

16 August 2010

The Honourable Chairperson  
(**Mr I Vadi: Member of Parliament**)  
Portfolio Committee on Communications  
Parliament  
Cape Town

Attention: Ms A Nel / Mr TT Ngoma

Email Addresses: [anel@parliament.gov.za](mailto:anel@parliament.gov.za) or [tngoma@parliament.gov.za](mailto:tngoma@parliament.gov.za)  
or [bwalters@parliament.gov.za](mailto:bwalters@parliament.gov.za)

Telefax Numbers: 086 551 3363 or 086 616 2806

Dear Sir

**The South African Post Office's comments on the South African Postbank Bill (B-14)**

The following is the South African Post Office's further submission in respect of the South African Postbank Limited Bill.

**PROPOSED AMENDMENTS AND/OR INSERTIONS**

**1. Section 3 (2)**

Notwithstanding the provisions of the Banks Act or any other applicable legislation,  
the Post Office shall, upon incorporation of the Company, be the sole member and  
shareholder of the Company.

**Reason for the proposed amendment**

The effect of this amendment is to provide for the Post Office to be able to hold more than 15% of the shares in Postbank, because the Banks Act limits the percentage shareholding of a shareholder.

**2. Section 12 (3)**

**2.1. The proposal is for section (a) to be amended as follows:**

"The non-executive members of the Board must be appointed for a period not exceeding five years."

**2.2. The proposal is for the section (b) to be amended as follows:**

"The non-executive members of the Board may be re-appointed for a further term not exceeding five years, unless otherwise agreed to by the Minister."

**Reason for the proposed amendment**

The effect of the amendment is that the Minister will have a discretion to appoint a non-executive member of the Board for a further term, should this be in the best interest of Postbank. Further, the Banks Act does not limit the term of office of a board member.

SAPO proposes limiting this provision to non-executive members because the length of the period in office of an executive board member is not limited in the Banks Act and the term of office tends to be lengthy in the industry, given the complexity of the banking environment.

In addition, the term of office of an executive member of the board shall be dealt with in the Memorandum of Incorporation of Postbank as well as in the letter of appointment of such executive member.

### **3. Section 8**

**The heading and content of the section should be amended.**

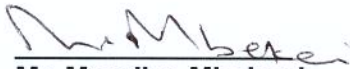
The proposed heading and wording should read as follows:

**“Exemption from tax liability**

The transfer of the business of the former Postbank, as described in section 5 (1) above, shall not attract any tax liability of whatever nature.”

We thank you for considering our comments in this matter.

Yours faithfully



**Ms Mandiza Mbekeni**  
**GROUP EXECUTIVE: LEGAL SERVICES**  
**SOUTH AFRICAN POST OFFICE LIMITED**