

IMPORTANT NOTICE REGARDING TEMPORARY CONTRIBUTION REDUCTION

The Board of Trustees wishes to inform members of a proposed temporary amendment relating to contribution rates payable to certain Funds affected by the National Bargaining Council for the Private Security Sector.



This communication forms part of the Fund's commitment to transparency, good governance and the fair treatment of members.



TEMPORARY EXEMPTION

A temporary exemption has been granted for a period of

9 MONTHS commencing on

1 JUNE 2026

Contributions will be:



EMPLOYER CONTRIBUTIONS REDUCED FROM 7.5% TO 5%



MEMBER CONTRIBUTIONS REDUCED FROM 7.5% TO 5%

The current Rules and contribution structure remain in place until all regulatory approvals have been obtained.

1 BACKGROUND



The National Bargaining Council for the Private Security Sector granted a temporary exemption due to exceptional economic pressures affecting the industry.



Ruling issued by the Independent Appeal Body (IAB) on 19 May 2026.

The exemption reduces employer and member contributions for nine (9) months from 1 June 2026.

2 WHY MEMBERS ARE BEING NOTIFIED



The Pension Funds Act requires that any change affecting contributions or benefits must:

- ✓ be incorporated into the Rules of the Fund; and
- ✓ be approved and registered by the FSCA.

The IAB ruling requires the Fund to amend its Rules and obtain FSCA approval before the reduction can be implemented.

3 PROPOSED RULE AMENDMENT



The Board of Trustees will submit a Rule Amendment to the FSCA in terms of section 12 of the Pension Funds Act.

The proposed amendment will introduce a temporary mechanism to allow for contribution reductions arising from:

- ✓ bargaining council exemption rulings;
- ✓ extraordinary economic circumstances; and
- ✓ other approved regulatory relief measures.



IMPORTANT: This amendment is temporary and does not permanently reduce contribution rates.

4 POTENTIAL IMPACT ON MEMBERS



A temporary reduction in contributions may result in:

- lower retirement savings being accumulated during the exemption period;
- a potential reduction in future retirement outcomes depending on individual circumstances; and
- a possible impact on certain insured or ancillary benefits where costs are linked to contribution levels.

PLEASE NOTE

- ✓ The exemption is limited to nine (9) months only.
- ✓ The measure supports employment sustainability and reduces financial pressure within the sector.
- ✓ Rates are expected to return to normal once the exemption period expires unless otherwise approved.

5 REGULATORY APPROVAL PROCESS



The proposed contribution reduction cannot take effect until the necessary regulatory approvals have been obtained.

- ✓ The current Rules and contribution structure remain applicable.
- ✓ The proposed amendment must be approved and registered by the FSCA.
- ✓ Implementation may only occur once all regulatory requirements have been satisfied.
- ✓ If FSCA approval is not obtained, the exemption cannot be implemented.

6 OUR COMMITMENT TO MEMBERS



- ✓ Acting in the best interests of members
- ✓ Ensuring transparent and timely communication
- ✓ Balancing sustainability considerations with member outcomes
- ✓ Treating members fairly throughout this process
- ✓ Complying with all applicable legislative and regulatory requirements

The Board of Trustees, together with the Fund's legal, actuarial and governance advisers, will carefully assess the impact to ensure members' interests are protected.

7 MEMBER ENQUIRIES

Should you require further information or clarification regarding this notice, please contact the Fund Administrator.



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WEBSITE
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Integrity
We act with honesty and professionalism.



Transparency
We communicate openly and clearly.



Care
We value our members and their future.