

Statement in reply to media article

18TH SEPTEMBER 2021

Salt Employee benefits has noted reports circulating in the media concerning a draft report by the Financial Sector Conduct Authority (FSCA), relating to the Private Security Sector Provident Fund (PSSPF).

We are concerned that the story is sensationalist and seeks to outrage the public through misinformation. In particular, it must be made clear that all money spent by Salt EB in the course of our corporate affairs belongs to the company and not to the members of funds under our administration.

Furthermore, we are concerned that the publishing of the story may itself be a contravention of law and undermines the legal processes underway.

The front page of the leaked draft report — of which journalists have been apprised — carries a warning stating:

“No unauthorised person may read, duplicate, retain or distribute the contents of this draft report in any manner [...] Should we receive any additional documentation or information after the date of this report, which impacts on the results of the work performed, our findings and conclusions may be adjusted accordingly.”

The Fund believed that Salt EB — with its good reputation in the industry and solid history of sound administration — was the best company to assist them in fulfilling their duties to their members: to safely and appropriately invest their members' savings in a well-administered fund. Accordingly, the Fund contracted with Salt EB to provide the Fund with administrative services.

SALT EMPLOYEE BENEFITS (PTY) LTD

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Salt EB has a demonstrated track record of administering funds in challenging circumstances, so that they can function to serve for the benefit of their members. The administration of the PSSPF is no exception. We are exceptionally proud of the work that we have done since our appointment as administrator of the Fund in 2016.

We have greatly improved the administration of the Fund, not only by ensuring accurate administration but also by maintaining compliance with the applicable regulations. We have reduced the Fund's unallocated contributions by more than 75%. Moreover, while under our administration, the Fund has been able to submit unqualified audited annual financial statements for the last two financial years — a remarkable achievement in an industry in which financial maladministration is rife.

All these positive changes have helped to secure the hard-earned life savings of the Fund's members, helping to ensure that their money is safe and administered soundly, according to the requirements of law. Furthermore, Salt EB has invested significantly in technology that enables accessibility and transparency to the membership.

The administration fees levied by Salt EB are the fees agreed to by the Fund. These fees are commensurate with — and in many ways below — the industry standard.

Any amounts outlaid by Salt EB on corporate expenses such as entertainment and sponsorships are born by Salt EB and not by the Funds under its administration and take place in accordance with the relevant regulations and practice directions. The notion, therefore, that Salt is using the retirement savings of security guards to fund corporate expenditure, is misguided.

As a company that assists funds and their trustees to become responsible custodians of workers' hard-earned savings, we take our ethical obligations and fiduciary duties very seriously. As a matter of law and moral principle, we do not engage in fruitless or wasteful expenditure.

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The FSCA's draft report is disappointing because not only did Salt EB fully cooperate with the FSCA during their investigations, but the various allegations made against us were fully and resolutely dealt with at the time. While we are still studying the draft report, it appears that evidence before the FSCA may be undervalued or ignored.

Salt EB operates in an industry rife with unscrupulous competition and underhanded tactics, and it is important for the FSCA to distinguish between facts and allegations, and to fairly respond to the comprehensive evidence at its disposal.

We are confident that the FSCA will, in the finalising of its draft report, act with the highest levels of integrity and good faith required of it by law, to ensure that there is public and industry confidence in our country's financial regulatory environment.

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CEO: Salt Employee Benefits

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