

COLUMBUS RETIREMENT FUND (PROVIDENT SECTION)

12/8/33171

("the Fund")

Amendment Number 3

The Board Members of the Columbus Retirement Fund (Provident Section) resolve at Middelburg on 9 June 2016 that with effect from 9 June 2016 the Rules of the Columbus Retirement Fund (Provident Section) shall be amended as follows:

- 1) Rule 5.2 shall be replaced as follows:

"5.2 Definitions and Meanings

The following words and expressions bear the meanings assigned to them below and cognate expressions have corresponding meanings, namely:

ACT means the Pension Funds Act, 1956, the regulations and conditions promulgated in terms of the Pension Funds Act, 1956, including any amendments effective from time to time and any directive issued in terms of Section 33A of the Pension Funds Act, 1956;

ACTUARY means the actuary appointed by the BOARD in terms of RULE 12.1 who is admitted as a fellow member of the Actuarial Society of South Africa or any other institution approved by the Minister of Finance by notice in the Government Gazette;

AD HOC EXPENSES means the cost of Financial Services Board levies, audit fees, bank charges, professional indemnity and fidelity guarantee insurance for the BOARD and any other costs of the FUND which cannot be pre-determined and/or are not payable on a regular monthly or annual basis, provided that expenses referred to in RULE 13.3 are specifically excluded;

ADJUDICATOR means the Pension Funds Adjudicator appointed in terms of Section 30C(1) of the ACT;



ADMINISTRATION EXPENSES means the cost of the management and administration of the FUND by the ADMINISTRATOR including any costs in relation to actuarial or consultancy services in respect of the FUND;

ADMINISTRATOR means the person or entity appointed by the BOARD in terms of RULE 6.8.11 to attend to the day by day administration of the FUND, provided that the ADMINISTRATOR must, if it is not the FUND itself, be registered in terms of Section 13B of the ACT;

APPROVED PROVIDENT PRESERVATION FUND means a fund registered in terms of the ACT and approved as a provident preservation fund by the REVENUE SERVICE;

APPROVED FUND means a fund registered in terms of the ACT and approved as a pension, provident fund or retirement annuity fund by the REVENUE SERVICE;

AUDITOR means the auditor appointed by the BOARD in terms of RULE 12.1 who must be registered under the Auditing Profession Act, 2005;

BENEFICIARY means a person who is entitled to benefits in terms of the RULES;

BENEFICIARY FUND means an association of persons or business carried on under a scheme or arrangement established with the object of receiving, administering, investing and paying benefits, referred to in Section 37C of the ACT, on behalf of BENEFICIARIES, payable on the death of a MEMBER of the FUND and the members of any other APPROVED FUND;

BOARD means the BOARD of the FUND constituted in terms of RULE 6.1;

BOARD MEMBER means a person who has been appointed or elected to serve as a member of the BOARD in terms of RULE 6.2;

CATEGORY ONE MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of four comma one percent (4,1%) of PENSIONABLE EMOLUMENTS;



CATEGORY TWO MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of five comma one percent (5,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY THREE MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of six comma one percent (6,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY FOUR MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of seven comma one percent (7,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY FIVE MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of eight comma one percent (8,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY SIX MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of nine comma one percent (9,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY SEVEN MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of ten comma one percent (10,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY EIGHT MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of eleven comma one percent (11,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY NINE MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of twelve comma one percent (12,1%) of PENSIONABLE EMOLUMENTS;



CATEGORY TEN MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of thirteen comma one percent (13,1%) of PENSIONABLE EMOLUMENTS;

CATEGORY ELEVEN MEMBER means a MEMBER who has elected in terms of RULE 11.2.1 that his EMPLOYER contribute to the FUND at the rate of fourteen comma one percent (14,1%) of PENSIONABLE EMOLUMENTS;

DEFAULT PORTFOLIO means an INVESTMENT PORTFOLIO or INVESTMENT PORTFOLIOS chosen by the BOARD to be the investment vehicle for that portion of the FUND'S assets which is not subject to an investment choice decision by a MEMBER;

DEFERRED RETIREE shall mean a MEMBER who has retired from SERVICE in terms of RULE 14.1, RULE 14.2 and RULE 14.3, and elected that his / her retirement benefit shall be retained in the FUND until the ELECTION DATE. The provisions of RULE 14.1, RULE 14.2 and RULE 14.3 shall apply to a DEFERRED RETIREE.

DEPENDANT in relation to a MEMBER means –

- (a) a person in respect of whom the MEMBER is legally liable for maintenance;
- (b) a person in respect of whom the MEMBER is not legally liable for maintenance, if such person –
 - (i) was, in the opinion of the BOARD, upon the death of the MEMBER in fact dependant on the MEMBER for maintenance;
 - (ii) was the spouse of the MEMBER which includes, for the purposes of this definition, a person who was the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, 1961, the Recognition of Customary Marriages Act, 1998, the Civil Union Act, 2006, or the tenets of a religion;

- (iii) was a child of the MEMBER including a posthumous child, an adopted child and a child born out of wedlock;
- (iv) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died;

ELECTION DATE shall mean the date on which a MEMBER retiring in terms of RULE 14.1, RULE 14.2 and RULE 14.3 elects to receive payment of his benefit in terms of paragraph 4 of the Second Schedule to the INCOME TAX ACT or, if later, the date on which the FUND receives notification of such election.

ELIGIBLE EMPLOYEE means a full time, permanent employee in SERVICE;

EMPLOYER means the PRINCIPAL EMPLOYER and those of its subsidiary companies or organisations that participate in the FUND; provided that any EMPLOYER who withdraws from the FUND in terms of RULE 23 will simultaneously cease to be an EMPLOYER for the purposes of the RULES;

FINANCIAL YEAR means the twelve (12) month period commencing on 1 January each year and ending on 31 December of the same year;

FINANCIAL YEAR END means 31 December;

FUND means the Columbus Retirement Fund (Provident Section);

FUND CREDIT means, in relation to a MEMBER / DEFERRED MEMBER at any particular date, the sum of:-

(a) the realized value of the assets held in respect of the MEMBER'S / DEFERRED MEMBER'S FUND ACCOUNT as at the date on which those assets are disinvested; plus

(b) the realized value of the assets held in respect of the MEMBER PERSONAL ACCOUNT (if any) as at the date on which those assets are disinvested; less

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- (c) expenses incurred by the FUND in the course of administration (including statutory taxes and levies), investment management, financial management, actuarial management and any other expenses not deducted from the MEMBER/ DEFERRED MEMBER contribution in terms of RULE 13, as agreed to in writing by the BOARD; plus
- (d) NET FUND RETURNS earned on the amounts so realized until date of payment, plus
- (e) 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.

INCOME TAX ACT means the Income Tax Act, 1962 including any amendments effective from time to time;

INVESTMENT EARNINGS means the investment yield, net of INVESTMENT EXPENSES, earned by the FUND from time to time which could be positive or negative, provided that in respect of a SELECTED PORTFOLIO or a DEFAULT PORTFOLIO, it will be the investment earnings applicable to that INVESTMENT PORTFOLIO;

INVESTMENT EXPENSES means any taxes, levies, fees and other costs directly related to the investment of the assets of the FUND specific to each particular INVESTMENT PORTFOLIO;

INVESTMENT PORTFOLIO means the combined holding of various asset classes which is managed or administered by an appropriately registered investment manager or investment administrator;

INVESTMENT RULES means the conditions established by the BOARD with the agreement of the ADMINISTRATOR regarding,-

- (a) The investment of the assets of the FUND;

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(b) The frequency, dates and times relating to the investment in and changes between INVESTMENT PORTFOLIOS;

(c) The costs of investing in and changing between INVESTMENT PORTFOLIOS; and

(d) Constraints as agreed between the BOARD and the ADMINISTRATORS;

MEMBER means a person who has been admitted to membership of the FUND in terms of RULE 10.1.1 (admission to membership) subject to the following conditions:

(a) A person who leaves SERVICE will remain a MEMBER until all benefits have been paid to him / her or transferred to another APPROVED FUND or REGISTERED INSURER on his / her behalf, provided that no benefits in addition to the aforementioned benefits will accrue to or in respect of him / her and he / she will not be entitled to vote for BOARD MEMBERS, and

(b) EMPLOYER in relation to a MEMBER means the EMPLOYER in whose service such MEMBER is or is deemed to be;

NOMINEE means a person, other than a DEPENDANT, who has been nominated in writing by a MEMBER to receive all or part of the death benefits provided by the FUND;

NORMAL RETIREMENT AGE means the age of sixty (60) years or the ELECTION DATE chosen by a DEFERRED RETIREE;

NORMAL RETIREMENT DATE means the last day of the month in which a MEMBER attains her NORMAL RETIREMENT AGE;

PENSIONABLE EMOLUMENTS means such portion of a MEMBER'S monthly remuneration as agreed between the MEMBER and his / her EMPLOYER and advised to the FUND from time to time, provided that PENSIONABLE EMOLUMENTS in the case of a MEMBER who is in receipt of a benefit payable in terms of the provisions of a



disability income benefit scheme will be deemed to be his / her PENSIONABLE EMOLUMENTS as at the date of commencement of the aforementioned benefit;

PRINCIPAL EMPLOYER means Columbus Stainless (Pty) Limited;

PRINCIPAL OFFICER means the person appointed by the BOARD in terms of RULE 6.10 in accordance with Section 8 of the ACT;

REGISTERED INSURER means an insurer registered in terms of the Long Term Insurance Act, 1998;

REGISTRAR means the Registrar or Deputy Registrar of Pension Funds appointed in terms of the Financial Services Board Act, 1990;

REVENUE SERVICE means the Commissioner for the South African Revenue Service as defined in the INCOME TAX ACT;

RULE or RULES means these RULES as amended from time to time including any annexure that may apply from time to time;

SELECTED INVESTMENT PORTFOLIO means the specific INVESTMENT PORTFOLIO or INVESTMENT PORTFOLIOS chosen by a MEMBER into which the assets of the FUND underlying the MEMBER'S FUND CREDIT must be invested;

SERVICE means continuous service as an ELIGIBLE EMPLOYEE of one or more of the EMPLOYERS;

UNCLAIMED BENEFIT means-

- (a) any benefit, other than a benefit referred to in (b), (c), (d) or (e) below, not paid by the FUND to a MEMBER, former MEMBER or BENEFICIARY within twenty-four (24) months of the date on which it, in terms of the RULES, became legally due and payable; or



- (b) in relation to a benefit payable to a former MEMBER who cannot be traced in accordance with Section 15B(5)(e) of the ACT, any benefit that has become legally due and payable to the former MEMBER in terms of a surplus apportionment scheme approved in terms of this ACT not paid to that former MEMBER within twenty-four (24) months of the date on which it became legally due and payable; or
- (c) any benefit that remained unclaimed or unpaid to a MEMBER, former MEMBER or BENEFICIARY in the event that the FUND applies for cancellation of registration in terms of Section 27 of the ACT or where the liquidator is satisfied that a benefit remains unclaimed or unpaid, or
- (d) a death benefit payable to a BENEFICIARY under Section 37C not paid within twenty-four (24) months from the date on which the FUND became aware of the death of the member, or such longer period as may be reasonably justified by the BOARD of the FUND in writing; or
- (e) any benefit that remained unclaimed or unpaid to a non-member spouse within twenty-four (24) months from the date of the deduction contemplated in section 37D(4)(a)(ii) of the ACT; and
- (f) ~~excluding~~ a benefit due to be transferred as part of a transfer of business in terms of Section 14 of the ACT, where an annuity is purchased in terms of RULES 14.1, 14.2 or 14.3 or otherwise in terms of the ACT; or

UNCLAIMED BENEFITS FUND means another approved fund established for the purpose of RECEIVING, MANAGING AND PAYING such unclaimed benefits in terms of APPLICABLE LEGISLATION."

- 2) RULE 11.2.1 shall be replaced as follows:

"11.2 Selection of Contribution Rate

11.2.1 On a MEMBER'S commencement of his membership of the FUND and as at the date of each salary review, the FUND must ensure that a MEMBER elects whether his

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EMPLOYER should contribute to the FUND at the rate of four comma one percent (4,1%), five comma one percent (5,1%), six comma one percent (6,1%), seven comma one percent (7,1%), eight comma one percent (8,1%), nine comma one percent (9,1%), ten comma one percent (10,1%), eleven comma one percent (11,1 %), twelve comma one percent (12,1%), thirteen comma one percent (13.1%) or fourteen comma one percent (14.1%) of his PENSIONABLE EMOLUMENTS."

- 3) RULE 13.4 shall be added as follows:

"13.4 Ad Hoc Expenses

13.4.1 The following provision will apply in respect of AD HOC EXPENSES:

13.4.1.1 AD HOC EXPENSES need not have accrued for an appropriate deduction to be made from the MEMBERS' FUND CREDIT and the DEFERRED RETIREES' FUND CREDITS and the BOARD may deduct in respect of provisions that they make to ensure impartiality among the MEMBERS and DEFERRED RETIREES of the FUND.

13.4.1.2 AD HOC EXPENSES may further be funded by way of interest earned in the bank account of the FUND other than interest allocated in terms of RULE 18.2.

13.4.1.3 Should the amount deducted from MEMBERS' FUND CREDITS and from DEFERRED RETIREES' FUND CREDITS be in excess of the amounts required to fund AD HOC EXPENSES, an appropriate credit will be made to the MEMBERS' FUND CREDITS and the DEFERRED RETIREES' FUND CREDITS."

- 4) The following shall be added to RULE 11.3.2:

"11.3.2.10 In respect of a CATEGORY TEN MEMBER, thirteen comma one percent (13,1%) of PENSIONABLE EMOLUMENTS; and



11.3.2.11 In respect of a CATEGORY ELEVEN MEMBER, fourteen comma one percent (14,1%) of PENSIONABLE EMOLUMENTS."

5) RULE 19.1 shall be replaced as follows:

"19.1 Expense Reserve Account

19.1.1 An Expense Reserve Account will be established in the FUND.

19.1.2 The purpose of the Expense Reserve Account is to fund the cost of ADMINISTRATION EXPENSES and AD HOC EXPENSES.

19.1.3 The following credit transactions will be recorded in the Expense Reserve Account:

19.1.3.1 Amounts paid to the FUND by the EMPLOYER in terms of RULE 11.3.3; plus

19.1.3.2 Amounts deducted from the MEMBERS' FUND CREDITS in respect of AD HOC EXPENSES in terms of RULE 13.4; plus

19.1.3.3 Amounts deducted from DEFERRED RETIREES' FUND CREDITS in respect of ADMINISTRATION EXPENSES and in respect of AD HOC EXPENSES in terms of RULE 14.4(b); plus

19.1.3.4 Positive INVESTMENT EARNINGS on the amount standing to the credit of the Expense Reserve Account from time to time.

19.1.4 The following debit transactions will be recorded in the Expense Reserve Account:

19.1.4.1 Amounts paid to any of the FUND'S service providers or creditors in respect of ADMINISTRATION EXPENSES and AD HOC EXPENSES; and



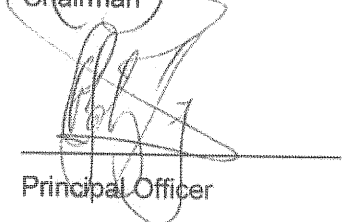



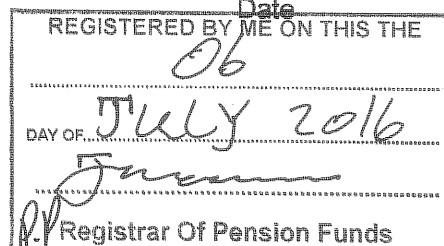
- 19.1.4.3 Any allocations made to MEMBERS' FUND CREDITS and to DEFERRED RETIREES' FUND CREDITS by the BOARD from time to time."

The reasons for the amendment are:

- To define Ad Hoc Expenses;
- To removing the numbering before each definition;
- To update the definition of Unclaimed Benefit to include unclaimed death benefits;
- To allow for Ad Hoc Expenses to be deducted from Deferred Retirees' Fund Credits;
- To create two new contribution categories;
- To allow for all deductions from Fund Credits in terms of Administration Expenses and Ad Hoc Expenses to be credited to the Expenses Reserve Account
- To allow for all expenses paid in terms of Administration expenses and Ad Hoc Expenses to be debited to the Expense Reserve Account
- To allow for allocations to Deferred Retirees from the Expense Reserve Account.

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

 Chairman	<u>9/6/2016</u> Date	 Trustee	<u>09/06/2016</u> Date
 Principal Officer	<u>9/6/2016</u> Date	 Trustee	<u>9/6/2016</u> Date



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



Dave Steere

Fellow of the Institute of Actuaries

13 June 2016

Date