

**ALEXANDER FORBES RETIREMENT FUND
(PROVIDENT SECTION)**

Amendment No. 3

The Trustees of the Alexander Forbes Retirement Fund (Provident Section) resolved at Sandton on 07/05/24 that with effect from 1 September 2024 the Rules of the Alexander Forbes Retirement Fund (Provident Section) shall be amended to make provision for changes in legislation by:

- (1) *ensuring that the Member's Fund Credit as at 31 August 2024 will form the Member's Vested Component and may be available to the Member should he exit the Fund prior to retirement;*
- (2) *ensuring that all contributions made by and on behalf of the Member that are due and payable with effect from 1 September 2024 are split between a Retirement Component and a Savings Component as required by legislation;*
- (3) *making provision for a withdrawal from the Savings Component should the Member so elect; and*
- (4) *ensuring that Members may not access their total value of their Fund Credit prior to retirement.*

by:

- (i) *replacing the following definitions in Rule 2:*

"Calculation Date" shall mean the date on which the Administrators, acting in terms of the agreed practice of the Fund, calculate the Member's benefit on the Member's retirement, death or his leaving Service in terms of Rule 7 or in order to transfer the Member's benefit from the Fund in any of the circumstances contemplated in these Rules or upon payment of a Savings Withdrawal Benefit.

“Deferred Retiree” shall mean a Member who has retired from Service in terms of Rule 5.2 and elected that his retirement benefit shall be retained in the Fund until the Election Date, subject to the provisions of Rule 5.4; provided that any Deferred Retiree in the Fund as at 31 August 2024 shall have a Savings Component established for such Deferred Retiree on or after 1 September 2024.

“Fund Credit” shall mean for each Member on or after 1 September 2024, the accumulated value of:

- (a) the Member’s Interest In The Vested Component, if applicable;
- (b) the Member’s Interest In The Savings Component, if applicable;
- (c) the Member’s Interest In The Retirement Component, if applicable;
- (d) any amount transferred to the Fund in terms of Rule 9.1;
- (e) less any amount transferred out of the Fund in terms of Rule 9.2;

and increased or decreased by the Investment Return until the Calculation Date.

“Preserved Member” shall mean a Member whose benefit on leaving Service in terms of Rule 7 has been preserved in the Fund and whose benefit has not yet become payable in terms of the Rules, provided that any Preserved Member in the Fund as at 31 August 2024 shall have a Savings Component established for such Preserved Member on or after 1 September 2024.

- (ii) *adding the following definitions to Rule 2:*

“Member’s Interest In The Retirement Component” means on or after 1 September 2024:

- (a) any amount allocated to the Retirement Component;

- (b) any amount credited to the Retirement Component;
- (c) any amounts transferred into the Retirement Component from the Member's Savings Component or Vested Component in the Fund;
- (d) reduced proportionally by an amount permitted to be deducted in terms of section 37D of the Act;
- (e) reduced by such reasonable expenses as may be determined by the Trustees from time to time;
- (f) reduced by any amount deducted in terms of Rule 11.5, including any reasonable costs incurred by the Fund in giving effect to the provisions of that Rule;

increased or decreased by the Investment Return until the Calculation Date.

"Member's Interest In The Savings Component" means on or after 1 September 2024:

- (a) any amount allocated to the Savings Component;
- (b) any amount credited to the Savings Component;
- (c) reduced proportionally by an amount permitted to be deducted on or after 1 September 2024 in terms of section 37D of the Act;
- (d) reduced by such reasonable expenses as may be determined by the Trustees from time to time;
- (e) less any amount reallocated into the Member's Retirement Component in the Fund in terms of the agreed process with the Administrator;
- (f) reduced by any amount deducted in terms of Rule 11.5, including any reasonable costs incurred by the Fund in giving effect to the provisions of that Rule;

increased or decreased by the Investment Return until the Calculation Date.

“Member’s Interest In The Vested Component means:

- (a) the value of the Member’s Fund Credit immediately prior to 1 September 2024;
- (b) any amount credited to the Member’s Vested Component on or after 1 September 2024;
- (c) reduced by any amount contemplated in paragraph (a) of the definition of Savings Component;
- (d) reduced proportionally by an amount permitted to be deducted from the Vested Component on or after 1 September 2024 in terms of section 37D of the ACT;
- (e) reduced by such reasonable expenses as may be determined by the Trustees from time to time;
- (f) less any amount reallocated into the Member’s Retirement Component in the Fund in terms of the agreed process with the Administrator;
- (g) reduced by any amount deducted in terms of Rule 11.5, including any reasonable costs incurred by the Fund in giving effect to the provisions of that Rule;

increased or decreased by the Investment Return until the Calculation Date.

“Retirement Component” shall mean a component established as at 1 September 2024 in accordance with legislation provided that:

- (a) two-thirds of the total retirement contributions due and payable to the Fund by or on behalf of the Member will be allocated to this component on or after 1 September 2024, provided that in determining the amount

of the contributions allocated to this component any charges and risk premiums deductible against such contributions must not be taken into account;

- (b) any amounts transferred from a similar component of an Approved Pension Fund, Approved Provident Fund, Approved Preservation Fund or Approved Retirement Annuity Fund on or after 1 September 2024 is allocated to this component;
- (c) the total value of the Member's Interest In The Retirement Component must be paid in terms of Rule 5.2, subject to the commutation provisions in Rule 5.5;
- (d) in the case of a person who was a Member of the Fund and who was 55 years of age or older on 1 March 2021 and remains a Member of the Fund, such person may elect to contribute to the Retirement Component, provided such election is made not later than 31 August 2025.

"Savings Component" shall mean a component established as at 1 September 2024 in accordance with legislation provided that:

- (a) a once off amount of 10 percent of the total value of the Fund Cr dit as at 31 August 2024, limited to R30 000, is allocated to this component on or after 1 September 2024, which amount will be deducted proportionately from the Member's Vested Portion and Non-Vested Portion, if applicable;
- (b) one-third of the total retirement contributions due to the Fund on or after 1 September 2024 by or on behalf of the Member will be allocated to this component on or after 1 September 2024, provided that in determining the amount of the contributions allocated to this component any charges and risk premiums deductible against such contributions must not be taken into account;

- (c) in the case of a person who was a Member of the Fund and who was 55 years of age or older on 1 March 2021 and remains a Member of the Fund, such person may elect to contribute to the Savings Component, provided such election is made not later than 31 August 2025;
- (d) any amounts transferred from a similar component of any other Approved Pension Fund, Approved Provident Fund, Approved Preservation Fund or Approved Retirement Annuity Fund on or after 1 September 2024 is allocated to this component if the member's total interest in that fund is transferred in terms of the rules of the Fund;

"Savings Withdrawal Benefit" means the amount that the Member has elected to withdraw from his Savings Component in terms of Rule 7.3.

"Vested Component" shall mean the Member's Fund Credit on 1 September 2024, provided that:

- (a) the Member's benefit in this Vested Component is subject to and must be paid in accordance with the rules of the Fund that existed immediately prior to 1 September 2024;
- (b) no contributions may be made to this Vested Component on or after 1 September 2024 except if the Fund receives any contributions after 1 September 2024 but these were due and payable before 1 September 2024 and are accordingly allocated to this component;
- (c) contributions shall continue to be allocated to the Vested Component after 1 September 2024 in the case of a person who was a Member of the Fund and who was 55 years of age or older on 1 March 2021 and remains a Member of the Fund and who did not make an election in terms of paragraph (d) of the definition of Retirement Component and paragraph (c) of the definition of Savings Component.

(iii) *replacing Rule 4.1.1(b)(iv) with the following:*

(iv) with effect from 1 September 2024:

- (a) two-thirds of the balance of the contribution shall be allocated to the Retirement Component and shall be utilised in terms of Rule 5.2;
- (b) one-third of the balance of the contribution shall be allocated to the Savings Component and may be utilised in terms of Rule 7.3; or
- (c) the contribution shall be allocated in terms of clause (c) of the definition of Vested Component.

(iv) *replacing Rule 4.2.2(b) with the following:*

(b) the balance, less the administration and such other reasonable expenses of the Fund for the month concerned shall with effect from 1 September 2024 applied as follows:

- (i) two-thirds of the contribution shall be allocated to the Retirement Component and shall be utilised in terms of Rule 5.1;
- (ii) one-third of the contribution shall be allocated to the Savings Component and may be utilised in terms of Rule 7.3; or
- (iii) the contribution shall be allocated in terms of clause (c) of the definition of Vested Component

provided that an alternative arrangement may be agreed between the Fund and the Employer from time to time for the payment of the administration and such other reasonable expenses of the Fund.

(v) *replacing Rule 4.3 with the following:*

4.3.1 A Member may make additional contributions to the Fund to secure greater benefits in accordance with such conditions and procedures as the Employer, with the agreement of the Trustees, may prescribe from time to time. The payment of additional contributions to the Fund shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated as set out in Rule 4.1.1(b)(iv).

4.3.2 An Employer may make additional contributions to the Fund to secure greater benefits for the Member in accordance with such conditions and procedures as the Trustees may require from time to time. The payment of additional contributions to the Fund shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated to as set out in Rule 4.2.2(b).

(vi) *replacing Rule 5.1 with the following:*

5.1 Benefit

5.1.1 With effect from 1 September 2024 a Member who has retired from Service in terms of Rule 5.2 shall become entitled to a Pension of such amount as can be purchased by his Fund Credit plus, if applicable, the benefit referred to in Rule 6.2.1 or Rule 6.3.1, after the exercise of any option in terms of Rule 5.5. The Pension shall be purchased from an Insurer in accordance with Rule 5.1.2.

5.1.2 A Pension which becomes payable in terms of Rule 5.1.1 shall be purchased as an annuity or annuities in the Member's name from an Insurer of the Member's choice. The terms and conditions applicable to such annuity or annuities, including

options elected by the Member and the determination of any benefits arising on his death, shall be agreed between the Member and the Insurer and shall be set out in writing by the Insurer, provided that:

- (a) the annuity or annuities so purchased shall be subject to the provisions of the Income Tax Act, 1962, and any other applicable legislation from time to time; and
- (b) on purchase of the annuity or annuities in terms of this Rule, the Fund shall have no further liability in respect of the Member, such liability resting with the Insurer from whom such annuity or annuities are purchased.

5.1.3 Notwithstanding the provisions of Rule 5.1.1, a Member who has retired from Service in terms of Rule 5.2 may at any time prior to the Election Date, elect to transfer his Fund Credit plus, if applicable, the benefit referred to in Rule 6.2.1 or Rule 6.3.1, to an Approved Retirement Annuity Fund or an Approved Preservation Fund.

(vii) *replacing Rule 5.4 with the following:*

5.4 Provisions applicable to a Deferred Retiree

The following provisions shall apply to a Member who has retired from Service in terms of Rule 5.2 and has elected to become a Deferred Retiree:

- (a) after the date on which the Deferred Retiree retires from Service of the Employer in terms of Rule 5.2:
 - (i) contributions by, if any, and in respect of the Deferred Retiree in terms of Rule 4 shall cease; and

- (ii) the Insured Death Portion and the Additional Cover, if applicable shall not become payable if the Deferred Retiree dies before the Election Date;
 - (iii) except in the case of a Member who retires from Service in terms of Rule 5.2.3 as a result of Disablement or on becoming Terminally Ill, the Insured Disability Portion or the Terminal Illness benefit as applicable, shall not become payable if the Deferred Retiree becomes disabled or if he becomes Terminally Ill, before the Election Date;
- (b) the Vested Component, Retirement Component and Savings Component of the Deferred Retiree, plus the Insured Disability Portion or Terminal Illness Benefits, in the case of a Member who was retired from Service in terms of Rule 5.2.3 as a result of Disablement or Terminal Illness, if applicable, including any amount transferred to the Fund in terms of Rule 9.1 after becoming a Deferred Retiree, shall be retained in the Fund and shall be debited with such reasonable expenses as the Trustees may determine and increased or decreased by the Investment Return until the Calculation Date;
- (c) the benefit referred to in (b) above shall become payable in the following circumstances:
 - (i) the Member may elect to be paid a Savings Withdrawal Benefit in accordance with the provisions of Rule 7.3 before the Election Date;

- (ii) in terms of Rule 5.2 or Rule 6.2, if applicable, or Rule 6.3, if applicable, to the Deferred Retiree on the Election Date; or
- (iii) in terms of Section 37C of the Act if the Deferred Retiree dies before the Election Date; or
- (iv) earlier, if the Deferred Retiree elects that the benefit be transferred to an Approved Retirement Annuity Fund or Approved Preservation Fund in terms of Rule 5.1.3.

Notwithstanding anything else contained in the Rules, a Deferred Retiree will assume the obligations of the Employer and the Management Committee, as applicable.

(viii) *replacing Rule 5.5 with the following:*

5.5 Commutation of Pension

On the Election Date, prior to the purchase of his Pension in terms of Rule 5.1.2, a Member may elect to commute for a lump sum:

- (a) all or part of his Savings Component, if applicable, taxed in accordance with the retirement tax table;
- (b) all or part of his Vested Portion, if applicable, taxed in accordance with the retirement tax table;
- (c) if two thirds of the Non-Vested Portion plus the Retirement Component does not exceed the limit set by the relevant legislation from time to time, all or part of the Non-Vested Portion; plus all or part of the Retirement Component taxed in accordance with the retirement tax table.

(ix) *replacing Rule 7.1 with the following:*

7.1 Benefit

If a Member who has not reached Normal Retirement Date leaves Service in circumstances not provided for elsewhere in these Rules, he shall become eligible to receive a benefit equal to his Vested Component and his Savings Component, subject to Rule 7.3 and provided that the Member may not receive any lump sum payment from his Interest In The Retirement Component.

(x) *replacing Rule 7.2.1 with the following:*

7.2.1 The benefit in terms of this Rule shall be preserved in the Fund in accordance with the provisions of Rule 21, and subject to Rule 11.2, unless upon leaving Service the Member elects:

- (a) that all or part of the Member's Interest In The Vested Component be paid to him as a lump sum; provided that where a part payment is taken, the balance of the Member's Fund Credit must be transferred out of the Fund; or
- (b) that all or part of the Member's Interest In The Savings Component be paid to him as a lump sum, subject to the requirements of Rule 7.3; or
- (c) that the Member's Interests In The Retirement Component, Vested Component and Savings Components must be transferred to similar components in another Approved Provident Fund, an Approved Pension Fund, Approved Retirement Annuity Fund or Approved Preservation Fund; or

- (d) that part of the Member's Interests In The Retirement Component, Vested Component and Savings Components must be transferred to similar components in another Approved Provident Fund, an Approved Pension Fund, Approved Retirement Annuity Fund or Approved Preservation Fund and that the remaining parts of the Member's Interests In The Retirement Component, Vested Component and Savings Components be transferred to similar components in a different Approved Provident Fund, an Approved Pension Fund, Approved Retirement Annuity Fund or Approved Preservation Fund.

provided that if a Member elects option (a), (b), (c) or (d) above the benefit shall be paid to him or transferred to another fund.

(xi) *adding the Rule 7.3 to the Rules as follows:*

7.3 Savings Withdrawal Benefit

- 7.3.1 With effect from 1 September 2024, the Member may take one Savings Withdrawal Benefit from his Savings Component in every tax year of assessment, unless payment of the Savings Withdrawal Benefit is suspended in terms of section 37D of the Act.
- 7.3.2 The value of each Savings Withdrawal Benefit, before taking into account any reasonable charges or transaction costs, may not be less than R2000 or such amount as per legislation.

- 7.3.3 The Savings Withdrawal Benefit will be subject to tax at the Member's marginal rate.
- 7.3.4 Where a Member has multiple Savings Components in the Fund, one Savings Withdrawal Benefit per tax year of assessment may be made from each Savings Component.
- 7.3.5 Where a Member's employment is terminated in any year of assessment and such Member has already taken a Savings Withdrawal Benefit from the Savings Component in that tax year of assessment and the value of the Member's benefit in the Savings Component is less than R2000, or such amount as per legislation, such Member may be allowed a second Savings Withdrawal Benefit of the total balance in the Savings Component.
- 7.3.6 Where a Member's employment is terminated in any year of assessment and such Member has already taken a Savings Withdrawal Benefit from the Savings Component in that tax year of assessment and the value of the Member's benefit in the Savings Component is more than R2000, or such amount as per legislation, such Member shall become a Preserved Member and the provisions of Rule 21 shall apply to such Member or such Member may transfer the full balance of their Savings Component in terms of Rule 7.2.1(c).

(xii) replacing Rule 9.1 with the following:

9.1 Transfers into the Fund

- 9.1.1 If a Member or a group of Members transfers to the Fund from a Previous Fund, the Fund shall receive from the Previous

Fund the amount payable to the Fund in respect of each such Member. Such amount shall be applied under the Vested Component, Retirement Component and Savings Component as applicable and as received.

9.1.2 If a Member who is a member of any other Approved Provident Fund, an Approved Pension Fund or Approved Preservation Fund chooses to transfer the benefit to which he is entitled on leaving that fund into the Fund, the amount so transferred shall be applied under the Member's Vested Component, Retirement Component and Savings Component as applicable.

9.1.3 The Fund may also accept transfer from an Approved Pension Fund, Approved Provident Fund or Approved Preservation Fund of an amount in respect of a Member who has elected to transfer to the Fund an amount awarded to such person in terms of a court order contemplated in Section 7(8) of the Divorce Act 1979. The amount so transferred shall be applied under the Member's Vested Component, Retirement Component and Savings Component as applicable.

9.1.4 Subject to such conditions as may be decided by the Trustees from time to time, the Fund may accept transfer from a Previous Fund of any amounts classified as unclaimed benefits by the trustees of such Previous Fund and which remain in that Previous Fund; provided that such amounts have been transferred to the Fund in terms of a scheme for transfer in accordance with Section 14 of the Act and are not benefits payable to the beneficiary of a member of a Previous Fund due to the death of such person while a member of such fund. Such amount shall be applied under the Vested Component, Retirement Component and Savings Component as applicable and as received.

9.1.5 The Fund shall also accept transfer from a Previous Fund of any amounts retained in the Previous Fund in the case of a Transferred Deferred Member and a Transferred Deferred Retiree. Such amount shall be applied under the Vested Component, Retirement Component and Savings Component as applicable and as received.

(xiii) *replacing Rule 9.2.3 with the following:*

9.2.3 Transfer in terms of Section 197 of the Labour Relations Act

Notwithstanding any other provisions of these Rules, in the event of a transfer of the Employer's business contemplated in Section 197 of the Labour Relations Act, 1995, no Member affected by such transfer shall become entitled to a benefit in terms of Rule 7.1. The Trustees shall arrange for the Vested Component, Retirement Component and Savings Component if applicable of such Member to be transferred to an Approved Pension Fund or Approved Provident Fund in which his new employer participates; provided that, depending on the provisions of the agreement governing the transfer of business contemplated in Section 197 of the Labour Relations Act, 1995, and, if applicable, the terms and conditions of the Member's contract of employment with his new employer and if the Member so elects, the Trustees may arrange for the transfer of the Member's Vested Component, Retirement Component and Savings Component if applicable to:

- (a) an Approved Retirement Annuity Fund; or
- (b) an Approved Preservation Fund.

On finalisation of the transfer of his benefit in terms of the above, the Member shall cease to be a Member of the Fund.

(xiv) *replacing Rule 10.1.2(c)(ii):*

- (ii) if the Member so requests, be paid to the Member as a lump sum benefit; provided that the Retirement Component must be transferred to another Approved Provident Fund, Approved Pension Fund, Approved Retirement Annuity Fund or an Approved Preservation Fund;

(xv) *replacing Rule 10.2.2(c)(ii):*

- (ii) if the circumstances envisage in (i) above are not applicable and if all benefits in the part of the Fund in which the withdrawing Employer participates have accrued prior to the Partial Termination Date, the Trustees, shall arrange for:

- (aa) the Member's Retirement Component either be transfer to another Approved Provident Fund, Approved Pension Fund, Approved Retirement Annuity Fund or an Approved Preservation Fund; or

- (bb) the Member's Retirement Component be retained in the Fund and for the Member to become a Preserved Member, in which case the provisions of Rule 21 shall apply; and

- (cc) all benefits not regarded as part of the Member's Retirement Component be paid in terms of the Rules of the Fund; and

on finalisation of such payments, shall apply to the Authority for the registration of the Fund in which this Employer participates to be cancelled in terms of Section 27(1)(a) of the Act;

(xvi) *replacing Rule 11.5 with the following:*

11.5 Subject to the provisions of the Act, the Trustees shall have the right to make such proportionate deductions from the Vested Component, Retirement Component and Savings Component, if applicable of a Member as are permitted in terms of Section 37D(1)(d) of the ACT.

(xvii) *adding the Rule 17.10 to the Rules as follows:*

17.10 In the event that a Member ceases to be a South African tax resident, the limitations and requirements as set out in the Income Tax Act, 1962 shall be applied.

(xviii) *replacing Rule 21 with the following:*

21. Provisions applicable to a Preserved Member

The following provisions shall apply to a Preserved Member:

- (a) after the date of leaving Service no further contributions in terms of Rule 4 shall be made by or in respect of the Preserved Member and no deductions shall be made from his benefit, in respect of any risk benefits;
- (b) the Vested Component, Retirement Component and Savings Component of the Preserved Member, if applicable, including any amount transferred to the Fund in terms of Rule 9.1 after becoming a Preserved Member, shall be retained in the Fund and shall be debited with:
 - (i) such reasonable expenses as the Trustees may determine, and

(ii) any amount deducted in terms of Rule 17.8;

and increased or decreased by the Investment Return until the Calculation Date;

(c) on the Preserved Member electing prior to attaining Normal Retirement Date:

(i) that all or part of the Member's Interest In The Vested Component be paid to him as a lump sum; provided that where a part payment is taken, the balance of the Member's Fund Credit must be transferred out of the Fund; or

(ii) that a portion of the benefit be paid to him as a Savings Withdrawal Benefit in accordance with the provisions of Rule 7.3;

(iii) that the benefit be transferred to another fund in accordance with the provisions of Rule 7.2.1(c); or

(iv) that part of the benefit be paid to him as a lump sum and the balance be transferred to another fund in accordance with the provisions of Rule 7.2.1(d); or

(v) on the Preserved Member electing on or after attaining Normal Retirement Date but before retirement from the Fund that the benefit be transferred to an Approved Retirement Annuity Fund or Approved Preservation Fund;

whichever event in (i), (ii), (iii), (iv) or (v) above occurs first;

- (d) each Preserved Member shall have access to retirement benefits counselling before electing that the benefit referred to in (b) above is paid and/or transferred in terms of the options under (c) above.
- (e) on the death of the Preserved Member the benefit in (b) above shall be paid to his beneficiaries in terms of Section 37C of the ACT.

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

Signed by: John Leon Liackman
Signed at: 2024-05-08 09:57:25 +02:00
Reason: Witnessing John Leon Liackman



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Chairperson of Trustees

Signed by: Nazley Sallie
Signed at: 2024-05-07 18:02:26 +02:00
Reason: I approve this document



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Trustee

Signed by: Nomonde Zwane
Signed at: 2024-05-07 11:40:47 +02:00
Reason: I approve this document



.....
Principal Officer



Certified that the above amendments are financially sound.

Gerda Grobler

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Actuary to the Fund

Signed by: Gerda Grobler
Signed at: 2024-05-08 09:00:30 +02:00
Reason: I approve this document



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Signature

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Qualifications