



PROFIT-SHARE ACCOUNT

PPS is a company that operates on an ethos of mutuality and has no external shareholders. At PPS, our members (with qualifying products) share in all the profits. The operating profits and investment returns are shared each year in the form of allocations to the PPS Profit-Share Accounts of our members. The balance on the Profit-Share Account can grow to significant values and is accessible from the age of 60, or at earlier death. Members have the opportunity to share in profits throughout their working lives as well as into retirement. The funds can be used to supplement post-retirement expenses, settle debt or enhance retirement savings.

EACH MEMBER'S PROFIT-SHARE ACCOUNT COMPRISE OF TWO SUB-ACCOUNTS AS FOLLOWS:

APPORTIONMENT ACCOUNT - PROFIT ALLOCATIONS

Each year PPS's operating profits or losses are allocated to a member's Apportionment Account based on the qualifying products held by the member. A member will only receive the profits in respect of a product/benefit if the member holds such a benefit. The more benefits held, the bigger the allocation will be. The Apportionment Account is also credited with an interest allocation each year. This is based on the declared percentage growth applied to the opening balance of the Apportionment Account for that year.

SPECIAL BENEFIT ACCOUNT - INVESTMENT RETURNS

The full balance of the Profit-Share Account at the start of a year is invested and the Special Benefit Account is debited (if positive) or credited (if negative) each year with the declared percentage on the full opening balance of the Profit-Share Account for that year. Investment returns (and the subsequent declared percentage allocation) are based on the portfolio the member is invested in. From age 55 a member may elect to de-risk the investment strategy of the Profit-Share Account using the Profit-Share Account Portfolio Choice.

KEY THINGS TO CONSIDER

- When a PPS Provider Policy is issued for the first time, a Profit-Share Account is automatically created for a member.
- No additional premium is levied to activate the Profit-Share Account. The PPS Profit-Share Account is a member's share in the profits of PPS.
- A member's own claims and health status have no impact on profit-sharing and the accumulated balance.
- The Profit-Share Account becomes accessible through Retirement, Cancellation or Death. The Profit-Share Account vests and becomes accessible through the Vested Profit-Share Account from the age of 60 or it pays out to the nominated beneficiaries at earlier death.
- When a member retires (from the age of 60) and accesses the funds through the Vested Profit-Share Account while keeping other PPS Provider products in force, the member's Profit-Share Account will remain open and the member will continue to share in profits. The Profit-Share Account will then become accessible when all PPS Provider benefits are cancelled, or at death.
- When the Profit-Share Account becomes accessible, the member will receive a pro-rata allocation from the end of the previous financial year up to the date of vesting.
- The more qualifying products held, the greater the profit allocations to the Profit-Share Account.
- Protection against creditors while unvested.
- As members approach retirement (from age 55 onwards), they can elect to align the investment strategy of their Profit-Share Account to their overall financial and retirement plan through the Profit-Share Account Portfolio Choice.
- A member will have the choice to elect to have their Profit-Share benefit paid out upon a valid terminal illness claim. This will allow them to access the funds accumulated in their Profit-Share Account in the unfortunate event of being diagnosed with a terminal illness subject to the current Profit-Share Account rules.

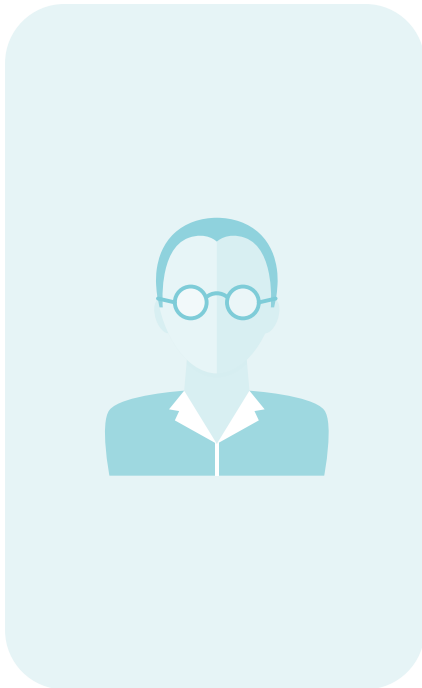
RETIREMENT, DEATH OR CANCELLATION



Mrs. Smith (age 53) has the Sickness and Permanent Incapacity benefit together with a Life Provider and the lump-sum Disability Provider policy. Mrs. Smith decided to cancel all these policies at PPS.

Options for Profit-Share Account:

No options. The PPS Profit-Share Account is an unvested policy benefit that vests on retirement after the age of 60, or at earlier death. On early cancellation, the PPS Profit-Share Account may be paid out, subject to limitations and penalties. Some, or even all, of the funds may be forfeited.



Mr. Roads (age 63) has the Sickness and Permanent Incapacity benefit together with the Critical Illness Cover policy and a Life Provider policy. Mr. Road is planning to retire in the nearby future.

Options for Profit-Share Account:

Mr. Road can cancel all his Provider products OR IF Mr. Road decided to retire, he must cancel his Sickness and Permanent Incapacity benefit (IF IT IS THE ONLY PPS PROVIDER PRODUCT HELD).

The PPS Profit-Share Account will become accessible through the Vested PPS Profit-Share Account, administered by PPS Investments.

When Mr. Roads decides to retire (between the age of 60 and 66), he will need to cancel his Sickness and Permanent Incapacity benefits, and he does not need to cancel his Critical Illness Cover policy and Life Provider policy (other PPS Provider policies/products can stay in force).

Mr. Roads can choose to:

- Leave the Profit-Share Account as is and will continue to receive profit allocations, or
- Vest the Profit-Share Account through the Vested Profit-Share Account, administered by PPS Investments. After the funds have been transferred, the member's PPS Profit-Share Account will remain open (note the balance will be R0) and the member will continue to receive profit allocations until all PPS Provider products are cancelled, or the member passes away.



Adv. Senero (age 65) has the lump-sum Disability Provider and a Life Provider policy. Adv. Senero is retiring in the next month. *Remember when this member retires he will need to either cancel or instruct PPS to cover his Disability Provider benefit. The Life Provider policy can continue.

Options for Profit-Share Account:

When Adv. Senero retires he can choose to:

- Leave the Profit-Share Account as is and will continue to receive profit allocations (not cancelling any Provider policies), or
- If Adv. Senero wants his Profit-Share Account to pay out, he will need to cancel all Provider Policies. His Profit-Share Account will vest through the Vested Profit-Share Account, administered by PPS Investments.

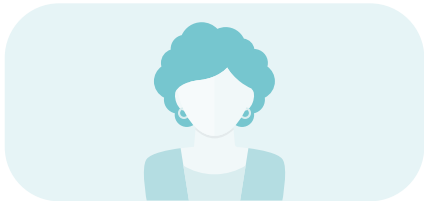


Dr. Thabang (age 66) has the Sickness and Permanent Incapacity benefit together with a Life Provider policy and the lump-sum Disability Provider policy. Dr. Thabang is still working.

Options for Profit-Share Account:

IF Dr Thabang still has all his Provider Benefits/policies in force, he may choose to:

- Leave the Profit-Share Account as is and will continue to receive profit allocations until such time as the member chooses to vest, or
- Vest the Profit-Share Account through the Vested Profit-Share Account, administered by PPS Investments. After the funds have been transferred, the member's PPS Profit-Share Account will remain open (note the balance will be R0) and the member will continue to receive profit allocations until all PPS Provider products are cancelled, or the member passes away.



Mrs. Johnson (age 66) has the Critical Illness Cover policy (expiring the month after she turns 66 (Term Cover) and a Life Assurance Policy.

Option for Profit-Share Account:

No options. Mrs. Johnson does not have any other PPS Provider product(s) in force, the Profit-Share Account will become accessible through the Vested Profit-Share Account, administered by PPS Investments.



Mr. Mahlangu died at the age of 45 due to a car accident. Mr. Mahlangu had a Life Provider policy together with a Critical Illness Cover policy.

Options for Profit-Share Account:

The full benefit in the Profit-Share Account (including a pro-rata allocation) will be paid to Mr. Mahlangu's nominated beneficiaries or estate if no beneficiaries are nominated.

Take note: When a member canceled his/her Sickness and Permanent Incapacity Benefit between the ages of 55 and 60, that member does not need to cancel all remaining lump-sum benefits when the age of 60 is reached and the member wants access to his/her Profit-Share Account

QUALIFYING PRODUCTS

	QUALIFYING PRODUCTS	BASIS OF ALLOCATION PER CALENDAR YEAR
PPS INSURANCE	Sickness and Permanent Incapacity Benefits	Percentage of premiums**
	Professional Life Provider* Professional Disability Provider* Critical Illness Cover Accidental Death Product Education Cover*	Percentage of premiums paid for the core/basic, accelerated/optional and rider benefits **
PPS INVESTMENTS	PPS Investment Account PPS Tax-Free Investment Account PPS Endowment Plan PPS Preservation Funds PPS Personal Pension PPS Retirement Annuity PPS Living Annuity PPS Vested Profit-Share Account	Profit allocation is based on the weighted average size of the PPS Member's and their linked clients' qualifying assets during the financial year relative to the total weighted average size of qualifying assets of all PPS Members and their linked clients. Members can apply to link assets of a child, spouse, life partner and/or parent which will then be included in the member's assets for the profit allocation calculation.
PPS HEALTHCARE ADMINISTRATORS	Profmed medical aid benefits	Rand per R100 Profmed contributions paid
PPS SHORT-TERM INSURANCE	Personal Line Products including Pro-Insure Value Added Services (VAPS) Health Professions Indemnity	Percentage of premiums paid for the Core/Basic Benefit

* With premiums differentiated by gender and smoking status.
** Allocations exclude loadings.

VESTED PPS PROFIT-SHARE ACCOUNT

By retaining accumulated profits in the Vested Profit-Share Account, members may use this as part of their retirement planning. The Vested Profit-Share Account allows members to keep their profit-share assets invested for longer to generate further returns and supplement their retirement savings, supplement post-retirement expenses, settle debt. It is administered by PPS Investments and managed on the PPS Investments platform, with a wide selection of unit trusts available and the ability to do monthly or once-off withdrawals as needed.

PPS PROFIT-SHARE CROSS-HOLDINGS BOOSTER

In addition to holding qualifying life insurance products, loyal PPS members who also hold products with PPS subsidiaries and affiliates (PPS Short-Term Insurance, PPS Investments and Profmed) will qualify for an additional Profit-Share Allocation, over and above the allocation pertaining to each subsidiary product holding. This boosts their Profit-Share allocations based on how many qualifying products they hold across all PPS subsidiaries.