

AUTO WORKERS' PROVIDENT FUND

AMENDMENT NO. 1

Extract from the minutes of a meeting of the Board of the Auto Worker's Provident Fund held electronically on 23 November 2021

RESOLVED THAT with effect from 1 November 2021:

1. Rule 3.1.5 shall be replaced with the following:

"3.1.5 The BOARD shall, at the first meeting of a newly elected BOARD and as required thereafter, elect one of the INDEPENDENT BOARD MEMBERS as the chairperson of the BOARD. The other INDEPENDENT BOARD MEMBER shall be the deputy chairperson. If the chairperson is, for any reason, unable to attend a meeting of the BOARD, the deputy chairperson shall serve as chairperson for that meeting. The term of office of the chairperson and deputy chairperson shall be sixty (60) months. Should the chairperson, for any reason, vacate office as an INDEPENDENT BOARD MEMBER or as chairperson before the expiry of the sixty (60) month term the following will apply:

3.1.5.1 If the chairperson vacates office as chairperson but remains an INDEPENDENT BOARD MEMBER, the deputy chairperson i.e., the other INDEPENDENT BOARD MEMBER, will become the chairperson.

3.1.5.2 If the chairperson vacates office as an INDEPENDENT BOARD MEMBER, the chairperson will immediately cease to be chairperson. Once a new INDEPENDENT BOARD MEMBER has been elected, the BOARD shall elect one of the INDEPENDENT BOARD MEMBERS as the chairperson and the other INDEPENDENT BOARD MEMBER shall be the deputy chairperson.

3.1.5.3 The chairperson who becomes a chairperson in accordance with the provisions of Rule 3.1.5.1 above or, if the new chairperson elected in accordance with the provisions of Rule 3.1.5.2 above, was already an INDEPENDENT BOARD MEMBER when the previous chairperson vacated office as BOARD MEMBER, shall be chairperson for the remainder of the previous chairperson's sixty (60) month term of office.

3.1.5.4 If the chairperson elected in accordance with the provisions of Rule 3.1.5.2 above is the new INDEPENDENT BOARD MEMBER, the chairperson's term of office shall be sixty (60) months."

2. Rule 5.5 shall be replaced with the following:

"5.5 Suspension of contributions to the Fund

5.5.1 The provisions set out hereunder will apply with effect from 1 April 2020, notwithstanding anything to the contrary contained elsewhere in the RULES.

5.5.2 An EMPLOYER that is experiencing financial difficulties, including as a result of the declaration of a National State of Disaster in terms of the Disaster Management Act, No. 57 of 2002 and the subsequent nationwide lockdown ordered by the President of the Republic of South Africa, may request the FUND to approve a total or partial suspension of contributions to the FUND by it and, if applicable, the MEMBERS, subject to the provisions in Rule 5.5.12 below. The total or partial suspension may be in respect of MEMBERS who are temporarily absent from SERVICE and/or in respect of MEMBERS who are not temporarily absent from SERVICE and will apply where contributions were payable to the FUND but for the total or partial suspension and where the EMPLOYER is experiencing financial difficulties as aforementioned or has recovered insufficiently to pay contributions.

5.5.3 The EMPLOYER must provide the BOARD with reasons and supporting evidence for the total or partial suspension of contributions in a format prescribed by the BOARD.

5.5.4 If requested by the FUND, the EMPLOYER must provide further information to support its request.

5.5.5 The partial or total suspension may, subject to Rules 5.5.7 and 5.5.8, be granted by the BOARD for an initial period of no longer than six months, which must be advised to the EMPLOYER.

5.5.6 Such partial or total suspension will override the provisions of the COLLECTIVE AGREEMENT if, in the absence of such partial or total suspension, contributions

would have been payable to the FUND by and in respect of the affected MEMBERS.

- 5.5.7 An extension of up to three months may be granted by the BOARD, at the request of the EMPLOYER, after the expiry of the initial period.
- 5.5.8 One further initial period and extension may be granted by the BOARD, at the request of an EMPLOYER, subject to the time limits in Rules 5.5.5 and 5.5.7, provided that if such further initial period or extension is not granted by the BOARD, and should the EMPLOYER remain unable to resume contributing fully, the BOARD and the EMPLOYER must take such further action as may be permitted in terms of the RULES.
- 5.5.9 If, at a future date, the EMPLOYER and/or the MEMBERS are able to pay the contributions not paid to the FUND during the partial or total suspension period, the FUND shall allow for such amounts to be paid and invested without any additional cost.
- 5.5.10 Affected MEMBERS must be advised of the EMPLOYER'S request to suspend contributions within thirty days of receiving such a request. Affected MEMBERS must also be advised of any extension or further initial period or extension granted.
- 5.5.11 The EMPLOYER and the FUND must agree on the effective date of the partial or total suspension of contributions, provided that such effective date may not be prior to the date of the resolution of the BOARD approving such suspension.
- 5.5.12 Contributions in respect of the RISK BENEFITS and ADMINISTRATION EXPENSES, as determined by the BOARD from time to time, shall continue to be paid by the EMPLOYER, unless the BOARD decides otherwise after having taken advice from the VALUATOR. These costs will be based on the affected MEMBERS' REMUNERATION that applied immediately prior to the partial or total suspension. If the contributions in respect of the RISK BENEFITS are not paid by the EMPLOYER, the costs will be met by the RISK RESERVE ACCOUNT.

5.5.13 The REMUNERATION on which the RISK BENEFITS are based will be the affected MEMBERS' REMUNERATION that applied immediately prior to the partial or total suspension."

The reasons for the amendments are to:

- Provide for the appointment of a deputy chairperson; and
- Update the provisions dealing with extension of contribution suspension periods to allow for one additional initial period to be granted in addition to the first initial period and the extension.

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



20 JULY 2022

CHAIRPERSON

DATE



REGISTERED in terms of
Pension Funds Act, No. 24 of 1956

12 DEC 2022

20 JULY 2022

BOARD MEMBER

DATE

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY



20 JULY 2022

PRINCIPAL OFFICER

DATE