

15 February 2020

Dear friends of Province Lighting,

A NEW CHAPTER BEGINS FOR PROVINCE LIGHTING

We are writing to share a big – and bittersweet – announcement that our founder, Jurgen Chemelli, together with wife Juliet, have decided to retire and step down from executive roles at Province Lighting after 34 years of service to the company.

This is no doubt big news for Province Lighting, and indeed the SA lighting market more generally. Jurgen and Juliet have achieved so much with Province Lighting over the last three and a half decades and, having successfully concluded a detailed succession plan and with Province Lighting in a strong market and financial position, feels the time is now right to hand over the reins and step back from an operational role.

Humble beginnings

Jurgen co-founded Province Lighting in 1987, six years after starting his career in lighting with Austrian lighting specialist Zumtobel. 34 years later, Jurgen and his partners have built Province Lighting into the leading supplier of commercial, industrial, and architectural lighting and building automation solutions provider in Southern Africa. Today Province Lighting has over 150 employees across offices all over South Africa as well as Namibia, Kenya, Mauritius, and representation in Nigeria as well as a state-of-the-art production facility in Johannesburg manufacturing tailor-made luminaires for customers.

New era, same team

While Jurgen's retirement will no doubt see a change in the 'face' of Province Lighting, he must be commended for building a strong sales and management team which has allowed him to retire without any disruptions to the business.

For the last three years, Jurgen has been focused on new markets and internal operations of Province Lighting, having already handed over most client and supplier relationships to **Dereck Abbey** (*Director: Western Cape, KZN, and Namibia*); **Kevin Murphy** (*Director: Gauteng and Eastern Cape*); and **Jannie Malan** (*Director: Africa*). Dereck, Kevin and Jannie are material shareholders and partners in the business, and between them have been with Province Lighting for over 50 years, so their institutional knowledge of the business, customers, suppliers and markets will allow seamless continuity following Jurgen's retirement. We are fortunate to have a deep pool of management skills and lighting experience within the group, and Dereck, Jannie and

Kevin are supported by a strong contingent of technically-focused sales and support staff with remarkably low staff turnover – testament to the team environment which Jurgen has inculcated.

Introduction of Rubicon Group

In 2018, Jurgen sold a majority stake in Province Lighting to Rubicon Group (www.rubiconsa.com). Rubicon Group provides the leading platform for its partners to deliver sustainable technology to every home, business and community. Efficient, cutting-edge lighting solutions and intelligent building automation systems fits squarely into the type of technologies that Rubicon Group is advancing.

Knowing that this day would eventually come, Rubicon Group, Jurgen, Dereck, Kevin, and Jannie have all been working together for the last three years on implementing succession planning, organisational depth and structures, to ensure that Jurgen can step away from the business without any disruption to our customers, suppliers and staff. Jurgen will retain a material shareholding in Province Lighting, but step back from all operational and executive responsibilities – a strong vote of confidence in Rubicon Group and the remaining members of the management team.

Looking forward

While the retirement of someone of Jurgen's ilk and experience – somewhat of a 'doyen' in the SA lighting market – will always be hard felt by the Province Lighting family, we take comfort knowing that Jurgen leaves the business in very capable hands and with strong financial backing. Moreover, as one door closes so another opens, and Jurgen's stepping away from the business will create a myriad of opportunities for the next generation of Province Lighting's leaders. The succession planning already implemented has allowed senior staff in the company to take on more responsibility and grow professionally.

In addition, being part of the Rubicon Group creates significant opportunities for the business to grow and leverage off complementary offerings. The relationship has already borne fruit in new and existing markets such as Eastern Cape, KZN, Namibia and Africa, whilst also taking advantage of group synergies and economies of scale, including benefiting from strong and cost-effective functional and back office support services. Province Lighting today is in a very strong position to execute on our number one objective: to deliver world-class, innovative, and tailor-made solutions and service to our valued customers.

A few words from Jurgen:

“Even though I knew this day would always come, it is not without a sense of nostalgia that today I announce mine and Juliet’s retirement from the business I co-founded 34 years ago. However, it is also with a sense of enormous pride, to look back over the period and see what Province Lighting has become today. The business was built on providing exceptional service to our customers, and I am proud that that ethos remains an indelible part of the Province Lighting DNA, which I am confident will remain in the business without me part of it.

We are incredibly grateful to all our staff, fellow partners, Rubicon Group, and all of our loyal customers and suppliers, for walking this incredible journey with us.

Whilst today’s announcement may be news to some, in reality we have been working hard behind the scenes over the last three years to ensure the business is able to continue thriving without us. I have worked as partners with Jannie and Dereck for well over two decades, and Kevin and the Rubicon Group for the last few years, and today I leave the business with complete trust and confidence that it is in the hands of the right people to take the company forward and maintain the standards that we pride it on. Province Lighting will always be in our hearts and we are very much looking forward to seeing it go from strength to strength and expand into new markets.

*Thank you and all the best,
Jurgen and Juliet”*

A few words from Dereck, Jannie, and Kevin:

“To Jurgen and Juliet,

Thank you for an incredible journey! It has been a real privilege to work alongside you to build Province Lighting into the business it is today. Thank you for giving us the opportunity many years ago to join the business and partner with you along this road, and thank you for all the wisdom and support and advice you have provided along the way.

We are grateful for entrusting us with building on the legacy you have created, and to maintain the right business culture and passion for standards of service excellence that you have set and Province Lighting has come to be known for.

Enjoy the rest and time off... for now!

Dereck, Jannie and Kevin”

A few words from Rick Basson, CEO of Rubicon Group:

"It's been an absolute pleasure and a privilege to work with Jurgen and Juliet over the last few years. Their passion, energy and love of life is very inspiring and they exhibit this both at work and in their personal lives! Jurgen and Juliet are always quick with a smile and treated everyone within our group with absolute courtesy.

I don't have to tell anyone about how much skill and effort they have put into building up Province to what it is today. We stand as the leading commercial lighting company in South Africa, employing over 150 people and indirectly supporting many families throughout the country. It is the responsibility of all of us to build on the high standards that they have set.

On behalf of the Province management team and everyone in the Rubicon Group, I would like to thank Jurgen and Juliet for what has been a very successful and enjoyable partnership, for the wisdom they've imparted, and the service they've given to the company.

I have no doubt they will enjoy this next period of their lives, although I can't imagine Jurgen every truly retiring!"

About Rubicon Group

Province Lighting forms part of Rubicon Group, positioning it perfectly to collaborate on projects and provide expert solutions that meet the needs of every client.

The world is undergoing a fundamental shift towards sustainable energy, resource efficiency and independence, and automation. Rubicon Group drives this transition through advancing the adoption of transformative technologies such as:

- renewable energy generation and storage;
- electric vehicle charging infrastructure;
- factory, warehouse, building and home automation;
- efficient lighting and lighting automation;
- holistic insights, analytics and monitoring

Our partner offering includes a curated basket of technology products, analytical services and online tools, an omni-channel purchasing experience, end-to-end logistics, access to finance, technical support and monitoring.

Rubicon Group's head office is in Cape Town, South Africa, and the group operates across South Africa and in select African and European markets, employing nearly 500 staff.

As we mentioned in our last communication to stakeholders, our mission is for Province Lighting to be the preeminent player in the lighting and building automation market in Africa. To earn the number 1 position in the market, one has to keep putting clients first, partnering with the right suppliers, and to keep moving, keep adapting, keep innovating, keep learning, and continually seek ways to improve the business. To that end, we have worked hard to ensure Jurgen's retirement will not affect our customers nor the efficient running of our business. If you have any questions or wish to discuss any aspects of Jurgen's retirement, please feel free to contact any of the directors below. We will of course be holding a farewell function for Jurgen and Juliet in due course, as soon as COVID-19 regulations allow it.

We look forward to partnering with you in the next chapter of our journey, and thank you as always for your continued support.

Yours faithfully,

The Directors of Province Lighting

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