

PHUMULA RETIREMENT FUND

12/8/390/1

Rule Amendment No. 4

Extract of the minutes of the meeting of the Board of Trustees of the Phumula Retirement Fund ("the Fund") held virtually at Johannesburg on 7 October 2022.

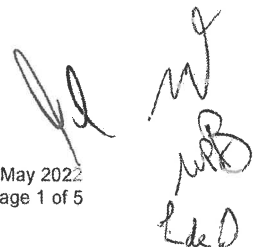
- A) The Board of Trustees of the Fund unanimously resolved in terms of Rule 40.2(a) that the Rules be amended as follows with effect from 1 May 2022.

Replacement of Rule 13(5) with the following:

"(5) Notwithstanding any other provisions of this RULE, the TRUSTEES shall allow a retiring MEMBER to utilise his ACTUARIAL INTEREST, less any lump sum taken in terms of RULE 11(a) and less any amount commuted in terms of RULE 22, to purchase an ANNUITY from a REGISTERED INSURER. In such case, the following shall apply:

- (a) the ANNUITY shall be purchased in the name of the retiring MEMBER, from a REGISTERED INSURER chosen by such retiring MEMBER and the terms and conditions applicable to such ANNUITY, including options elected by the retiring MEMBER, and the determination of any benefits arising on his death, shall be agreed between such person and the REGISTERED INSURER and set out in writing by the REGISTERED INSURER;
- (b) the ANNUITY so purchased shall be subject to the provisions of the INCOME TAX ACT, and any other applicable legislation from time to time.

Whereafter the FUND shall have no further liability in respect of the retiring MEMBER."

Handwritten signatures of the Board of Trustees, including a large signature on the left and several smaller ones on the right.

B) The Board of Trustees of the Fund unanimously resolved in terms of Rule 40.2(a) that the Rules be amended as follows with effect from 1 November 2022.

1. Replacement of Rule 3.1 with the following:

"3.1 The FUND shall be administered by a COMMITTEE consisting of:

- (a) 12 (twelve) REPRESENTATIVES and up to 12 (twelve) alternates; and
- (b) INDEPENDENT TRUSTEES, not exceeding 2 (two) in number; and
- (c) No TRUSTEES appointed by the EMPLOYER,

Provided that:

With effect from the date on which the 2026 elections have been completed, the FUND shall be administered by a COMMITTEE consisting of:

- (d) 10 (ten) REPRESENTATIVES and up to 10 (ten) alternates; and
- (e) INDEPENDENT TRUSTEES, not exceeding 2 (two) in number; and
- (f) No TRUSTEES appointed by the EMPLOYER,

Provided further that:

With effect from the date on which the 2031 elections have been completed, the FUND shall be administered by a COMMITTEE consisting of:

- (g) 6 (six) REPRESENTATIVES and up to 6 (six) alternates; and
- (h) 1 (one) INDEPENDENT TRUSTEE; and
- (i) No TRUSTEES appointed by the EMPLOYER."

2. Replacement of Rule 3.2 with the following:

"3.2 The number of IN-SERVICE MEMBER REPRESENTATIVES and PENSIONER REPRESENTATIVES shall be determined by the COMMITTEE prior to each election proportionally according to the number of MEMBERS who are in THE SERVICE and the number of MEMBERS who are PENSIONERS or the surviving SPOUSES of deceased PENSIONERS, rounding off the number of each class of REPRESENTATIVE as fairly as possible to reflect the proportionality of membership in the FUND; **provided that** there shall be at least one IN-SERVICE MEMBER REPRESENTATIVE whilst there remains MEMBERS who are in THE SERVICE and there is an IN-SERVICE MEMBER who will accept the nomination as a REPRESENTATIVE."

3. Replacement of Rule 3.5 (c) with the following:

"(c) Every nomination form shall be signed by at least 2 (two) IN-SERVICE MEMBERS, in the case of the IN-SERVICE MEMBER REPRESENTATIVES, or at least 2 (two) PENSIONERS, in the case of the PENSIONER REPRESENTATIVES, and shall contain the full names of the nominee and an undertaking signed by the nominee that he will serve on the COMMITTEE if elected as a REPRESENTATIVE;"

4. Replacement of Rule 3.5 (d)(i) with the following:

"(i) the full name and work designation of every candidate, or, in the case of a candidate for election as a PENSIONER REPRESENTATIVE, his last work designation in THE SERVICE before retirement, duly nominated;"

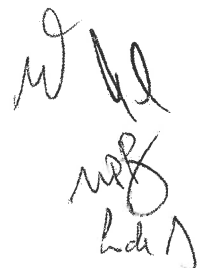
5. Replacement of Rule 3.5 (j) with the following:

"(j) the returning officer shall declare the candidates receiving the highest number of votes in each category referred to in RULE 3.1 to be duly elected REPRESENTATIVES and the candidates receiving the next highest number of votes in each category referred to in RULE 3.1 to be duly elected as alternate REPRESENTATIVES, provided that, if any 2 (two) or more candidates have received an equal number of votes, the order in which they are placed shall be determined by lot;"

6. Deletion of the current Rule 3.9 and replacement with the following:

"3.9 If a vacancy of a REPRESENTATIVE occurs in terms of RULE 3.7, the alternate who received the highest number of votes in the most recent election, in the category referred to in RULE 3.2 from which the vacancy arises, shall act in his place for the balance of the period for which he was elected or appointed; **provided that**

If no alternate exists, then an election shall take place in terms of RULE 3.5 for the REPRESENTATIVE vacancy as well as for alternates in the category referred to in RULE 3.2 from which the vacancy arises, and the newly elected REPRESENTATIVE and alternates shall serve for the balance of the period for which the REPRESENTATIVE was elected or appointed."



The purpose of this Rule Amendment is to:

1. Ensure that MEMBERS retiring outside of the Fund after normal retirement age receive a benefit calculated in the same way as the calculation undertaken for members retiring outside the Fund before normal retirement age. The previous Rule allowed for the actual factors applicable to the member, which would reduce the member's value if the member did not have an eligible spouse (amendment to RULE 13.5).
2. Clarify that the COMMITTEE currently consists of 12 REPRESENTATIVES and up to 12 alternate REPRESENTATIVES by explicitly referring to the number of alternative REPRESENTATIVES in Rule 3.1(a). References to alternate REPRESENTATIVES previously existed in Rule 3.3, Rule 3.5, Rule 3.7, Rule 3.8 and Rule 3.9.
3. Reduce the size of future COMMITTEES in line with future expected reductions in the FUND membership.
4. Ensure the ratio of PENSIONER REPRESENTATIVES and IN-SERVICE MEMBER REPRESENTATIVES fairly represents the membership of the FUND (amendment to Rule 3.2).
5. Remove the link between a specific REPRESENTATIVE and his/her specific alternate REPRESENTATIVE. Therefore, the election of REPRESENTATIVES and alternate REPRESENTATIVES will be made according to the number of votes received in the election process, with the nominees receiving the highest number of votes being elected as REPRESENTATIVES and the nominees receiving the next highest number of votes being elected as alternate REPRESENTATIVES.
6. Remove reference to persons who stood as alternates in Rule 3.5(j) because persons are no longer standing as alternates to candidates.
7. Remove the need for an alternate REPRESENTATIVE to sign an undertaking to serve in place of his/her REPRESENTATIVE in Rule 3.5(c) given that an alternative REPRESENTATIVE is no longer linked to a specific REPRESENTATIVE.
8. Remove the reference in Rule 3.5(d)(i) to the ballot paper including alternative REPRESENTATIVE information given that candidates are no longer being nominated as a candidate and alternate pair.
9. Amend the approach to replacing REPRESENTATIVES who cease to hold office given that no REPRESENTATIVES will have a matched alternate REPRESENTATIVE, by replacing Rule 3.9.

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10. Simplify the election of REPRESENTATIVES by not requiring six signatures on the nomination forms.

It is hereby confirmed that no amendments other than those above have been made to the RULES.

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


.....
CHAIRMAN OF THE BOARD

.....01/12/2022.....
Date

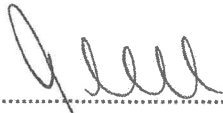

.....
PRINCIPAL OFFICER

.....01/12/2022.....
Date


.....
MEMBER TRUSTEE

.....01/12/2022.....
Date

Certified that these amendments are financially sound


.....
JEANINE ASTRUP
VALUATOR TO THE FUND

.....01/12/2022.....
Date

