return it by e-mail to (companysecretary@pps.co.za), fax (011 644-4641), post (P O Box 1089, Houghton, 2041) or deliver it by hand to 6 Anerley Road, Parktown, to reach the PPS Secretary by no later than 29 February 2020:**
 1. **Nomination form** – Nominations are required to be made by two Ordinary Members of PPS. The form has to be completed and signed by the two Ordinary Members who are nominating an Ordinary Member for election to the Board, as well as the Ordinary Member who is being nominated, confirming the candidate's consent to the nomination and appointment to the Board, if elected;
 2. **Consent and indemnity form** – Nominees are required to consent to be subjected to a criminal, financial and credit background check, including the taking of fingerprints, at the expense of PPS. This form has to be completed and signed by the Nominee and two witnesses;
 3. An **Abridged Resume** containing the following information:
 - Profession, tertiary qualifications, any other relevant courses completed and/or directorships/trusteeships and training that the Nominee may have had;
 - Knowledge and experience of business, corporate governance, corporate finance and accounting, corporate law, risk management, investment principles, insurance practice and management concepts, financial services/insurance industry experience, board positions held, as well as other relevant experience that the Nominee may have gained as a director/trustee.

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Requirements for Trusteeship

The Board is the focal point of PPS' corporate governance system and is ultimately accountable and responsible for the stewardship, performance and affairs of PPS and for PPS achieving the highest level of business conduct. To adequately address these requirements, the PPS Group Nominations Committee will consider, *inter alia*, the matters set out below in respect of each nominated candidate to ensure that they comply with statutory Fit and Proper requirements and, if recommended by the Nominations Committee and approved by the PPS Board in its sole discretion, the Nominee will be put forward for election by PPS' Ordinary Members as a member of the Board. On completion of the verification and approval process by the Nominations Committee, all Nominees will be advised of the outcome.

Matters considered:

- Whether or not the candidate has been disqualified to act as a director (and in terms of the Trust Deed, as a trustee) under the Companies Act 71 of 2008;
- Whether or not the candidate has been disqualified to act as a director of an insurance company under the Insurance Act of 2017, any other applicable act, or any other rules and regulations of the Prudential Authority, and in particular, whether the candidate meets the stipulated Fit and Proper requirements and is a person of integrity who is honest, law-biding and free from corruption. Persons who have in the past behaved in a manner contrary to these standards, shall not be permitted to become or remain trustees/directors;
- Whether the candidate demonstrates the highest personal and professional ethics and values;
- Whether the candidate commits to fulfilling his/her fiduciary duties to PPS, the Board and PPS' members diligently;
- Whether the candidate possesses an appropriate range of skills and experience at a policy-making level in the financial services industry relevant to the PPS Group's activities;
- Whether or not the candidate is willing and able to devote sufficient time to become knowledgeable about the relevant PPS Group entity and to carry out his/her responsibilities effectively;
- Whether the candidate demonstrates a knowledge of the structure and nature of the financial services market in South Africa, or has unique knowledge and skills to complement existing board members;
- Whether the candidate is a person of insight, diligence, calibre, credibility, skill and experience who can bring a blend of knowledge, skills, objectivity, experience and commitment to the Boards and contribute to a balance of skills and diversity on the Boards;
- Whether the candidate's knowledge, training, and / or experience equips him/her to understand and give oversight and input on the strategies of a financial services business;
- Whether the candidate has a significant contractual relationship with any PPS Group entity or a business, or other relationship with the PPS Group, or a competitor that would be seen to interfere materially with the candidate's capacity to act in an independent manner;
- **Whether the candidate is precluded from appointment as a trustee by virtue of any conflict of interests arising from the candidate being a financial advisor or intermediary, or holds any office or interest, directly or indirectly, in any entity which operates in the same sphere of business as the PPS Holdings Trust Group, or where there is potential for such conflict of interests to arise;**
- Whether the candidate satisfies the criteria of the black economic empowerment regulatory regime and the Financial Sector Charter; and
- Any other factor that the Nominations Committee deems appropriate.

Duties of the trustees

Nominees are required to take cognisance of the specific duties and responsibilities of the Trustees as stipulated in the extract below from the Trust Deed, the full text of which is available on the PPS website at www.pps.co.za:

- "10 DUTIES OF TRUSTEES**
- 10.1 Sections 75 and 76 of the Companies Act (but excluding section 76(3)(c) of the Companies Act, for the reason set out in 10.2) shall be incorporated herein by reference on the basis that all references therein to –
- 10.1.1 a director or directors shall be deemed to be references to a Trustee or the Trustees; or
- 10.1.2 the company shall be deemed to be references to the Trust;
- with the intention that those sections shall accordingly apply to the Trustees in relation to the Trust as if the Trust was a company and they were directors of that company.
- 10.2 It is recorded that section 76(3)(c) of the Companies Act –
- 10.2.1 deals with the duty of care, skill and diligence of a director of a company; and
- 10.2.2 has been excluded from the duties of Trustees referred to in 10.1 because section 9 of the Trust Property Control Act stipulates that -
- 10.2.2.1 each Trustee shall in the performance of his duties and the exercise of his powers act with the care, diligence and skill which can reasonably be expected of a person who manages the affairs of another; and
- 10.2.2.2 this Deed may not exempt a Trustee from the requirements referred to in 10.2.2.1."

Yours faithfully

V E BARNARD

GROUP COMPANY SECRETARY

THE PROFESSIONAL PROVIDENT SOCIETY HOLDINGS TRUST