

Enquiries: Joubert Tawana

14 December 2015

Our Ref. No.: 25/7/7/107

BY HAND

The Principal Officer
Retirement Fund for Local Authorities and Utility Services in Namibia
C/o Mr. Trevor Colmer
Principal Consultant
Elite Consulting Namibia (Pty) Ltd
10 Eugene Marais Street
WINDHOEK

Dear Mr. Colmer,

**RULE AMENDMENT NO. 1: THE RETIREMENT FUND FOR LOCAL AUTHORITIES
AND UTILITY SERVICES IN NAMIBIA**

We refer to your application dated 8 December 2015 for the approval of the amendment of the above mentioned Rule.

Upon a closer scrutiny of the application it was observed that the rule amendment number is confusing as it is referred to as Rule Amendment 1 in the subject line of the letter and referred to as Rule Amendment no.3 in the content of the same letter.

Nonetheless, we hereby confirm that Rule Amendment No.1 (or No.3) has been approved and registered in terms of section 12 of the Pension Funds Act, 1956 (Act No. 24 of 1956).

Attached please find the endorsed Amendment.

Kindly contact Joubert Tawana on telephone number (061) 290 5047 or e-mail jtawana@namfisa.com.na, should you need any further clarity on this issue.

Yours sincerely,



María Nakale - Gaomas
General Manager of Provident Institutions
For the Registrar of Pension Funds

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**RETIREMENT FUND FOR LOCAL AUTHORITIES AND
UTILITY SERVICES IN NAMIBIA**

Amendment No. 1

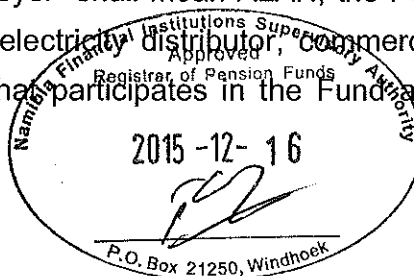
The Trustees of the Retirement Fund for Local Authorities and Utility Services in Namibia resolved at Windhoek on 7 December 2015 that with effect from 1 January 2016 the Rules of the Retirement Fund for Local Authorities and Utility Services in Namibia shall be amended for the reasons set out below:

- (1) *To provide that ALAN and the Fund are Participating Employers;*
- (2) *To improve the governance of the Fund by requiring that the Trustees must meet at least four times a year;*
- (3) *To remove reference to the Management Committee from the Rules, since the full board of Trustees have decided to dissolve this body;*
- (4) *To clarify the functions of the Executive Committee;*
- (5) *To allow certain sub-committees to appoint independent persons with expertise in the field concerned to serve on the sub-committee but without voting powers;*
- (6) *To provide that unclaimed benefits shall be retained in the Fund for five years instead of the three, which is the period currently provided for in the Rules;*

by:

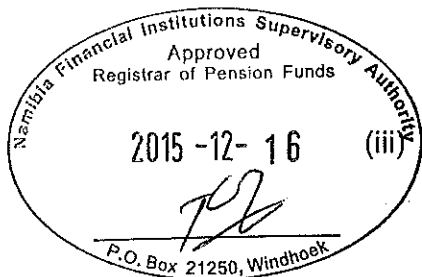
- (i) *replacing the definition 'Participating Employer' in Rule 2 with the following:*

"Participating Employer" shall mean ALAN, the FUND and a unit of a local authority, regional electricity distributor, commercialized venture and joint business venture that participates in the Fund as an Employer, provided that:



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- (a) an Employer that wishes to participate in the Fund must apply for participation within twelve months from the date on which the said Employer was established and shall be allowed to participate as an Employer upon condition that the Board is satisfied that the risk profile of the Fund will not materially be changed for the worse thereby;
- (b) an Employer which fails to exercise such option within the period above or which waives its right to join the Fund, shall not be entitled to join the Fund at a later date; unless the Board in its absolute discretion decides otherwise;
- (c) in this definition the following words shall mean:
 - (i) "commercialized venture" any entity established pursuant to the Commercialization Regulations promulgated by Government Notice 39 of 2001;
 - (ii) "joint business venture" any entity established pursuant to the Joint Business Venture Regulations promulgated by Government Notice 40 of 2001;
 - (iii) "local authority" any local authority established or deemed to have been established under section 3 of the Local Authorities Act, 1992 (Act 23 of 1992);
 - (iv) "regional electricity distributor" any regional electricity distributor licensed as such by the Electricity Control Board established under section 2 of the Electricity Act, 2000 (Act 2 of 2000); and
- (d) it is a condition precedent for the participation in the Fund by a Participating Employer that all its employees who qualify as Eligible Employees must become Members of the Fund, except in the case of employees of the Walvis Bay Municipality or the Swakopmund Municipality, as contemplated in Rule 3.1 (a).



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(ii) deleting the definition 'Management Committee' in Rule 2;

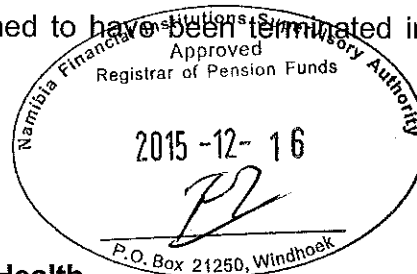
(iii) replacing Rule 4.3.3 (d) with the following:

4.3.3 (d) after the expiry of the period of six months and if the legal action bears no results, the Executive Committee may at any time recommend to the Board that the participation in the Fund of the defaulting Employer concerned be terminated in which case:

(i) the Board may terminate the participation in the Fund of the Employer concerned with due notice; or

(ii) the Board may agree that the defaulting Employer concerned be given a final opportunity to effect payment of all arrears plus interest thereon within a further period of six months failing which the participation of such employer in the Fund shall be deemed to have been terminated in terms of Rule 10.6.

(iv) replacing Rule 5.3 with the following:



5.3 Retirement on the grounds of Ill-Health

If a Member younger than age 55, proves to the Board that he has become incapable, through ill-health or other disablement, of gainful employment that he can reasonably be expected to undertake by reason of his education, training, experience or status and is not entitled to a disability income benefit from the Disability Income Insurance Scheme, he may, on giving written notice to the Board, retire at any time before he reaches age 55 years.

(v) replacing Rule 12.1.2 with the following:

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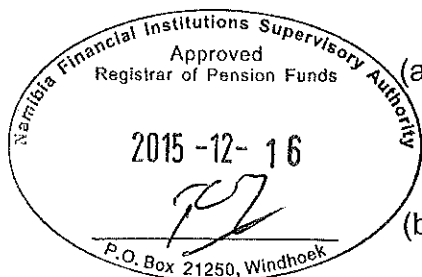
12.1.2 Out of the Trustees elected in terms of Rule 12.1.1, one of the representatives of the Participating Employers shall be elected by ALAN to represent the Pensioners and one Pensioner shall be nominated and elected by the Board as the Pensioners' representative.

(vi) replacing Rule 12.3.1 with the following:

12.3.1 The Board shall meet from time to time but at least four times in every twelve months to conduct the business of the Fund

(vii) replacing Rule 12.4.1 with the following:

12.4.1 The Board shall:



- (a) consider and approve the accounts for each Financial Year submitted to it as contemplated in Rule 13.4;
- (b) consider matters referred to it for attention;

The foregoing duties or functions may, notwithstanding anything to the contrary in the Rules, be delegated.

(viii) replacing Rule 12.4.2 with the following:

12.4.2 The Board may, by way of a decision of the majority of its members, make rules and a Code of Ethics which will be binding upon itself, and any other committee or person in respect of the conduct and proceedings of any meeting of the Board, or any other committee, subject to the provisions of the Rules. Such Rules shall be known as the Rules of Conduct and/or code of Ethics and may be amended or added to from time to time by the Board.

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(ix) replacing Rule 12.4.4 with the following:

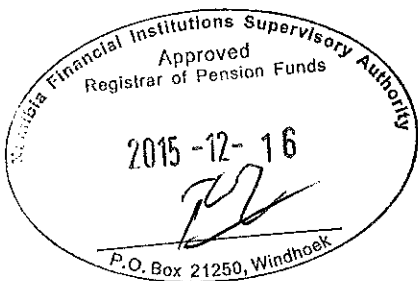
12.4.4 Subject to the provisions of the Act, the Board may from time to time establish such sub-committees as they may deem necessary to advise them generally or in relation to any particular matter concerning the exercise of any of their powers or the performance of any of their duties and functions. The following shall apply:

(a) one such sub-committee shall be established to deal with matters related to the Fund's investments and another such sub-committee shall be established to deal with death benefit claims;

(b) the Board may appoint such Trustees as they deem fit to serve on such sub-committees for such terms of office as they deem fit; provided that

(i) a sub-committee established in terms of (a) above to deal with investments and death benefit claims may appoint such independent experts as it may decide and for such period as it may decide, to serve on such sub-committee but an independent expert shall not have voting powers; and

(ii) if a casual vacancy arises on any such sub-committee, the Board shall appoint a Trustee to fill such vacancy for the remainder of the retiring Trustee's term of office.



(x) deleting Rule 12.5;

(xi) replacing Rule 12.6.1 with the following:

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12.6.1 The Board shall have the power to delegate any of its management and administrative functions in terms of Rule 12.4 to an Executive Committee, except for any duties that have been specifically delegated to another sub-committee established in terms of Rule 12.4.4 and subject to the provisions of Rule 12.6.3 below.

(xii) replacing Rule 12.6.4 with the following:

12.6.4 If a casual vacancy arises on the Executive Committee, the Board shall appoint a member to fill such vacancy for the remainder of the retiring member's term of office.

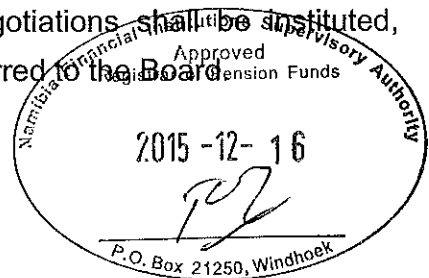
(xiii) replacing Rule 12.6.9 with the following:

12.6.9 Decisions by the Executive Committee may be taken by a show of hands or, if so requested by any member of the Executive Committee present at such meeting, by voting by ballot. A decision by the majority of members of the Executive Committee shall constitute a decision by the Executive Committee. In the event of an equality of votes, negotiations shall be instituted, failing which the matter shall be referred to the Board.

(xiv) replacing Rule 13.4 with the following:

13.4 Accounts

The Board shall cause full and true accounts of the Fund to be kept. Such accounts shall be made up as at the end of each Financial Year, audited by the Auditor, recommended by the Executive Committee, forwarded and submitted to the Board of Trustees for approval. Once approved by the Board of Trustees, the accounts shall be submitted to the Registrar within six months of the end of the Financial Year in accordance with the provisions of Section 15 of the Act, quoted in Annexure H to the Rules.



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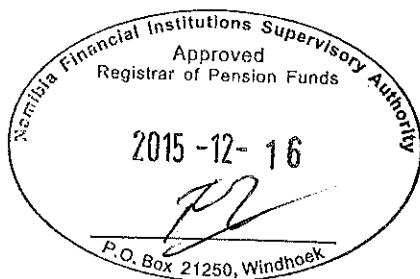
(xv) replacing Rule 15.2 with the following:

15.2 The Board may amend these Rules at any time; provided that:

- (a) such amendment is recommended by the Executive Committee;
- (b) the value of a Member's Fund Credit prior to such amendment shall not be reduced;
- (c) the amendment is not inconsistent with the provisions of the Act or of the Income Tax Act;
- (d) any amendment to the Rules affecting the financial basis of the Fund shall be referred to the Valuator before being adopted; and
- (e) in consultation with the Trustees and on the advice of the Valuator, the Participating Employers shall also have power from time to time to alter the contributions and/or benefits under the Fund.

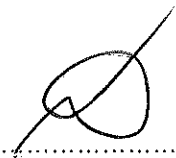
(xvi) replacing Rule 17.4 with the following:

17.4 If a Beneficiary does not claim a benefit payable to him, other than a death benefit, within five years of the date of such benefit becoming payable, such benefit shall be paid to the Guardian's Fund for the benefit of the Beneficiary concerned, where after the Fund will have no further liability toward such Beneficiary.



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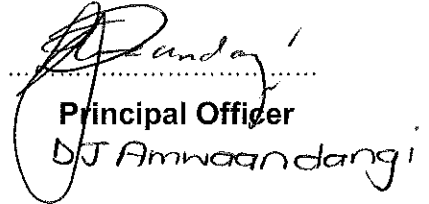
Certified that the above resolution has been adopted in accordance with the provisions of the Rules of the Fund.



Chairperson of Trustees
F Namupala

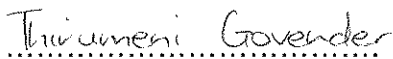


Trustee
BE Cornelius

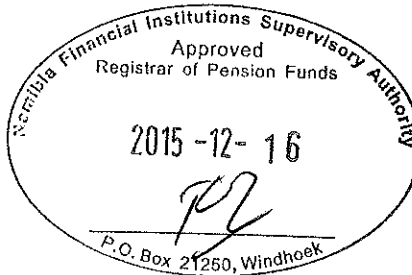


Principal Officer
DJ Amwaandangi

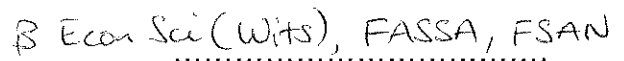
Certified that the above amendments are financially sound.



Actuary to the Fund



Signature



Qualifications