

# AMENDMENT NO. 3

TO THE REVISED RULES OF THE  
**CORPORATE SELECTION UMBRELLA RETIREMENT FUND**  
PF: 12/8/27024  
(EFFECTIVE FROM 1 NOVEMBER 2015)

underwritten by

**LIBERTY GROUP LIMITED**  
REG. NO.: 1957/002788/06  
and its  
**ASSOCIATED COMPANIES**

and administered by

**LIBERTY CORPORATE**  
A division of Liberty Group Limited

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**CORPORATE SELECTION UMBRELLA RETIREMENT FUND  
RESOLUTION AND CERTIFICATION**

Resolution taken by the BOARD OF TRUSTEES of the CORPORATE SELECTION UMBRELLA RETIREMENT FUND (**the FUND**) ~~at~~ via Board Virtual Teams meeting on 28 June 2021.

**RESOLVED** that, the 2015 Revised Rules of the Fund (**the Revised Rules**) be amended for the following:

- A.** With effect from 1 March 2018, the Revised Rules are amended in order to reflect the changes to the Income Tax Act, No. 58 of 1962 (**the ITA**), in order to remove the 12 months limitation on joining the Fund.
- B.** With effect from 01 March 2019 the Revised Rules are amended for the following reasons:
- i To remove any reference to partial benefit withdrawal or transfer for PRESERVER MEMBERS in order to comply with the ITA by replacing Section 6 Rule 6.1.4 and Section 7 Rules 7.1.2 and 7.1.3;
  - ii To remove the term “ring fenced” from clause (a)(i) of the definition of SHARE OF THE FUND in relation to a PRESERVER MEMBER'S benefit as any preserved amounts transferred into this FUND from any other approved funds will be included into the MEMBER'S SHARE OF FUND record as an preserved amount and will therefore not be ring-fenced separately;
  - iii To replace clause 6.6.6 of Rule 6.6 in order to align the Revised Rules with the Pension Funds Act (**the PFA**) Regulation 39(2)(c);
  - iv To replace clause 7.5.6 of Rule 7.5 in order to align the Revised Rules with the PFA Regulation 38 (1).
- C.** With effect from 01 January 2021 the Revised Rules are amended for the following reasons:
- i To add a definition of UNPAID BENEFITS to allow for benefits to be transferred to an unclaimed benefit fund in the event of the discontinuance of a PARTICIPATING EMPLOYER.
  - ii To amend clause 3.1.2 of Rule 3.1 - Composition - in order to make provision for the SPONSOR to appoint alternate trustees to the BOARD OF TRUSTEES. The alternate will represent the absent member of the BOARD OF TRUSTEES
  - iii To add a new clause 3.5.13 to Rule 3.5 which gives the BOARD OF TRUSTEES the authority to terminate at their discretion an EMPLOYER'S participation in the FUND in cases where the BOARD OF TRUSTEES in conjunction with the SPONSOR deem the EMPLOYER'S participation in the FUND undesirable. The RULES currently do not provide for the FUND to terminate the participation of a PARTICIPATING EMPLOYER (other than for

instances relating to the non-compliance by the PARTICIPATING EMPLOYER with the RULES of the FUND, the ACT, or other applicable laws). Since the BOARD OF TRUSTEES has the power to decide whether to admit a PARTICIPATING EMPLOYER to participate in the FUND, likewise, it is imperative that the BOARD OF TRUSTEES also have a corresponding power to terminate the participation of a PARTICIPATING EMPLOYER should the BOARD OF TRUSTEES be of the opinion that the PARTICIPATING EMPLOYER'S continued participation in the FUND has become undesirable and/or untenable for the ongoing and sound administration of that PARTICIPATING EMPLOYER or the FUND.

- iv To amend Rule 3.14.2(d)(i) to allow the BOARD OF TRUSTEES to report any non-compliance by an EMPLOYER with the provisions of the PFA, and any other applicable legislation including the Financial Intelligence Centre Act, No. 38 of 2001.
  - v To add a new clause 4.2.4 to Rule 4 allowing the BOARD OF TRUSTEES to effect a termination of membership of a MEMBER due to non-compliance by such MEMBER with the Financial Intelligence Centre Act, No. 38 of 2001 and any Amendments, as required by the relevant Authority.
  - vi To add a new clause 11.1.11 to Rule 11 making provision for UNPAID BENEFITS as described above.
  - vii To add a new clause 11.4 to Rule 11 allowing the BOARD OF TRUSTEES to terminate the participation of an EMPLOYER due to non-compliance by such EMPLOYER with the Financial Intelligence Centre Act, No. 38 of 2001 and any Amendments, as required by the relevant AUTHORITY.
- D. With effect from 01 March 2021 Rule Amendment No.2 shall be amended for the following reason:
- i To give the BOARD OF TRUSTEES discretion to extend the period for which retirement contributions may be temporarily suspended, beyond the current 12 months by amending Clause 5.7.4(b) of Rule 5.7.

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

<hr/> <b>CHAIRPERSON OF THE BOARD OF TRUSTEES DAVID MORRIS</b>	<hr/> <b>DATE</b>
<hr/> <b>MEMBER OF THE BOARD OF TRUSTEES MICHAEL CLIFFORD</b>	<hr/> <b>DATE</b>
<hr/> <b>PRINCIPAL EXECUTIVE OFFICER ROGER SPENCE</b>	<hr/> <b>DATE</b>
<hr/> For and on behalf of <b>LIBERTY GROUP LIMITED</b>	<hr/> <b>DATE</b>

**Certificate by the Valuator of the FUND in terms of the provisions of the ACT:**

I,



Electronic signature by  
Michael de Villiers  
(Date: 30 June 2021)

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**VALUATOR**

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**DATE**

hereby certify that this Rule Amendment No.3 is financially sound.

A. With effect from 01 March 2018 Rule 4.1 shall be replaced as follows:

#### **4.1 ELIGIBILITY AND PARTICIPATION**

- 4.1.1 An ELIGIBLE EMPLOYEE at the COMMENCEMENT DATE or PARTICIPATION DATE may elect to join the FUND or may elect to join at any other date. An ELIGIBLE EMPLOYEE as advised to the FUND will become a MEMBER of the FUND on the first day of the month in which the FUND is notified by the EMPLOYER in writing.
- 4.1.2 An Employee, who at the COMMENCEMENT DATE or PARTICIPATION DATE, as is applicable, is not an ELIGIBLE EMPLOYEE, may choose to join the FUND on the first day of the month in which he becomes an ELIGIBLE EMPLOYEE, or on the first day of any other month thereafter.
- 4.1.3 Any person employed by an EMPLOYER after the COMMENCEMENT DATE or PARTICIPATION DATE as is applicable, shall, as a condition of employment, join the FUND on the first day of the month on which he becomes an ELIGIBLE EMPLOYEE. Such an ELIGIBLE EMPLOYEE may not refuse to become a MEMBER.
- 4.1.4 An ELIGIBLE EMPLOYEE who becomes a MEMBER may be requested to produce such evidence as to the state of his health to the BOARD OF TRUSTEES at the expense of the EMPLOYER.
- 4.1.5 A MEMBER who becomes entitled to a disability benefit in terms of the provisions of the INCOME PLAN, will be deemed for the purposes of the FUND, to remain employed by the EMPLOYER while receiving such benefit and will remain a MEMBER of the FUND. CONTRIBUTIONS by the MEMBER will continue to be payable.
- 4.1.6 An Employee who becomes a MEMBER must remain a MEMBER of the FUND whilst he remains an ELIGIBLE EMPLOYEE.
- 4.1.7 All MEMBERS shall be bound by these RULES and it shall be deemed that MEMBERS have given permission to their

EMPLOYER to deduct from their remuneration any CONTRIBUTIONS that are payable by them.

4.1.8 A person who is recorded:

- (a) as a Deferred Retiree or similar membership status in a previous fund; or
  
- (b) as a Preserver Member or similar membership status in a previous fund and who applies for his benefit to be transferred from the previous fund into this FUND, is entitled to be accepted in this FUND as a DEFERRED RETIREE or as a PRESERVER MEMBER as may be applicable, together with his TRANSFER CREDIT; subject to that person meeting the MEMBERSHIP criteria prescribed in these RULES governing DEFERRED RETIREES or PRESERVER MEMBERS.

4.1.9 An EMPLOYER shall ensure that all ELIGIBLE EMPLOYEES are admitted as MEMBERS of the FUND. An ELIGIBLE EMPLOYEE shall not be considered a MEMBER until his EMPLOYER has enrolled him as such. Relevant details of every ELIGIBLE EMPLOYEE shall be provided in the manner prescribed by the ADMINISTRATOR.

**B.** With effect from 01 March 2019:

1. Point (i) of (a) under the definition of SHARE OF THE FUND shall be replaced as follows:

- (i) The PRESERVER BENEFIT, if applicable; plus

2. The last paragraph of Rule 6.1.4 shall be replaced as follows:

At retirement, the PRESERVER MEMBER shall be entitled to purchase an annuity with his PRESERVER BENEFIT after allowing for any amounts that have been commuted for a cash lump sum in terms of Rule 6.5.

3. Rule 6.6.6 shall be replaced as follows:

6.6.6 The administration fees in respect of DEFERRED RETIREES must be fair, reasonable and commensurate with the cost of providing the administration service to MEMBERS still in the service of their EMPLOYERS.

4. Rule 7.1.2 and Rule 7.1.3 shall be replaced as follows:

7.1.2 A MEMBER, including a PRESERVER MEMBER but excluding a DEFERRED RETIREE, may elect that his cash withdrawal benefit be transferred to another APPROVED FUND, subject to any legislative limitations that may be prevailing at the time.

7.1.3 A PRESERVER MEMBER may at any time before his elected retirement age, elect to withdraw his PRESERVER BENEFIT from the FUND, subject to any legislative limitations that may be prevailing at the time.

5. Rule 7.5.6 shall be replaced as follows:

7.5.6 The administration fees in respect of PRESERVER BENEFITS must be fair, reasonable and commensurate with the cost of providing the administration service to MEMBERS still in the service of their EMPLOYERS.



**C.** With effect from 01 January 2021:

1. The following definition Unpaid Benefits shall be added to Section 2 definitions:

**"UNPAID BENEFITS"** means in respect of a MEMBER who exited from the service of the PARTICIPATING EMPLOYER and whose benefit has been outstanding for less than 24 months.

2. Rule 3.1.2 shall be amended as follows:

3.1.2 (a) The BOARD OF TRUSTEES shall consist of 8 persons, 50% of whom shall be INDEPENDENT BOARD MEMBERS.

(b) In addition to the above members of the BOARD OF TRUSTEES, the SPONSOR may also appoint up to 4 further persons each as an alternate member of the BOARD OF TRUSTEES, to act during the absence of any member of the BOARD OF TRUSTEES.

Provided that an alternate member of the BOARD OF TRUSTEES may only act in the capacity of the member of the BOARD OF TRUSTEES for whom he is the alternate, respectively either a SPONSOR appointed member of the BOARD OF TRUSTEES or an INDEPENDENT BOARD MEMBER.

3. Rule 3.5.13 shall be added to Rule 3:

3.5.13 The ADMINISTRATOR, acting on the instructions of the BOARD OF TRUSTEES or of the relevant authority, may give a PARTICIPATING EMPLOYER notice to terminate its participation in the FUND, provided the BOARD OF TRUSTEES in conjunction with the SPONSOR, are of the opinion that the PARTICIPATING EMPLOYER'S continued participation in the FUND has become undesirable and untenable for the ongoing and sound administration of that PARTICIPATING EMPLOYER or the FUND. From the date of notice from the ADMINISTRATOR to terminate the PARTICIPATING EMPLOYER'S participation in the FUND, the PARTICIPATING EMPLOYER has 15 business days to make

representation to the BOARD OF TRUSTEES as to why its participation in the FUND should not be terminated.

4. Rule 3.14.2(d)(i) shall be replaced as follows:

- (i) report any non-compliance or breach by the PARTICIPATING EMPLOYER of the provisions of the ACT and of any other legislation relevant to the PARTICIPATING EMPLOYER'S participation in the FUND, including the Financial Intelligence Centre Act, No. 38 of 2001 and the Combating of Corrupt Activities Act, No. 12 of 2004, as are amended from time to time, to the BOARD OF TRUSTEES or alternatively the ADMINISTRATOR/INSURER. Any failure or omission by the EMPLOYER REPRESENTATIVE to report such non-compliance or breach as required by this Rule does not exclude the power of the BOARD OF TRUSTEES to terminate the continued participation of the PARTICIPATING EMPLOYER in the FUND, following non-compliance or breach by the PARTICIPATING EMPLOYER of the material provisions of the Financial Intelligence Centre Act, No. 38 of 2001 and the Combating of Corrupt Activities Act, No. 12 of 2004, as are amended from time to time, and/or an instruction or direction issued by the relevant authority that includes the Financial Intelligence Centre, to the BOARD OF TRUSTEES or the ADMINISTRATOR/INSURER, to terminate the participation of the PARTICIPATING EMPLOYER in the FUND. Such termination of participation shall follow the discontinuance provisions in Rule 11.4 of the RULES of the FUND.

5. Rule 4.2.4 shall be added to Rule 4 as follows:

- 4.2.4 In the event of an authority that includes the Financial Intelligence Centre, operating in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and/or the Combating of Corrupt Activities Act, No. 12 of 2004, as are amended from time to time giving an instruction to the FUND and/or to the ADMINISTRATOR/INSURER, to terminate the MEMBERSHIP of a MEMBER under that ACT for reasons that include adverse findings of non-compliance with, or breach of, the legislation by the MEMBER, the BOARD OF TRUSTEES shall have the power, after informing the MEMBER or their PARTICIPATING EMPLOYER, to effect termination of MEMBERSHIP under this Rule 4.2.4. The termination of MEMBERSHIP shall be conducted in line with the guidelines or directions of the authority concerned; failing which the BOARD OF TRUSTEES and the

ADMINISTRATOR/INSURER shall have the discretion to determine the approach to implement the termination of MEMBERSHIP, guided by factors that include the best interests of the MEMBER against the transgression recorded against the MEMBER. The BOARD OF TRUSTEES shall also consider the fair treatment of the MEMBER.

6. Rule 11.1.11 shall be added to Rule 11 as follows:

11.1.11 Where the EMPLOYER gives notice of discontinuance of CONTRIBUTIONS or transfer out by means of section 14 of the ACT, the ADMINISTRATOR may transfer any UNCLAIMED BENEFITS and UNPAID BENEFITS at the date of termination, to an unclaimed benefits preservation fund as determined by the BOARD OF TRUSTEES.

7. Rule 11.4 shall be added to Rule 11 as follows:

**11.4 DISCONTINUANCE OF PARTICIPATION DUE TO LEGISLATIVE NON-COMPLIANCE OR BREACH**

In the event of an authority that includes the Financial Intelligence Centre, operating in terms of the Financial Intelligence Centre Act, No. 38 of 2001, and/or the Combating of Corrupt Activities Act, No. 12 of 2004, as are amended from time to time; giving an instruction to the FUND and/or to the ADMINISTRATOR/INSURER, to terminate the participation of a PARTICIPATING EMPLOYER under that legislation for reasons that include adverse findings of non-compliance with, or breach of that legislation by the PARTICIPATING EMPLOYER, the BOARD OF TRUSTEES shall have the power to effect such a termination of participation under this Rule 11.4. The termination of participation shall be conducted in line with the guidelines or directions of the authority; and failing such guidelines, the BOARD OF TRUSTEES and the ADMINISTRATOR/INSURER shall have the discretion to determine the approach to implement the termination of participation, guided by factors that include the best interests of the MEMBERS of the participating EMPLOYER; particularly with regard to ensuring their fair treatment under the discontinuance envisaged in this Rule.

- D** 1. With effect from 01 March 2021 Rule 5.7.4 (b) shall be replaced as follows:
- (b) the temporary suspension will be available for a period that does not exceed an aggregate of 12 months from the effective date requested by the PARTICIPATING EMPLOYER on which the suspension of contributions shall commence, or such other period as agreed by the BOARD OF TRUSTEES. Prior to the lapse of the temporary suspension period, the EMPLOYER must elect to:
    - (i) revert to the CONTRIBUTION rate in the PARTICIPATION CERTIFICATE; or
    - (ii) amend the PARTICIPATION CERTIFICATE to reflect the new CONTRIBUTION rate; or
    - (iii) give notice to discontinue the EMPLOYER'S participation in the FUND in terms of Rule 11.1; or
    - (iv) apply to the BOARD OF TRUSTEES for a further extension; provided that, where no further extension is granted by the BOARD OF TRUSTEES, then the EMPLOYER must elect one of option (i), (ii) or (iii) above, provided that the EMPLOYER'S total period of temporary suspension does not exceed a maximum of 24 months.