

PRIVATE SECURITY SECTOR PROVIDENT FUND

Rule Amendment No. 5

12/8/37197

**EXTRACT FROM THE MINUTES OF A MEETING OF THE TRUSTEES HELD AT
Midland ON 4 June 2019.**

RESOLVED THAT with effect from 1 March 2019 the Rules of the Fund shall be amended as follows:

1. The definition of Registrar shall be deleted and all references to "REGISTRAR" throughout the RULES shall be replaced with references to "AUTHORITY".
2. The following definitions shall be added to, or replaced in, Rule 2:

ANNUITY shall mean a compulsory, non-commutable benefit amount payable periodically for the lifetime of a former MEMBER or other beneficiary, provided that it shall not be capable of being transferred, assigned, reduced, hypothecated, or attached by creditors and provided further that it will include a LIVING ANNUITY.

ANNUITY STRATEGY shall mean a strategy, as determined by the TRUSTEES, setting out the manner in which a MEMBER'S retirement savings may be applied, with the MEMBER'S consent, to purchase an ANNUITY or ANNUITIES on behalf of the MEMBER, in the MEMBER'S name, from a REGISTERED INSURER and which complies with the requirements of Regulation 39 to the ACT and any conduct standards, guidance notes or other circulars issued by the AUTHORITY from time to time.

AUTHORITY shall mean the Financial Sector Conduct Authority and/or the Prudential Authority established in terms of the Financial Sector Regulation Act, No. 9 of 2017.

DEFAULT INVESTMENT PORTFOLIO shall mean an investment portfolio(s) which complies with the requirements of Regulation 37 to the ACT and any conduct standards, guidance notes or other circulars issued by the AUTHORITY from time to time, in which the assets of the FUND underlying a MEMBER'S FUND CREDIT must be invested,



unless the FUND has been instructed by the MEMBER in writing to invest them in another investment portfolio provided in terms of the investment policy statement of the FUND.

LIVING ANNUITY shall mean a living annuity as defined in section 1 of the Income Tax Act, No. 58 of 1962, as amended from time to time.

MEMBER shall mean a person who having been admitted to membership of the FUND in accordance with these RULES, has not received all the benefits due to him in terms of these RULES and will include, unless otherwise indicated by the context, a PAID-UP MEMBER.

PAID-UP MEMBER shall mean:

- (a) a MEMBER who has made an election to leave his benefit in the FUND in accordance with the provisions of RULE 7.1.1.1 on termination of SERVICE for reasons other than retirement;
- (b) a MEMBER who has not made an election on termination of SERVICE but is deemed to have elected to retain his benefit in the FUND in accordance with the provisions of RULE 7.1.3;
- (c) a MEMBER in respect of whom no contributions are received and no accurately completed claim form has been received and processed and who is therefore deemed to have left SERVICE at the commencement of the 4th (fourth) month following the month in respect of which the last contributions were received and elected to retain his benefit in the FUND as envisaged in RULE 7.2.2.1, and
- (d) a MEMBER who left the SERVICE of his EMPLOYER on or after 1 March 2019 for reasons other than death or retirement and who has not elected to receive payment of his benefit from the FUND in terms of RULE 7.3.

PAID-UP MEMBERSHIP CERTIFICATE shall mean a certificate, as envisaged in Regulation 38 to the ACT, issued by the FUND to a PAID-UP MEMBER or by another APPROVED PENSION FUND or APPROVED PROVIDENT FUND to a person who became a MEMBER of the FUND.



3. The following Rule shall be added to Rule 3.2:

3.2.8 Within 4 months of a person becoming a MEMBER of the FUND, the FUND must request a list of all PAID-UP MEMBERSHIP CERTIFICATES in respect of any retirement savings of that MEMBER. The FUND must request the MEMBER to advise whether the MEMBER'S retirement savings held in respect of each PAID-UP MEMBERSHIP CERTIFICATE must be transferred to the FUND. Should the MEMBER elect to transfer his retirement savings into the FUND, the FUND must arrange on behalf of that MEMBER, in respect of each PAID-UP MEMBERSHIP CERTIFICATE, the transfer of such retirement savings into the FUND, as envisaged in RULE 9.1, without levying a charge on such amounts in respect of the transfer.

4. The following Rules shall be added to Rule 5:

5.2.5 Notification of Retirement

A MEMBER who retires in terms of RULES 5.2.1, 5.2.2, 5.2.3 and 5.2.4 give at least 3 (three) calendar months' written notice to the TRUSTEES of his RETIREMENT DATE. The TRUSTEES in consultation with the EMPLOYER may waive or reduce the period of notice required.

5.2.6 Retirement Benefits Counselling

A MEMBER must be given access to RETIREMENT BENEFITS COUNSELLING, as envisaged in the Regulations to the ACT, not less than 3 months prior to his RETIREMENT DATE.

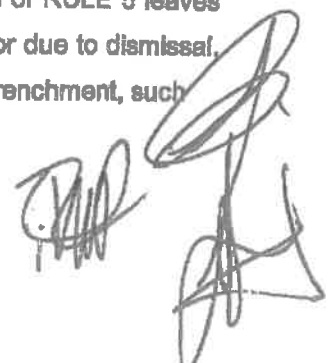
5. The following paragraph shall be added to Rule 6.1.4:

6.1.4.3 A dependant or nominee to whom such benefits or part of such benefits are allocated may elect to take such benefits as an ANNUITY purchased from a REGISTERED INSURER, in which case the relevant provisions of RULE 5.1.2 will apply.

6. Rule 7.3 shall be added to the Rule 7:

7.3 Withdrawal Benefits in respect of Paid-Up Members

7.3.1 If a MEMBER who is not qualified to retire in terms of RULE 5 leaves SERVICE, whether of the MEMBER'S own accord or due to dismissal, including dismissal for incapacity, redundancy or retrenchment, such



MEMBER will become entitled to his FUND CREDIT as at date of leaving SERVICE. Such MEMBER will become a PAID-UP MEMBER and his FUND CREDIT will be retained in the FUND.

7.3.2 No contributions are payable by or in respect of a PAID-UP MEMBER.

7.3.3 The cost of administration expenses and other expenses in respect of a PAID-UP MEMBER, as determined by the TRUSTEES, will be met via a deduction from the PAID-UP MEMBER'S FUND CREDIT.

7.3.4 A PAID-UP MEMBER may, at any time, elect in writing to the FUND:

7.3.4.1 to transfer his FUND CREDIT to an APPROVED PENSION FUND, an APPROVED PROVIDENT FUND, an APPROVED PRESERVATION PENSION FUND, an APPROVED PRESERVATION PROVIDENT FUND or an APPROVED RETIREMENT ANNUITY FUND, provided that if permitted by legislation, the PAID-UP MEMBER may elect to transfer his FUND CREDIT to more than one of the aforementioned funds; or

7.3.4.2 to receive his FUND CREDIT as a cash lump sum; or

7.3.4.3 to receive his FUND CREDIT partially as a lump sum and to transfer the remaining part in terms of RULE 7.3.4.1 above,

Provided that his FUND CREDIT will be calculated as at the date of termination of SERVICE.

7.3.5 A PAID-UP MEMBER who withdraws or transfers his benefit from the FUND in terms of RULE 7.3.4 above will have no further claim on the FUND once the benefit is paid or transferred in terms thereof and will cease to be a PAID-UP MEMBER.

7.3.6 A PAID-UP MEMBER must be given access to RETIREMENT BENEFIT COUNSELLING, as envisaged in Regulation 38 to the ACT, before any



payment or transfer as envisaged in RULE 7.3.4 above.

7.3.7 A PAID-UP MEMBER will not be entitled to any RISK BENEFITS and no premiums in respect of such benefits will be met via a deduction from the PAID-UP MEMBER'S FUND CREDIT.

7.3.8 If a PAID-UP MEMBER dies prior to his RETIREMENT DATE or the date on which he elects payment and/or transfer as envisaged in Rule 7.3.4 above, his FUND CREDIT as at the date of death will become payable and the provisions of section 37C of the ACT will apply.

7.3.9 If a PAID-UP MEMBER dies on or after his RETIREMENT DATE or on or after the date on which he elects payment and/or transfer as envisaged in Rule 7.3.4 prior to the payment of the retirement benefit, his FUND CREDIT as at the date of death will be paid in terms of section 37C of the ACT.

7.3.10 A PAID-UP MEMBER will be entitled to retire from the FUND on his RETIREMENT DATE, provided that he must have attained the age of 55 years, or he must be, in the opinion of the TRUSTEES, permanently incapable of carrying on his occupation due to sickness, accident, injury or incapacity through infirmity of mind or body. The provisions of Rules 5.1 and 5.2.5 will apply *mutatis mutandis*."


Handwritten signature and initials in black ink, appearing to be 'RUP C.' followed by a stylized flourish.

The reasons for the amendment are to:

1. *Include a new definition of Authority and replace all references to Registrar with references to Authority.*
2. *Include new, and amended, definitions of Annuity, Annuity Strategy, Default Investment Portfolio, Living Annuity, Paid-Up Member, and Paid-Up Membership Certificate.*
3. *To align the rules with the default regulations.*
4. *Update the membership rule to allow for the portability requirements of the default regulations.*
5. *Include a provision in the rule dealing with death to allow beneficiaries to elect an Annuity.*
6. *Replace the retirement rule to allow for deferment of retirement and include reference to the Annuity Strategy.*
7. *Include a rule dealing with withdrawal to introduce the default preservation provisions of the regulations to the Pension Funds Act, No. 24 of 1956*
8. *Include provisions requiring that paid-up members are given access to retirement benefits counselling as envisaged in the regulations to the Pension Funds Act, 1956.*


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Certified that the above resolution has been adopted in accordance with the provisions of the RULES of the FUND



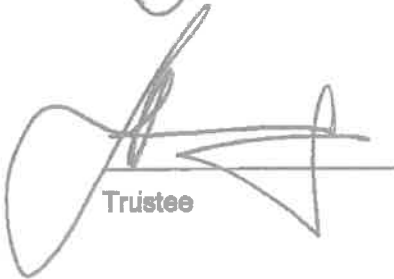
Chairperson

Itumeleng Serithi 04/06/2019
Full Name Date



Principal Officer


Peter Zibi 04/06/2019
Full Name Date

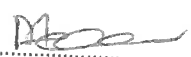


Trustee

Sonelle Lancaster 04/06/2019
Full Name Date

Certified that Rule Amendment 5 is financially sound:


PETER JOHN THEUNISSEN, FASSA
Valuator of the Fund
5 June 2019

REGISTERED in terms of
Pension Funds Act, No. 24 of 1956
18 JUL 2019

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY