



WOOLWORTHS GROUP RETIREMENT FUND

MAKING THE DIFFERENCE TO YOUR RETIREMENT

FUND RULES

- GENERAL
- DEFINITIONS
- MEMBERSHIP
- CONTRIBUTIONS
- RETIREMENT BENEFITS
- DEATH BENEFITS
- TERMINATION OF SERVICE
- ABSENCE
- TRANSFERS
- TERMINATION AND PARTIAL TERMINATION OF THE FUND
- DEDUCTIONS FROM BENEFITS
- MANAGEMENT OF THE FUND
- FINANCIAL PROVISIONS
- ADMINISTRATION OF THE FUND
- ALTERATIONS
- INTERPRETATION OF RULES AND DISPUTES
- MISCELLANEOUS PROVISIONS

THINK BIG. START SMALL. ACT NOW!

**WOOLWORTHS GROUP
RETIREMENT FUND**

April 2015

INDEX

CONTENTS	PAGE
1. GENERAL	1
2. DEFINITIONS	3
3. MEMBERSHIP	12
4. CONTRIBUTIONS	14
4.1 Contributions by the MEMBER	14
4.2 Contributions by the EMPLOYER	15
4.3 Processing Error Reserve Account	18
5. RETIREMENT BENEFITS	19
5.1 Retirement from SERVICE	19
5.2 Amount of PENSION	19
5.3 Commutation of Pension	20
5.4 Payment of Pension	20
5.5 Provisions Applicable to DEFERRED RETIREES	21
6. DEATH BENEFITS	22
6.1 Benefit on Death in SERVICE	22
6.2 Restrictions	23
6.3 Payment of Benefit	25
6.4 Suspension of Cancellation of Death Cover	25
7. TERMINATION OF SERVICE	26
7.1 Benefit	26
7.2 Payment of Benefit	26
8. ABSENCE	27
9. TRANSFERS	29
9.1 Transfers into the FUND	29
9.2 Transfers out of the FUND	29

CONTENTS	PAGE
10. TERMINATION AND PARTIAL TERMINATION OF THE FUND	32
10.1 Termination of the FUND	32
10.2 Partial Termination	35
11. DEDUCTIONS FROM BENEFITS	37
12. MANAGEMENT OF THE FUND	39
12.1 TRUSTEES	39
12.2 EMPLOYER TRUSTEES	39
12.3 MEMBERS' TRUSTEES	42
12.4 Disqualification from holding office as TRUSTEE	43
12.5 Meetings of TRUSTEES	44
12.6 Other Appointments	45
12.7 Indemnification of Officers of the Fund	48
12.8 Delegation of Trustee Functions	48
13. FINANCIAL PROVISIONS	51
13.1 Investments	51
13.2 Housing Loans	55
13.3 Expenses	56
13.4 Accounts	56
13.5 Late Payment Interest on Benefits	56
13.6 Actuarial Valuations	57
14. ADMINISTRATION OF THE FUND	58
15. ALTERATIONS	60
16. INTERPRETATION OF RULES AND DISPUTES	61
17. MISCELLANEOUS PROVISIONS	62
18. SPECIAL PROVISIONS APPLICABLE TO PAYMENT OF SETTLEMENT AMOUNTS	65

**APPENDIX I: SPECIAL PROVISIONS APPLICABLE TO MEMBERS
WHO ELECT TO TRANSFER TO ANOTHER
RETIREMENT FUNDING ARRANGEMENT
OPERATED BY THE EMPLOYER**

66

RA7: Replace "Registrar" with "Authority"

The Trustees of the Woolworths Group Retirement Fund resolved at Cape Town on 28 May 2015 that with effect from 1 March 2015 the Rules of the Fund effective 1 June 2007 shall be substituted by these revised Rules.

The reasons are as follows:

- (1) *In general, to consolidate the Rules to include the provisions of previous amendments and to up-date the Rules to reflect legislative changes and wording most appropriate for the administration practice of the Fund;*
- (2) *To provide that as employers participate in the Fund who are not subsidiaries of a Principal Employer in terms of the Companies Act, the Fund shall be regarded as a Type B umbrella fund; provided that:*
 - (a) *since the benefit structure is the same for the employees of all participating Employers, the Fund shall not operate in terms of Special Rules applicable to individual participating Employers ; and*
 - (b) *the Fund does not wish to deprive Members of their democratic right to elect Trustees and shall not apply to the ~~Registrar~~ for an exemption in terms of Section 7B (1) (b) (i) of the Act from the provisions of Section 7A (1) of the Act;*
- (3) *To provide that in accordance with legislation, in certain circumstances, the Trustees may use a reasonable approximation in allocating the Investment Return;*
- (4) *To remove reference to additional voluntary contributions and amounts transferred from other retirement funds being applied to extend past service for the purposes of the formula in the Income Tax Act as it applied previously since changes to tax legislation have made such wording unnecessary;*

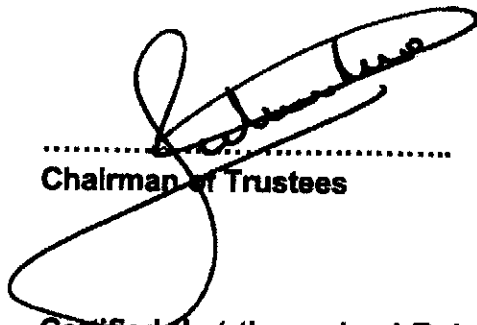
- 2 -

- (5) *To amend the definition of Fund Salary to specify how Fund Salary shall be determined, for the purpose of determining the Employer's contributions when a Member is temporarily absent from Service;*
- (6) *To reflect that the Fund acts as a conduit for the payment of premiums in respect of Unapproved Risk Benefits and accordingly to clarify that:*
 - (a) *the Employer is liable for the premiums payable to a ~~Registered Insurer~~ in respect of Unapproved Risk Benefits; and*
 - (b) *the Fund is not itself liable to pay Unapproved Risk Benefits;*
- (7) *To remove the Member Surplus Account and the Employer Surplus Account, since in practice the Fund no longer maintains there account;*
- (8) *To provide that due to changes in tax legislation:*
 - (a) *a Member who retires from Service may leave his benefit in the Fund until such time as he makes an election with regard to payment of the benefit; and*
 - (b) *the requirement in terms of GN18 that a living annuity purchased from a ~~Registered Insurer~~ must be paid as a lifelong Pension no longer applies;*
- (9) *To reflect that the ~~Registered Insurer~~, and not the Trustees, will impose any restrictions on the insured part of the death benefit;*

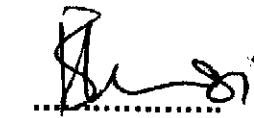
- (10) *To ensure the Rules deal with the situation where a Member withdraws from Service and dies before an election or instruction is made as to how the fund benefit is to be paid;*
- (11) *To provide for the Fund to accept transfer of a benefit from another Approved Provident Fund or Approved Pension Fund in respect of a person who has been awarded an amount in terms of a court order contemplated in Section 7 (8) of the Divorce Act, 1979;*
- (12) *To provide for unclaimed benefits on liquidation to be transferred to a Preservation Pension Fund established for the purpose of housing such benefits instead of to the Guardian's Fund;*
- (13) *To clarify the procedure for the election of Member Trustees;*
- (14) *To promote good governance by requiring the Trustees to meet twice a year instead of once a year;*
- (15) *To provide for the appointment of a Deputy Principal Officer and to set out the provisions in terms of which the Principal Officer may delegate his duties and functions to the Deputy Principal Officer;*
- (16) *To provide in the Rules for the system of delegation in terms of which a function of the Trustees may be delegated to a person, or group of persons or sub-committee of the Trustees;*
- (17) *To prevent the situation where the Fund is left without a properly constituted board should the Trustees at some stage decide to terminate the Fund by providing that the Trustees in office as at the date when the decision to terminate the Fund is taken shall remain in office until the termination is finalised;*

- (18) *To reflect that all benefits are subject to the provisions of the Income Tax Act and other applicable legislation;*
- (19) *To remove the special provisions applicable to Limited Members, which are now irrelevant since all such Members have transferred out of the Fund.*

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



Chairman of Trustees

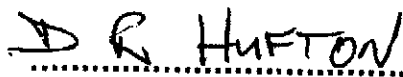


Trustee



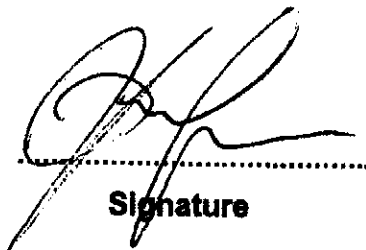
Principal Officer

Certified that the revised Rules of the Fund are financially sound in terms of the Act.



Actuary to the Fund

REGISTERED BY ME ON THIS THE
23
DAY OF November 2015
P. P. [Signature] Registrar of Pension Funds



Signature

Because, FASSA, FIA

Qualifications

WOOLWORTHS GROUP RETIREMENT FUND

1. GENERAL

- 1.1 The FUND known as the Woolworths Pension Fund was established with effect from 1 January 1949.

On 1 July 1987, the FUND was reconstituted and became known as the Wooltru Group Pension Fund, incorporating the Truworths Limited Pension Fund and the Truworths Female Staff Pension Fund.

On 1 June 1990, the name of the FUND changed to the Wooltru Group Retirement Fund and the FUND converted from a defined benefit pension fund to a defined contribution pension fund.

Truworths Limited and Topics (Pty) Ltd ceased their participation in the Fund on 1 March 2003 and 1 November 2005, respectively.

Annuities were purchased from ~~REGISTERED INSURERS~~ in the name of the retired employees or their beneficiaries who were in receipt of pensions from the FUND,

- (a) on 1 July 2003, in respect of former employees of Truworths Limited; and
- (b) on 30 September 2006, in respect of former employees of Topics (Pty) Ltd and Woolworths (Pty) Ltd.

On 1 March 2006, the name of the FUND changed to the Woolworths Group Retirement Fund.

- 1.2 The registered office of the FUND is at Block A, The Boulevard, Searle Street, Woodstock.
- 1.3 The primary objective of the FUND is, in terms of these Rules, to provide retirement benefits for employees and former employees of the EMPLOYERS. The secondary objective of the FUND is, in terms of these RULES, to provide benefits in the event that such employees or former employees die, leave SERVICE for reasons other than retirement or death, or are required to transfer to another fund, or in the event that the FUND, or a part thereof, is terminated.
- 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 These RULES include all amendments up to and including 1 March 2015. If the registration of these RULES in terms of the ACT is effected later than 1 March 2015, the RULES shall nevertheless take effect from 1 March 2015.
- 1.6 With effect from 1 March 2015, the FUND shall operate as an umbrella fund; provided that:
- (a) as the contribution rates and the benefits set out in the RULES apply without variation to all the participating EMPLOYERS, the FUND does not operate in accordance with special rules applicable to each EMPLOYER; and
 - (b) the FUND shall not apply to the ~~REGISTRAR~~ for an exemption in terms of Section 7B (1) (b) (i) of the ACT from the provisions of Section 7A (1) of the ACT.

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, words and expressions implying the masculine gender shall include the feminine, 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.

"ALTERNATE EMPLOYER TRUSTEE" shall mean an alternate EMPLOYER TRUSTEE appointed by the PRINCIPAL EMPLOYER in terms of Rule 12.2.1.

"ALTERNATE MEMBER TRUSTEE" shall mean an alternate MEMBER TRUSTEE elected by the MEMBERS in terms of Rule 12.3.1.

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

RA7: ADD "APPROVED PRESERVATION FUND"

"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.

RA7: ADD "AUTHORITY"

"CALCULATION DATE" shall mean the date on which the ADMINISTRATORS, acting in terms of the agreed practice of the FUND, calculate the MEMBER'S benefit on the MEMBER'S retirement, death or his 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.

"CATEGORY A MEMBER" shall mean a MEMBER who was a member of the Alexander Forbes Retirement Fund (Provident Section) on 30 June 2009 and who transferred to the Fund on 1 July 2009.

RA1: ADD "CATEGORY B MEMBER"

"DEPUTY PRINCIPAL OFFICER" shall mean the DEPUTY PRINCIPAL OFFICER of the FUND appointed in accordance with these RULES.

RA7: REPLACE "DEFERRED RETIREE"

~~"DEFERRED RETIREE" shall mean a MEMBER who has retired from SERVICE in terms of Rule 5.1 and elected that his retirement benefit shall be retained in the FUND until the ELECTION DATE. It is specifically provided that although a DEFERRED RETIREE remains a MEMBER of the FUND until payment of his benefit has been made to him, all contributions by and in respect of him shall cease after the date of his retirement from SERVICE and the only benefit to which he is entitled is the benefit referred to in Rule 5.5 (b).~~

"DISABILITY ARRANGEMENT" shall mean a separate disability arrangement which provides benefits for employees who are MEMBERS in the event of their disablement, in terms of a policy issued by a REGISTERED INSURER to the EMPLOYER

"ELECTION DATE" shall mean the date on which a MEMBER retiring in terms of Rule 5 elects to receive payment of his 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 who~~

RA1: REPLACE "ELIGIBLE EMPLOYEE"

(a) ~~_____ is employed on the permanent full time or part time staff of the~~
EMPLOYER;

(b) ~~_____ is under the age of 63 years; and~~

(c) ~~_____ is not an employee whose employment is temporary or casual or~~
~~subject to a limited term;~~

~~provided that the TRUSTEES may, at the request of the EMPLOYER,~~
~~waive any of the said qualifications in respect of a particular employee or~~
~~group of employees.~~

"EMPLOYER" shall mean the MAIN EMPLOYER and such participating employers as may be admitted to the FUND from time to time with the consent of the MAIN Employer; 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 shall (subject to the approval of the MAIN EMPLOYER in the case of an EMPLOYER other than the MAIN EMPLOYER) 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 TRUSTEE" shall mean a TRUSTEE appointed by the PRINCIPAL EMPLOYER in terms of Rule 12.2.1.

"FINANCIAL YEAR" shall mean each twelve-month period ending on the last day of February.

"FLEXI-TIME EMPLOYEE" shall mean a specific category or group of employees as defined by the EMPLOYER in consultation with the TRUSTEES.

"FUND" shall mean the Woolworths Group Retirement Fund.

"FUND CREDIT" shall mean for each MEMBER the sum of

- (a) if applicable, an amount equal to his interest in the FUND as at 31 May 1990, as determined by the ACTUARY at that date;
- (b) his contributions received by the FUND on and after 1 June 1990 in terms of Rule 4.1, if any;
- (c) that part of the contributions made by the EMPLOYER to the FUND on and after 1 June 1990 in respect of the MEMBER which is applied towards his retirement benefit in terms of the Rule 4.2.2(c);
- (d) any amount transferred to the FUND in terms of Rule 9.1;
- (e) any amount credited in terms of Rule 18 (a);

less:

- (i) such reasonable expenses as may be determined by the TRUSTEES; and
- (ii) 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 EXPENSES" shall mean the costs incurred in the administration and management of the FUND as agreed to by the TRUSTEES from time to time.

RA1: REPLACE "FUND SALARY"

~~"FUND SALARY" shall mean the MEMBER'S basic annual salary or wages, together with such other emoluments, and the cash value of such other benefits, or a part thereof, as the EMPLOYER may direct;~~

~~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 his FUND SALARY shall be his FUND SALARY at the date on which his disablement commenced. Subject to the provisions of Rule 6.2.5, if the benefit payable to the MEMBER under the DISABILITY ARRANGEMENT is increased, his FUND SALARY shall be increased in the same proportion; and~~
- ~~(d) 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 and Rule 8.3 (if any) 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 leave, irrespective of whether the MEMBER is on leave with full pay, with less than full pay or with no pay, provided that:~~

~~(i) if the MEMBER is on leave with less than full pay, the MEMBER and the EMPLOYER may agree to adjust accordingly his FUND SALARY 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 leave.~~

RA7: ADD "INSURER"

RA5: ADD definition "IN-FUND ANNUITANT"

"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;
- (b) the INVESTMENT RETURN shall be allocated on such equitable basis, using a reasonable approximation if there are sound administrative reasons why the allocation cannot be exact, as the TRUSTEES in consultation with the ADMINISTRATOR, subject to the requirements of the REGISTRAR and in accordance with the agreed practice of the FUND may determine from time to time;

RA7: Replace "Registrar" with "Authority"

- (c) where the assets of the FUND, or a portion thereof, are invested in a particular portfolio or portfolios, the calculation of INVESTMENT RETURN shall take into account the investment performance of such portfolio or portfolios.

"MAIN EMPLOYER" shall mean Woolworths (Pty) Ltd.

"MEMBER" shall mean a person 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.

"MEMBER TRUSTEE" shall mean a TRUSTEE elected by the MEMBERS in terms of Rule 12.3.1.

RA7: ADD "NON-INVESTED PORTION"

"NORMAL RETIREMENT DATE" shall mean the last day of the month in which a Member reaches age 63 years; provided that:

- (a) where a MEMBER retires on his NORMAL RETIREMENT DATE, he will be deemed to be on retirement with effect from the first day of the succeeding month;
- (b) any MEMBER who on 1 July 2014 was between the ages of 57 years and 60 years was allowed to agree with his EMPLOYER either:
 - (i) to retain age 60 years as his Normal Retirement Date;
 - or
 - (ii) that age 63 years shall be his NORMAL RETIREMENT DATE.

RA5: ADD definition "PENSION" that was erroneously omitted from the revised rules and REPLACE the same definition of "PENSION" to introduce an in-fund living annuity

RA5: ADD definition "PENSION ACCOUNT" - 10 -

RA6: REPLACE "PENSION ACCOUNT"

RA7:
DELETE
"PENSION
PRESERVATION
FUND"

~~"PENSION PRESERVATION FUND" shall mean a PENSION PRESERVATION FUND recognised or approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.~~

RA2: ADD "PRESERVED MEMBER"

"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.

"PRINCIPAL OFFICER" shall mean the PRINCIPAL OFFICER of the FUND appointed in accordance with these RULES.

RA7:
DELETE
"PROVIDENT
PRESERVATION
FUND"

~~"PROVIDENT PRESERVATION FUND" shall mean a PROVIDENT PRESERVATION FUND recognised or approved as such by the REVENUE AUTHORITIES for the purposes of these RULES.~~

RA7:
DELETE
"REGISTERED
INSURER"

~~"REGISTERED INSURER" shall mean an insurer registered in terms of the Long-term Insurance Act, 1998.~~

RA7: Replace each reference in the rules to "REGISTERED INSURER" with "INSURER"

RA7: DELETE "REGISTRAR"

~~"REGISTRAR" shall mean the REGISTRAR of Pension Funds referred to in the ACT.~~ RA7: Replace each reference to "REGISTRAR" in the Rules with a reference to "AUTHORITY"

"RETAINED BENEFIT" shall mean the amount retained in the FUND in terms of Appendix I, less:

- (a) such reasonable expenses as may be determined by the TRUSTEES; and
- (b) 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.

"REVENUE AUTHORITIES" shall mean the South African Revenue Service.

"RULES" shall mean these RULES and such alterations as may at any time be applicable.

RA1: ADD "RISK SALARY"

"SERVICE" shall mean employment with any of the EMPLOYERS and shall include any period during which the MEMBER is deemed to remain in SERVICE in terms of Rule 8.2.

"TRUSTEES" shall mean the EMPLOYER TRUSTEES and the MEMBER TRUSTEES appointed or elected in terms of these RULES. When an ALTERNATE EMPLOYER TRUSTEE or an ALTERNATE MEMBER TRUSTEE is required to act during the temporary absence of an EMPLOYER TRUSTEE or a MEMBER TRUSTEE (as applicable) in terms of Rule 12.2.1 or Rule 12.3.1, the term "TRUSTEES" shall include such ALTERNATE EMPLOYER TRUSTEE or ALTERNATE MEMBER TRUSTEE.

"UNAPPROVED RISK BENEFITS" shall mean such risk benefits, including the DISABILITY ARRANGEMENT, which are provided under a separate arrangement in terms of policies issued by a REGISTERED INSURER to the EMPLOYER as may be advised by the EMPLOYER to the TRUSTEES.

RA7: ADD "VESTED PORTION"

3. MEMBERSHIP

3.1 Each person who was a MEMBER of the FUND immediately prior to 1 March 2015 shall, subject to the provisions of the RULES, remain a MEMBER of the FUND.

3.2 Each employee who is not referred to in Rule 3.1 must become a MEMBER of the FUND as a condition of employment on the first day of the month which coincides with or next follows the date on which he becomes an ELIGIBLE EMPLOYEE.

3.3 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 MEMBER'S age as stated in the records of that FUND.

RA7: REPLACE Rule 3.4

3.4 ~~If a MEMBER transfers to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED RETIREMENT ANNUITY FUND or PENSION PRESERVATION FUND in any of the circumstances envisaged in these RULES and such transfer is subject to the provisions of Section 14 of the ACT, then it is specifically provided that with effect from the date on which he becomes a member of such fund, contributions in terms of Rule 4 shall cease and in the event of his death, prior to transfer of his benefit in terms of these RULES from the FUND to such other fund, that part of the death benefit in Rule 6 which is insured with a REGISTERED INCURER shall not be payable.~~

3.5 Unless otherwise provided for in the RULES, a MEMBER shall not be permitted to withdraw from membership while he 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 him in terms of these RULES shall cease to be a MEMBER.

4. CONTRIBUTIONS

4.1 Contributions by the MEMBER

RA1: REPLACE RULE 4.1.1

~~4.1.1 Each MEMBER, other than a CATEGORY A MEMBER and a DEFERRED RETIREE, shall contribute monthly to the FUND throughout his SERVICE at the rate of one twelfth of 7.5 per cent of his FUND SALARY. A CATEGORY A MEMBER shall not be required to contribute to the FUND, unless:~~

~~(a) on such annual date as specified from time to time by the EMPLOYER, he irrevocably elects on written notification to the TRUSTEES to contribute to the FUND; or~~

~~(b) at any time during the year, the TRUSTEES are notified in writing by the EMPLOYER that his employment status has changed from a FLEXI-TIME EMPLOYEE to a full-time salaried employee;~~

~~in which event he shall, with effect from the date of such election or change in employment status, as applicable, contribute monthly to the FUND throughout his SERVICE at the rate of one twelfth of 7.5 per cent of his FUND SALARY.~~

4.1.2 Each MEMBER'S contributions shall be deducted by his EMPLOYER from his salary or wages and paid to the FUND; provided that while a MEMBER is in receipt of benefits from the DISABILITY ARRANGEMENT his contributions to the Fund shall be paid from the benefit paid from the DISABILITY ARRANGEMENT.

4.1.3 A MEMBER may make additional contributions to the FUND, in order to secure greater benefits in accordance with such conditions and procedures as the Trustees may prescribe from time to time. 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.

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

4.2 Contributions by the EMPLOYER

RA1: REPLACE RULE 4.2.1

~~4.2.1 The EMPLOYER shall make a monthly contribution in respect of each MEMBER in its SERVICE at the rate of:~~

~~(a) 10.5 per cent of the MEMBER'S FUND SALARY;~~

~~(b) 13 per cent of the MEMBER'S FUND SALARY;~~

~~(c) 15.5 per cent of the MEMBER'S FUND SALARY;~~

~~(d) 18 per cent of the MEMBER'S FUND SALARY;~~

~~(e) 20 per cent of the MEMBER'S FUND SALARY;~~

~~provided that:~~

~~(i) the EMPLOYER'S contributions in respect of a DEFERRED RETIREE shall cease on such MEMBER'S retirement from SERVICE in terms of Rule 5.4;~~

~~(ii) each MEMBER was allowed on 1 October 2014 and may from time to time thereafter elect in terms of a negotiated agreement with his EMPLOYER to change the EMPLOYER'S contribution rate in respect of him;~~

~~(iii) on entering SERVICE, each MEMBER must elect, in terms of a negotiated agreement with his EMPLOYER, which contribution rate shall apply in his case;~~

~~provided further that:~~

~~(aa) any election by the MEMBER in terms of clause (ii) or (iii) above must be advised by the EMPLOYER to the ADMINISTRATORS;~~

~~(bb) If a MEMBER does not at any time elect to change the contribution rate of the EMPLOYER in respect of him, the EMPLOYER'S previous contribution rate in respect of him shall continue to apply and it is specifically provided that if a MEMBER does not elect to change the EMPLOYER'S contribution rate on 1 October 2014, the EMPLOYER shall continue to contribute at the rate of 10.5 per cent of the MEMBER'S FUND SALARY.~~

~~4.2.2 Out of the amount contributed by the EMPLOYER in terms of Rule 4.2.1:~~

~~(a) the premiums due by the EMPLOYER to the REGISTERED INSURER with whom the UNAPPROVED RISK BENEFITS are insured, shall be paid to the REGISTERED INSURER,~~

~~(b) not more than one twelfth of 3 per cent of the MEMBER'S FUND SALARY, less the amount referred to in (a) above, shall be applied to meet the cost for the month concerned of the FUND EXPENSES and the death benefit referred to in Rule 6.1.1(a);~~

~~(c) the balance shall be applied towards the MEMBER'S retirement benefit.~~

4.2.3 Should the amount referred to in Rule 4.2.2(a) be at any time insufficient to meet the cost of the FUND EXPENSES and the death benefit referred to in Rule 6.1.1(a), the death benefit referred to in Rule 6.1.1(a) shall be reduced to the proportion for which the cost has been paid.

4.2.4 In the case of a MEMBER who is in receipt of a benefit from the DISABILITY ARRANGEMENT, contributions shall continue to be paid to the FUND in respect of him.

4.2.5 Contributions shall be paid to the FUND by the EMPLOYER by the last day of the month in respect of which the contributions were made. If contributions are not paid to the FUND within seven days after the end of the month in which contributions are due, 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.

- 4.2.6 It is specifically provided that the terms and conditions applicable to the premiums referred to in Rule 4.2.2 (a) and the payment of the UNAPPROVED RISK BENEFITS are set out in the policy issued by the REGISTERED INSURER with whom such benefits have been insured. Accordingly the FUND is not liable for payment of any UNAPPROVED RISK BENEFITS.

4.3 Processing Error Reserve Account

- (a) The Processing Error Reserve Account shall be credited with an opening balance as at 1 March 2007, if any, as determined by the TRUSTEES on the recommendation of the ACTUARY.
- (b) The amount standing to the credit of the Processing Error Reserve Account shall be increased or decreased by the INVESTMENT RETURN earned on the assets in this account.
- (c) The Processing Error Reserve Account shall reflect the impact of any mismatching of investments and disinvestments, of asset management fees payable and deducted, of assumed INVESTMENT RETURN, debtors and creditors, sundry expenses and miscellaneous mismatches which arise in the day to day administration of the FUND.

RA7: REPLACE Rule 4.3(d)

- ~~(d) Assets in the Processing Error Reserve shall be used, if so decided by the TRUSTEES, at their discretion, to be allocated to the MEMBER'S FUND CREDIT on the CALCULATION DATE, in terms of Section 15G of the ACT.~~

RA1: ADD RULE 4.4

RA5: ADD RULE 4.4 "PENSION ACCOUNT"

RA6: REPLACE Rule 4.4 of RA5 to Rule 4.5

5. RETIREMENT BENEFITS

5.1 Retirement from SERVICE

RA3: REPLACE RULE 5.1.1

~~5.1.1 Subject to the consent of the EMPLOYER, a MEMBER who has reached age 50 years may retire from SERVICE on the last day of any month occurring before he reaches his NORMAL RETIREMENT DATE.~~

5.1.2 A MEMBER who has not retired in terms of Rule 5.1.1 must retire from SERVICE on reaching his NORMAL RETIREMENT DATE unless his EMPLOYER agrees to his remaining in SERVICE after that date.

5.1.3 The TRUSTEES, 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 has become totally and permanently incapable of efficiently carrying out his duties, shall agree to such MEMBER'S retirement from SERVICE at any time before he reaches NORMAL RETIREMENT DATE.

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

RA5: REPLACE RULE 5.2

5.2 Benefit

~~On the ELECTION DATE, a MEMBER who has retired from SERVICE in terms of Rule 5.1, shall, subject to the provisions of the Income Tax Act, 1962, purchase a PENSION or such amount as can be purchased by his FUND CREDIT after the exercise of any option in terms of Rule 5.3. The PENSION shall be purchased from a REGISTERED INSURER in accordance with Rule 5.4.~~

5.3 Commutation of PENSION

~~On the ELECTION DATE, prior to the purchase of his PENSION in terms of Rule 5.4, a MEMBER may elect to commute for a lump sum~~

- ~~(a) if the amount available for the purchase of such PENSION does not exceed the limit set by the relevant legislation from time to time, the whole of the available amount, or~~
- ~~(b) if the whole of such amount exceeds the limit referred to in (a), not more than one third of such amount.~~

5.4 Payment of PENSION

~~A PENSION which becomes payable in terms of Rule 5.2 shall be purchased as an annuity or annuities in the MEMBER'S name from a REGISTERED 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 his death, shall be agreed between the MEMBER and the REGISTERED INSURER and shall be set out in writing by the REGISTERED INSURER, provided that~~

- ~~(a) the annuity or annuities so purchased shall be subject to the provisions of the Income Tax Act, 1962, the Long-term Insurance Act, 1998 and any requirements specified by the REVENUE AUTHORITIES 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 REGISTERED INSURER from whom such annuity or annuities are purchased.~~

5.5 Provisions Applicable to a DEFERRED RETIREE

The following special provisions shall apply to a MEMBER who has retired from SERVICE in terms of Rule 5.1 and has elected to become a DEFERRED RETIREE:

- (a) after the date on which the DEFERRED RETIREE retires from SERVICE with the EMPLOYER in terms of Rule 5.1:
 - (i) contributions by and in respect of the DEFERRED RETIREE in terms of Rule 4 shall cease;
 - (ii) the benefit referred to in Rule 6.1.1 (a) shall not become payable if the DEFERRED RETIREE dies before the ELECTION DATE;
- (b) the DEFERRED RETIREE'S FUND CREDIT shall be retained in the FUND and shall be debited with such reasonable expenses as the TRUSTEES may determine and increased or decreased by the INVESTMENT RETURN until the CALCULATION DATE;

RA7: ADD provisio 5.5(c)(iii) to Rule 5.5(c)

- (c) the benefit referred to in (b) above shall become payable in the following circumstances:
 - (i) in terms of Rule 5.2 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.

RA7: REPLACE Rule 5.6(a)

RA5: ADD RULE 5.6 to RULE 5 -

Provisions Applicable to PENSIONS purchasd from a REGISTERD INSURER

RA5: ADD RULE 5.7 to RULE 5 -

Provisions Applicable to PENSIONS payable from the FUND

RA6: REPLACE Rule 5.7.6

RA6: ADD Rule 5.8 to Rule 5

6. DEATH BENEFITS

6.1 Benefit on Death in SERVICE

RA1: REPLACE RULE 6.1.1

~~6.1.1 If a MEMBER dies while in SERVICE the benefit payable shall be a lump sum equal to that part of the amount in (a) and (b) which is in excess of any amount referred to in Rule 17.9.~~

~~(a) subject to the provisions of Rule 4.2.3 and proviso (i) and (iii) below, four times his FUND SALARY at the date of his death;~~

~~plus~~

~~(b) his FUND CREDIT;~~

~~provided that:~~

~~(i) if a DEFERRED RETIREE dies after leaving SERVICE in terms of Rule 5.1 and before payment of the benefit referred to in Rule 5.5 (b) has been made by the FUND, the benefit referred to in (a) above shall not become payable.~~

RA5: REPLACE PROVISO (II) to RULE 6.1.1

~~(ii) the person or persons entitled to the benefit or the person referred to in Section 37C (2) (a) (ii) of the ACT may elect to use part of the whole of such benefit to purchase an annuity or annuities from a REGISTERED INSURER in accordance with the provisions of Rule 6.1.2;~~

~~(iii) on 1 October 2014, and from time to time thereafter each MEMBER who is over the age of 53 years may elect that the benefit referred to in Rule 6.1.1 (a) shall reduce to two times his FUND SALARY at the date of death. If he so elects, the following shall apply.~~

~~(aa) the MEMBER must advise the TRUSTEES in writing that the benefit in Rule 6.1.1 (a) shall reduce to two times FUND SALARY at the date of death in his case;~~

~~(bb) if the TRUSTEES do not receive notification of an election to reduce the benefit in Rule 6.1.1 (a), the benefit payable shall continue to be four times the MEMBER'S FUND SALARY at the date of death.~~

RA5: REPLACE RULE 6.1.2

~~6.1.2 An annuity or annuities which become payable in terms of this RULE shall be purchased by the FUND in the name of the person entitled to the benefit from a REGISTERED INSURER, provided that such purchase shall be subject to the provisions of the Income Tax Act, 1962, the Long-term Insurance Act, 1998 and any requirements specified by the REVENUE AUTHORITIES from time to time. Thereafter the FUND shall have no further liability in respect of the benefit payable to such person, such liability resting with the REGISTERED INSURER from whom such annuity or annuities are purchased.~~

6.2 Restrictions

- 6.2.1 The TRUSTEES shall, where so required by the ~~REGISTERED INSURER~~, require a MEMBER to be examined at the ~~REGISTERED INSURER'S~~ expense by a medical practitioner appointed by the ~~REGISTERED INSURER~~.
- 6.2.2 Acting on the results of this examination, the ~~REGISTERED INSURER~~ may decide that the benefit payable in terms of Rule 6.1.1 (a) shall be restricted in such manner as decided by the ~~REGISTERED INSURER~~.
- 6.2.3 The TRUSTEES must inform the MEMBER in writing of the terms of any restriction imposed in terms of this RULE.
- 6.2.4 The benefit payable in terms of Rule 6.1.1(a) shall be insured with a ~~REGISTERED INSURER~~ and shall not become payable unless the claim for the benefit has been admitted by the ~~REGISTERED INSURER~~, or shall be limited to the amount paid by the ~~REGISTERED INSURER~~.
- 6.2.5 No increase in FUND SALARY during a period in which the MEMBER is disabled in terms of the provisions 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 ~~REGISTERED INSURER~~.

6.3 Payment of Benefit

Payment of the death benefit shall be made in terms of Section 37C of the ACT.

6.4 Suspension or Cancellation of death cover

Notwithstanding any other provision in this Rule 6, If any part of the death benefit in Rule 6 is insured with a ~~REGISTERED INSURER~~ and the cover provided in terms of the policy issued by the ~~REGISTERED INSURER~~ is suspended or cancelled for reasons beyond the control of the TRUSTEES and provided such continued cover is not obtainable elsewhere then that part of the death 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 in circumstances not provided for elsewhere in these RULES, he shall become entitled to a benefit equal to his FUND CREDIT.

RA7: REPLACE Rule 7.2

RA2: REPLACE RULE 7.2

~~7.2 Payment of Benefit~~

~~7.2.1 The benefit in terms of this Rule shall be paid to the MEMBER as a lump sum. Subject to the provisions of Rule 11.2, payment shall be made as soon as possible after the date of his leaving SERVICE.~~

~~7.2.2 Instead of receiving the benefit entirely as a lump sum, the MEMBER may transfer all, or, subject to the proviso to this Rule, part of the benefit to another APPROVED PENSION FUND, a PENSION PRESERVATION FUND, an APPROVED PROVIDENT FUND or an APPROVED RETIREMENT ANNUITY FUND; provided that transfer to a PENSION PRESERVATION FUND is subject to the requirements of the REVENUE AUTHORITIES as specified from time to time.~~

RA6: REPLACE Rule 7.2.3

~~7.2.3 If a MEMBER dies after leaving SERVICE but before payment of his benefit has been made, the benefit shall be paid to his estate as a lump sum.~~

RA7: REPLACE Rule 7.3(d)

RA7: REPLACE Rule 7.3(e)

RA2: ADD RULE 7.3

8. ABSENCE

- 8.1 When a MEMBER is on leave with full pay or with pay less than full pay, he shall contribute to the FUND in accordance with Rule 4.1.1, if applicable, and the EMPLOYER shall continue to contribute in respect of him in accordance with Rule 4.2 and all benefits under the FUND in respect of him shall be maintained.
- 8.2 A MEMBER qualifying for a disablement benefit in terms of the provisions of the DISABILITY ARRANGEMENT shall be deemed to remain in SERVICE for the purposes of the FUND; provided that such MEMBER may elect to leave SERVICE at any time before he reaches NORMAL RETIREMENT DATE, whereupon he shall become entitled to payment of a benefit in terms of Rule 7.1 or in terms of Rule 5.1.1 if he has reached the age of 50 years, and the FUND shall have no further liability in respect of him.
- 8.3 If a MEMBER is on leave without pay, he shall cease to contribute in terms of Rule 4.1.1, if applicable, and the EMPLOYER may elect whichever of the following options is acceptable to the EMPLOYER in his case:
- (a) to cease contributions under Rule 4.2 during the MEMBER'S leave and in the event of the MEMBER'S death during this period, the death benefit set out in Rule 6.1.1(a) shall not become payable;
 - (b) to limit his contributions under Rule 4.2 during such period to:

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

(ii) the amount required to maintain cover for the death benefit payable in terms of Rule 6.1.1(a), which cover shall continue to apply for such period as is set out by the ~~REGISTERED~~ **INSURER** in the policy in terms of which the death benefit in Rule 6.1.1 (a) is insured; or

(c) to maintain contributions under Rule 4.2 whereupon all benefits in respect of the MEMBER under the FUND shall be maintained.

8.4 An option provided for in Rule 8.3 shall be exercisable by the EMPLOYER'S giving notice of the option elected in writing to the TRUSTEES before the date on which the MEMBER'S leave commences.

If the EMPLOYER fails to exercise the option he shall be deemed to have exercised option (b) in Rule 8.3.

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.

RA7: REPLACE Rule 9.1.2

RA2: REPLACE RULE 9.1.2

~~9.1.2 If a MEMBER who was a member of an APPROVED PROVIDENT FUND, any other APPROVED PENSION FUND, a PROVIDENT PRESERVATION FUND or a PENSION PRESERVATION FUND prior to becoming a MEMBER of the FUND chooses to transfer the benefit to which he is entitled on leaving that FUND into the FUND, the amount so transferred shall be applied under the MEMBER'S FUND CREDIT.~~

RA7: REPLACE Rule 9.1.3

~~9.1.3 The FUND may also accept transfer from an APPROVED PROVIDENT FUND, APPROVED PENSION FUND, PROVIDENT PRESERVATION FUND or PENSION PRESERVATION FUND or 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.~~

9.2 Transfers out of the FUND

RA2: REPLACE RULE 9.2.1

RA7: REPLACE Rule 9.2.1

~~9.2.1 If retirement benefit arrangements for employees of an EMPLOYER are restructured and in consequence~~

~~MEMBERS become members of another APPROVED PENSION FUND or an APPROVED PROVIDENT FUND, then the FUND CREDIT, less such costs incurred by the ADMINISTRATOR in arranging such transfer as may be determined by the TRUSTEES, of each MEMBER in the SERVICE of that EMPLOYER who is eligible for membership of such fund on a date determined by the TRUSTEES shall be transferred to such APPROVED PENSION FUND or APPROVED PROVIDENT FUND, provided that:-~~

~~(a) if such fund is an APPROVED PROVIDENT FUND each such MEMBER may elect that his FUND CREDIT be transferred to an APPROVED RETIREMENT ANNUITY FUND; and~~

~~(b) in the case of transfer to an APPROVED PROVIDENT FUND shall be less any tax payable thereon.~~

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

9.2.2 Notwithstanding any other provisions of these RULES, in the event of a transfer of the EMPLOYER'S business 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 to be transferred to an APPROVED

PENSION FUND or an APPROVED PROVIDENT FUND in which his new employer participates; provided that, depending on the provisions of the agreement governing the transfer of business contemplated in Section 197 of the Labour Relations Act (Act No. 66 of 1995) and, if applicable, the terms and conditions of the MEMBER'S contract of employment with his new EMPLOYER and if the MEMBER so elects, the TRUSTEES may arrange for the transfer of the MEMBER'S FUND CREDIT to:

(a) an APPROVED RETIREMENT ANNUITY FUND; or

RA7: REPLACE 9.2.2(b)

~~(b) subject to any requirements of the REVENUE AUTHORITIES, to a PENSION PRESERVATION FUND.~~

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

10. TERMINATION AND PARTIAL TERMINATION OF THE FUND

10.1 Termination of the FUND

10.1.1 The FUND may be terminated:

- (a) by the TRUSTEES; or
- (b) by order of court; or
- (c) if all the EMPLOYERS decide unanimously that the FUND shall be terminated, subject to giving six months' notice to the TRUSTEES; or
- (d) if the MAIN EMPLOYER should for any reason cease to operate, or be wound up or dissolved at the same time (whether voluntarily or not) in circumstances other than reconstruction in a similar or amended form; or
- (e) if the MAIN EMPLOYER gives not less than six months' notice in writing to the TRUSTEES that the EMPLOYERS' contributions are to be terminated.

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

- (a) all contributions by and in respect of the MEMBER which are applied towards retirement funding and premiums in respect of risk benefits payable in terms of these RULES shall cease;

RA7: Replace "Registrar" with "Authority"

- (b) the TRUSTEES shall, subject to the approval of the ~~REGISTRAR~~, appoint a liquidator who must liquidate the FUND with effect from the date of the ~~REGISTRAR'S~~ approval of his appointment;
- (c) in accordance with the instructions of the liquidator, the total moneys available under the FUND after payment of all expenses incurred in the liquidation shall be applied to provide benefits for all MEMBERS or other beneficiaries on an equitable basis recommended by the ACTUARY and approved by the liquidator;

RA7: REPLACE Rule 10.1.2(d)

RA5: REPLACE RULE 10.1.2(d)

~~(d) the amount available for a MEMBER under (c) above shall, as directed by the liquidator, either~~

~~(i) be transferred for his benefit to another APPROVED PENSION FUND, PENSION PRESERVATION FUND, APPROVED PROVIDENT 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 a PENSION PRESERVATION FUND is subject to the requirements of the REVENUE AUTHORITIES as specified from time to time;~~

and

RA7: REPLACE 10.1.2(e)

~~(e) if a person to whom an amount is payable cannot be traced, the amount referred to in (c) shall be transferred to a PENSION PRESERVATION FUND established by an administrator for the purpose of housing 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 SERVICE during the period of at least twelve months ending on the date of commencement of liquidation. The former MEMBER'S apportionment shall be reduced by the amount of the benefit which he received on leaving SERVICE.

10.1.4 Notwithstanding the foregoing provisions of this Rule, if the EMPLOYER'S contributions are terminated in terms of Rule 10.1.1(b) as the result of a decision to establish, or participate in, another APPROVED PENSION FUND or an APPROVED PROVIDENT FUND and the rules of such fund so allow, then the FUND shall not be liquidated in terms of the foregoing provisions of this Rule but the TRUSTEES shall cause the assets of the FUND to be transferred to the other APPROVED PENSION FUND or an APPROVED PROVIDENT FUND.

- 10.1.5 When all payments have been made by the FUND in terms of Rule 10.1.2 or Rule 10.1.4, the FUND shall have no further liability to any person and the FUND'S registration in terms of the ACT shall be cancelled.
- 10.1.6 It is specifically provided that the provisions of the Pension Funds Second Amendment Act, 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 Any EMPLOYER other than the MAIN EMPLOYER, may, for any reason whatsoever, give three months' (or such shorter period as is acceptable to the TRUSTEES) notice in writing to the TRUSTEES and the MEMBERS in its SERVICE of its intention to cease its participation as an EMPLOYER In the FUND. In such case, unless each MEMBER in the SERVICE of that EMPLOYER transfers to another APPROVED PENSION FUND, an APPROVED PROVIDENT FUND and/or an APPROVED RETIREMENT ANNUITY FUND in terms of Rule 9.2, the provisions of Rule 10.1.2 shall apply; provided that, 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 in consultation with the ACTUARY.

- 10.2.2 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 SERVICE 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 he received on leaving SERVICE.
- 10.2.3 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.

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 fix for making such claims; provided that where an Employer has instituted criminal proceedings against the MEMBER concerned in respect of damage caused to the EMPLOYER as contemplated in Section 37D(1)(b) of the ACT and following prosecution in a criminal court, the MEMBER has been convicted, 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 the MEMBER concerned 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 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 poor investment performance.

RA5: REPLACE RULE 11.3

~~11.3 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 in terms of Rule 5.3 or Rule 6.1.2, as applicable, 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.~~

11.4 Subject to the provisions of the ACT, the TRUSTEES shall have the right to make such deductions from the FUND CREDIT of a MEMBER as are permitted in terms of Section 37D(1)(d) of the ACT.

12. MANAGEMENT OF THE FUND

12.1 TRUSTEES

12.1.1 Subject to the provisions of the ACT and of these RULES, the sole responsibility for the management of the FUND shall be vested in the TRUSTEES.

12.1.2 The TRUSTEES appointed or elected in terms of these RULES shall not be entitled to any remuneration for their SERVICES as such.

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 make bye-laws prescribing the form and the manner in which claims are to be lodged and dealt with by the FUND.

12.2 EMPLOYER TRUSTEES

12.2.1 The MAIN EMPLOYER shall appoint three TRUSTEES and may also appoint an ALTERNATE EMPLOYER TRUSTEE or ALTERNATE EMPLOYER TRUSTEES to act during the temporary absence of any EMPLOYER TRUSTEE; provided that the EMPLOYER TRUSTEES and ALTERNATE EMPLOYER TRUSTEES so appointed must be MEMBERS of the FUND.

12.2.2 The term of office of the EMPLOYER TRUSTEES shall be five years and at the end of this period, they shall cease to hold office but shall be eligible for re-appointment. The MAIN EMPLOYER shall review the appointments and may either re-appoint the existing EMPLOYER TRUSTEES or appoint new EMPLOYER TRUSTEES to office.

12.2.3 An EMPLOYER TRUSTEE shall also cease to hold office:

- (a) if he is at any time removed by the MAIN EMPLOYER;
- (b) if he has failed to attend three consecutive TRUSTEES' meetings without leave from the other EMPLOYER TRUSTEES; or
- (c) if he at any time gives written notice of his resignation to the MAIN EMPLOYER and other TRUSTEES.

RA3: REPLACE RULE 12.2.4

~~12.2.4 Any vacancy among the EMPLOYER TRUSTEES arising by reason of the operation of Rule 12.2.3 or Rule 12.4 shall be filled by one of the ALTERNATE EMPLOYER TRUSTEES, provided that if there is no ALTERNATE EMPLOYER TRUSTEE available, the MAIN EMPLOYER shall appoint another EMPLOYER TRUSTEE. An ALTERNATE EMPLOYER TRUSTEE appointed as an EMPLOYER TRUSTEE or an EMPLOYER TRUSTEE appointed in terms of this Rule shall hold office for either:~~

~~(a) the remainder of the term of office of the
EMPLOYER TRUSTEE he is replacing, or~~

~~(b) the remainder of his own term of office,~~

~~whichever period is longer, provided that the total
period served by such EMPLOYER TRUSTEE shall
not exceed five years.~~

12.3 MEMBER TRUSTEES

12.3.1 The MEMBERS shall elect three TRUSTEES (hereafter referred to as MEMBER TRUSTEES) from among their number and may also appoint an ALTERNATE MEMBER TRUSTEE or ALTERNATE MEMBER TRUSTEES from among their number to act during the temporary absence of any MEMBER TRUSTEE.

12.3.2 The term of office of the MEMBER TRUSTEES is five years and at the end of this period they shall cease to hold office but shall be eligible for re-election. An election shall take place in accordance with the following procedures:

(a) the MEMBERS shall be asked to nominate MEMBERS for election to the board of TRUSTEES as MEMBER TRUSTEES;

(b) each nominee must accept his nomination in writing;

(c) the MEMBERS will then elect, by secret ballot, the MEMBER TRUSTEES from among the nominees who have accepted the nomination;

- (d) the nominees who receive the highest number of votes will become the MEMBER TRUSTEES, and the nominee or nominees receiving the next highest number of votes (if any) shall become the ALTERNATE MEMBER' TRUSTEES.

12.3.3 A MEMBER TRUSTEE shall cease to hold office

- (a) if the MEMBERS resolve that he is to be removed from office; or
- (b) if he has failed to attend three consecutive TRUSTEES' meetings without leave from the other MEMBER TRUSTEES; or
- (c) if he ceases to be in SERVICE;
- (d) if he at any time gives written notice of his resignation to the other TRUSTEES.

12.3.4 Any vacancy among the MEMBER TRUSTEES arising by reason of the operation of Rule 12.3.3 or Rule 12.4 shall be filled by the ALTERNATE MEMBER TRUSTEE; provided that if there is no ALTERNATE MEMBER TRUSTEE available;

- (a) the vacancy shall be filled by a person who was nominated at the last election in terms of Rule 12.3.2 (d), but who was not elected as a MEMBER TRUSTEE or an ALTERNATE MEMBER TRUSTEE in terms of the provisions of that Rule;

- (b) if there is no ALTERNATE TRUSTEE and no nominee referred to in (a) above, the MEMBERS shall elect another MEMBER TRUSTEE from among their number.

12.3.5 An ALTERNATE MEMBER TRUSTEE or nominee referred to in Rule 12.3.4 (a) appointed as a MEMBER TRUSTEE or a MEMBER TRUSTEE elected in terms of this Rule shall hold office for either:

- (a) the remainder of the term of office of the MEMBER TRUSTEE he is replacing; or
- (b) the remainder of his own term of office;

whichever period is longer; provided that the total period served by such MEMBER TRUSTEE shall not exceed five years.

12.4 Disqualification from holding office as TRUSTEE

No person in any of the following categories shall be eligible for appointment or election as a TRUSTEE and if a TRUSTEE at any time falls into 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, Act No 71 of 2008;
- (c) an unrehabilitated 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.

12.5 Meetings of TRUSTEES

- 12.5.1 The TRUSTEES shall meet from time to time but at least twice in every twelve months to conduct the business of the FUND. Four TRUSTEES shall constitute a quorum; provided that at least two of the TRUSTEES present are EMPLOYER TRUSTEES and at least two of the TRUSTEES present are MEMBER TRUSTEES.
- 12.5.2 Minutes of all meetings must be kept and at least 15 days' notice of each ordinary meeting shall be given to each TRUSTEE; provided that at the discretion of the TRUSTEES this notice period may be waived or reduced.
- 12.5.3 The TRUSTEES shall elect one of their number as chairperson of the TRUSTEES. The term of the chairperson and the vice-chairperson shall be five years. At the end of this period, the TRUSTEES may elect a new chairperson and a new vice chairperson;

provided that the existing chairperson and vice chairperson shall be eligible for re-election. In the absence of both the chairperson and the vice-chairperson from any meeting, the TRUSTEES present shall elect one of their number to act as chairperson for that meeting.

12.5.4 At all meetings of the TRUSTEES the decision of the majority shall be binding and if the votes are equal the matter shall be referred to the next meeting of the TRUSTEES. If the votes remain equal at that meeting, the matter shall be referred to a person qualified in the matter under dispute for a recommendation. If the matter cannot be settled based on this recommendation, the matter shall be referred to an arbitrator agreed by the TRUSTEES and the arbitrator's decision on the matter shall be final.

12.5.5 A resolution in writing signed by a quorum of the TRUSTEES shall be of the same force and effect as a resolution passed at a meeting of TRUSTEES and must be recorded in the FUND'S minute book.

12.6 Other Appointments

12.6.1 The TRUSTEES may appoint an ACTUARY and shall appoint an AUDITOR and may withdraw any such appointment and make another appointment in its place at any time.

12.6.2 The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the ACT and may also appoint a DEPUTY PRINCIPAL OFFICER. The TRUSTEES may withdraw any such appointment and make another appointment in his place at any time. If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform his duties, the TRUSTEES shall within ninety days or such period as the ~~REGISTRAR~~ may from time to time prescribe, appoint another person to be its PRINCIPAL OFFICER; provided that the DEPUTY PRINCIPAL OFFICER, if appointed, may be required to act as PRINCIPAL OFFICER for the period of the absence or inability of the PRINCIPAL OFFICER. In such case, the following shall apply:

- (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 his functions and duties in terms of the ACT for the period of his absence or inability;
- (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 the RULES, the ACT and other applicable legislation;
- (c) any decision of the DEPUTY PRINCIPAL OFFICER during the period while he acts for

the 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 during the period while he acts in his stead;

(e) the DEPUTY PRINCIPAL OFFICER shall cease to act in place of the PRINCIPAL OFFICER;

(i) if at any time the DEPUTY PRINCIPAL OFFICER fails to perform his duties to the satisfaction of the TRUSTEES;

(ii) at the end of the period of the PRINCIPAL OFFICER'S absence or inability.

12.6.3 The PRINCIPAL OFFICER and the DEPUTY PRINCIPAL OFFICER shall be entitled to such reasonable remuneration for his services to the FUND as may be agreed to by the TRUSTEES.

12.6.4 The TRUSTEES may appoint consultants and a suitable person/s or bodies to attend to the day-to-day operation of the FUND on such terms and conditions as they may determine and may withdraw any such appointment at any time.

12.7 Indemnification of Officers of the FUND

12.7.1 The TRUSTEES and all other officers of the FUND 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 own dishonesty or fraud. It is specifically provided that any TRUSTEE or officer of the FUND who is guilty of dishonesty or fraud shall not be indemnified by the FUND.

12.7.2 The TRUSTEES must ensure that the FUND is insured as a minimum, against any loss resulting from the negligence, dishonesty or fraud of any of its officers.

RA6: REPLACE Rule 12.8

~~**12.8 Delegation of Trustee Functions**~~

~~In accordance with the provisions of the ACT, the TRUSTEES may in writing, subject to the provisions of (a) to (c) 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 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; provided that in the case of delegation to a subcommittee, the subcommittee may only submit recommendations to the next meeting of the full board of TRUSTEES for consideration and ratification should the full board of TRUSTEES accept the recommendation;~~

~~(e) 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.~~

12.9 Special Provisions applicable to the TRUSTEES In the event of a decision to terminate the FUND

The following special provisions shall apply in the event that the TRUSTEES decide to terminate the FUND:

- (a) notwithstanding any other provisions of this Rule, the board of TRUSTEES in office as at the date on which the TRUSTEES resolve that the FUND shall be terminated, shall remain in office until either:

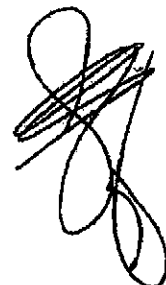
RA7: Replace "Registrar" with "Authority"

- (i) the date on which the ~~REGISTRAR~~ appoints a liquidator in terms of Rule 10.1.2 (b); or
- (ii) the date on which the FUND'S registration is cancelled in terms of Section 27 (1) (a) of the ACT;

- (b) if, during the period prior to finalisation of the termination of the FUND referred to in (a), a vacancy among the board of TRUSTEES should arise due to the operation of Rule 12.2.3, Rule 12.3.3, Rule 12.4 or for any other reason, the following shall apply:

- (i) in the case of a vacancy among the EMPLOYER TRUSTEES another EMPLOYER TRUSTEE shall be appointed by the MAIN EMPLOYER; and
- (ii) in the case of a vacancy among the MEMBER TRUSTEES, the MEMBERS shall have the right to elect another MEMBER TRUSTEE in accordance with the procedures referred to in Rule 12.3.2.

BM



RA7: Replace "Registered Insurer" with "Insurer"

RA7: Replace "Registrar" with "Authority"

- 51 -

13. FINANCIAL PROVISIONS

13.1 Investments

- 13.1.1 All moneys received on account of the FUND must be paid into a banking account opened in the name of the FUND.
- 13.1.2 The TRUSTEES shall have full power, subject to the provisions of the ACT and the requirements of the ~~REGISTRAR~~, to receive, administer and apply the moneys of the FUND and in their absolute discretion to invest, put out at interest, place on deposit, make advances, or otherwise deal with the moneys 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.
- 13.1.3 The TRUSTEES shall have power to effect policies of insurance with one or more ~~REGISTERED INSURERS~~ for the purpose of investing the FUND'S moneys in order to meet the cost of providing benefits in terms of these RULES and to insure, in whole or in part, the death benefits payable in terms of these RULES.
- 13.1.4 The TRUSTEES may, subject to the requirements of the ~~REGISTRAR~~, obtain an overdraft from a bank or borrow from an EMPLOYER or 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.

RA7: Replace "Registrar" with "Authority"

13.1.5 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 ~~REGISTRAR~~ 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 a 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 institution, as decided by that company.

13.1.6 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.

- 13.1.7 The TRUSTEES shall have the power to transfer the assets and liabilities of the FUND or a portion thereof to another APPROVED PROVIDENT FUND or to an APPROVED PENSION FUND or to take transfer of the assets and liabilities or a portion thereof of another APPROVED PROVIDENT FUND or an APPROVED PENSION FUND.

~~13.1.8 (a) Notwithstanding the provisions of Rule 13.1.2, the investment powers of the TRUSTEES may be delegated by the TRUSTEES to each MEMBER 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:~~

~~(i) the right of the TRUSTEES to determine, and change from time to time, the number, range and composition of any investment portfolios from which a MEMBER may elect to invest all or part of his FUND CREDIT and/or contributions paid by and in respect of him;~~

RA5: REPLACE RULE 13.1.8

- ~~(ii) the right of the TRUSTEES to accept any costs associated with the investment portfolio referred to in (i) above and any costs associated with any change of investment portfolio;~~
- ~~(iii) 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;~~
- ~~(iv) in the case of a MEMBER who does not elect within such timeframe specified by the TRUSTEES, an investment portfolio in respect of all or part of his FUND CREDIT and/or contributions paid by and in respect of him the right of the TRUSTEES to select and change the investment portfolio to one best suited to such a MEMBER taking into account the period remaining to a national target retirement age as determined by the TRUSTEES.~~

~~(b) The TRUSTEES shall take reasonable steps to ensure that MEMBERS are adequately informed of their investment choices available to them and the consequences of their decisions. The TRUSTEES shall in no way advise, influence or assist individual MEMBERS or specific groups of MEMBERS in making their choices, such advice to be obtained by MEMBERS from their personal financial planners or such other financial advisors as the TRUSTEES may from time to time arrange for the benefit of MEMBERS.~~

~~(c) Whilst the TRUSTEES shall take reasonable steps to ensure that the interests of all MEMBERS are protected, the TRUSTEES 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.~~

13.2 Housing Loans

The TRUSTEES shall have the power to furnish a guarantee in respect of a loan by some other person to a 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 and the requirements of the ~~REGISTRAR~~.

RA7: Replace "Registrar" with "Authority"

13.3 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.

13.4 Accounts

RA7: Replace "Registrar" with "Authority"

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. If applicable, the accounts of the FUND shall be audited by the AUDITOR and submitted to the REGISTRAR.

~~13.5 Late Payment Interest on Benefits~~

RA7: REPLACE Rule 13.5

~~Late payment interest may be payable on any benefit due to a MEMBER or beneficiary on such MEMBER'S retirement, leaving SERVICE in terms of Rule 7 or death, or, subject to the provisions of the ACT, on any amount transferred for his benefit to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND or, subject to the requirements of the REVENUE AUTHORITIES, to a PENSION PRESERVATION FUND. Any such interest shall be paid in accordance with the practice of the FUND. It is specifically provided that if a MEMBER elects to transfer his benefit in terms of Rule 7.2.2 and his 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.~~

RA2: REPLACE reference to 'Rule 7.2.2' in Rule 13.5 with reference to 'Rule 7.2.1 (b) and Rule 7.3 (d) (iii) (bb)'

13.6 Actuarial Valuations

RA7: Replace "Registrar" with "Authority"

If the FUND is not exempted from valuations in terms of the ACT, the financial condition of the FUND shall be investigated and reported on by the ACTUARY at intervals not exceeding three years. The TRUSTEES shall forward a copy of such report to the ~~REGISTRAR~~ and shall cause a copy of such report or a summary thereof to be sent to every EMPLOYER participating in the FUND.

14. ADMINISTRATION OF THE FUND

- 14.1 The FUND shall be administered by ADMINISTRATORS appointed by, and acting on the instructions of, the TRUSTEES.
- 14.2 The EMPLOYERS shall from time to time furnish to the TRUSTEES in respect of those employees who are MEMBERS all necessary particulars affecting their benefits or their entitlement to benefits under the FUND and the TRUSTEES shall ensure that such particulars are furnished to the ADMINISTRATORS. The TRUSTEES and the ADMINISTRATORS shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any MEMBER or to the EMPLOYER or to any other person or body whatsoever for any mis-statements or errors or omissions which may be contained in such particulars.
- 14.3 The ADMINISTRATORS shall keep a complete record of all necessary particulars of the MEMBERS of the FUND and of all persons entitled to benefits and of all other matters essential to the operation of the FUND.
- 14.4 The ADMINISTRATORS shall keep full and true accounts of the FUND as required in terms of Rule 13.4.
- 14.5 All cheques, contracts and other documents pertaining to the FUND shall be signed by such persons as the TRUSTEES by resolution may appoint; provided that documents to be deposited with the ~~REGISTRAR~~ must be signed in the manner set out in the ACT.
- 14.6 The ADMINISTRATORS shall maintain fidelity cover to

RA7: Replace "Registrar" with "Authority"

Indemnify the FUND against any loss resulting from the dishonesty or fraud of any person employed by them.

15. ALTERATIONS

15.1 The TRUSTEES may alter these RULES at any time; provided that

- (a) the value of a MEMBER'S FUND CREDIT prior to such amendment shall not be reduced on account of such amendment;
- (b) in the event of an amendment having a financial impact on the MAIN EMPLOYER, such amendment is approved by the MAIN EMPLOYER;
- (c) the amendment is not inconsistent with the provisions of the Act or of the Income Tax Act, 1962 (Act No. 58 of 1962);

provided that the limitations in (a) and (b) above shall not apply to amendments required to ensure that the FUND will be able to meet its obligations in terms of a certificate issued by the ACTUARY; and provided further that any amendment to the RULES shall be referred to the ACTUARY before being adopted.

RA7: Replace "Registrar" with "Authority"

15.2 All alterations to the RULES shall be submitted to the ~~REGISTRAR~~, the REVENUE AUTHORITIES and any other statutory authority who so requires.

15.3 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.

16. INTERPRETATION OF RULES AND DISPUTES

- 16.1 The decision of the TRUSTEES as to the meaning of or interpretation of these RULES or of any particular Rule or part of a Rule shall be final and binding on the EMPLOYERS, 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, subject to the provisions of Section 30A of the ACT.
- 16.3 If any person affected by a decision of the TRUSTEES in terms of Rules 16.1 or 16.2 is dissatisfied with the decision, he shall have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied he may lodge his complaint 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), 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 35(1) 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 payment may be made into the bank account of another person if the beneficiary provides sufficient proof to the TRUSTEES that he is unable to open a bank account.
- (b) Payment in terms of (a) shall constitute full and final settlement of all claims to the benefit against the FUND and neither the FUND, the TRUSTEES nor the ADMINISTRATORS 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. Subject to the provisions of the ACT any such benefit shall be dealt with in the manner set out below:

- (a) if a potential beneficiary approaches the FUND at any stage the TRUSTEES shall consider his claim and if the circumstances so warrant, shall pay to the beneficiary that part of the benefit, increased or decreased by the INVESTMENT RETURN, that as at the date of payment to the beneficiary is in excess of any costs incurred by the FUND in the administration of such benefit and any amount referred to in Rule 17.9;

or

RA7: REPLACE 17.4(b)

- ~~(b) if so decided by the TRUSTEES, that part of the benefit, increased or decreased by the INVESTMENT RETURN, 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 17.9 may be transferred to a PENSION 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 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 he agrees that these RULES, including any alteration to these RULES, shall be binding upon him and upon any person claiming to derive a benefit under the FUND by virtue of his membership.

- 17.8 Subject to the requirements of the REVENUE AUTHORITIES as specified from time to time and to the payment by the EMPLOYER of such additional contribution, or contributions, as the TRUSTEES after consulting the ACTUARY may decide to be necessary, the TRUSTEES, with the agreement of the EMPLOYER, may direct that any benefit payable to or in respect of any MEMBER be increased on such basis as shall be determined in consultation with the ACTUARY.
- 17.9 If any costs are incurred as a consequence of the TRUSTEES tracing any potential beneficiaries whose benefits due under the FUND are unclaimed or in order to give effect to the provisions of Section 37C of the ACT, such reasonable costs may be taken into account in the calculation of the benefits payable to such beneficiaries.
- 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 SPECIAL PROVISIONS APPLICABLE TO PAYMENT OF SETTLEMENT AMOUNTS

Any amounts received by the FUND arising from settlement payments made to the FUND which are not retained for any other purpose shall be distributed, in such proportions as the TRUSTEES may decide, in order to increase the benefits payable to such MEMBERS and/or paid to such former members as the TRUSTEES may determine. The following shall apply:

- (a) in the case of a MEMBER, any such amount shall be credited to his FUND CREDIT;

And

- (b) In the case of a former member (if applicable), any such amount shall be paid to such former member's last known verifiable bank account as a lump sum; provided that if the bank account is unknown or cannot be verified and the Trustees are not notified of payment details in respect of a former member, any such amount may be transferred to a PENSION PRESERVATION FUND established for the purpose of housing unclaimed benefits.

APPENDIX I

SPECIAL CONDITIONS APPLICABLE TO MEMBERS WHO ELECT TO TRANSFER TO ANOTHER RETIREMENT FUNDING ARRANGEMENT OPERATED BY THE EMPLOYER

1. A MEMBER who elects to join another APPROVED PENSION FUND or an APPROVED PROVIDENT FUND operated by the EMPLOYER shall on becoming eligible to do so transfer to the applicable fund.
2. An amount equal to the MEMBER'S FUND CREDIT shall, as elected by the Member:
 - (a) be retained in the Fund as a RETAINED BENEFIT; or
 - (b) be transferred to the APPROVED PENSION FUND or the APPROVED PROVIDENT FUND, operated by the EMPLOYER, to which the MEMBER has elected to transfer, to be applied thereunder in terms of the rules of the applicable fund.
3. In the case of a MEMBER who elects the option in clause (a) of provision 2 of this Appendix:
 - (a) the conditions governing the MEMBER'S retirement as set out in Rule 5 shall continue to apply and the amount payable on his retirement shall be his RETAINED BENEFIT;
 - (b) If the Member dies while in SERVICE, a lump sum benefit shall be payable equal to his RETAINED BENEFIT; and
 - (c) If the MEMBER leaves SERVICE in circumstances provided for in Rule 7, he shall be entitled to an amount equal to his RETAINED BENEFIT.

Rule Amendment No.	Effective Date	Rule Amended	Nature	Purpose of Rule Amendment	Signed by BOT	Approved by FSCA
1	01/03/2016	2	Add	1. To remove the Trustees' discretion under the definition of Eligible Employee to waive eligibility conditions since it is likely the Trustees will apply this provision;	26/05/2016	24/06/2016
		2	Add			
		2	Replace	2. To provide for Fund Salary to be determined monthly instead of annually;		
		2	Replace			
		4.1.1	Replace	3.To define a Member who elects that contributions by and in respect of him shall be limited to such maximum amount as may be permitted by the Revenue Authorities from time to time as a tax deduction as a Category B Member and to provide for such Member's Fund Salary to be adjusted proportionately;		
		4.2.1	Replace			
		4.2.2	Replace	4. To add a definition of Risk Salary which is used for the purposes of determining the risk death benefit and the contributions used to pay for risk benefits and expenses in the case of a Category B Member and to make it clear that premiums used to pay the Unapproved Risk Benefits and the contributions for the risk death benefit and the expenses of the Fund shall be based on such Member's Risk Salary;		
		4,4	Add			
		6.1.1	Replace			
2	01/06/2018	2	Add	1. To promote preservation of retirement benefits by providing for in-fund preservation as the default but to allow a Member to elect to transfer the benefit to another arrangement for retirement funding or to receive payment of the benefit as a lump sum	16/03/2018	15/05/2018
		7,2	Replace			
		7,3	Add	2. To allow a Member to transfer a benefit to the Fund form another retirement fund, irrespective of when he became a member of such fund;		
		9.1.2	Replace			

Rule Amendment No.	Effective Date	Rule Amended	Nature	Purpose of Rule Amendment	Signed by BOT	Approved by FSCA
		9.2.1	Replace	3. Where retirement benefit arrangements for employees of an Employer are restructured, to also all Deferred Retirees and Preserved Members who were previously employed by such Employer to be transferred to the new arrangement;		
		13,5	Replace			
3	01/11/2018	5.1.1	Replace	1. To increase the early retirement age from age 50 years to age 53 years, in order to align this with the Employer's practice.	12/02/2019	26/02/2019
		12.2.4	Replace	2. To correctly reflect the way in which the vacancy of an Employer Trustee is filled;		
4	01/04/2020	19	Add	To provide for contributions to be temporarily reduced where an Employer and Members are unable to pay contributions as required in terms of the Rules, due to experiencing financial difficulty as envisaged in the FSCA Communication 11 of 2020, by adding the following Rule 19 to the Rules.		06/05/2020
5	01/12/2020	2	Add	1. To correct a previous drafting error in the Revised Rules, in which the definition "PENSION" was erroneously omitted. 2. To introduce an in-fund living annuity as an option for retiring MEMBERS, beneficiaries and nominated beneficiaries by replacing the definition of "PENSION"	11/11/2020	27/12/2020
		2	Replace			
		2	Add			
		4,5	Add			
		5,2	Replace			
		5,3	Replace			
		5,4	Replace			
		5,6	Add			
		5,7	Add			
		6.1.1(b)(ii)	Replace			
		6.1.2	Replace			
		6,5	Add			
		10.1.2(d)	Replace			
		11,3	Replace			
		13.1.8	Replace			

Rule Amendment No.	Effective Date	Rule Amended	Nature	Purpose of Rule Amendment	Signed by BOT	Approved by FSCA
6	01/03/2021	2	Replace	1. To renumber the rule 4.4 in amendment 5 as rule 4.5, since a rule 4.4 was added under amendment no. 1, and to update rule references accordingly. 2. To clarify the manner in which a benefit will be paid where a member dies after an election or instruction is made as to how the benefit is paid but before payment of his benefit has been made. 3. To give sub-committees of the Trustees the authority to make decisions.	02/06/2021	06/06/2021
		4,4	Replace			
		5.7.6	Replace			
		5,8	Add			
		7.2.3	Replace			
		12,8	Replace			
7	01/03/2021	2	Add	1. To no longer distinguish between pension preservation funds and provident preservation funds in the Rules since changes in tax legislation have made this unnecessary. 2. To remove reference to the Registrar following the establishment of the Financial Sector Conduct Authority. 3. To replace the definition of "Registered Insurer" with a revised definition of "Insurer" and remove reference to the Long-term Insurance Act and transfers to preservation funds being subject to the requirements of the Revenue Authorities, following changes in legislation.	01/03/2022	08/04/2022
		2	Replace			
		2	Delete			
		All	Replace			
		2	Delete			
		All	Replace			

Rule Amendment No.	Effective Date	Rule Amended	Nature	Purpose of Rule Amendment	Signed by BOT	Approved by FSCA
		3,4	Replace	<p>4. To give effect to changes in tax legislation by providing for the protection of any existing vested rights in respect of Members who were members of a provident fund or provident preservation fund on 1 March 2021.</p> <p>5. To remove reference to tax being payable on transfers to provident funds since all transfers between funds are tax free from 1 March 2021 and consequently remove the option to transfer to a retirement annuity fund where Members become members of a provident fund on the restructuring of retirement benefit arrangements.</p>		
		5,3	Replace			
		5.5(c)(iii)	Add			
		5.6(a)	Replace			
		5	Add			
		7,2	Replace			
		7.3(d)	Replace			
		7.3(e)	Replace			
		9.1.2	Replace			
		9.1.3	Replace			
		9.2.1	Replace			
		9.2.2(b)	Replace			
		10.1.2(d)	Replace	<p>6. To allow a Member who has retired from Service and has not yet elected to receive payment of his benefit, to transfer the benefit to an Approved Retirement Annuity Fund or Approved Preservation Fund.</p> <p>7. To clarify that a Member who has left Service may prior to attaining Normal Retirement Date elect to receive payment of a portion of his withdrawal benefit as a lump sum and transfer the balance to another retirement fund.</p>		
		10.1.2(e)	Replace			
		13,5	Replace			
		17.4(b)	Replace	<p>8. To clarify that a Preserved Member who has attained Normal Retirement Date may only retire from the Fund, or transfer his benefit to an Approved Retirement Annuity Fund or Approved Preservation fund.</p>		