

THE PRIVATE SECURITY SECTOR PROVIDENT FUND
("the fund")

MANDATE TO ADMINISTRATION COMMITTEE

CONSTITUTION

1. The board of the fund ("the board") may, in terms of rule 12.13 of the registered rules of the fund, establish a committee with such delegated authority as the board may determine. The board has resolved to establish a committee in respect of matters relating to the administration of the fund, and this document is the mandate to that subcommittee.

2. Subject to the authority of the board, the purpose of the administration committee ("the AC") is to carry out the responsibilities delegated to it by the board as described in this mandate:
 - 2.1. to carry out the responsibilities and exercise such powers as are delegated to it by the board as described in this mandate;
 - 2.2. to carry out such investigative work relating to the legal, risk and governance issues of the fund as, within the cost parameters agreed with the board furthers the governance purposes of the fund;
 - 2.3. to report at each board meeting on how the AC committee has exercised its responsibilities since the previous board meeting;
 - 2.4. to report to the board on any matter relating to the risk and governance issues of the fund as the AC committee may consider relevant for the board or which the board may have requested the AC committee to investigate.

COMPOSITION

3. The members of the AC comprise such person/s as the board may from time to time determine, provided that-
 - 3.1. the members of the AC must at all times comprise 2 (two) trustees;
 - 3.2. members of the committee must, as far as possible having regard to the composition of the board, be drawn from members and employer trustees; the board may delegate any person/s to the AC on *ex officio* status;
 - 3.3. a member of the AC must be a trustee;
 - 3.4. the principal officer is *ex officio* a member of the AC but without voting rights;
 - 3.5. the chairperson of the AC must be a trustee;
 - 3.6. the quorum of the AC meeting must be at least 2 (two) members of the subcommittee.

PROCESS

4. The following provisions apply to the process to be followed by the AC in carrying out this mandate:-
 - 4.1. the AC must meet six (6) times a year or once every two months, and such meeting may be by way of telephone conference;
 - 4.2. the notice of the meetings of the AC and all necessary documents must be given at least 7 (seven) days before the meeting;
 - 4.3. the AC may only convene an ad-hoc meeting with the approval of the chairperson of the board, in order to attend to any urgent matter that have to be dealt with prior or between the scheduled meetings of the AC;
 - 4.4. minutes of the meetings of the AC must be provided to all concerned 14 (fourteen) days after each meeting;
 - 4.5. only trustees may exercise a vote in respect of any decision to be made by the AC, and any such decision to be effective must be by majority if there is more than 2 (two) trustee on the AC. Where the AC has only two members, decisions of the AC must be by way of consensus between the two members;
 - 4.6. decisions must be made by the AC by way of a resolution in writing;
 - 4.7. unless there is urgent business to be attended to, the appropriate person/s from the administrator as per instruction from the chairperson of the AC must be notified 7 (seven) days prior to each meeting of the AC in order that they may attend provided

- that the chairperson of the AC or the AC may at any time determine that the AC may have an in-committee session at which only those entitled to vote may attend together with such other person/s as the chairperson may decide;
- 4.8. the chairperson of the AC or the AC may require any other service provider or person/s to attend any meeting of the AC in order to assist it with its responsibilities;
 - 4.9. minutes of each AC meeting must be maintained and submitted to the board for noting at the first board meeting following such AC meeting;
 - 4.10. the chairperson of the board may at any time enquire from the chairperson of the AC regarding the operation of the AC, and may also attend any AC meeting.

RESPONSIBILITIES AND POWERS DELEGATED TO THE AC

5. Subject to ratification by the board, the board delegates the following responsibilities and powers to the AC
 - 5.1. to establish the terms of the administration agreement with the fund's benefit administrator and any other service provider which the AC considers necessary for the responsibilities over which the AC has oversight responsibility in terms hereof, for approval by the board;
 - 5.2. as directed by the board, to establish the terms of the contractual arrangement with any related service provider which does not fall within the responsibility of any other committee of the board, for approval by the board,
 - 5.3. to maintain and develop the agreements referred to in clauses 5.1 and 5.2 according to the needs of the fund;
 - 5.4. to ensure that the fund's administrator administers the fund in accordance with the service level agreements entered into between the fund and the fund's administrator and section 13B of the Pension Funds Act, Act 24 of 1956;
 - 5.5. to obtain and interrogate the administration report submitted by the administrator to the fund's board;
 - 5.6. to ensure that the administrator implements decisions taken by the board of the fund in relation to the administration of the fund;
 - 5.7. to carry out such investigative work relating to the administration matters of the fund as, within the cost parameters agreed with the board and furthers the governance purposes of the fund;

- 5.8. to report at each board meeting on how the AC has exercised its responsibilities since the previous board meeting;
- 5.9. to report to the board on any matter relating to the claims of the fund as the AC may consider relevant for the board or which the board may have requested the AC to investigate;
- 5.10. to oversee the transition of the fund's records and data from one benefit administrator to another if there should be a change of benefit administrator, and the migration of the fund's records and data from one administrative platform to another at the same benefit administrator;
- 5.11. to propose to the board a policy in respect of the expenses of trustees and any officer of the fund and to propose any revision thereof from time to time,
- 5.12. to assess, on the advice of the fund actuary, the appropriateness of the reserves in the fund for the self-insurance of the disability benefit and so much of the death benefit as may exceed the member share;
- 5.13. to review, with the assistance if necessary of an independent external adviser, all the information processes, operational software systems, and accounting and financial reporting systems of the fund's benefit administrator;
- 5.14. to assess on an annual basis the adequacy of the record keeping in relation to each member by the fund's benefit administrator;
- 5.15. to ensure that appropriate mechanisms are in place to protect the confidential information of the fund;
- 5.16. to report any actual, potential or perceived conflict of interest relating to the any relative service provider which reports to the AC;
- 5.17. to assess annually the appropriateness of the costs charged by the service providers to the fund that are related to the AC;
- 5.18. to exercise the board's oversight function in respect of the benefit administration of the fund with particular reference to the appropriate reporting by the service providers in 5.1 and 5.2 to the AC;
- 5.19. in conjunction with all committees of the fund, to do an annual review of the performance of the fund's service providers, and to discuss this with the service providers, and to report thereon to the board;
- 5.20. to oversee the actuarial valuations of the fund;
- 5.21. to recommend to the board the appointment of auditors from time to time;

- 5.22. to meet with the auditors and administrator of the fund before the audit commences to agree on a timeline and the scope of audit;
- 5.23. to propose to the board for approval the audit budget and the final fee;
- 5.24. to review the annual financial statements as audited and related statutory returns of the fund, present to the board for discussion and approval;
- 5.25. to address areas of concern arising out of any internal or external audits of the fund or the benefit administrator in as much as they pertain to the fund, and suggesting any changes in connection with, any proposed amendment to any rule of the fund;
- 5.26. to investigate and report of its own accord to the board in connection with any of the matters referred to above;
- 5.27. to implement any instruction given to it without reference to the board of the fund if so authorised by the board;
- 5.28. the AC is authorised to act in any way in terms of clause 5.28 above, and report on the matter in such manner as is appropriate at each meeting of the board of the fund until the conclusion of that matter;
- 5.29. as and when necessary, to interview any member of the administrator's staff with a view to obtaining information pertinent to its investigations,
- 5.30. to examine any document, electronic record or record kept on other medium pertinent to the fund's operations with a view to obtaining information pertinent to its investigations and seek independent professional advice to assist it in its deliberations and the attainment of its objectives,
- 5.31. to approve for payment the Invoices of the benefit administrator, auditor, actuary or other service provider referred to in 5.1 and 5.2 above;
- 5.32. to devise annually an expense budget, with the input from the committees and other related parties, for review and adoption by the board. The AC to monitor and review the budget on an on-going basis;
- 5.33. any ad-hoc services required, that will cumulatively exceed R10 000 per month, must be ratified by the board;
- 5.34. to do anything lawful which is within the jurisdiction or mandate of the AC or is in the best interest of the fund.

INVESTIGATORY POWERS

6. The AC has the power to investigate any matter relating to its responsibilities in paragraph 5 above, or its responsibilities in respect of managing the risks of the fund (see paragraph 7 below), provided that to the extent that such investigation entails the employment of a service provider at the cost of the fund or the incurring of any disbursement at the cost of the fund, then the consent of the board thereto must first be obtained.

RISK MANAGEMENT

7. The AC is responsible for identifying annually, or more frequently if required, such risks relating generally to the administration audit and actuarial aspects of the fund and specifically in respect of the responsibilities referred to in paragraph 5 above, as well as putting in place such risk management strategy as the AC considers appropriate. The AC must advise the board of this risk management process and also specifically when it becomes aware of any material risk to the fund which relates to the investments of that fund.

REPORTING OBLIGATION

8. The AC is responsible for identifying annually, or more frequently if required, such risks relating generally to the administration of the fund and specifically in respect of the responsibilities referred to in paragraph 5 above, as well as putting in place such risk management strategy as the AC considers appropriate. The AC must advise the board of this risk management process and also specifically when it becomes aware of any material risk to the fund which relates to the liquidity of the fund.

AMENDMENT

9. It is recorded that this mandate may be amended at any time by the board.
It is recorded that this mandate may be amended at any time by the subcommittee by way of a proposal for approval by the board.

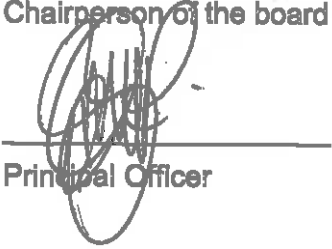
This mandate was adopted by the board at a meeting of the board at Johannesburg on the 2nd of April 2019.



Chairperson of the board

2 April 2019

Date



Principal Officer

2 April 2019

Date