

COLUMBUS RETIREMENT FUND (PENSION SECTION)

("the Fund")

Amendment Number 2

The Board Members of the Columbus Retirement Fund (Pension Section) resolve at Middelburg on 5 June 2014 that with effect from 1 June 2014 the Rules of the Columbus Retirement Fund (Pension Section) shall be amended as follows:

- 1) The following definitions shall be added and the numbering shall be adjusted accordingly:

5.2.19 "DISABILITY INCOME BENEFIT SCHEME" means a separate disability arrangement in terms of which benefits are provided for ELIGIBLE EMPLOYEES in the event of their disablement, in terms of a policy issued by a REGISTERED INSURER to the EMPLOYER.

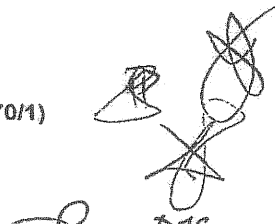
- 2) Rule 11.3.2 shall be replaced as follows:

"11.3.2 In addition to the contributions towards retirement benefits as set out in Rule 11.3.1, the EMPLOYER shall contribute monthly –

11.3.2.1 The amount required to fund the RISK EXPENSES; and

11.3.2.2 such amount as is required to fund the premium under the DISABILITY INCOME BENEFIT SCHEME, and

11.3.2.3 the cost of ADMINISTRATION EXPENSES, provided that the amount so contributed shall not exceed 3% of PENSIONABLE EMOLUMENTS."



3) Adding Rule 11.3.4 and 11.3.5

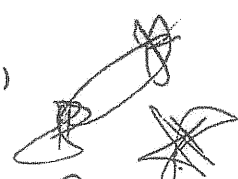
"11.3.4 The amount that the EMPLOYER contributes in terms of Rule 11.3.2 in respect of RISK EXPENSES and the premium in terms of DISABILITY INCOME BENEFIT SCHEME shall be paid to the REGISTERED INSURER(s) by the FUND."

"11.3.5 It is specifically provided that the terms and conditions applicable to the premium referred to in Rule 11.3.4 and the payment thereof are set out in the policy issued by the REGISTERED INSURER(s) with whom such benefits have been insured. Accordingly the Fund is not liable for payment of any benefits in terms of the DISABILITY INCOME BENEFIT SCHEME."

4) Rule 6.2.3 shall be deleted and replaced as follows:

"The election of MEMBER-ELECTED BOARD MEMBERS and their alternates shall be conducted in the following manner:

- (a) For each election a returning officer shall be appointed by the BOARD, and two scrutineers shall be appointed by the returning officer;
- (b) At least 60 days before an election date fixed by the returning officer, he shall cause notices to be distributed to all MEMBERS to their place of employment, giving notice of the election, stating the number of representatives and alternates to be elected, and calling for nominations for candidates to be sent to him on nomination forms conforming to the provisions of paragraph (c) so as to be received by him on or before a nomination date fixed by him, which shall not be less than 16 days before the election date;
- (c) Every nomination form shall be signed by at least two in service MEMBERS, and shall contain the full names of the nominee and an undertaking signed by the nominee that he will serve on the BOARD if elected as representative;

Handwritten signature and initials in the bottom right corner of the page.

(d) A ballot paper shall contain:

- (i) The full name and work designation of every candidate, duly nominated;
- (ii) The date of the election and the time at which the election shall close;
- (iii) Short instructions as to the manner in which the ballot paper is to be completed, including the number of candidates for whom he may vote, and send to the returning officer;

(e) The ballot papers referred to in paragraph (d) shall be distributed to MEMBERS in such manner as the returning officer may consider most convenient and expeditious and the non-receipt by a MEMBER of a ballot paper shall not invalidate the elections;

(f) Only those MEMBERS who are in the service at the nomination date fixed in terms of paragraph (b) shall be entitled to vote for employee representatives. Each such MEMBER may vote for not more than the number of candidates specified in the instructions contemplated in paragraph (d) (iii);

(g) A ballot paper shall be valid only if completed by the MEMBER by placing a cross opposite the name of each candidate for whom he votes;

(h) On completing a ballot paper as prescribed in paragraph (g), the MEMBER shall send the ballot paper to the returning officer to reach him before the time of the closing of the election indicated in the ballot paper and no ballot paper shall be accepted by the returning officer after such time;

(i) After the time for the closing of the election:

- (i) The ballot papers shall be opened, examined and counted in the presence of the returning officer and scrutineers;



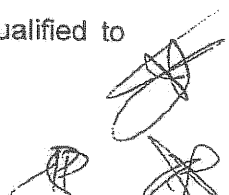
- (ii) If there is any doubt about the validity of any ballot paper, it shall be referred to the returning officer, who shall decide whether it is admissible or not;
 - (iii) When the counting has been completed, the returning officer and scrutineers shall certify in writing the number of votes cast for each candidate.
- (j) The returning officer shall declare the candidates receiving the five (5) highest number of votes to be duly elected as MEMBER-ELECTED BOARD MEMBERS, and the candidates receiving the next five (5) highest number of votes to be duly elected as alternates to such elected representatives.
- (k) The returning officer shall notify the representatives and alternates who have been elected of their election and shall circulate notices of the results of the election throughout the service."

5) Rule 6.2.2 shall be deleted and replaced as follows:

"The PRINCIPAL EMPLOYER may remove from office an EMPLOYER-appointed BOARD MEMBER or alternate at any time and may appoint a new EMPLOYER-appointed BOARD MEMBER or alternate to take his / her place in consultation with the BOARD MEMBERS."

6) Rule 6.5.9 shall be deleted and replaced as follows:

"In the event of a deadlock, the matter must be referred to the next meeting of the BOARD. Should that meeting fail to reach a decision, the matter must be referred for mediation with the mediator being appointed by the AUDITOR. Should the process of mediation fail, the matter must be referred to arbitration with the arbitrator being appointed by the BOARD and the arbitration being subject to the administration of the Arbitration Foundation of South Africa. If the BOARD cannot agree on an arbitrator, the chairman of the professional body of which the person qualified to



determine the matter are members, must appoint the arbitrator. If such appointment is not possible and/or the BOARD disagrees on the professional requirements of the arbitrator, the chairman of the Arbitration Foundation of South Africa must make the appointment."

7) Rule 6.3.1 shall be deleted and replaced as follows:

"The BOARD MEMBERS will hold office for three (3) years, provided that a BOARD MEMBER whose term of office has expired may be re-appointed or re-elected as the case may be. In the event of a delay in the election or appointment of a new BOARD MEMBER or BOARD MEMBERS following the expiry of the term of office of a BOARD MEMBER or BOARD MEMBERS, the existing BOARD MEMBERS will continue in office up to a maximum of 3 months."

8) The following provisions shall be added to the definition of "FUND CREDIT" –

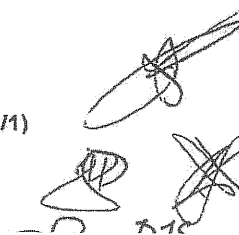
8.1) Deleting 5.2.25.4 and replacing with the following –

"5.2.25.4 NET FUND RETURNS earned on the amounts so realized until date of payment."

8.2) By inserting the following –

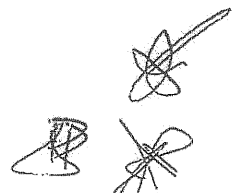
"5.2.25.5 Any additional amounts that may be allocated to MEMBER FUND CREDITS by the BOARD from the MEMBER SURPLUS ACCOUNT or in terms of a surplus apportionment in terms of Section 15C of the ACT.

Provided that the MEMBER'S FUND CREDIT shall not be less than the minimum benefits prescribed in Section 14A of the ACT."



The reasons for the amendment is—

- To amend the Rules to allow for the Fund to be used as a conduit for disability contributions.
- To amend the Rules to ensure that the Rules of the Fund comply with the provisions of section 7A(2) of the Pension Funds Act in terms of setting out the election procedure of the Board Members.
- To amend the Rules to ensure that the Rules deal with the removal of the Employer-appointed Board Member or alternate at any time to reflect that such removal will be done by the Employer in consultation with the Board for good fund governance.
- To amend the Rules to ensure that the Rules specify the procedure to be followed in case the Board cannot reach consensus on the appointment of an arbitrator.
- To amend the Rules to specify the time period for the existing Board Members to continue to hold office in case of a delay in the election or appointment of a new Board Member or Board Members.
- To update the Rules to align the terminology with the Act.



REGISTERED BY ME ON THIS THE
 17
 DAY OF SEPTEMBER 2014
 Registrar of Pension Funds

7

Certified that the above resolution has been adopted in accordance with the provisions of the Rules of the Scheme.

DPM	<u>[Signature]</u> Chairman / Trustee	<u>10/07/2014</u> Date	<u>[Signature]</u> Trustee	<u>10/07/2014 FJM</u> Date
PP	<u>[Signature]</u> Trustee	<u>10/07/2014</u> Date	<u>[Signature]</u> Principal Officer	<u>10/07/2014</u> Date

Certified that the amendment will not adversely affect the financial soundness of the Fund

[Signature]
 Dave Steere
 Fellow of the Institute of Actuaries

10 July 2014
 Date

Resolution of the Trustees of the Columbus Retirement Fund (Pension Section) taken on 5 June 2014 at Middelburg.

Resolved that the Rules of the Fund be and are hereby amended as set out in Amendment Number 2 to the Rules of the Fund.

Certified that the above resolution has been adopted in accordance with the provisions of the Rules of the Columbus Retirement Fund (Pension Section).

DPM	<u>[Signature]</u> Chairman / Trustee	<u>10/07/2014</u> Date	<u>[Signature]</u> Trustee	<u>10/07/2014</u> Date
PP	<u>[Signature]</u> Trustee	<u>10/07/2014</u> Date	<u>[Signature]</u> Principal Officer	<u>10/07/2014</u> Date

X