

## ENGINEERING INDUSTRIES PENSION FUND

### Resolution of the Trustees of the Engineering Industries Pension Fund passed at a Meeting of the Trustees held in Johannesburg on 24 May 2016

**RESOLVED THAT** with effect from 1 July 2016, the Rules of the Engineering Industries Pension Fund be amended as follows.

**A.** By the replacement of the definition of LIFE COVER in Rule 1.3 with the following definition:


“**DEATH COVER:** The death benefits payable by the FUND in terms of these RULES, excluding any portion of such benefits that represents a refund of the MEMBER’S FUND CREDIT.”

**B.** By the amendment of Rule 3.2.2 as follows:

“3.2.2 Subject to RULE 4.1 and RULE 10.1.2 and any provision to the contrary in these RULES and the provisions of any policy of insurance issued to the FUND in respect of the provision of benefits, a MEMBER shall cease to be eligible for DEATH COVER on the day he leaves the SERVICE of the EMPLOYER.”

**C.** By the amendment of Rule 3.2.4 as follows:

“3.2.4 If a MEMBER transfers to another APPROVED FUND in any of the circumstances envisaged in these RULES and such transfer is subject to the provisions of Section 14 of the ACT, then it is specifically provided that with effect from the date on which he becomes a member of such fund, contributions in terms of RULE 8 shall cease and in the event of his death, prior to transfer of his benefit in terms of these RULES from the FUND to such other fund, no DEATH COVER shall be payable.”

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**D.** *By the amendment of Rule 4.1 as follows:*

**“4.1 TEMPORARY ABSENCE**

- 4.1.1 If a MEMBER is absent from the service of an EMPLOYER, but MEMBER and EMPLOYER contributions on behalf of the MEMBER continue to be paid to the FUND in respect of the period of absence, the MEMBER shall remain a member of the FUND and all benefits under the FUND in respect of him shall be maintained, subject to such restrictions and limitations as may be imposed by the TRUSTEES with regards to the DEATH COVER payable in terms of RULE 10.
- 4.1.2 If a MEMBER is absent from the service of an EMPLOYER, and MEMBER and EMPLOYER contributions on behalf of the MEMBER are not paid to the FUND in respect of the period of absence, the MEMBER shall remain covered for the DEATH COVER for a maximum period of thirty days after the commencement of such absence and shall be subject to such restrictions and limitations as may be imposed by the TRUSTEES with regards to the DEATH COVER payable in terms of RULE 10.
- 4.1.3 Notwithstanding the provisions of RULE 4.1.2, if a MEMBER is absent from SERVICE due to a “lay off” program formally agreed between a MEMBER and his EMPLOYER, the MEMBER shall remain covered for the DEATH COVER during the period of the “lay off” subject to a maximum period of eight weeks and subject to such restrictions and limitations as may be imposed by the TRUSTEES with regards to the DEATH COVER payable in terms of RULE 10.
- 4.1.4 A Member qualifying for a disablement benefit in terms of the DISABILITY ARRANGEMENT shall, for the purposes of the FUND, be deemed to remain in SERVICE.”

**E.** *By the amendment of Rule 5.11.1.6 as follows:*

- “5.11.1.6 To effect policies of insurance with one or more INSURERS for the purpose of investing the FUND'S moneys and/or to insure, in whole or in part, the DEATH COVER.”

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**PURPOSE OF AMENDMENTS A TO E:** All references to "LIFE COVER" in the Rules have been changed to "DEATH COVER" to clarify that the term only apply to benefits paid on the death of a member.

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**F.** By the amendment of Rule 4.7.1 as follows:

"4.7.1 Unpaid and unclaimed benefits shall be held for the credit of the MEMBER in the UNPAID AND UNCLAIMED BENEFITS ACCOUNT in accordance with RULE 7.2.7."

**PURPOSE OF AMENDMENT F:** To correct the reference in Rule 4.7.1 which should refer to Rule 7.2.7.

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**G.** By the amendment of Rule 5.2.1 as follows:

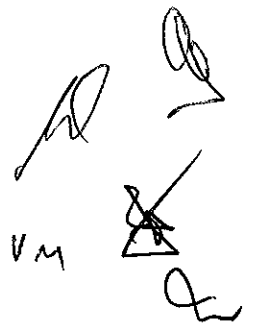
"5.2.1 The EMPLOYER ORGANISATIONS shall appoint six EMPLOYER TRUSTEES and up to six alternates to the EMPLOYER TRUSTEES. The EMPLOYER TRUSTEES and the alternates will hold office for a period of five years. They may be reappointed at the end of the five year period. EMPLOYER TRUSTEES and the alternates need not be MEMBERS of the FUND."

**H.** By the amendment of the first part of Rule 5.3.1 as follows:

5.3.1 The EMPLOYEE ORGANISATIONS shall each appoint a MEMBER TRUSTEE and an alternate to that MEMBER TRUSTEE. The MEMBER TRUSTEES and the alternates will hold office for a period of five years. They may be reappointed at the end of the five year period. MEMBER TRUSTEES and the alternates need not be MEMBERS of the FUND."

**PURPOSE OF AMENDMENTS G AND H:** To remove two hyphens ("-") which were typographical errors in the rules.

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**I.** By the amendment of Rule 5.3.4 as follows:

“5.3.4 Should a MEMBER TRUSTEE or an alternate cease to hold office for any reason, the appropriate EMPLOYEE ORGANISATION shall appoint a replacement who will take his place as a MEMBER TRUSTEE or an alternate, as appropriate, for the balance of the five year term of office.”

**PURPOSE OF AMENDMENT I:** To correct the reference to MEMBER ORGANISATION (which is not defined in the Rules) to EMPLOYEE ORGANISATION.

**J.** By the amendment of the first part of Rule 6.2 as follows:

**“6.2 DISCONTINUANCE**

If all the EMPLOYERS are wound up (whether voluntarily or not), or cease to carry on business, the FUND will be discontinued. The FUND may also be discontinued by resolution of the TRUSTEES.”

**PURPOSE OF AMENDMENT J:** The reference in Rule 6.2 to consultation with the employers should be to consultation with the employer organisations.

**K.** By the amendment of Rule 6.2.2.1 as follows:

“6.2.2.1 to purchase an annuity from an INSURER for all FUND PENSIONERS with the full balance in the PENSIONER ACCOUNT and for all DEFERRED PENSIONERS with their benefits held in the FUND;”

**PURPOSE OF AMENDMENT K:** Deferred pensioner benefits are not held in the Pensioner Account and thus need to be separated from Fund Pensioners

**L.** By the amendment of the first part of Rule 7.1.1 as follows:

“7.1.1 All monies received by or on behalf of the FUND shall be credited to the FUND’S bank account established in terms of RULE 5.17.1. Thereafter the monies of the FUND shall be allocated among thirteen other FUND accounts, to be known as:”

**PURPOSE OF AMENDMENT L:** There are 13 (and not 10) accounts listed in Rule 7.1.1 and the reference needs to be corrected accordingly.

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**M.** By the amendment of Rule 7.2.7.2.1 as follows:

"7.2.7.2.1 Transfers from the MEMBER'S FUND CREDIT ACCOUNT in terms of RULE 7.2.1.3.2. and the INSTALMENT BENEFITS ACCOUNT in terms of RULE 7.2.6.3.2; and"

**PURPOSE OF AMENDMENT M:** To correct the reference in Rule 7.2.7.2.1 which should refer to Rule 7.2.6.3.2.

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**N.** By the amendment of Rule 7.2.10.3.3 as follows:

"7.2.10.3.3 Payment of residual surplus allocations, calculated in accordance with the FUND'S surplus apportionment scheme approved in terms of section 15B of the Act and accumulated with INVESTMENT RETURN, at the discretion of the TRUSTEES, to former members who can be traced or come forward after the expiry of the 5 year period referred to in RULE 7.2.10.3.2; and"

**PURPOSE OF AMENDMENT N:** To correct the reference in Rule 7.2.10.3.3 which should refer to Rule 7.2.10.3.2.

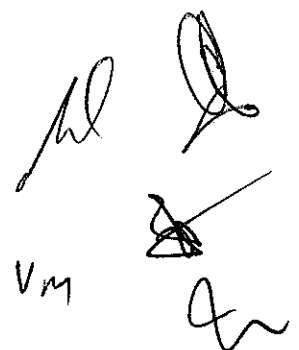
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**O.** By the amendment of Rule 8.3.1.3 as follows:

"8.3.1.3 Any balance from the CONTRIBUTION INCREASE PROGRAM RESERVE ACCOUNT. It is specifically provided that the transfer from the CONTRIBUTION INCREASE PROGRAM RESERVE ACCOUNT shall only be made if and when the MEMBER and EMPLOYER CONTRIBUTIONS in terms of RULE 8.1.1, RULE 8.1.2 and RULE 8.2 are received by the FUND."

**PURPOSE OF AMENDMENT O:** To clarify that the top-up from the Contribution Increase Program Reserve Account is only made when the actual member and employer contributions are received for each member.

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**P.** By the amendment of Rule 10.1.2.1 as follows:

"10.1.2.1 death occurs within six weeks of the date of cessation of SERVICE; and"

**PURPOSE OF AMENDMENT P:** To make it clear that all three conditions (10.1.2.1 to 10.1.2.3) must apply for the death benefit after exit from employment to apply.

**Q.** By the insertion of a new definition in Rule 1.3 as follows:

"DEFERRED RETIREE means a MEMBER who has retired from his employment with an EMPLOYER and elected to defer his retirement benefit in terms of RULE 9.7."

**R.** By the amendment of the definition of MEMBER in Rule 1.3 as follows:

"MEMBER: An ELIGIBLE EMPLOYEE or a DEFERRED RETIREE who is a MEMBER of the FUND and who has not ceased to be a MEMBER of the FUND in terms of RULE 3.2."

**S.** By the insertion of a new Rule 3.2.5 as follows:


"3.2.5 If a MEMBER elects to become a DEFERRED RETIREE in terms of RULE 9.7, he shall remain a MEMBER of the FUND until the date he elects to retire from the FUND in terms of RULE 9.1.1.5."

**T.** By the insertion of a new Rule 4.3.4 as follows:

"4.3.4 Subject to any applicable legislation, any amount due by a DEFERRED RETIREE in terms of RULE 4.3.1 shall be deducted from the DEFERRED RETIREE'S FUND CREDIT at the earlier of the date of retirement from employment or the date the FUND becomes aware of the amount due and not at the subsequent date of retirement from the FUND."

**U.** By the amendment of Rule 8.1.1 as follows:

"8.1.1 Subject to RULE 9.7.4, RULE 8.1.2 and RULE 8.3.2, a MEMBER, including a MEMBER who is temporarily absent in terms of RULE 4.1 or who is in receipt of a benefit from the separate DISABILITY ARRANGEMENT, shall contribute

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to the FUND and the separate DISABILITY ARRANGEMENT each month at the following rate expressed as a percentage of his MONTHLY PENSIONABLE SALARY:

Up to and including 30 June 2012	6.60%
1 July 2012 to 30 June 2013	6.70%
1 July 2013 to 30 June 2014	6.80%
1 July 2014 to 30 June 2015	6.90%
1 July 2015 to 30 June 2016	7.00%
1 July 2016 to 30 June 2017	7.10%
1 July 2017 to 30 June 2018	7.20%
1 July 2018 to 30 June 2019	7.30%
1 July 2019 to 30 June 2020	7.40%
From 1 July 2020	7.50%

**V.** *By the amendment of Rule 8.1.3 as follows:*





"8.1.3 A MEMBER, other than a DEFERRED RETIREE, may at any time make additional contributions to the FUND. The level and frequency of a MEMBER'S additional contributions shall be such amounts and frequency as are approved by the TRUSTEES."

**W.** *By the amendment of Rule 8.2.1 as follows:*

"8.2.1 Subject to RULE 9.7.6, RULE 8.2.2, RULE 8.3.2 and RULE 8.3.4.1, the EMPLOYER shall contribute to the FUND and the separate DISABILITY ARRANGEMENT each month in respect of each MEMBER, including a MEMBER who is temporarily absent in terms of RULE 4.1 or who is in receipt of a benefit from the separate DISABILITY ARRANGEMENT, at the following rate expressed as a percentage of the MEMBER'S MONTHLY PENSIONABLE SALARY:

Up to and including 30 June 2012	6.60%
1 July 2012 to 30 June 2013	6.70%

1 July 2013 to 30 June 2014	6.80%
1 July 2014 to 30 June 2015	6.90%
1 July 2015 to 30 June 2016	7.00%
1 July 2016 to 30 June 2017	7.10%
1 July 2017 to 30 June 2018	7.20%
1 July 2018 to 30 June 2019	7.30%
1 July 2019 to 30 June 2020	7.40%
1 July 2020 to 30 June 2021	7.50%
1 July 2021 to 30 June 2022	7.60%
1 July 2022 to 30 June 2023	7.70%
1 July 2023 to 30 June 2024	7.90%
1 July 2024 to 30 June 2025	8.10%
1 July 2025 to 30 June 2026	8.30%
1 July 2026 to 30 June 2027	8.50%
1 July 2027 to 30 June 2028	8.70%
1 July 2028 to 30 June 2029	8.90%
1 July 2029 to 30 June 2030	9.10%
1 July 2030 to 30 June 2031	9.30%
1 July 2031 to 30 June 2032	9.50%
1 July 2032 to 30 June 2033	9.70%
1 July 2033 to 30 June 2034	9.90%
1 July 2034 to 30 June 2035	10.10%
1 July 2035 to 30 June 2036	10.30%
From 1 July 2036	10.50%"

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**X.** *By the amendment of the first part of Rule 8.3.1 as follows:*

8.3.1 Subject to RULE 8.3.2, with effect from the CONVERSION DATE the contribution rates allocated towards each MEMBER'S benefits, other than in respect of DEFERRED RETIREES, towards a provision for FUND expenses and to the separate DISABILITY ARRANGEMENT shall be 7.5% in respect of MEMBER CONTRIBUTIONS and 10.5% in respect of EMPLOYER CONTRIBUTIONS. These allocations shall be funded by:"

**Y.** *By the amendment of the Rule 9.1.1 as follows:*

"9.1.1 A pension shall become payable to a MEMBER or a DEFERRED PENSIONER:

9.1.1.1 on his retirement at the NORMAL RETIREMENT DATE; or

9.1.1.2 on his voluntary early retirement on the last day of any month before the MEMBER or the DEFERRED PENSIONER'S NORMAL RETIREMENT DATE, provided that the MEMBER or DEFERRED PENSIONER, as applicable, is at least age 55; or

9.1.1.3 on his late retirement after the NORMAL RETIREMENT DATE with a maximum of age 69, provided such late retirement is subject to the consent of the EMPLOYER; or

9.1.1.4 on his ill-health early retirement at any date before the MEMBER'S NORMAL RETIREMENT DATE, where the MEMBER does not qualify for a benefit in terms of the separate DISABILITY ARRANGEMENT and the TRUSTEES in their absolute discretion determine that the MEMBER has become totally and permanently incapable of efficiently carrying out his duties; or

9.1.1.5 on the date, which may be at any age permitted by legislation, selected in writing by a MEMBER who has elected to become a DEFERRED RETIREE in terms of RULE 9.7."

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**Z.** *By the insertion of a new Rule 9.7 as follows:*

"9.7 A MEMBER who retires from employment in terms of RULE 9.1.1.1 to RULE 9.1.1.4, may elect to become a DEFERRED RETIREE, provided that:

- 9.7.1 he has at least two years of membership in the FUND;
- 9.7.2 the election is made in writing to the FUND and is received by the FUND no later than six months after the date of the MEMBER'S retirement from employment;
- 9.7.3 where an election is not received in accordance with RULE 9.7.2, the MEMBER'S benefit will be treated as an unpaid benefit due to the MEMBER;
- 9.7.4 he shall not be permitted to contribute to the FUND during the period of deferment;
- 9.7.5 he shall not be permitted to transfer any amounts into the FUND during the period of deferment;
- 9.7.6 he shall not have EMPLOYER contributions paid to the FUND on his behalf during the period of deferment;
- 9.7.7 he shall not be eligible for DEATH COVER during the period of deferment;
- 9.7.8 subject to RULE 4.3.4, the MEMBER'S full FUND CREDIT must be retained in the FUND during the period of deferred retirement and the DEFERRED RETIREE shall not be permitted to withdraw part or all of the FUND CREDIT prior to the date of retirement from the FUND or the date of death, as applicable. Subject to the discretion of the TRUSTEES, the DEFERRED RETIREE'S FUND CREDIT may not be transferred to another APPROVED FUND;
- 9.7.9 a DEFERRED RETIREE who becomes re-employed by an EMPLOYER, whilst the FUND CREDIT of such a re-employed DEFERRED RETIREE is still retained in the FUND, shall be treated in all respects as a new MEMBER of the FUND whose benefits will accrue separately from his or her deferred retirement benefit;

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9.7.10 an amount, as determined by the TRUSTEES from time to time, to cover any direct or indirect expense incurred by the FUND in respect of the DEFERRED RETIREE shall be deducted by the FUND from each DEFERRED RETIREE'S FUND CREDIT each month. In addition, any costs incurred by the FUND in order to trace the DEFERRED RETIREE or the beneficiaries of a deceased DEFERRED RETIREE or costs ancillary thereto, shall be deducted by the FUND from such DEFERRED RETIREE'S FUND CREDIT as and when such costs are incurred; and

9.7.11 the conditions set out in any practice note recorded by the TRUSTEES in terms of RULE 5.11.1.9 shall apply to the DEFERRED RETIREE."

***PURPOSE OF AMENDMENTS Q TO Z:** To permit members who retire from employment to elect to become deferred retirees in the Fund. Deferred retirees will be treated on a consistent basis as contributory members, except that they will not be covered for the self-insured death benefits provided by the Fund (nor the disability benefits provided by the separate Metal Industries Permanent Disability Scheme).*

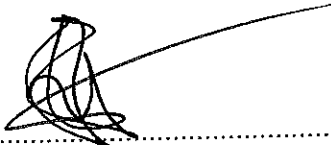
Certified that the above resolution, in terms of which the Amendment has been accepted, has been adopted in accordance with the provisions of the Rules of the Fund.



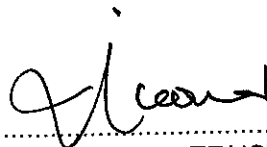
CHAIRMAN OF THE TRUSTEES



PRINCIPAL OFFICER



MEMBER TRUSTEE



EMPLOYER TRUSTEE




I hereby certify that this amendment will not render the Fund financially unsound.

  
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W Kritzing

  
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DATE

Fellow of the Actuarial Society of South Africa and in my capacity as Valuator of the Metal Industries Provident Fund and as an employee of Simeka Consultants & Actuaries (Pty) Ltd

  
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