

AMENDMENT NO 1

To the rules of the

NORTH AND WEST BOLAND BUILDING INDUSTRY PROVIDENT FUND ("the FUND") REGISTRATION NUMBER 12/8/36005

The **TRUSTEES** of the **FUND** resolved at a meeting held in Paarl on 31 July 2018 to amend the **RULES** of the **FUND** with effect from 1 January 2018 as follows -

1. Add a new definition to Rule 2. **DEFINITIONS**

RISK BENEFITS RESERVE ACCOUNT: The account referred to in RULE 11.6.

2. Rule 7.1 shall be revised as follows –

7.1 Insured Group Life Benefit

- 7.1.1 All MEMBERS and DORMANT MEMBERS who were DORMANT MEMBERS of the FUND at 31 December 2017:

Insured Group Life Benefit

In the event of the death of a MEMBER or a DORMANT MEMBER who is under age 63 and provided at least 80 CONTRIBUTIONS have been paid to the FUND on his behalf during the immediately preceding period of 20 consecutive months, including at least one CONTRIBUTION during the last 6 consecutive months of that period, an INSURED DEATH BENEFIT equal to three (3) times his ANNUAL WAGE will become payable subject to rule 7.4.

When a DORMANT MEMBER is reinstated as a MEMBER before the expiry of a period of 6 months then the INSURED DEATH BENEFIT of such a MEMBER will be equal to three (3) times his ANNUAL WAGE provided the CONTRIBUTION requirements described above are satisfied.

Provided that:

- (a) No previous CONTRIBUTION in respect of which a MEMBER or DORMANT MEMBER was paid a benefit at any time before his death shall be taken into account in determining whether he qualifies for an INSURED DEATH BENEFIT.
- (b) The INSURED DEATH BENEFIT shall only be payable if the INSURER underwriting the benefit was notified of the MEMBER'S or DORMANT MEMBER'S death within 6 months after his death or such longer period after his death as the INSURER in its sole discretion may allow.

No INSURED DEATH BENEFIT shall be paid in respect of any MEMBER or DORMANT MEMBER who does not meet all the requirements of this rule. If the MEMBER'S SHARE OF FUND of a DORMANT MEMBER is insufficient to pay the premium due then the INSURED DEATH BENEFIT shall terminate for that DORMANT MEMBER.

7.1.2 MEMBERS who become DORMANT MEMBERS from 1 January 2018 onwards –

Insured Group Life Benefit

In the event of the death of a DORMANT MEMBER who is under age 63 and provided at least 80 CONTRIBUTIONS have been paid to the FUND on his behalf during the immediately preceding period of 20 consecutive months, including at least one CONTRIBUTION during the last 6 consecutive months of that period, an INSURED DEATH BENEFIT will be paid as per the table below subject to rule 7.4.

When a DORMANT MEMBER is reinstated as a MEMBER before the expiry of a period of 6 months then the INSURED DEATH

BENEFIT of such a MEMBER will be equal to three (3) times his ANNUAL WAGE provided the CONTRIBUTION requirements described above are satisfied.

Period for which a DORMANT MEMBER	INSURED DEATH BENEFIT
1st month	INSURED DEATH BENEFIT that applied in the previous month whilst a MEMBER.
2nd month	Cover during 1 st month less 1 times ANNUAL WAGE subject to a minimum of zero.
3 rd month up to 6 months	Cover during 1 st month less 2 times ANNUAL WAGE subject to a minimum of zero.

Provided that:

- (a) No previous CONTRIBUTION in respect of which a MEMBER or DORMANT MEMBER was paid a benefit at any time before his death shall be taken into account in determining whether he qualifies for an INSURED DEATH BENEFIT.
- (b) The INSURED DEATH BENEFIT shall only be payable if the INSURER underwriting the benefit was notified of the MEMBER'S or DORMANT MEMBER'S death within 6 months after his death or

such longer period after his death as the INSURER in its sole discretion may allow.

No INSURED DEATH BENEFIT shall be paid in respect of any MEMBER or DORMANT MEMBER who does not meet all the requirements of this rule. If the MEMBER'S SHARE OF THE FUND of a DORMANT MEMBER is insufficient to pay the premium due then the INSURED DEATH BENEFIT shall terminate for that DORMANT MEMBER.

3. Rule 7.6 shall be revised as follows –

7.6 Costs incurred by the FUND

Any reasonable costs incurred by the BOARD on behalf of the FUND as a consequence of:

- (a) premiums due in respect of INSURED DEATH BENEFITS and/or INSURED DISABILITY BENEFITS of a DORMANT MEMBER;
- (b) costs incurred as a consequence of tracing beneficiaries to give effect to these RULES;
- (c) to give effect to the payment of a benefit in instalments in terms of Rule 7.5;

may, at the discretion of the BOARD be recovered from the MEMBER'S SHARE OF THE FUND in terms of Rule 5.1, or from the INSURED DEATH BENEFIT or the INSURED DISABILITY BENEFIT due to the MEMBER or DORMANT MEMBER as the case may be, before the amount of the death or disability benefit payable in terms of Rule 7.1, Rule 7.2 and 8.2.2 is determined.

4. Rule 11.5 will be revised as follows:

11.5 CONTINGENCY RESERVE

A CONTINGENCY RESERVE ACCOUNT shall be created for the purposes of protecting the FUND against processing errors. The ACTUARY can make provision in his annual actuarial reviews, and in the actuarial valuations of the FUND, for minor mismatches between the values of assets and liabilities of the FUND, resulting from timing differences between actual investment and disinvestment values, and those deemed to have occurred in determining investment returns which have been accrued in the calculation of GROWTH. The amount held in the account is monitored by the ACTUARY from time to time, and is not permitted at any time to exceed a maximum of 2% of the FUND liabilities. Amounts in this CONTINGENCY RESERVE ACCOUNT may be utilised for the benefit of MEMBERS and DORMANT MEMBERS from time to time as determined by the VALUATOR and agreed by the BOARD. Subject to the agreement of the VALUATOR and BOARD the following may be transferred into the CONTINGENCY RESERVE ACCOUNT:

- (a) Excess of assets over liabilities declared by the VALUATOR to be allocated to the CONTINGENCY RESERVE ACCOUNT;
- (b) Transfers from any other reserve account established in these RULES;
- (c) Positive GROWTH on the assets underlying the CONTINGENCY RESERVE ACCOUNT.

Subject to the agreement of the VALUATOR and the BOARD the following may be transferred out of the CONTINGENCY RESERVE ACCOUNT:

- (a) Transfers to any other reserve account established in these RULES;

- (b) Utilisation for the benefit of MEMBERS and/or DORMANT MEMBERS from time to time;
- (c) The impact of GROWTH on the underlying assets at times when it is negative.
- (d) Negative GROWTH on the assets underlying the CONTINGENCY RESERVE ACCOUNT.

5. A new Rule 11.6 shall be added as follows –

11.6 Risk Benefits Reserve

A RISK BENEFITS RESERVE ACCOUNT shall be created for the purposes of insuring part of the INSURED DEATH BENEFIT and the INSURED DISABILITY BENEFIT inside the FUND. The BOARD shall determine in consultation with the VALUATOR which part of the INSURED DEATH BENEFIT and INSURED DISABILITY BENEFIT will be insured by the FUND. Subject to the agreement of the VALUATOR the following may be paid into the RISK BENEFITS RESERVE ACCOUNT:

- (a) The premiums in respect of the benefits insured by the FUND;
- (b) Transfers from any other reserve account established in these RULES;
- (c) Positive GROWTH on the assets underlying the RISK BENEFITS RESERVE ACCOUNT.

Subject to the agreement of the VALUATOR the following may be paid from the RISK BENEFITS RESERVE ACCOUNT:

- (a) Claims due in terms of benefits insured by the FUND;

- (b) Expenses incurred in the management of the benefits insured by the FUND;
- (c) Transfers to any other reserve account established in these RULES;
- (d) Utilisation for the benefit of MEMBERS and/or DORMANT MEMBERS from time to time as may be agreed by the BOARD;
- (e) Negative GROWTH on the assets underlying the RISK BENEFITS RESERVE ACCOUNT.

6. Rule 15.1.2.3 shall be revised as follows –

15.1.2.3 One of the TRUSTEES will be an INDEPENDENT TRUSTEE appointed by the other four TRUSTEES. The other four TRUSTEES will also approve an alternate to the INDEPENDENT TRUSTEE.

7. Rule 15.15 shall be revised as follows –

15.15 Remuneration of TRUSTEES

15.15 TRUSTEES and alternate TRUSTEES shall be remunerated by the FUND for services performed in the execution of their duties as TRUSTEES and alternate TRUSTEES in accordance with a fee scale determined by the BOARD. In addition TRUSTEES and alternate TRUSTEES may recoup expenses in accordance with RULE 15.16.

8. Rule 15.16 shall be revised as follows –

15.16 Expenses

15.16 Expenses in relation to the management of the FUND that are incurred by one or more TRUSTEES or alternate TRUSTEES may only be recouped from the FUND if such expenses are in terms of a policy determined by the Board.

The reasons for the amendment are:

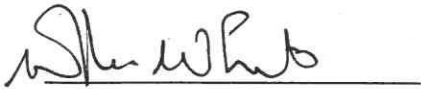
- 1) The Trustees wish to introduce partial self-insurance of the death and disability benefits. Accordingly a number of the clauses need to be revised and a RISK BENEFIT RESERVE ACCOUNT needs to be created;
- 2) The insured benefits of future Dormant MEMBERS are scaled down as the cost of full cover for the entire period of 6 months is considered prohibitive;
- 3) To allow the Trustees to appoint an alternate to the INDEPENDENT TRUSTEE.
- 4) The remuneration of Trustees and Expenses are revised to allow that alternate trustees could be remunerated in terms of a policy approved by the Trustees.

It is certified that the above resolution has been adopted by the Trustees in accordance with the provisions of the rules of the FUND.



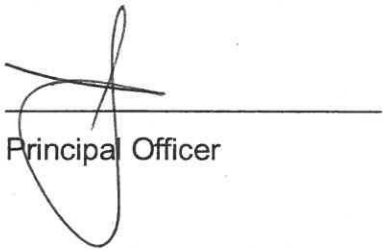
Chairperson

31 July 2018
Date



Trustee

31-07-2018
Date



Principal Officer

31/07/2018.
Date

I certify that the amendment will not cause the Rules of the FUND to be financially unsound.



Valuator

8 Aug 2018
Date