

AF ACCESS RETIREMENT FUND: PROVIDENT SECTION

The TRUSTEES of the AF Access Retirement Fund: Provident Section resolved at Sandton on 22 March 2022 that with effect from 1 January 2022 the RULES of the FUND shall be substituted by these revised Rules.

A. *The reasons for the revision are to incorporate the provisions of registered Amendments No. 1 to 12 and to up-date the RULES to reflect legislative changes and wording most appropriate for the administration practice of the FUND.*

B. *It is hereby confirmed that:*

(a) *the contribution structure of the FUND and the way in which salary is calculated for the purposes of the FUND have not been affected by these revised RULES;*

(b) *these revised RULES will not have the effect of introducing a salary sacrifice scheme retrospectively;*

(c) *any changes to the RULES not previously submitted to the AUTHORITY or the REVENUE AUTHORITIES are effective from the date of these revised RULES, which is 1 January 2022.*

Certified that the Resolution in terms of which these RULES have been accepted has been adopted in accordance with the RULES of the FUND.

Signed by:Jurgen Philipp Fegbeutel
Signed at:2022-03-22 16:59:51 +02:00
Reason:Witnessing Jurgen Philipp Fegbe

..... 

Chairman of TRUSTEES

Signed by:HERBERT ROBIN HURD
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Reason:Witnessing HERBERT ROBIN H

.. 

TRUSTEE

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PRINCIPAL OFFICER

AF ACCESS RETIREMENT FUND: PROVIDENT SECTION

I N D E X

| CONTENTS | PAGE |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1. GENERAL | 1 |
| 2. DEFINITIONS | 2 |
| 3. MEMBERSHIP | 14 |
| 4. CONTRIBUTIONS | 18 |
| 4.1 Contributions by the MEMBER | 18 |
| 4.2 Contributions by the EMPLOYER | 20 |
| 4.3 Additional Voluntary Contributions by MEMBERS and EMPLOYERS | 22 |
| 4.4 Employer Surplus Account | 23 |
| 4.5 Data Reserve Account | 24 |
| 4.6 Unpaid Benefits Account | 24 |
| 4.7 Processing Error Reserve Account | 25 |
| 4.8 Deferred Retiree Account | 26 |
| 4.9 Preserved Member Account | 26 |
| 4.10 General Contribution Category | 27 |
| 5. RETIREMENT BENEFITS | 29 |
| 5.1 Benefit | 29 |
| 5.2 Retirement from SERVICE | 30 |
| 5.3 Death of a retiring MEMBER before the ELECTION DATE but before purchase of an annuity and/or payment of a lump sum retirement benefit | 31 |
| 5.4 Provisions applicable to a DEFERRED RETIREE | 31 |
| 5.5 Commutation of PENSION | 33 |
| 6. DEATH AND DISABILITY BENEFITS | 34 |
| 6.1 Death Benefit | 34 |
| 6.2 Disability Benefit | 36 |
| 6.3 Suspension or Cancellation of death or, disability cover | 37 |

| CONTENTS | PAGE |
|----------------------------------------------------------------------------------------|-------------|
| 7. TERMINATION OF SERVICE | 38 |
| 7.1 Benefit | 38 |
| 7.2 Preservation and Payment of Benefit | 38 |
| 8. TEMPORARY ABSENCE AND SECONDMENT | 40 |
| 8.1 Temporary Absence | 40 |
| 8.2 Secondment | 43 |
| 9. TRANSFERS | 46 |
| 9.1 Transfers into the FUND | 46 |
| 9.2 Transfers out of or within the FUND | 47 |
| 10. TERMINATION | 52 |
| 10.1 Termination of the FUND | 52 |
| 10.2 Partial Termination | 54 |
| 10.3 Withdrawal of an EMPLOYER | 58 |
| 11. DEDUCTIONS FROM BENEFITS | 60 |
| 12. MANAGEMENT OF THE FUND | 62 |
| 12.1 Management Structure | 62 |
| 12.2 Internal TRUSTEES | 62 |
| 12.3 External TRUSTEES | 64 |
| 12.4 MANAGEMENT COMMITTEES | 65 |
| 12.5 Disqualification from holding office as TRUSTEE or MANAGEMENT COMMITTEE MEMBER | 70 |
| 12.6 Term of Office and Remuneration | 71 |
| 12.7 Meetings of TRUSTEES | 71 |
| 12.8 Other Appointments | 74 |
| 12.9 Indemnification of Officers of the FUND | 76 |
| 12.10 Delegation of TRUSTEE Functions | 76 |

| CONTENTS | PAGE |
|------------------------------------------------------------|-------------|
| 13. FINANCIAL PROVISIONS | 78 |
| 13.1 Bank Account | 78 |
| 13.2 Investment Powers | 78 |
| 13.3 Housing Loan Guarantees | 80 |
| 13.4 Power to Transfer and to take Transfer | 80 |
| 13.5 Member Investment Choice | 81 |
| 13.6 Allocation of the INVESTMENT RETURN | 83 |
| 13.7 Accounts | 84 |
| 13.8 Actuarial Valuation | 84 |
| 13.9 Late Payment Interest | 85 |
| 13.10 Expenses | 85 |
| 13.11 INVESTMENT ADVICE FEE | 85 |
| 14. ADMINISTRATION OF THE FUND | 86 |
| 15. ALTERATIONS | 88 |
| 16. INTERPRETATION OF RULES | 90 |
| 17. MISCELLANEOUS PROVISIONS | 91 |
| 18. PROVISIONS APPLICABLE TO A PRESERVED MEMBER | 94 |
| 19. SPECIAL PROVISIONS APPLICABLE TO THE FUND'S SPONSOR | 96 |

1. GENERAL

- 1.1 The FUND known as the Alexander Forbes Open Umbrella Fund (Provident Section) was established with effect from 1 April 2010.

With effect from 1 October 2010 the FUND became known as the AF Access Retirement Fund: Provident Section.

- 1.2 The registered office of the FUND is at Alexander Forbes, 115 West Street, Sandown.

- 1.3 The object of the FUND is, in terms of these RULES, to provide retirement and other benefits for MEMBERS, and benefits in the event of their death as set out in these RULES.

- 1.4 The FUND, in its own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating property, movable and immovable.

- 1.5 The RULES of the FUND comprise these General Rules, which are applicable to all MEMBERS and such SPECIAL RULES as may apply to individual EMPLOYERS and their employees. Unless specifically provided to the contrary elsewhere in these RULES, in the event of conflict between the General Rules and a Special Rule, the provisions of the SPECIAL RULES shall prevail.

- 1.6 These RULES include all amendments up to and including 31 December 2021. If the registration of these RULES in terms of the ACT is effected later than 1 January 2022, the RULES shall nevertheless take effect from 1 January 2022.

2. DEFINITIONS

In these RULES words defined in the ACT and not in the RULES shall have the meanings assigned to them in the ACT and, unless inconsistent with the context, all words and expressions signifying the singular shall include the plural and *vice versa*, and the following words and expressions shall have the following meanings:

“ACT” shall mean the Pension Funds Act, 1956, as amended, and the regulations made in terms of that Act.

“ACTUARY” shall mean the actuary appointed in terms of these RULES.

“ADMINISTRATORS” shall mean the administrators appointed in terms of these RULES.

“APPROVED PENSION FUND” shall mean a pension fund approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.

“APPROVED PRESERVATION FUND” shall mean a pension preservation fund or provident preservation fund approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.

“APPROVED PROVIDENT FUND” shall mean a provident fund approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.

“APPROVED RETIREMENT ANNUITY FUND” shall mean a retirement annuity fund approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.

“AUDITOR” shall mean the auditor appointed in terms of these RULES.

“AUTHORITY” shall prior to 1 April 2018 mean the Registrar of Pension Funds referred to in the ACT and thereafter the Financial Sector Conduct Authority established in terms of Section 56 of the Financial Sector Regulation Act, 2017.

“CALCULATION DATE” shall mean the date on which the ADMINISTRATORS, acting in terms of their contract with the FUND, calculate the MEMBER’S benefit due as a result of the MEMBER’S retirement, death or leaving SERVICE in terms of Rule 7 or in order to transfer the MEMBER’S benefit from the FUND in any of the circumstances contemplated in these RULES.

“COMMENCEMENT DATE” shall mean 1 April 2010.

“DEFERRED RETIREE” shall mean a MEMBER who has retired from SERVICE in terms of Rule 5.2 and elected that the retirement benefit shall be retained in the FUND until the ELECTION DATE, subject to the provisions of Rule 5.4.

“DEPUTY PRINCIPAL OFFICER” shall mean the DEPUTY PRINCIPAL OFFICER of the FUND who may be appointed in accordance with these General Rules.

“DISABILITY ARRANGEMENT” shall mean the separate unapproved arrangement which provides an income benefits for employees who are MEMBERS in the event of their DISABLEMENT, including such services as may be necessary to facilitate the provision of such benefit to MEMBERS, in terms of a policy issued by an INSURER to the EMPLOYER.

“DISABLEMENT” shall mean the condition of a MEMBER whose condition is such as to satisfy the provisions governing disablement set out in the relevant policy governing the INSURED DISABILITY PORTION or DISABILITY ARRANGEMENT, as applicable, issued by the INSURER.

“ELECTION DATE” shall mean the date in which a MEMBER retiring in terms of Rule 5 elects to receive payment of the benefit in terms of paragraph 4 of the Second Schedule to the Income Tax Act, 1962 or, if later, the date on which the FUND receives notification of such election.

“ELIGIBLE EMPLOYEE” shall mean an employee as specified in the SPECIAL RULES, in the SERVICE of the EMPLOYER specified in the SPECIAL RULES;

provided that:

- (a) a member of a fund providing retirement benefits which was set up in terms of an agreement under the Labour Relations Act, 1956 or in terms of a collective agreement concluded in council in terms of the Labour Relations Act, No. 66 of 1995; or
- (b) a member of an APPROVED PROVIDENT FUND or APPROVED PENSION FUND which is operated by a recognised trade union;

shall not be eligible for membership unless such employee’s participation in the FUND is specifically agreed to with the EMPLOYER;

and

provided further that in the case of an employee who is resident in a country outside of South Africa and such country requires the FUND to register as a foreign fund, such employee shall not be eligible for membership.

“EMPLOYER” shall mean an employer who has been admitted to the FUND as an employer and who is specified in the SPECIAL RULES; provided that where applicable in the RULES, the definition “EMPLOYER” shall include a division of that EMPLOYER.

If the business of an EMPLOYER is wound up for the purpose of reconstruction in a similar or amended form, the reconstructed organisation may take the place of that EMPLOYER and the term "EMPLOYER" in such case shall then mean the EMPLOYER as reconstructed.

In relation to any particular employee or MEMBER, "EMPLOYER" shall mean the EMPLOYER by whom that person is, or was last, employed.

"EMPLOYER APPOINTED MANAGEMENT COMMITTEE MEMBER" shall mean a committee member/s or their alternates, if applicable, appointed by the EMPLOYERS of each EMPLOYER CLUSTER in terms of these RULES.

"EMPLOYER CLUSTER" as specified in the SPECIAL RULES, shall mean an EMPLOYER or EMPLOYERS, determined on such basis as may be decided by the TRUSTEES for the purposes of Rule 12.4 and such other purposes as may be decided by the TRUSTEES from time to time, with the object of simplifying administrative processes and to facilitate the efficient management of the FUND. Where no EMPLOYER CLUSTER is defined in the SPECIAL RULES, the EMPLOYER shall be the EMPLOYER CLUSTER.

"EXTERNAL TRUSTEES" shall mean the trustees appointed in terms of Rule 12.3.

"FINANCIAL YEAR" shall mean the period from 1 April 2010 until 30 September 2011 and thereafter each 12-month period ending on 30 September.

"FUND" shall mean the AF Access Retirement Fund: Provident Section.

"FUND CREDIT" shall mean for each MEMBER at any particular date an amount determined as follows:

- (a) the accumulated value of:
 - (i) that part of the MEMBER'S contributions, if any, received by the FUND in terms of Rule 4.1.1 which is applied in terms of Rule 4.1.1(b)(iv) towards retirement funding;
 - (ii) that part of the EMPLOYER'S contributions in respect of the MEMBER received by the FUND in terms of Rule 4.2.1 which is applied towards the MEMBER'S retirement benefit in terms of Rule 4.2.2 (b) (if any);
 - (iii) if applicable, additional contributions made by the EMPLOYER and/or the MEMBER and received by the FUND in terms of Rule 4.3;
 - (iv) any amount transferred to the FUND in terms of Rule 9.1; and
 - (v) if applicable, any amount allocated in terms of Rule 4.4.3;
 - (vi) any surplus assets allocated for the benefit of the MEMBER in terms of Section 15C(1) of the ACT;
- (b) less
 - (i) where applicable, the INVESTMENT ADVICE FEE;
 - (ii) such reasonable expenses as may be determined by the TRUSTEES;
 - (iii) any amount deducted in terms of Rule 11.4, including any costs incurred by the FUND in giving effect to the provisions of that Rule;

increased or decreased by the INVESTMENT RETURN until the CALCULATION DATE.

“FUND SALARY” shall mean for any MEMBER:

- (i) the MEMBER’S basic annual salary or wages, and, if applicable, an amount determined by the EMPLOYER from time to time in lieu of all other remuneration of any nature whatsoever; or
- (ii) a percentage, as determined by the EMPLOYER, of the MEMBER’S TOTAL COST OF EMPLOYMENT;

provided that:

- (a) for the purposes of the FUND, FUND SALARY shall be determined on the first day of each month of membership of the FUND;
- (b) if the remuneration which constitutes the MEMBER’S FUND SALARY is reduced at any time then, subject to the agreement of the MEMBER, the EMPLOYER may direct that, for the purposes of the FUND, the reduction shall either not be applied in the calculation of the MEMBER’S FUND SALARY or shall be applied only partially;
- (c) while a MEMBER is disabled in terms of the provisions of the DISABILITY ARRANGEMENT, the MEMBER’S FUND SALARY shall be the MEMBER’S FUND SALARY at the date on which the MEMBER’S DISABLEMENT commenced. Subject to the provisions of Rule 6.1.2.4, if the benefit payable to the MEMBER under the DISABILITY ARRANGEMENT is increased, the MEMBER’S FUND SALARY shall be increased in the same proportion;

- (d) in the case of a commission earner the EMPLOYER shall have the right to determine any period over which commission may be averaged for the purposes of determining FUND SALARY in relation to the INSURED DEATH PORTION and the INSURED DISABILITY PORTION, as applicable;
- (e) unless otherwise specified in the SPECIAL RULES applicable to the EMPLOYER, for the purposes of the contributions by the MEMBER in terms of Rule 4.1 and by the EMPLOYER in terms of Rule 4.2, FUND SALARY shall be calculated on a monthly basis;
- (f) if a MEMBER is temporarily absent from SERVICE in any of the circumstances contemplated in Rule 8, FUND SALARY for the purposes of contributions in terms of Rule 8.1.1, Rule 8.1.3 (if any) and Rule 8.1.4 and for the determination of risk benefits provided under the FUND during the period of absence shall be based on the MEMBER'S FUND SALARY immediately prior to the commencement of the period of absence, irrespective of whether the MEMBER is on absent with full pay, with less than full pay or with no pay, provided that:
 - (i) if the MEMBER is on absent with less than full pay, the MEMBER and the EMPLOYER may agree to adjust the MEMBER'S FUND SALARY accordingly during the period of absence; and
 - (ii) the EMPLOYER may agree by written notification to the TRUSTEES that FUND SALARY shall be adjusted by any annual increases granted by the EMPLOYER during the period of absence.

"INSURED DEATH PORTION" shall mean the amount of death cover as specified in the SPECIAL RULES and payable in terms of Rule 6.1.1.1(a).

"INSURED DISABILITY PORTION" shall mean the amount of lump sum

disability cover as specified in the SPECIAL RULES and payable in terms of Rule 6.2.1.

“INSURER” shall mean a registered and/or licensed insurer in terms of the applicable legislation.

“INTERNAL TRUSTEES” shall mean the trustees appointed in terms of Rule 12.2.

“INVESTMENT ADVICE FEE” shall mean the cost of investment advice payable to the INVESTMENT ADVISOR.

“INVESTMENT ADVISOR” shall mean the investment advisor appointed by the MANAGEMENT COMMITTEE as specified in the participation service level agreement or subsequently by MANAGEMENT COMMITTEE resolution.

“INVESTMENT RETURN” shall mean any income (received or accrued) and capital gains and losses (realised and unrealised) of the FUND, less an allowance for any tax and such expenses (paid or incurred) associated with the acquisition, holding or disposal of the assets of the FUND as may be determined by the TRUSTEES, provided that:

- (a) such INVESTMENT RETURN may be positive or negative; and
- (b) the INVESTMENT RETURN shall be allocated where applicable in these RULES in accordance with Rule 13.6; further provided that in allocating the INVESTMENT RETURN, the TRUSTEES may use reasonable approximation, made in such manner as may be prescribed by the AUTHORITY, if there are sound administrative reasons why an exact allocation cannot be effected.

“MANAGEMENT COMMITTEE” shall mean the committee member/s or their alternates, if applicable, appointed or elected in respect of each EMPLOYER CLUSTER in terms of these RULES.

“MEMBER” shall mean an ELIGIBLE EMPLOYEE who, having been admitted to membership of the FUND in accordance with these RULES, has not ceased to be a MEMBER in terms of these RULES, including a DEFERRED RETIREE and a PRESERVED MEMBER.

“MEMBER ELECTED MANAGEMENT COMMITTEE MEMBER” shall mean a committee member/s or their alternates, if applicable, elected by the MEMBERS of each EMPLOYER CLUSTER in terms of these RULES.

“NON-VESTED PORTION” shall mean the amount, if any, by which the MEMBER’S FUND CREDIT plus, if applicable, the INSURED DISABILITY PORTION, exceeds the VESTED PORTION.

“NORMAL RETIREMENT DATE” shall mean the date specified as such in the SPECIAL RULES.

“PARTIAL TERMINATION DATE” shall mean the date the TRUSTEES accept as the effective date of the EMPLOYER’S termination of participation in the FUND.

“PARTICIPATION DATE” shall mean the date on which an EMPLOYER commences participation in the FUND as specified in the SPECIAL RULES.

“PENSION” shall mean the annuity or, subject to the requirements of the REVENUE AUTHORITIES, annuities purchased from an INSURER in terms of these RULES.

“PRESERVED MEMBER” shall mean a MEMBER:

- (a) who on leaving SERVICE prior to 1 March 2019 elected in terms of the RULES as they applied prior to that date, that his benefit be retained in the FUND until it becomes payable in accordance with the provisions of Rule 18; or

- (b) whose benefit has been preserved in the FUND on leaving SERVICE in terms of Rule 7 and whose benefit has not yet become payable in terms of Rule 18.

“PREVIOUS FUND” shall mean an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND in which the EMPLOYER participates or participated, or in which a previous employer participated, and from which a MEMBER or a group of MEMBERS transferred to the FUND in accordance with the provisions of Section 14 of the ACT, if applicable.

“PRINCIPAL OFFICER” shall mean the principal officer of the FUND appointed in accordance with these RULES.

“REVENUE AUTHORITIES” shall mean the South African Revenue Service and the Income Tax Act, 1962, as amended from time to time.

“RULES” shall mean the General Rules and the SPECIAL RULES as altered from time to time.

“SECONDED MEMBER” shall mean a MEMBER who is seconded to the service of an organisation linked to the MEMBER’S EMPLOYER.

“SERVICE” shall mean employment with the EMPLOYER and shall include any period during which the MEMBER is deemed to remain in SERVICE in terms of Rule 8.1.2.

“SPECIAL RULES” shall mean the rules which are applicable to each individual EMPLOYER and its ELIGIBLE EMPLOYEES.

“SPONSOR” shall mean Alexander Forbes Financial Services (Pty) Ltd, or such other entity as may be applicable from time to time.

“TOTAL COST OF EMPLOYMENT” shall mean the total annual cost of employing the MEMBER as determined by the EMPLOYER from time to time.

“TRUSTEES” shall mean the trustees appointed in terms of these RULES.

“UNAPPROVED RISK BENEFITS” shall mean risk benefits, including but not limited to the DISABILITY ARRANGEMENT, if applicable, provided under separate unapproved arrangements in terms of policies issued by an INSURER or INSURERS to the EMPLOYER.

“UNCLAIMED BENEFIT” shall mean an unclaimed benefit as defined in the ACT.

“VESTED PORTION” shall mean:

(a) in the case of a MEMBER who on 1 March 2021 was a MEMBER of the FUND and was 55 years of age or older on such date, and remained a MEMBER of the FUND until retirement from the FUND, the MEMBER’S FUND CREDIT plus, if applicable, the INSURED DISABILITY PORTION;

or

(b) in the case of a MEMBER who on 1 March 2021 was a MEMBER of the FUND, other than a MEMBER referred to in (a) above, the accumulated value of:

(i) the MEMBER’S FUND CREDIT as at 1 March 2021; and

(ii) that part of any amount transferred to the FUND after 1 March 2021 from another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND or an APPROVED PRESERVATION FUND of which such MEMBER was a member that is not required to be paid as an annuity on

retirement from the Fund, in terms of the Income Tax Act, 1962, and any other applicable legislation, increased or decreased by the INVESTMENT RETURN earned on the amount in (i) and (ii) above, as applicable, until the CALCULATION DATE and less any amounts permitted in terms of any law to be deducted from the amount in (i) and (ii) above, as applicable;

or

- (c) in the case of a MEMBER who became a MEMBER of the FUND after 1 March 2021, that part of any amount transferred to the FUND after 1 March 2021 from another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND or an APPROVED PRESERVATION FUND of which such MEMBER was a member that is not subject to annuitisation, increased or decreased by the INVESTMENT RETURN earned on such amount until the CALCULATION DATE, and less any amounts permitted in terms of any law to be deducted from such amount.

3. MEMBERSHIP

- 3.1 Each ELIGIBLE EMPLOYEE in SERVICE on the PARTICIPATION DATE may, in terms of the ELIGIBLE EMPLOYEE'S employment contract, choose to become a MEMBER of the FUND. Such choice must be exercised within twelve months after the PARTICIPATION DATE.
- 3.2 Notwithstanding the provisions of Rule 3.1 any ELIGIBLE EMPLOYEE who was a member of a PREVIOUS FUND shall join the FUND on becoming an ELIGIBLE EMPLOYEE.
- 3.3 ELIGIBLE EMPLOYEES who enter SERVICE after the PARTICIPATION DATE shall join the FUND as a condition of employment. Subject to any variation in terms of the SPECIAL RULES, ELIGIBLE EMPLOYEES shall join the FUND immediately on joining SERVICE.
- 3.4 Each MEMBER must produce evidence of age acceptable to the TRUSTEES and must also give such other information as the TRUSTEES may reasonably require for the purposes of the FUND. In the case of a MEMBER who was a member of a PREVIOUS FUND, the TRUSTEES may accept the information provided in the records of that fund.
- 3.5 Unless otherwise provided for in the RULES, a MEMBER shall not be permitted to withdraw from membership while the MEMBER remains in SERVICE.
- 3.6 A MEMBER who has left SERVICE for any reason and has received all the benefits which may be due to the MEMBER in terms of these RULES shall immediately cease to be a MEMBER.

3.7 Notwithstanding any provisions of the SPECIAL RULES, if a MEMBER begins to contribute and/or the EMPLOYER begins to contribute in respect of the MEMBER to another APPROVED PROVIDENT FUND or APPROVED PENSION FUND in which the EMPLOYER participates or on transfer to an APPROVED RETIREMENT ANNUITY FUND, or an APPROVED PRESERVATION FUND in circumstances where the transfer of the EMPLOYER'S business, as contemplated in Section 197 of the Labour Relations Act, does not permit continued membership of the FUND under the terms and conditions applicable to such transfer, and in consequence the MEMBER'S contributions to the FUND and/or the EMPLOYER'S contributions in respect of the MEMBER cease, the following shall apply:

- (a) the MEMBER'S FUND CREDIT as at the date on which the MEMBER ceases to contribute to the FUND and/or the EMPLOYER ceases to contribute in respect of the MEMBER shall become paid-up;
- (b) subject to the provisions of (f) below, the amount referred to in (a), less any reasonable expenses incurred in the administration of such amount, shall be increased or decreased by the INVESTMENT RETURN until the CALCULATION DATE and shall be referred to as the "Paid-up Benefit" for the purposes of this Rule;
- (c) in the event of such MEMBER'S death or disability prior to transfer of the MEMBER'S benefit in terms of (d) below to another APPROVED PROVIDENT FUND or an APPROVED PENSION FUND in which the EMPLOYER participates, or to an APPROVED RETIREMENT ANNUITY FUND, or an APPROVED PRESERVATION FUND in circumstances where the transfer of the

EMPLOYER'S business, as contemplated in Section 197 of the Labour Relations Act, does not permit continued membership of the FUND under the terms and conditions applicable to such transfer, that part of the death and disability benefits in Rule 6 which is insured with an INSURER shall not be payable;

(d) the benefit in (b) above may be transferred in terms of Rule 9.2, to another APPROVED PROVIDENT FUND or an APPROVED PENSION FUND in which the EMPLOYER participates, or to an APPROVED RETIREMENT ANNUITY FUND, or an APPROVED PRESERVATION FUND in circumstances where the transfer of the EMPLOYER'S business, as contemplated in Section 197 of the Labour Relations Act, does not permit continued membership of the FUND under the terms and conditions applicable to such transfer;

(e) the benefit in (b) above shall become payable in the following circumstances:

(i) to the MEMBER, if the MEMBER retires or leaves SERVICE in terms of the provisions of these RULES prior to transfer of the MEMBER'S benefit to a fund referred to in (d) above; or

(ii) to the MEMBER'S beneficiaries, in terms of Section 37C of the ACT, if the MEMBER dies prior to transfer of the benefit to such fund;

and

- (f) in the case of a MEMBER who elected to invest the benefit in terms of the provisions of Rule 13.5.1, the INVESTMENT RETURN referred to in (b) above shall be the INVESTMENT RETURN on the portfolio in which all or part of the MEMBER'S benefit in (b) above is invested.

4. CONTRIBUTIONS

4.1 Contributions by the MEMBER

- 4.1.1 (a) Subject to the provisions of Rule 4.2.7, the requirements of the Income Tax Act, 1962 and any terms and conditions imposed by the TRUSTEES, each MEMBER shall contribute to the FUND at the rate advised by the EMPLOYER to the ADMINISTRATORS in writing.
- (b) Out of the amount paid in terms of (a) above:
- (i) that part of the premiums, if applicable, due to the INSURER with whom the UNAPPROVED RISK BENEFITS are insured which is not met by the EMPLOYER contributions made in terms of Rule 4.2.2(a)(i), shall be paid to the INSURER;
 - (ii) such amounts as are required to meet that part of the cost for the month concerned, if applicable, of any INSURED DEATH PORTION and any INSURED DISABILITY PORTION which is not met by the EMPLOYER contributions made in terms of Rule 4.2.2(a)(ii), shall be applied for this purpose;
 - (iii) that part of the cost of the administration

and such other reasonable expenses of the FUND for the month concerned not met by the EMPLOYER contribution in terms of Rule 4.2.2(b) shall be applied for this purpose;

and

- (iv) the balance shall be applied towards the MEMBER'S retirement benefit under the MEMBER'S FUND CREDIT.

4.1.2 Each MEMBER'S contributions shall be deducted by the EMPLOYER from the MEMBER'S salary or wages and paid to the FUND; provided that while a MEMBER is in receipt of benefits from the DISABILITY ARRANGEMENT the MEMBER'S contributions to the FUND shall be paid from the benefit paid from the DISABILITY ARRANGEMENT, provided that this is not paid by the EMPLOYER in terms of the EMPLOYER practice.

4.1.3 If MEMBERS are not required to contribute to the FUND, this shall be specified in the SPECIAL RULES.

4.1.4 Contributions shall be paid to the FUND within seven days after the end of the month in respect of which the contributions were made. If contributions are not paid to the FUND as required in terms of the ACT, the EMPLOYER shall be required to pay late payment interest at the rate prescribed by legislation. Any such interest shall constitute investment income for the FUND.

4.2 Contributions by the EMPLOYER

4.2.1 Each EMPLOYER shall make a monthly contribution in respect of each MEMBER in his employment as set out in the SPECIAL RULES.

4.2.2 Out of the amount paid in terms of Rule 4.2.1:

(a) (i) the premiums, if applicable, for the month concerned in respect of the UNAPPROVED RISK BENEFITS due by the EMPLOYER to the INSURER or INSURERS with whom the UNAPPROVED RISK BENEFITS are insured, shall be paid to the INSURER or INSURERS;

(ii) such amounts as are required to meet, if applicable, the cost for the month concerned of any INSURED DEATH PORTION and any INSURED DISABILITY PORTION in respect of each MEMBER of an EMPLOYER, shall be applied for this purpose; and

(b) the balance, less the administration and such other reasonable expenses of the FUND for the month concerned, shall be applied towards the MEMBER'S retirement benefit under the MEMBER'S FUND CREDIT. It is specifically provided that an alternative arrangement may be agreed between the FUND and the EMPLOYER from time to time for the payment of the administration and such other reasonable expenses of the FUND.

- 4.2.3 Any variations in the application of the EMPLOYER'S contribution towards retirement funding, the cost of any other benefits provided by the FUND, the cost of the UNAPPROVED RISK BENEFITS and the costs contemplated in Rule 4.2.2(b), shall be set out in the SPECIAL RULES.
- 4.2.4 Contributions by the EMPLOYER shall be paid within seven days after the end of the month in respect of which the contributions were made, in accordance with the provisions of Section 13A of the ACT. If contributions are not paid to the FUND as required in terms of the ACT, the EMPLOYER shall be required to pay late payment interest at the rate prescribed in the ACT. Any such interest shall constitute investment income for the FUND.
- 4.2.5 It is specifically provided that the terms and conditions applicable to the premiums referred to in Rule 4.1.1(b)(i) and Rule 4.2.2(a)(i) and the payment of the UNAPPROVED RISK BENEFITS are set out in the policy or policies issued by the INSURER or INSURERS with whom such benefits have been insured. Accordingly:
- (a) the EMPLOYER remains liable for the payment of the premiums in respect of the UNAPPROVED RISK BENEFITS to an INSURER or INSURERS, even though the FUND acts as a conduit for the payment of such premiums;

- (b) there shall be no right of recourse against the FUND due to any loss howsoever caused as a result of the late or non-payment of premiums in respect of the UNAPPROVED RISK BENEFITS; and
- (c) the FUND is not liable for the payment of any UNAPPROVED RISK BENEFITS.

4.2.6 Where the contribution payable by the EMPLOYER in the case of a MEMBER who is in receipt of an income disability benefit is paid by the INSURER with whom the income disability benefit is insured, such contribution shall be subject to a maximum of such amount as may specified from time to time by the INSURER.

4.2.7 Payment of contributions in respect of the SPECIAL RULES shall commence on the PARTICIPATION DATE.

4.3 Additional Voluntary Contributions by MEMBERS and EMPLOYERS

4.3.1 A MEMBER may make additional contributions to the FUND to secure greater benefits in accordance with such conditions and procedures as the EMPLOYER, with the agreement of the TRUSTEES, may prescribe from time to time. The payment of additional contributions to the FUND shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated to the MEMBER'S FUND CREDIT.

4.3.2 An EMPLOYER may make additional contributions to the FUND to secure greater benefits for the MEMBER in accordance with such conditions and procedures as the TRUSTEES may require from time to time. The payment of additional contributions to the FUND shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated to the MEMBER'S FUND CREDIT.

4.4 Employer Surplus Account

4.4.1 An Employer Surplus Account shall be maintained for an EMPLOYER under the FUND if amounts required to be credited to an Employer Surplus Account have been transferred from another fund in terms of Section 15E(1)(e) of the ACT in respect of such EMPLOYER.

4.4.2 The amount standing to the credit of an Employer Surplus Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested as advised to the FUND by the MANAGEMENT COMMITTEE of the EMPLOYER.

4.4.3 The amount standing to the credit of an Employer Surplus Account may be used in the manner and for any of the purposes set out in the ACT.

4.5 Data Reserve Account

- 4.5.1 A Data Reserve Account shall be maintained under the FUND, to which shall be credited or debited any amounts which may arise as a result of data or administrative errors. Subject to the approval of the TRUSTEES, any general legal expenses of the FUND may be debited from this account.
- 4.5.2 The amount standing to the credit of the Data Reserve Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested.
- 4.5.3 It is specifically provided that the TRUSTEES shall ensure that the Data Reserve Account shall never have a negative balance.

4.6 Unpaid Benefits Account

- 4.6.1 An Unpaid Benefits Account shall be maintained under the FUND. This account shall be credited with amounts held by the FUND which are classified by the ADMINISTRATORS as unclaimed or unpaid benefits by the FUND.
- 4.6.2 The assets in the Unpaid Benefits Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested.

- 4.6.3 The Unpaid Benefits Account shall be debited with:
- (a) payments to MEMBERS or other beneficiaries in terms of Rule 17.4;
 - (b) transfers to an APPROVED PRESERVATION FUND, established for the purpose of housing UNCLAIMED BENEFITS.

4.7 Processing Error Reserve Account

- 4.7.1 A Processing Error Reserve Account shall be maintained under the FUND, to which shall be credited or debited any amounts which may arise as a result of mismatches that occur between the actual investment or disinvestment of moneys and when they are deemed to have occurred in the calculation of benefits, as well as any other miscellaneous mismatches that may occur.
- 4.7.2 The amount standing to the credit of the Processing Error Reserve Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested.
- 4.7.3 The level of the Processing Error Reserve Account shall be determined by the TRUSTEES on the advice of the ACTUARY from time to time and shall not exceed the level of available assets after taking into account the liabilities and other reserves of the FUND in terms of the RULES.

4.7.4 Assets in the Processing Error Reserve Account may, after consulting the ACTUARY, be paid to MEMBERS leaving the FUND in any of the circumstances contemplated in the RULES;

4.8 Deferred Retiree Account

4.8.1 A Deferred Retiree Account shall be maintained under the FUND. This account shall be credited with the retirement benefits of DEFERRED RETIREES once their election to defer their retirement has been processed.

4.8.2 The assets in the Deferred Retiree Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested.

4.8.3 The Deferred Retiree Account shall be debited with:

- (a) payments to Deferred Retirees or other beneficiaries in terms of Rule 5.4(c);
- (b) transfers of the retirement benefits in respect of DEFERRED RETIREES to an APPROVED PRESERVATION FUND, established for the purpose of housing UNCLAIMED BENEFITS.

4.9 Preserved Member Account

4.9.1 A Preserved Member Account shall be maintained under the FUND. This account shall be credited with the FUND CREDITS of PRESERVED MEMBERS whose benefits on leaving SERVICE have been retained in the FUND.

4.9.2 The assets in the Preserved Member Account shall be increased or decreased by the INVESTMENT RETURN as determined and allocated in terms of Rule 13.6(a) to the portfolio in which the assets in this account are invested.

4.9.3 The Preserved Member Account shall be debited with:

- (a) payments to MEMBERS or other beneficiaries in terms of Rule 18;
- (b) transfers, at the election of the PRESERVED MEMBER to another fund in accordance with Rule 18(d)(iii);
- (c) as applicable, transfers as determined by the TRUSTEES to an APPROVED PRESERVATION FUND, established for the purpose of housing UNCLAIMED BENEFITS;
- (d) transfers, at the election of the PRESERVED MEMBER in terms of Rule 5.4, to the Deferred Retiree Account; and
- (e) if applicable, any deductions in terms of Rule 11.

4.10 General Contribution Category

4.10.1 Notwithstanding the provisions of the SPECIAL RULES and any other provisions in these RULES, it is specifically provided that where a MEMBER and an EMPLOYER are unable to pay contributions as required in terms of the SPECIAL RULES applicable to such EMPLOYER, and to

prevent financial hardship and the loss of jobs, the EMPLOYER may request in writing that the TRUSTEES authorise the participation of their MEMBERS in this general contribution category in terms of which:

- (a) a MEMBER shall not be required to contribute to the FUND; and
- (b) an EMPLOYER shall be required to only pay the contributions for risk benefits ordinarily paid by or routed through the FUND and the FUND'S expenses as set out in General Rule 4;

for such periods permitted by legislation.

4.10.2 An EMPLOYER shall be required to make the request in writing to the TRUSTEES for the general contribution category to apply to its MEMBERS and shall also be required to provide copies of the communication sent to the MEMBERS in this regard.

4.10.3 A MEMBER and an EMPLOYER may resume the payment of contributions in terms of the SPECIAL RULES applicable to such EMPLOYER at any time before the end of the six-month period.

5. RETIREMENT BENEFITS

5.1 Benefit

5.1.1 On the ELECTION DATE, a MEMBER who has retired from SERVICE in terms of Rule 5.2, shall become entitled to a PENSION of such amount as can be purchased by the MEMBER'S FUND CREDIT plus, if applicable, the INSURED DISABILITY PORTION, after the exercise of any option in terms of Rule 5.5. The PENSION shall be purchased from an INSURER in accordance with Rule 5.1.2.

5.1.2 An annuity or annuities which becomes payable in terms of Rule 5.1.1 shall be purchased in the MEMBER'S name from an INSURER of the MEMBER'S choice. The terms and conditions applicable to such annuity or annuities, including options elected by the MEMBER and the determination of any benefits arising on the MEMBER'S death, shall be agreed between the MEMBER and the INSURER and shall be set out in writing by the INSURER; provided that:

- (a) the annuity or annuities so purchased shall be subject to the provisions of the Income Tax Act, 1962, and any other applicable legislation from time to time; and
- (b) on purchase of the annuity or annuities in terms of this Rule, the FUND shall have no further liability in respect of the MEMBER, such liability resting with the INSURER from whom such annuity or annuities are purchased.

5.1.3 Notwithstanding the provisions of Rule 5.1.1, a MEMBER who has retired from SERVICE in terms of Rule 5.2 may at any time prior to the ELECTION DATE, elect to transfer the MEMBER'S FUND CREDIT and, if applicable, the INSURED DISABILITY PORTION, to an APPROVED RETIREMENT ANNUITY FUND or an APPROVED PRESERVATION FUND.

5.2 Retirement from SERVICE

5.2.1 A MEMBER who has reached age 55 years may retire from SERVICE on the last day of any month occurring before the MEMBER reaches his NORMAL RETIREMENT DATE.

5.2.2 A MEMBER who has not retired in terms of Rule 5.2.1 must retire from SERVICE on reaching NORMAL RETIREMENT DATE unless the MEMBER'S EMPLOYER agrees in writing to the MEMBER remaining in SERVICE after that date.

5.2.3 The TRUSTEES shall:

- (a) upon receipt of notification from the EMPLOYER that a MEMBER, who does not qualify for a benefit in terms of the provisions of the DISABILITY ARRANGEMENT, if applicable, has become totally and permanently incapable of efficiently carrying out the MEMBER'S duties; or
- (b) in the event that the MEMBER has qualified to receive the INSURED DISABILITY PORTION;

agree to such MEMBER'S retirement from SERVICE at any time before he reaches NORMAL RETIREMENT DATE.

5.2.4 A MEMBER who is allowed to remain in SERVICE after his NORMAL RETIREMENT DATE shall retire from SERVICE on such later date as the MEMBER agrees with the EMPLOYER.

5.3 Death of a retiring MEMBER after the ELECTION DATE but before purchase of an annuity and/or payment of a lump sum retirement benefit

In the event that a retiring MEMBER dies after the ELECTION DATE but before his benefit has been applied to purchase an annuity from an INSURER or paid as a lump sum in whole or in part as contemplated in Rule 5.1.1, and read together with Rule 5.5, the benefit shall be paid to his estate as a lump sum.

5.4 Provisions applicable to a DEFERRED RETIREE

The following provisions shall apply to a MEMBER who has retired from SERVICE in terms of Rule 5.2 and has elected to become a DEFERRED RETIREE:

- (a) after the date on which the DEFERRED RETIREE retires from SERVICE in terms of Rule 5.2:
 - (i) contributions by and in respect of the DEFERRED RETIREE in terms of Rule 4, as applicable, shall cease;
 - (ii) the INSURED DEATH PORTION shall not become payable if the DEFERRED RETIREE dies before the ELECTION DATE;

(iii) except in the case of a MEMBER who retires from SERVICE in terms of Rule 5.2.3 as a result of DISABLEMENT, the INSURED DISABILITY PORTION shall not become payable if the DEFERRED RETIREE becomes disabled before the ELECTION DATE;

(b) the DEFERRED RETIREE'S:

(i) FUND CREDIT plus the INSURED DISABILITY PORTION, in the case of a MEMBER who has retired from SERVICE in terms of Rule 5.2.3 as a result of DISABLEMENT; or

(ii) FUND CREDIT in the case of any other MEMBER;

shall be retained in the FUND and shall be debited with:

(aa) such reasonable expenses as the TRUSTEES may determine; and

(bb) any amount deducted in terms of Rule 17.8;

and increased or decreased by the INVESTMENT RETURN until the CALCULATION DATE;

(c) the benefit referred to in (b) above shall become payable in the following circumstances:

(i) in terms of Rule 5.1 and Rule 6.2, if applicable, to the DEFERRED RETIREE on the ELECTION DATE; or

- (ii) in terms of Section 37C of the ACT if the DEFERRED RETIREE dies before the ELECTION DATE; or

- (iii) earlier, if the DEFERRED RETIREE elects that the benefit be transferred to an APPROVED RETIREMENT ANNUITY FUND or an APPROVED PRESERVATION FUND in terms of Rule 5.1.3.

Notwithstanding anything else contained in the RULES, a DEFERRED RETIREE will assume the obligations of the EMPLOYER and the MANAGEMENT COMMITTEE in respect of him, as applicable.

5.5 Commutation of PENSION

On the ELECTION DATE, prior to the purchase of a PENSION in terms of Rule 5.1.2, a MEMBER may elect to commute for a lump sum:

- (a) all or part of the MEMBER'S VESTED PORTION, if applicable;

plus

- (b)
 - (i) if the NON-VESTED PORTION does not exceed the limit set by the relevant legislation from time to time, all or part of the NON-VESTED PORTION; or

 - (ii) if the NON-VESTED PORTION exceeds the limit referred to in (i) above, not more than one-third of the NON-VESTED PORTION.

6. DEATH AND DISABILITY BENEFITS

6.1 Death Benefit

6.1.1 Benefit Payable on Death in SERVICE

6.1.1.1 If a MEMBER dies while in SERVICE, on or before reaching the age specified in the policy issued by the INSURER with whom the INSURED DEATH PORTION is reinsured, there shall be payable as a lump sum benefit that part of the amount in (a) and (b) which is in excess of any amount referred to in Rule 17.8:

(a) subject to the provisions of Rule 6.1.2, the INSURED DEATH PORTION; plus

(b) the MEMBER'S FUND CREDIT.

6.1.1.2 If a MEMBER dies in SERVICE after reaching the age specified in the policy issued by the INSURER with whom the INSURED DEATH PORTION is reinsured, the benefit payable shall be his FUND CREDIT.

6.1.2 Restrictions

6.1.2.1 The INSURED DEATH PORTION payable in terms of Rule 6.1.1.1(a) shall be insured with an INSURER and shall not become due and payable unless the claim for the benefit has been admitted by the INSURER.

If the claim is admitted by the INSURER, the INSURED DEATH PORTION shall be limited to the amount paid by the INSURER in consequence of such claim.

6.1.2.2 Where so required by the INSURER, a MEMBER may need to be examined at the INSURER'S expense by a medical practitioner in terms of the INSURER'S underwriting requirements.

6.1.2.3 Depending on the results of this examination, the benefit, or part of the benefit payable in terms of Rule 6.1.1.1(a) may be restricted in such manner as determined by the INSURER.

6.1.2.4 If any part of a death benefit payable in terms of Rule 6.1.1.1(a) has been insured with an INSURER, then no increase in FUND SALARY during a period in which the MEMBER is disabled in terms of the rules of the DISABILITY ARRANGEMENT shall apply for the purposes of that part of the death benefit which is so insured without the prior agreement of the INSURER.

6.1.3 Payment of Benefit

Payment of the death benefit shall be made in terms of Section 37C of the ACT. Any decision in terms of Section 37C shall be made by the TRUSTEES, taking into account representations by the MANAGEMENT COMMITTEE.

6.2 Disability Benefit

6.2.1 Benefit

If so specified in the SPECIAL RULES, on the ELECTION DATE a MEMBER who has retired from SERVICE in terms of Rule 5.2.3 as a result of DISABLEMENT shall, in addition to the MEMBER'S FUND CREDIT referred to in Rule 5.1.1, be entitled to the INSURED DISABILITY PORTION as set out in the SPECIAL RULES;

provided that:

- (a) subject to Rule 5.5, the MEMBER may elect to commute part or the whole of such benefit for a lump sum;
- (b) the benefit shall be subject to a maximum of such amount as may be specified from time to time by the INSURER;
- (c) if the MEMBER'S DISABLEMENT occurs after the MEMBER has reached such age as may be set out in the policy issued by the INSURER the benefit shall be reduced in accordance with the provisions of that policy;
- (d) the benefit shall be payable after the waiting period specified in the policy issued by the INSURER;

- (e) a benefit payable in terms of this Rule shall be subject to any restrictions which may have been imposed in terms of Rule 6.1.2 on the benefit applicable in terms of Rule 6.1.1.1(a) and to such exclusions and further restrictions (if any) as may apply in terms of the policy issued by the INSURER; and
- (f) the benefit payable in terms of this Rule shall be insured with the INSURER and no such benefit shall be paid unless the claim for the benefit has been admitted by the INSURER. If the claim is admitted by the INSURER, the INSURED DISABILITY PORTION shall be limited to the amount paid by the INSURER in consequence of such claim.

6.2.2 Payment of Benefit as an Annuity

Payment of the INSURER DISABILITY PORTION shall be made in terms of Rule 5.1.

6.3 Suspension or Cancellation of death or, disability cover

Notwithstanding any other provision in this Rule 6, if any part of the death or disability benefit in Rule 6 is insured with an INSURER and the cover provided in terms of the policy issued by the INSURER is suspended or cancelled for reasons beyond the control of the TRUSTEES then that part of the death benefit or disability benefit, in Rule 6 which was so insured shall not be payable by the FUND.

7. TERMINATION OF SERVICE

7.1 Benefit

If a MEMBER who has not reached NORMAL RETIREMENT DATE leaves SERVICE for any reason not specifically provided for in these RULES, the MEMBER shall become entitled to a benefit equal to the MEMBER'S FUND CREDIT.

7.2 Preservation and Payment of Benefit

7.2.1 The benefit in terms of this Rule shall be preserved in the FUND in accordance with the provisions of Rule 18, unless upon leaving SERVICE the MEMBER elects that:

- (a) the benefit be paid as a lump sum; or
- (b) the benefit be transferred to another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND; or
- (c) part of the benefit be paid as a lump sum and the balance be transferred to another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND;

provided that if a MEMBER elects option (a), (b) or (c) above, then subject to Rule 11.2, the benefit shall be paid to the MEMBER or transferred to another fund as soon as possible after the date of leaving SERVICE.

7.2.2 A MEMBER who leaves SERVICE in terms of this Rule and who does not elect option (a), (b) or (c) in Rule 7.2.1, shall become a PRESERVED MEMBER and the provisions of Rule 18 shall apply to such MEMBER.

7.2.3 If a MEMBER, other than a PRESERVED MEMBER, who leaves SERVICE in terms of this Rule dies after electing to receive payment of the benefit but before payment of his benefit has been made, the benefit shall be paid to the MEMBER'S estate as a lump sum.

7.2.4 If a MEMBER leaves SERVICE in terms of this RULE after the PARTICIPATION DATE but prior to the registration of the SPECIAL RULES of the EMPLOYER by the AUTHORITY, the MEMBER'S benefit shall be preserved in the FUND in accordance with the provisions of Rule 18 and shall be paid to the MEMBER in terms of this RULE following the registration of the SPECIAL RULES.

8. TEMPORARY ABSENCE AND SECONDMENT

8.1 Temporary Absence

8.1.1 When a MEMBER who is not referred to in Rule 8.1.4, is on leave with full pay or with less than full pay and the MEMBER is required to contribute to the FUND in terms of the SPECIAL RULES, the MEMBER shall contribute in accordance with Rule 4.1.1 and the EMPLOYER shall continue to contribute in respect of him in accordance with Rule 4.2.1 and all benefits under the FUND in respect of the MEMBER shall be maintained.

8.1.2 A MEMBER qualifying for a benefit in respect of DISABLEMENT in terms of the provisions of the DISABILITY ARRANGEMENT shall, for the purposes of the FUND, be deemed to remain in SERVICE, unless otherwise specified in the SPECIAL RULES.

8.1.3 If a MEMBER who is not referred to in Rule 8.1.4, is on leave without pay, no contributions, if required in terms of Rule 4.1.1 and the SPECIAL RULES, shall, subject to the provisions of Rule 8.1.5, be made by the MEMBER and the contributions made by the EMPLOYER in respect of the MEMBER shall be limited to:

- (a) any premiums due by the EMPLOYER in terms of Rule 4.2.2(a)(i); and

- (b) the amount required to maintain the INSURED DEATH PORTION and the INSURED DISABILITY PORTION, if applicable, which cover shall continue to apply for such period as is set out by the INSURER in the policy in terms of which such benefits are insured; and
- (c) meeting the expenses referred to in Rule 4.2.2(b).

8.1.4 If a MEMBER is on maternity or paternity leave irrespective of whether the maternity or paternity leave is paid or unpaid, the following shall apply:

- (a) if the MEMBER is required to contribute in terms of the SPECIAL RULES applicable to the MEMBER'S EMPLOYER, he may elect either:
 - (i) to continue to contribute in accordance with Rule 4.1.1 during the period of the maternity or paternity leave, and accordingly the EMPLOYER may decide either:
 - (aa) to continue to make full contributions in respect of the MEMBER in terms of Rule 4.2.1 as envisaged in Rule 8.1.1; or
 - (bb) to limit the MEMBER'S contributions as envisaged in Rule 8.1.3, in order to maintain the risk benefits referred to in that Rule;

- (ii) not to continue to contribute in terms of Rule 4.1.1, and accordingly the EMPLOYER'S contributions in respect of such MEMBER shall be limited as envisaged in Rule 8.1.3 to the contributions required to maintain the risk benefits referred to in that Rule;

or

- (b) if the MEMBER is not required to contribute in terms of the SPECIAL RULES applicable to the EMPLOYER, the EMPLOYER may agree to either:

- (i) continue to make full contributions in respect of the MEMBER in terms of Rule 4.2.1 during the period of the maternity or paternity leave, as envisaged in Rule 8.1.1; or
- (ii) limit the EMPLOYER'S contributions in respect of the MEMBER during the period of maternity or paternity leave as envisaged in Rule 8.1.3 to the contributions required to maintain the risk benefits referred to in that Rule.

8.1.5 It is specifically provided that where a MEMBER is required in terms of the RULES to contribute all or part of the cost of the risk benefits and/or the expenses referred to in Rule 4.2.2(b), the EMPLOYER shall ensure the continuance of such contributions during the temporary absence of a MEMBER without pay, as negotiated between the EMPLOYER and the MEMBER.

8.2 Secondment

The following provisions shall apply in the case of a SECONDED MEMBER, depending on the EMPLOYER'S policy regarding secondment. The SECONDED MEMBER shall either:

(a) be required to leave the SERVICE of the EMPLOYER and become entitled to a withdrawal benefit in terms of Rule 7. On payment of such benefit, the MEMBER'S membership of the FUND shall cease;

or

(b) remain in the SERVICE of the EMPLOYER and remain a MEMBER of the FUND. In such case, the provisions of either (i), (ii) or (iii) below, as agreed between the SECONDED MEMBER and the EMPLOYER in accordance with the EMPLOYER'S employment practice, shall apply to the continuation of contributions by and in respect of such SECONDED MEMBER during the period of secondment:

- (i) any contributions required by such SECONDED MEMBER and by the EMPLOYER in terms of the SPECIAL RULES shall be limited to such reasonable expenses of the FUND payable by the EMPLOYER in respect of the SECONDED MEMBER during the period of secondment and in the event of the SECONDED MEMBER'S death or DISABLEMENT during the period of secondment, the only benefit payable from the FUND shall be the MEMBER'S FUND CREDIT;
or

- (ii) the contributions made by the EMPLOYER during the period of secondment shall be limited to:
 - (aa) the premiums due by the EMPLOYER in terms of Rule 4.2.2(a)(i); and

 - (bb) the amount required to maintain the INSURED DEATH PORTION and the INSURED DISABILITY PORTION, if applicable, which cover shall continue to apply for such period as is set out by the INSURER in the policy in terms of which such benefits are insured, and subject to such terms and conditions as may be specified by the INSURER; and

 - (cc) meeting the expenses referred to in Rule 4.2.2(b); or

- (iii) during the period of secondment, the SECONDED MEMBER shall continue to contribute in accordance with Rule 4.1.1, if the SECONDED MEMBER is required to contribute in terms of the SPECIAL RULES and the EMPLOYER shall continue to contribute in respect of the SECONDED MEMBER in terms of Rule 4.2.1 and all benefits in respect of the SECONDED MEMBER shall be maintained.

It is specifically provided that the SECONDED MEMBER'S FUND SALARY may be adjusted during the period of secondment for the purposes of any contributions made by the SECONDED MEMBER and the EMPLOYER on such basis as may be agreed to by the EMPLOYER and the SECONDED MEMBER.

9. TRANSFERS

9.1 Transfers into the FUND

- 9.1.1 If a MEMBER or a group of MEMBERS transfers to the FUND from a PREVIOUS FUND, the FUND shall receive from the PREVIOUS FUND the amount payable to the FUND in respect of each such MEMBER. Such amount shall be applied under the MEMBER'S FUND CREDIT.
- 9.1.2 If a MEMBER who is a member of an APPROVED PENSION FUND, any other APPROVED PROVIDENT FUND or an APPROVED PRESERVATION FUND chooses to transfer the benefit to which the MEMBER is entitled on leaving that fund into the FUND, the amount so transferred shall be applied under the MEMBER'S FUND CREDIT.
- 9.1.3 The FUND may also accept transfer from any other APPROVED PROVIDENT FUND, APPROVED PENSION FUND or APPROVED PRESERVATION FUND of an amount in respect of a MEMBER who has elected to transfer to the FUND an amount awarded to such person in terms of a court order contemplated in Section 7(8) of the Divorce Act, 1979.

9.1.4 Subject to such conditions as may be decided by the TRUSTEES from time to time, the FUND may accept a transfer from a PREVIOUS FUND of any amounts classified as UNCLAIMED BENEFITS by the trustees of such PREVIOUS FUND and which remain in that PREVIOUS FUND; provided that such amounts have been transferred to the FUND in terms of a scheme for transfer in accordance with Section 14 of the ACT and are not benefits payable to the beneficiary of a member of a PREVIOUS FUND due to the death of such person while a member of such fund.

9.2 Transfers out of or within the FUND

9.2.1 If a MEMBER becomes a member of another APPROVED PROVIDENT FUND or an APPROVED PENSION FUND in which the MEMBER'S EMPLOYER participates, due to the restructuring of the EMPLOYER'S arrangements for retirement funding or by way of an election by a MEMBER to transfer the MEMBER'S benefit in the FUND to such arrangement, then the MEMBER'S FUND CREDIT, less costs incurred by the ADMINISTRATORS in arranging such transfer as may be determined by the TRUSTEES, shall on a date determined by the TRUSTEES be transferred to such APPROVED PROVIDENT FUND or APPROVED PENSION FUND.

On finalisation of the transfer of the MEMBER'S benefit in terms of the above, the MEMBER shall cease to be a MEMBER of the FUND.

9.2.2 If a MEMBER is compulsorily transferred to the service of a company or other organisation which is an EMPLOYER that participates in the FUND, then the MEMBER'S FUND CREDIT shall be transferred to the records of the new EMPLOYER under the FUND, unless the FUND is instructed otherwise by the EMPLOYER.

9.2.3 Notwithstanding any other provisions of these RULES, in the event of a transfer of the EMPLOYER'S business as contemplated in Section 197 of the Labour Relations Act, no MEMBER affected by such transfer shall become entitled to a benefit in terms of Rule 7.1. The TRUSTEES shall arrange for the FUND CREDIT of such MEMBER, less such costs incurred by the ADMINISTRATORS in arranging such transfer as may be determined by the TRUSTEES, to be dealt with in terms of either (a) or (b) below:

(a) to be transferred to an APPROVED PENSION FUND or an APPROVED PROVIDENT FUND in which the MEMBER'S new EMPLOYER participates;

or

(b) if the MEMBER so elects, subject to the provisions of the agreement governing the transfer of business as contemplated in Section 197 of the Labour Relations Act and, if applicable, the terms and conditions of the MEMBER'S contract of employment with the MEMBER'S new EMPLOYER, to be transferred to:

- (i) an APPROVED RETIREMENT ANNUITY FUND; or
- (ii) an APPROVED PRESERVATION FUND.

On finalisation of the transfer of the MEMBER'S his benefit in terms of the above, the MEMBER shall cease to be a MEMBER of the FUND.

9.2.4 Transfer of Benefit if a MEMBER ceases to qualify as an ELIGIBLE EMPLOYEE

Notwithstanding any other provisions of these RULES, if a MEMBER, while remaining in SERVICE, either:

- (a) due to a change in the MEMBER'S conditions of employment ceases to qualify as an ELIGIBLE EMPLOYEE in terms of the SPECIAL RULES applicable to the MEMBER'S EMPLOYER; or
- (b) become eligible for membership of an APPROVED PROVIDENT FUND or APPROVED PENSION FUND operated by a recognised trade union:

the following shall apply:

- (i) if such MEMBER is required to become a member of another APPROVED PROVIDENT FUND or APPROVED

- 50 -

PENSION FUND in which the MEMBER'S EMPLOYER participates (including an APPROVED PROVIDENT FUND or APPROVED PENSION FUND operated by a recognised trade union), then subject to the provisions of Rule 3.7, the MEMBER'S FUND CREDIT, less such costs incurred by the ADMINISTRATORS in arranging such transfer as may be determined by the TRUSTEES, shall be transferred to that fund and on finalisation of the transfer, the MEMBER shall have no further claim on the FUND;

or

- (ii) if a MEMBER is not required to become a member of a fund contemplated in (i) above, then such MEMBER may either:
 - (aa) remain a MEMBER of the FUND and the provisions of the SPECIAL RULES applicable to the MEMBER'S EMPLOYER shall continue to apply to the MEMBER'S conditions of membership; or

(bb) elect to transfer the MEMBER'S FUND CREDIT, less any costs incurred by the ADMINISTRATORS in arranging such transfer as may be determined by the TRUSTEES, to an APPROVED RETIREMENT ANNUITY FUND. On finalisation of the transfer of the MEMBER'S benefit to such fund, the MEMBER shall have no further claim on the FUND.

9.2.5 Notwithstanding any other provisions of this Rule, in particular circumstances, the TRUSTEES may, in their discretion, decide on the manner of dealing with the MEMBER'S benefit entitlement, subject to any requirements of the ACT and the REVENUE AUTHORITIES.

9.2.6 Transfer to an Associated or Subsidiary EMPLOYER

If a MEMBER is transferred to the service of a company or other organisation associated with or a subsidiary of his EMPLOYER that participates in another APPROVED PROVIDENT FUND or APPROVED PENSION FUND but not the FUND, the TRUSTEES shall arrange for the MEMBER'S FUND CREDIT, less such costs incurred by the ADMINISTRATORS in arranging such transfer as may be determined by the TRUSTEES, to be transferred to that fund, or in the absence of such fund, to an APPROVED RETIREMENT ANNUITY FUND, and on finalisation of the transfer the MEMBER shall have no

further claim on the FUND.

10. TERMINATION

10.1 Termination of the FUND

10.1.1 The TRUSTEES, in consultation with the SPONSOR and the ADMINISTRATORS, may terminate the FUND at any time by giving 6 months' written notice to all the EMPLOYERS.

10.1.2 If the FUND is to be terminated, then the following conditions shall apply:

- (a) the TRUSTEES shall, subject to the approval of the AUTHORITY, appoint a liquidator who must liquidate the FUND with effect from the date of the AUTHORITY'S approval of the liquidator's appointment;
- (b) in accordance with the instructions of the liquidator, the total moneys available under the FUND in respect of each of the EMPLOYERS, after payment of all expenses incurred in the liquidation in relation to each EMPLOYER, shall be applied to provide benefits for all MEMBERS and other beneficiaries of each EMPLOYER on an equitable basis determined by the liquidator in consultation with the ACTUARY (if applicable);
- (c) the amount available for a MEMBER under (b) above shall, as directed by the liquidator, either:

- (i) be transferred for the MEMBER'S benefit to another APPROVED PROVIDENT FUND, APPROVED PENSION FUND, APPROVED PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND; or
- (ii) if the MEMBER so requests, be paid to the MEMBER as a lump sum benefit;

provided that transfer to an APPROVED PRESERVATION FUND is subject to the requirements of the REVENUE AUTHORITIES as specified from time to time;

and

- (d) if a person to whom an amount is payable cannot be traced, the amount referred to in (b) above shall be transferred to an APPROVED PRESERVATION FUND established for the receipt of unclaimed benefits.

10.1.3 In making an apportionment in terms of Rule 10.1.2(b) the liquidator shall take into consideration every former MEMBER who left the FUND during the period of at least twelve months ending on the date of commencement of liquidation or such other period as may be determined by the liquidator, subject to the approval of the AUTHORITY. The former MEMBER'S apportionment shall be reduced by the amount of the benefit which the former MEMBER received on leaving the FUND.

- 10.1.4 When all payments have been made by the FUND in terms of Rule 10.1.2, the FUND shall have no further liability to any person or EMPLOYER and its registration in terms of the ACT shall be cancelled.
- 10.1.5 It is specifically provided that the provisions of the Pension Funds Second Amendment Act, No. 39 of 2001, shall over-ride any conflicting provisions in this Rule 10.1, in particular with regard to payment of minimum benefits and the rights of the stakeholders.

10.2 Partial Termination

- 10.2.1 At any time:
- (a) any EMPLOYER participating in the FUND may, in consultation with the MANAGEMENT COMMITTEE, terminate its participation in the FUND, for any reason whatsoever, by giving three months' (or such other period as may be agreed between the EMPLOYER, the MANAGEMENT COMMITTEE and the TRUSTEES) written notice to the TRUSTEES; and
 - (b) the TRUSTEES may, for any reason whatsoever, by giving three months' written notice to an EMPLOYER, terminate the EMPLOYER'S participation in the FUND; provided that, at the TRUSTEES discretion, such notice period may be increased or decreased based on the circumstances in each case.

10.2.2 With effect from the PARTIAL TERMINATION DATE, the following shall apply:

- (a) contributions in terms of Rule 4 and, if the termination is in terms of (c)(iii) below, payment of benefits shall cease;
- (b) in the event of the death or disability of a MEMBER in the SERVICE of the withdrawing EMPLOYER after the PARTIAL TERMINATION DATE, that part of the death or disability benefits in Rule 6 which is insured with an INSURER shall not be payable;

and

- (c) the EMPLOYER'S participation in the FUND shall be terminated in terms of either (i), (ii) or (iii) below:
 - (i) if the provisions of Rule 9.2.1, Rule 9.2.3 or Rule 9.2.4 are applicable, the TRUSTEES shall arrange for the total assets and liabilities attributable to the MEMBERS related to the withdrawing EMPLOYER, as determined by the TRUSTEES in consultation with the ACTUARY, to be transferred, in accordance with the provisions of Section 14 of the ACT, to a fund contemplated in Rule 9.2.1, Rule 9.2.3 or Rule 9.2.4 and on finalisation of the

- 56 -

transfer, shall apply to the AUTHORITY for the registration of that part of the FUND in which this EMPLOYER participates to be cancelled in terms of Section 27(1)(a) of the ACT;

or

(ii) if the circumstances envisaged in (i) above are not applicable and if all benefits in the part of the FUND in which the withdrawing EMPLOYER participates have accrued prior to the PARTIAL TERMINATION DATE, the TRUSTEES shall arrange for all such benefits to be paid in terms of the RULES and on finalisation of such payments, shall apply to the AUTHORITY for the registration of that part of the FUND in which this EMPLOYER participates to be cancelled in terms of Section 27(1)(a) of the ACT;

or

(iii) if the circumstances envisaged in (i) above are not applicable and if all benefits have not accrued prior to the PARTIAL TERMINATION DATE and therefore the provisions of (ii) do not apply; subject to (aa) below, the termination of the EMPLOYER'S participation in the FUND in terms of Rule 10.2.1(a) and (b) above shall be regarded as a partial liquidation in which case the provisions of Rule 10.1.2, Rule 10.2.3 and Rule 10.2.4 shall apply; provided that:

(aa) if the FUND has applied to the AUTHORITY for exemption from the liquidation process and the AUTHORITY has granted such exemption, the termination of the EMPLOYER'S participation in the FUND shall not be regarded as a partial termination and the TRUSTEES shall apply to the AUTHORITY for the registration of that part of the FUND in which this EMPLOYER participates to be cancelled in terms of Section 27(1)(a) of the ACT;

- (bb) that part of the FUND which is to be liquidated in terms of the ACT shall be limited to the total assets and liabilities attributable to the MEMBERS related to the withdrawing EMPLOYER, as determined by the liquidator.

10.2.3 In making an apportionment in terms of Rule 10.1.2(b) the liquidator shall take into consideration every former MEMBER of the withdrawing EMPLOYER who left the FUND during the period of at least twelve months ending on the date of commencement of partial liquidation. The former MEMBER'S apportionment shall be reduced by the amount of the benefit which the former MEMBER received on leaving the FUND.

10.2.4 When all payments have been made by the FUND in terms of Rule 10.1.2 in respect of the withdrawing EMPLOYER, the FUND shall have no further liability to any person related to that EMPLOYER in respect of whom the FUND held assets and liabilities at the date of partial liquidation.

10.3 Withdrawal of an EMPLOYER

10.3.1 If an EMPLOYER ceases to exist or ceases to operate without giving notice to the FUND as envisaged in Rule 10.2, the TRUSTEES shall determine the PARTIAL TERMINATION DATE of the EMPLOYER. In such circumstances the benefits of the MEMBERS shall be dealt with in terms of Rule 7, provided that the benefits of the MEMBERS that are not dealt with in terms of Rule 7

within 6 months of the EMPLOYER'S PARTIAL TERMINATION DATE and that remain in the FUND may be classified as unclaimed and shall be transferred to the Unpaid Benefits Account in terms of Rule 4.6.1.

10.3.2 With effect from the PARTIAL TERMINATION DATE, the following shall apply:

- (a) contributions in terms of Rule 4 shall cease;
- (b) in the event that a MEMBER in the SERVICE of the EMPLOYER immediately prior to the PARTIAL TERMINATION DATE dies or becomes disabled after the PARTIAL TERMINATION DATE of the EMPLOYER, that part of the death or disability benefit, if applicable, in Rule 6 which is insured with an INSURER shall not be payable; and
- (c) once the TRUSTEES have dealt with the benefits in terms of Rule 7 and transferred any benefits remaining in the FUND to the Unpaid Benefits Account, as envisaged in Rule 10.3.1, they shall apply to the AUTHORITY for the registration of that part of the FUND in which the EMPLOYER participates to be cancelled in terms of the AUTHORITY'S requirements.

11. DEDUCTIONS FROM BENEFITS

11.1 The TRUSTEES shall have the right to make such deductions from the benefit to which a MEMBER or other beneficiary is entitled in terms of the RULES as are permitted in terms of Section 37D(1)(a), (b) and (c) of the ACT and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the TRUSTEES may from time to time determine for making such claims; provided that where an EMPLOYER has laid a criminal charge against the MEMBER concerned in respect of damages caused to the EMPLOYER as contemplated in Section 37D(1)(b) of the ACT and the MEMBER has been convicted by a criminal court, the TRUSTEES shall only effect a deduction from the MEMBER'S benefit if the EMPLOYER has obtained a compensation order from such court in terms of Section 300 of the Criminal Procedure Act, 1977.

11.2 Notwithstanding any other provisions of these RULES, the TRUSTEES may, where an EMPLOYER has instituted legal proceedings in a court of law against a MEMBER in respect of damage caused to the EMPLOYER as contemplated in Section 37D(1)(b) of the ACT, withhold payment of the benefit until such time as the matter has been finally determined by a competent court of law or has been settled or formally withdrawn; provided that:

- (a) the amount withheld shall not exceed the amount that may be deducted in terms of Section 37D(1)(b)(ii) of the ACT;
- (b) the TRUSTEES have provided both the MEMBER and the EMPLOYER an opportunity to make submissions to the TRUSTEES regarding the withholding and the TRUSTEES in their reasonable discretion are satisfied that the EMPLOYER has made out a *prima facie* case against the MEMBER concerned and there is reason to believe that the EMPLOYER has a reasonable chance of success in the

- proceedings that have been instituted;
- (c) the TRUSTEES are satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings;
 - (d) once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled is paid forthwith; and
 - (e) the TRUSTEES, at the express written request of a MEMBER whose benefit is withheld, may, if applicable and practical, permit the value of the MEMBER'S benefit as at the time of such request to be isolated, in whatever manner the TRUSTEES believe appropriate, from the possibility of a decrease therein as a result of capital loss due to negative investment performance.
- 11.4 Subject to the provisions of the ACT, the TRUSTEES shall have the right to make such deductions from a MEMBER'S FUND CREDIT as are permitted in terms of Section 37D(1)(d) of the ACT.
- 11.5 All benefit payments are subject to the provisions of the Income Tax Act, 1962, as amended from time to time, and subject to any other applicable legislation prevailing from time to time. It is specifically provided that the FUND'S liability with regard to payment of any amount to any person is limited to the total value of the amounts payable in respect of the MEMBER in terms of these RULES.
- 11.6 If a MEMBER is retiring in terms of Rule 5 or dies, the TRUSTEES shall have the right, prior to the purchase of an annuity or annuities, if so elected by the MEMBER or beneficiary, to commute for a lump sum the amount required to enable the TRUSTEES to deduct from the MEMBER'S benefit any amount permissible in terms of this Rule.

12. MANAGEMENT OF THE FUND

12.1 Management Structure

12.1.1 The FUND shall be managed by the board of TRUSTEES, comprising INTERNAL TRUSTEES and EXTERNAL TRUSTEES, who are responsible for performing the obligations and duties as set out in the ACT and in these RULES.

12.1.2 The TRUSTEES shall have the power to delegate all or part of their specific functions referred to in these RULES to the MANAGEMENT COMMITTEES.

12.1.3 The TRUSTEES shall have the power in the name of the FUND to enter into and sign any contracts or documents and to institute, conduct, defend, compound or abandon any legal proceedings by or against the FUND and to establish such reasonable procedures and rules prescribing the form and the manner in which claims are to be lodged and dealt with by the FUND.

12.2 Internal TRUSTEES

12.2.1 The SPONSOR shall in accordance with the appointment process set out in a separate document by them, as amended from time to time, appoint three INTERNAL TRUSTEES (hereinafter referred to as "INTERNAL TRUSTEES"). The SPONSOR may also appoint an alternate internal trustee. Should any permanent vacancy arise from time to time, the SPONSOR will, within such period as the AUTHORITY may from time to time prescribe, appoint an INTERNAL TRUSTEE in accordance with the appointment process documented by the.

- 12.2.2 An INTERNAL TRUSTEE shall cease to hold office if:
- (a) the INTERNAL TRUSTEE gives one month's written notice of his resignation as a TRUSTEE to the FUND, provided that at the discretion of the TRUSTEES this notice period may be waived or reduced; or
 - (b) the INTERNAL TRUSTEE has failed to attend more than one of the TRUSTEES' meetings scheduled for the year, provided that in certain circumstances the TRUSTEES at their discretion may waive this requirement; or
 - (c) the other TRUSTEES resolve that the INTERNAL TRUSTEE be removed from office; or
 - (d) the SPONSOR resolves that the INTERNAL TRUSTEE be removed from office; or
 - (e) the majority of the MANAGEMENT COMMITTEES resolve that the INTERNAL TRUSTEE be removed from office; or
 - (f) the AUTHORITY determines that the INTERNAL TRUSTEE ceases to be fit and proper to hold office.

12.3 External TRUSTEES

12.3.1 The TRUSTEES shall in accordance with the appointment process agreed to by them and set out in a separate document, as amended from time to time, appoint three EXTERNAL TRUSTEES from a list of applicants who are not in the employment of the SPONSOR or the ADMINISTRATORS or of any one of their subsidiary or associated companies. The TRUSTEES may also appoint an alternate EXTERNAL TRUSTEE. Should any permanent vacancy arise from time to time, the TRUSTEES will, within such period as the AUTHORITY may from time to time prescribe, appoint an EXTERNAL TRUSTEE in accordance with their agreed appointment process.

12.3.2 An EXTERNAL TRUSTEE shall cease to hold office if:

- (a) the EXTERNAL TRUSTEE gives one month's written notice of his resignation as a TRUSTEE to the FUND, provided that at the discretion of the TRUSTEES this notice period may be waived or reduced; or
- (b) the EXTERNAL TRUSTEE has failed to attend more than one of the TRUSTEES' meetings scheduled for the year, provided that in certain circumstances the TRUSTEES at their discretion may waive this requirement; or
- (c) the other TRUSTEES resolve that the EXTERNAL TRUSTEE is to be removed from office; or

- (d) the majority of the MANAGEMENT COMMITTEES resolve that the EXTERNAL TRUSTEE be removed from office; or
- (e) the AUTHORITY determines that the EXTERNAL TRUSTEE ceases to be fit and proper to hold office.

12.4 MANAGEMENT COMMITTEES

12.4.1 A MANAGEMENT COMMITTEE shall be established by each EMPLOYER CLUSTER prior to the PARTICIPATION DATE. The MANAGEMENT COMMITTEE shall have the power to sign the application form regulating participation of the EMPLOYER CLUSTER in the FUND, as required by the ADMINISTRATORS, and to make such other decisions as may be required to facilitate the participation of the EMPLOYER CLUSTER in the FUND.

12.4.2 A MANAGEMENT COMMITTEE shall comprise one or more persons (hereinafter referred to as "MANAGEMENT COMMITTEE MEMBERS"). The MEMBERS may be given the right to elect one or more of the MANAGEMENT COMMITTEE MEMBERS. Hereinafter the EMPLOYER appointed MANAGEMENT COMMITTEE MEMBERS shall be referred to as "EMPLOYER APPOINTED MANAGEMENT COMMITTEE MEMBERS" and MEMBER elected MANAGEMENT COMMITTEE MEMBERS shall be referred to as "MEMBER ELECTED MANAGEMENT COMMITTEE MEMBERS".

An alternate may, at the discretion of the MANAGEMENT COMMITTEE, be appointed or elected, as the case may be, in such manner as the MANAGEMENT COMMITTEE may from time to time determine, to act during the absence of the applicable EMPLOYER APPOINTED MANAGEMENT COMMITTEE MEMBER or MEMBER ELECTED MANAGEMENT COMMITTEE MEMBER.

Any vacancy on the MANAGEMENT COMMITTEE shall be filled in such manner as the MANAGEMENT COMMITTEE may from time to time determine.

12.4.3 If applicable, elections for MEMBER ELECTED MANAGEMENT COMMITTEE MEMBERS shall be held at such intervals as the MANAGEMENT COMMITTEE may from time to time determine.

12.4.4 A MANAGEMENT COMMITTEE MEMBER shall cease to hold office:

(a) if the MANAGEMENT COMMITTEE MEMBER gives notice of resignation as a MANAGEMENT COMMITTEE MEMBER; or

(b) if the EMPLOYER that appointed him, in the case of an EMPLOYER APPOINTED MANAGEMENT COMMITTEE MEMBER, resolves that MANAGEMENT COMMITTEE MEMBER is to be removed from office; or

(c) if, in terms of the agreed practice of the MANAGEMENT COMMITTEE, the MANAGEMENT COMMITTEE MEMBER should be removed from office; or

(d) if the MANAGEMENT COMMITTEE MEMBER has failed either:

- (i) to attend in person; or
- (ii) to participate in by means of electronic media such as video or telephone conferencing;

three consecutive MANAGEMENT COMMITTEE meetings without leave from the other MANAGEMENT COMMITTEE members.

12.4.5 The MANAGEMENT COMMITTEE shall hold office until the close of the MANAGEMENT COMMITTEE meeting which concludes the ordinary business of the FUND in relation to the applicable EMPLOYER CLUSTER, for the period determined by the MANAGEMENT COMMITTEE in terms of Rule 12.4.3. The MANAGEMENT COMMITTEE MEMBERS so retiring shall be eligible for re-appointment or re-election, as the case may be.

12.4.6 If the MANAGEMENT COMMITTEE consists of more than one member, at all meetings of the MANAGEMENT COMMITTEE the MANAGEMENT COMMITTEE shall elect one of their number to act as chairman. The MANAGEMENT COMMITTEE may elect a new chairman from time to time and the existing chairman shall be available for re-election. If the chairman is absent from any meeting the MANAGEMENT COMMITTEE shall elect a chairman for that meeting from their number.

- 12.4.7 The MANAGEMENT COMMITTEE shall meet from time to time but at least once in every twelve months to conduct the business of the FUND in relation to the applicable EMPLOYER CLUSTER. Notice of at least fifteen days for ordinary meetings shall be given to MANAGEMENT COMMITTEE members unless they agree to waive such notice period. MINUTES of the meeting shall be kept.
- 12.4.8 If the MANAGEMENT COMMITTEE consists of more than one member, at all meetings of the MANAGEMENT COMMITTEE the decision of the majority shall be binding. In the event of an equal number of votes the matter under dispute shall be referred to the next meeting of the MANAGEMENT COMMITTEE and if the votes remain equal, the matter shall be referred to the TRUSTEES who may make a decision which shall be final and binding or may decide to refer the matter to such other person or body qualified in the matter under dispute for a recommendation.
- 12.4.9 The MANAGEMENT COMMITTEE MEMBERS and any alternates appointed or elected in terms of this Rule 12.4 shall not be entitled to any remuneration from the FUND for their services as such.
- 12.4.10 In the event that a MANAGEMENT COMMITTEE fails to perform its obligations and duties in terms of these RULES the TRUSTEES shall, notwithstanding any provision to the contrary in these RULES, have the power to conduct the business of the FUND in relation to the applicable EMPLOYER CLUSTER.

- 12.4.11 While the TRUSTEES shall take all reasonable steps to ensure that the interests of MEMBERS are protected, the TRUSTEES are not able to influence the constitution of the MANAGEMENT COMMITTEES and accordingly shall not be liable for the negligence, incompetence, dishonesty or fraud of the MANAGEMENT COMMITTEES.
- 12.4.12 In the event of a dispute between the TRUSTEES and the MANAGEMENT COMMITTEE, the decision of the TRUSTEES shall prevail and be binding on the MANAGEMENT COMMITTEE.
- 12.4.13 It is specifically provided that no person may hold office as a MANAGEMENT COMMITTEE MEMBER unless the person has signed a declaration confirming that the grounds for disqualification for holding office set out in Rule 12.5 do not apply to the person.
- 12.4.14 If the MANAGEMENT COMMITTEE consists of more than one member, a resolution in writing signed by all members of the MANAGEMENT COMMITTEE shall be of the same force and effect as a resolution passed at a meeting of the MANAGEMENT COMMITTEE; provided that the decision is recorded in the minute book maintained by the MANAGEMENT COMMITTEE.

12.5 Disqualification from holding office as TRUSTEE or MANAGEMENT COMMITTEE MEMBER

No person in any of the following categories shall be eligible for appointment as a TRUSTEE or MANAGEMENT COMMITTEE MEMBER and if a TRUSTEE or a MANAGEMENT COMMITTEE MEMBER who has signed the declaration referred to in Rule 12.4.13 at any time falls in any such category he shall cease to hold office:

- (a) a minor or any person who is insane or otherwise incapable of acting;
- (b) any person who is disqualified from being a director in terms of an order under the Companies Act, No. 71 of 2008, as amended from time to time;
- (c) an un-rehabilitated insolvent;
- (d) any person removed from an office of trust on account of misconduct;
- (e) any person who has been convicted of any offence and sentenced to imprisonment without the option of a fine;
- (f) any person who has been convicted of theft, fraud, forgery or uttering a forged document or perjury.

12.6 Term of Office and Remuneration

- 12.6.1 Unless any TRUSTEE ceases to hold office or is disqualified from holding office in terms of Rule 12.2.2, Rule 12.3.2 or Rule 12.5, as applicable, the TRUSTEES appointed in terms of Rules 12.2 and 12.3 shall hold office for five years, unless they are re-appointed.
- 12.6.2 Notwithstanding the provisions of Rule 12.6.1 the TRUSTEES shall cease to hold office at the end of the period of notice given in terms of Rule 10.1.
- 12.6.3 The TRUSTEES may be entitled to such remuneration for their services as may be determined by the ADMINISTRATORS in consultation with the SPONSOR from time to time. Such remuneration shall be paid to the TRUSTEES by the ADMINISTRATORS.

12.7 Meetings of TRUSTEES

- 12.7.1 The chairman shall be elected annually by all the TRUSTEES from among their number. The TRUSTEES shall also elect annually a vice-chairman from among their number. If the chairman of the TRUSTEES is absent from any meeting, the vice-chairman shall preside, and if the vice-chairman is also absent the TRUSTEES shall elect an acting chairman for that meeting from their number. It is specifically provided that if the chairman is absent from the Republic of South Africa or otherwise unable to perform the required duties, the vice-chairman shall sign any documents requiring signature during the period when the chairman is absent or unable to act.

- 12.7.2 The TRUSTEES shall meet from time to time to conduct the business of the FUND, but not less than twice in any FINANCIAL YEAR. Four TRUSTEES shall form a *quorum*; provided that at least two EXTERNAL TRUSTEES are present.
- 12.7.3 Notice of at least fifteen days for ordinary meetings shall be given to the TRUSTEES unless the TRUSTEES agree to waive such notice period. Minutes of all meetings must be kept.
- 12.7.4 At all meetings of the TRUSTEES the decision of the majority on a matter other than a matter referred to in Rule 12.7.5 shall be binding. If no majority decision can be reached on any matter, the matter shall be referred to the next meeting of the TRUSTEES. If no majority decision can be reached at that meeting, the matter shall be referred, for a recommendation, to a person agreed to by the TRUSTEES and suitably qualified in the matter in dispute.

If no majority decision can be reached on such person's recommendation, the matter shall be referred to an independent mediator agreed to by the TRUSTEES.

If still no majority decision can be reached, the matter in dispute shall be referred to an arbitrator agreed to by the TRUSTEES and the arbitrator's decision on the matter shall be final and binding on all the TRUSTEES.

In the event that the TRUSTEES are unable to agree to which person, mediator or arbitrator the matter should be referred, as the case may be, then the matter shall be

referred by the PRINCIPAL OFFICER to the President of the Law Society in order for the latter to determine such appointment. Any costs incurred in resolving disputes shall be met by the FUND.

12.7.5 Notwithstanding the provisions of Rule 12.7.4, any decision of the TRUSTEES regarding the termination of the FUND or the termination of the appointment of the ADMINISTRATORS must be unanimous and, if no consensus can be reached on any matter, the matter shall be referred to the next meeting of the TRUSTEES. If no consensus can be reached at that meeting, the provisions of Rule 12.7.4 shall apply *mutatis mutandis*.

12.7.6 A resolution in writing signed in accordance with the ACT shall be of the same force and effect as a resolution passed at a meeting of the TRUSTEES; provided that:

- (i) all the TRUSTEES are informed of the decision to be made; and
- (ii) the decision is recorded in the minute book of the FUND;

provided further that TRUSTEE resolutions adopting SPECIAL RULES, amendments to the General Rules and the SPECIAL RULES, or in respect of Section 37C death benefit distributions, or in respect of the liquidation of an EMPLOYER'S participation in the FUND and Section 14 transfers need not be recorded in the minute book of the FUND, but shall be maintained in the records of the FUND.

12.8 Other Appointments

- 12.8.1 The TRUSTEES shall appoint an AUDITOR and an ACTUARY to the FUND and may withdraw any such appointment and make another appointment in its place at any time.
- 12.8.2 The FUND shall appoint ADMINISTRATORS and, subject to giving 90 days' notice to the ADMINISTRATORS, may terminate such appointment and make another appointment in its place at any time. It is specifically provided that, as set out in the agreement, in the event of any breach by the ADMINISTRATORS of the agreement between the FUND and the ADMINISTRATORS such notice is not required.
- 12.8.3 The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the ACT and may also appoint a DEPUTY PRINCIPAL OFFICER. The following shall apply to the delegation of the PRINCIPAL OFFICER'S duties to the DEPUTY PRINCIPAL OFFICER:
- (a) the PRINCIPAL OFFICER shall in writing, on such terms and conditions as he may specify, instruct the DEPUTY PRINCIPAL OFFICER to perform all or any of the functions and duties in terms of the ACT;
 - (b) acting in terms of his instruction from the PRINCIPAL OFFICER, the DEPUTY PRINCIPAL OFFICER must perform such duties and functions in accordance with the provisions of these RULES, the ACT and other applicable legislation;

- (c) any decision of the DEPUTY PRINCIPAL OFFICER shall be regarded as a decision of the PRINCIPAL OFFICER unless the PRINCIPAL OFFICER has stipulated that such decision must be referred to him for ratification;
- (d) it is specifically provided that the PRINCIPAL OFFICER shall retain full responsibility for any action by the DEPUTY PRINCIPAL OFFICER;
- (e) if at any time the DEPUTY PRINCIPAL OFFICER fails to perform the required duties to the satisfaction of the TRUSTEES or the PRINCIPAL OFFICER, the appointment of the DEPUTY PRINCIPAL OFFICER may be withdrawn.

It is specifically provided that the TRUSTEES may withdraw any such appointment and make another appointment in his place at any time.

12.8.4 If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform the required duties, the TRUSTEES shall within thirty days or such period as the AUTHORITY may from time to time prescribe, appoint another person to be its PRINCIPAL OFFICER; provided that a DEPUTY PRINCIPAL OFFICER, if appointed, shall act as PRINCIPAL OFFICER for the period of absence or inability of the PRINCIPAL OFFICER.

12.8.5 The PRINCIPAL OFFICER (and the DEPUTY PRINCIPAL OFFICER if applicable) shall be entitled to such remuneration for services rendered as determined by the TRUSTEES in consultation with the SPONSOR from time

to time. Such remuneration shall be paid to the PRINCIPAL OFFICER (and the DEPUTY PRINCIPAL OFFICER if applicable) by the FUND.

12.8.6 The TRUSTEES may appoint consultants on such terms as they may determine and may withdraw any such appointment at any time.

12.9 Indemnification of Officers of the FUND

12.9.1 The TRUSTEES and the PRINCIPAL OFFICER shall be indemnified by the FUND against all proceedings, costs and expenses incurred by reason of any claim in connection with the FUND not arising from their negligence, dishonesty or fraud.

12.9.2 The TRUSTEES shall ensure that the FUND is insured, as a minimum, against any loss resulting from the dishonesty or fraud of any of the TRUSTEES or other officers of the FUND.

12.10 Delegation of TRUSTEE Functions

In accordance with the provisions of the ACT, the TRUSTEES may in writing, subject to the provisions of (a) to (e) below, delegate any function to a person or to a group of persons or a sub-committee of the TRUSTEES nominated by them. In such case, the following shall apply:

- (a) any terms and conditions applicable to the performance of the function that has been delegated shall be specified in writing by the TRUSTEES;
- (b) acting in terms of their instruction from the TRUSTEES, the

person or group of persons or sub-committee to whom such function has been delegated must perform such function in accordance with the provisions of the RULES, the ACT and other applicable legislation;

- (c) the person or group of persons or sub-committee to whom such function has been delegated shall have the power to take decisions in connection with the performance of such function and in such case, any such decision shall be regarded as a decision of the FUND, unless the TRUSTEES stipulate that it must be referred to them for ratification;
- (d) the full board of TRUSTEES shall retain full responsibility for the delegation of any function performed by any person, group of persons or sub-committee;
- (e) the TRUSTEES may revoke the delegation at any time.

13. FINANCIAL PROVISIONS

13.1 Bank Account

All monies received on account of the FUND must be paid into the banking account opened in the name of the FUND.

13.2 Investment Powers

13.2.1 The TRUSTEES shall have full power, subject to the provisions of the ACT and the requirements of the AUTHORITY, to receive, administer and apply the monies of the FUND and in their absolute discretion to invest, put out at interest, place on deposit, make advances, or otherwise deal with the monies of the FUND upon such security and in such manner as they may from time to time determine and to realise, vary, reinvest or otherwise deal with such securities and other investments as they from time to time determine.

13.2.2 The TRUSTEES shall have the power to effect policies of insurance with one or more INSURERS for the purpose of investing the FUND'S monies in order to meet the cost of providing benefits in terms of these RULES and to insure, in whole or in part, the INSURED DEATH PORTION and INSURED DISABILITY PORTION payable in terms of these RULES.

- 13.2.3 The TRUSTEES may, subject to the requirements of the AUTHORITY, obtain an overdraft from a bank or borrow from any other party, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary cash shortage and for this purpose may give such security as they decide.
- 13.2.4 All title deeds and securities must be registered in the name of the FUND or in the name of such nominee company acceptable to the AUTHORITY as the TRUSTEES may appoint. The documents of title registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of the FUND or in a banking institution, as decided by the TRUSTEES. Any documents of title registered in the name of the nominee company in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of that company or in a banking institute, as decided by that company.
- 13.2.5 The power of the TRUSTEES to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the TRUSTEES, on such terms and conditions as they may specify, to:
- (a) a sub-committee of such of their number as they nominate; or
 - (b) an institution or a person referred to in Section 5(2) of the ACT.

The TRUSTEES shall not be liable for the negligence, dishonesty or fraud of an institution or a person referred to in (b) above; provided that the TRUSTEES have received written confirmation that the institution or the person referred to in (b) above has arranged insurance cover of an amount satisfactory to the TRUSTEES in respect of any liability which may be incurred by such institution or person in respect of the FUND'S investments.

13.3 Housing Loan Guarantees

The TRUSTEES shall have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER, other than a DEFERRED RETIREE and a PRESERVED MEMBER, for a purpose referred to in Section 19(5)(a) of the ACT. Such guarantee shall be subject to the provisions of the ACT, the requirements of the AUTHORITY and such conditions as the TRUSTEES may prescribe from time to time.

13.4 Power to Transfer and to take Transfer

The TRUSTEES shall have the power to:

- (a) transfer the assets and liabilities of the FUND, or a portion thereof, in respect of an EMPLOYER or EMPLOYERS, to another APPROVED PENSION FUND or to an APPROVED PROVIDENT FUND or to take transfer of the assets and liabilities, or a portion thereof, in respect of an EMPLOYER or EMPLOYERS, of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND; and

- (b) receive the amount payable to the FUND by reason of the transfer from the PREVIOUS FUND to the FUND of those MEMBERS who became MEMBERS in terms of Rule 3.2.

13.5 Member Investment Choice

- 13.5.1 The investment powers of the TRUSTEES may be delegated, in consultation with each MANAGEMENT COMMITTEE, to individual MEMBERS of the FUND on such terms and conditions and in accordance with such procedures as the TRUSTEES may prescribe from time to time.

These terms, conditions and procedures include but are not limited to:

- (a) the right of the TRUSTEES to determine, and change from time to time, the number, range and composition of any investment portfolios in which a MEMBER may elect to invest all or part of the MEMBER'S FUND CREDIT and/or contributions paid by and in respect of the MEMBER;
- (b) the right of the TRUSTEES, in their sole discretion, to take into account any charges incurred in connection with any investment choice made by a MEMBER when determining the INVESTMENT RETURN in respect of that MEMBER;

(c) in the case of a MEMBER who does not elect an investment portfolio in respect of all or part of the MEMBER'S FUND CREDIT and/or contributions paid by and in respect of the MEMBER, the TRUSTEES shall select and/or change to an appropriate investment portfolio/s deemed to be best suited to the membership of the FUND;

13.5.2 The TRUSTEES and MANAGEMENT COMMITTEE shall take reasonable steps to ensure that MEMBERS are adequately informed of the investment choices available to them and the consequences of their decisions. The MANAGEMENT COMMITTEE shall in no way influence MEMBERS in making their choices and any advice must be obtained by MEMBERS from their personal financial planners or such other financial advisors as the MANAGEMENT COMMITTEE may from time to time arrange for the benefit of MEMBERS.

13.5.3 Whilst the TRUSTEES and MANAGEMENT COMMITTEES shall take reasonable steps to ensure that the interests of all MEMBERS are protected, the TRUSTEES, the MANAGEMENT COMMITTEES and the FUND shall not be liable for any loss, damage or prejudice suffered, or alleged to be suffered, by any MEMBER or other person claiming to be entitled to a benefit or any other amount under the FUND, as a result of or in connection with any investment choice made by a MEMBER.

13.6 Allocation of the INVESTMENT RETURN

- (a) The INVESTMENT RETURN shall be allocated on such equitable basis as the TRUSTEES may determine from time to time.
- (b) Any variation in the basis of allocation of the INVESTMENT RETURN may be with or without retrospective effect.
- (c) Where contributions paid by or in respect of MEMBERS of different participating EMPLOYERS are invested according to the investment strategy of the participating EMPLOYERS in different types of investments, the INVESTMENT RETURN relating to each type of investment will be allocated on such equitable basis as the TRUSTEES may determine from time to time, to the MEMBERS whose contributions are invested in that type of investment.
- (d) Where a MEMBER'S FUND CREDIT is, and/or contributions paid by or in respect of a MEMBER are, invested in a selected investment portfolio or portfolios as envisaged in Rule 13.5, the INVESTMENT RETURN relating to such MEMBER'S investment within each portfolio shall be allocated by the TRUSTEES on such equitable basis as the TRUSTEES may determine from time to time, to such MEMBER'S benefit within the portfolio.

- (e) The INVESTMENT RETURN shall be allocated in terms of (a), (c) and (d) by the TRUSTEES having regard to the objective of maintaining administrative simplicity as far as possible.

13.7 Accounts

The TRUSTEES shall cause full and true accounts of the FUND to be kept, such accounts to be made up as at the end of each FINANCIAL YEAR, to be audited by the AUDITOR and then to be submitted to the AUTHORITY.

13.8 Actuarial Valuation

13.8.1 If the FUND is not valuation exempt, the financial condition of the FUND, having regard to its assets and liabilities, shall be investigated and reported on by the ACTUARY at intervals not exceeding three years. A copy of the actuarial valuation report shall be sent to the AUTHORITY and a copy or a summary thereof sent to each EMPLOYER who participates in the FUND.

13.8.2 If the valuation discloses that there is a deficit, the manner of funding the deficit shall be considered by the TRUSTEES and if applicable, with the EMPLOYER participating in the part of the FUND in deficit, in consultation with the ACTUARY. The decision on how the deficit is to be funded shall be taken by the TRUSTEES on the advice of the ACTUARY and subject to the agreement of the affected EMPLOYER.

13.9 Late Payment Interest

Late payment interest may be payable on any benefit due to a MEMBER or beneficiary on such MEMBER'S retirement, death or leaving SERVICE in terms of Rule 7, or, subject to the provisions of the ACT, on any amount transferred for the MEMBER'S benefit to another APPROVED PROVIDENT FUND, an APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PRESERVATION FUND. Any such interest shall be paid in accordance with the practice of the ADMINISTRATORS. It is specifically provided that if a MEMBER elects to transfer all or part of the benefit in terms of Rule 7.2.1, Rule 18.3(d)(iii) or Rule 18.3(d)(iv) and the benefit is not transferred to the fund concerned before the expiration of the period prescribed by legislation, interest shall be payable on such benefit at a rate that is not less than the rate prescribed by legislation.

13.10 Expenses

Unless specifically provided elsewhere in these RULES, the whole of the expenses in connection with or incidental to the management or administration of the FUND shall be paid by the FUND. Provided that the SPONSOR shall, in consultation with the TRUSTEES, cover the premiums in respect of the cover referred to in Rule 14.6.

13.11 INVESTMENT ADVICE FEE

Where applicable, the INVESTMENT ADVICE FEE shall be paid by the FUND to the INVESTMENT ADVISOR.

14. ADMINISTRATION OF THE FUND

- 14.1 The ADMINISTRATORS shall be responsible for the administration of the FUND. Subject to the approval of the TRUSTEES, the ADMINISTRATORS may contract such other administrators registered in terms of the ACT, including any subsidiary company of the ADMINISTRATORS to perform such of the administrative functions of the FUND as deemed appropriate.
- 14.2 The FUND must provide the ADMINISTRATORS with all the necessary information, instructions, records and returns, including such information as may reasonably be required to enable the ADMINISTRATORS to fulfil its obligations in terms of applicable legislation and the agreement concluded between the FUND and the ADMINISTRATORS.
- 14.3 The EMPLOYERS shall from time to time furnish to the FUND in respect of those employees who are MEMBERS all necessary particulars affecting their benefits or their entitlement to benefits. The FUND shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any MEMBER, the EMPLOYER, MANAGEMENT COMMITTEE or to any other person or body whatsoever for any mis-statements or errors or omissions which may be contained in such particulars.
- 14.4 The ADMINISTRATORS shall keep a complete record of all necessary particulars of the MEMBERS and of all persons entitled to benefits and of all other matters essential to the operation of the FUND.
- 14.5 All contracts and other documents pertaining to the FUND shall be signed by such persons as the TRUSTEES may appoint; provided that documents to be deposited with the AUTHORITY must be signed in the manner set out in the ACT.

- 14.6 The ADMINISTRATORS shall ensure the maintenance of fidelity cover to insure the FUND against any loss resulting from the dishonesty or fraud of any person dealing with the administration of the FUND.

- 14.7 The ADMINISTRATORS shall keep full and true accounts of the FUND as required in terms of Rule 13.7.

15. ALTERATIONS

- 15.1 The TRUSTEES may alter these RULES at any time, provided that:
- (a) any change affecting the SPONSOR and the provisions of the RULES applicable to the FUND'S SPONSOR shall be subject to agreement by the SPONSOR; and
 - (b) any change which has an impact on the operation of the FUND shall be subject to the consent of the ADMINISTRATORS.
- 15.2 No alteration to the RULES which affects the financial condition of the FUND may be made until such alteration has been referred by the TRUSTEES to the ACTUARY, and the ACTUARY has certified such alteration.
- 15.3 No alteration to the SPECIAL RULES shall be made without the consent of the MANAGEMENT COMMITTEE and no alteration which affects the EMPLOYER'S financial contribution to the FUND may be made until it has been approved by the EMPLOYER.
- 15.4 All alterations to the RULES shall be submitted to the AUTHORITY and any other statutory authority who so requires.
- 15.5 If the registration of any alteration to these RULES in terms of the ACT is effected on a date after the effective date of the alteration, the alteration shall nevertheless take effect from the effective date as stated in the alteration.
- 15.6 If the registration of the SPECIAL RULES in terms of the act is effected on a date after the PARTICIPATION DATE, the SPECIAL RULES

shall nevertheless take effect from the PARTICIPATION DATE stated in the SPECIAL RULES. Consequently, contributions due in respect of the SPECIAL RULES are payable with effect from the PARTICIPATION DATE.

- 15.7 In accordance with the ACT, MEMBERS of the FUND shall be informed of all registered alterations to the RULES and to the SPECIAL RULES relating to them.

16. INTERPRETATION OF RULES

- 16.1 The decision of the TRUSTEES as to the meaning of or interpretation of the General Rules or part of a General Rule and the decision of the TRUSTEES, in consultation with the MANAGEMENT COMMITTEE, as to the meaning of or interpretation of the applicable SPECIAL RULES or part of the SPECIAL RULES shall be final and binding on the FUND, EMPLOYERS, MANAGEMENT COMMITTEES, MEMBERS and every person claiming to be entitled to a benefit under these RULES, subject to the provisions of Section 30A of the ACT.
- 16.2 Any question which may arise with regard to a claim by any person under these RULES shall be decided by the TRUSTEES in consultation with the MANAGEMENT COMMITTEE of the applicable EMPLOYER CLUSTER, subject to the provisions of Section 30A of the ACT.
- 16.3 If any person affected by a decision of the FUND in terms of Rules 16.1 or 16.2 is dissatisfied with the decision, the person shall have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied, a complaint may be lodged with the Pension Funds Adjudicator appointed in terms of the ACT which shall be dealt with in accordance with Sections 30D to 30P of the ACT.
- 16.4 The EMPLOYER, the TRUSTEES (or one or more of their number), the MANAGEMENT COMMITTEE (or one or more of their number), or any other person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these RULES, have the right to invoke the complaint procedures in accordance with the ACT.

17. MISCELLANEOUS PROVISIONS

- 17.1 (a) Subject to payment of such fee as the TRUSTEES may require, a MEMBER shall be entitled on application to a copy of any of the documents referred to in Section 3(1) of the ACT; provided that at the discretion of the TRUSTEES, such fee may be charged in accordance with Schedule L of the ACT.
- (b) A MEMBER shall be entitled on application to inspect without charge a copy of any of the documents referred to in Section 35(2) of the ACT and to make extracts therefrom.
- 17.2 (a) Payment of each benefit in terms of these RULES shall be made to the person entitled thereto by means of electronic transfer into the bank account of such person to a bank registered in terms of the Banks Act, 1990, as amended; provided that at the request of such person, payment may be made into the bank account of another person if the person entitled to the benefit provides sufficient proof to the TRUSTEES that the person entitled to the benefit is unable to open a bank account.
- (b) Payment in terms of (a) above shall constitute full and final settlement of all claims to the benefit against the FUND and neither the FUND, the TRUSTEES, the MANAGEMENT COMMITTEE nor the ADMINISTRATORS or its agent shall have any further liability for the benefit to any person.
- 17.3 All benefits and rights to benefits in terms of these RULES shall be subject to the prohibitions as to reduction, cession, etc. contained in Sections 37A and 37B of the ACT.

17.4 The ADMINISTRATORS shall maintain a separate record in respect of benefits due under the FUND which have not been claimed, except in the case of a DEFERRED RETIREE. Subject to the provisions of the ACT, any such benefits may either:

(a) be allocated to the Unpaid Benefits Account and if a MEMBER or other beneficiary with a potentially valid claim approaches the FUND at any stage the TRUSTEES shall consider the claim and if the circumstances so warrant, shall pay, to such MEMBER or other beneficiary that part of the benefit, increased or decreased by INVESTMENT RETURN, as contemplated in Rule 4.6.2, that as at the date of payment to such person is in excess of any costs incurred by the FUND in the administration of such benefit and any amount referred to in Rule 17.8;

or

(b) if so decided by the TRUSTEES, that part of the benefit, increased or decreased by INVESTMENT RETURN, as contemplated in Rule 4.6.2, that as at the date of transfer in terms of this Rule is in excess of any costs incurred by the FUND in the administration of such benefit and any amount referred to in Rule 17.8 may be transferred to an APPROVED PRESERVATION FUND, established for the purpose of housing UNCLAIMED BENEFITS.

17.5 Nothing in these RULES shall in any way restrict the right of the EMPLOYER to terminate the employment of any MEMBER or affect any agreement between the EMPLOYER and an employee in regard to conditions of SERVICE.

- 17.6 No person shall have any claim concerning the FUND either upon the FUND, the TRUSTEES, the MANAGEMENT COMMITTEES, the ADMINISTRATORS or its agent, or against the EMPLOYERS, except in accordance with these RULES.
- 17.7 Admission to membership of the FUND shall be regarded as an acknowledgement by the MEMBER that the MEMBER agrees that these RULES, including any alteration to these RULES, shall be binding upon the MEMBER and upon any person claiming to derive a benefit under the FUND by virtue of his membership.
- 17.8 If any costs are incurred as a consequence of the TRUSTEES tracing any MEMBER or other beneficiary in respect of whom the FUND holds amounts classified by the ADMINISTRATORS as unclaimed or unpaid, such reasonable costs may be taken into account in the calculation of the benefit payable to such person. The costs associated with such reasonable steps taken by the TRUSTEES in order to give effect to the provisions of Section 37C of the ACT may, having regard to the quantum to the benefit, also be taken into account in the calculation of the benefit payable to any beneficiary.
- 17.9 The FUND shall, at its own discretion, be entitled to act without further enquiry on the particulars given to it by the EMPLOYER of the event giving rise to the payment of a benefit in terms of the RULES of the FUND.
- 17.10 All benefit payments are subject to the provisions of the Income Tax Act, 1962, as amended from time to time, and subject to any other applicable legislation prevailing from time to time. It is specifically provided that the FUND'S liability with regard to payment of any amount to any person is limited to the total value of the amounts payable in respect of the MEMBER in terms of these RULES.

18. PROVISIONS APPLICABLE TO A PRESERVED MEMBER

The following provisions shall apply to a PRESERVED MEMBER:

- (a) after the date of leaving SERVICE no further contributions in terms of Rule 4, as applicable, shall be made by or in respect of the PRESERVED MEMBER and no deductions shall be made from the FUND CREDIT of the PRESERVED MEMBER in respect of any risk benefits;

- (b) the FUND CREDIT of the PRESERVED MEMBER, including any amount transferred to the FUND in respect of the PRESERVED MEMBER in terms of the RULES after becoming a PRESERVED MEMBER, shall be retained in the FUND and shall be debited with:
 - (i) such reasonable expenses as the TRUSTEES may determine: and

 - (ii) any amount deducted in terms of Rule 17.8;and increased or decreased by the INVESTMENT RETURN until the CALCULATION DATE;

- (c) the PRESERVED MEMBER shall not be entitled to any benefits from the FUND other than the benefit referred to in (b) above;

- (d) the benefit referred to in (b) above shall become payable as contemplated in paragraph 4 of the Second Schedule to the Income Tax Act, 1962:

- (i) as a retirement benefit in accordance with the provisions of Rule 5.1.1 on the ELECTION DATE; or
 - (ii) on the death of the PRESERVED MEMBER to the PRESERVED MEMBER'S beneficiaries in terms of Section 37C of the ACT; or
 - (iii) earlier, if the PRESERVED MEMBER elects that the benefit be paid to the PRESERVED MEMBER as a lump sum or transferred to another fund in accordance with Rule 7.2.1(b)
- (e) each PRESERVED MEMBER shall have access to retirement benefits counselling before the benefit referred to in (b) above is paid to such MEMBER in terms of (d)(i) or (d)(ii) above or transfer to another fund in terms of d(iii) above.

19. SPECIAL PROVISIONS APPLICABLE TO THE FUND'S SPONSOR

- 19.1 The FUND is an A-type commercial umbrella fund established and maintained by the SPONSOR.
- 19.2 The TRUSTEES recognise that the FUND'S name reflects the SPONSOR'S brand and that many EMPLOYERS and MEMBERS participate in the FUND because they relate to the SPONSOR'S brand and take comfort in the integrity, good name and financial strength of the SPONSOR, especially in times of market turbulence and disruption. The TRUSTEES also recognise the financial investment made by the SPONSOR in the FUND and associated commercial risks carried by the SPONSOR.
- 19.3 In view of the above it is a specific term and condition of these RULES that the SPONSOR may in the design of the various offerings and the selection of appropriate products and services, recommended by the TRUSTEES, offerings, products and services provided by the SPONSOR or by subsidiaries of the SPONSOR or entities within its group of companies, and that the TRUSTEES may accept these offerings, products and services if they meet the TRUSTEES' requirements and are in the interests of the FUND and its membership.
- 19.4 The TRUSTEES requirements and process to be followed in order to consider new offerings, products and services, shall be set out in a separate document.