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THE PRINCIPAL OFFICER
THE TRANSPORT SECTOR RETIREMENT FUND
c/o SALT EMPLOYEE BENEFITS (PTY) LTD
P O BOX 3119
HALFWAY HOUSE

1685P

CASE NUMBER: 619538

Dear Sir / Madam

PENSION FUNDS ACT, 1956 (ACT 24 OF 1956) & INCOME TAX ACT, 58 OF 1962: REVISED RULES - THE TRANSPORT SECTOR RETIREMENT FUND

Your letter dated 17 June 2025 refers. Enclosed is a copy of the Revised Rules duly approved and registered in terms of section 12(4) of the Act.

The fund continues to be recognized as a Provident Fund in terms of the Income Tax Act no.58 of 1962.

Yours faithfully

PAPI KEKANA
MANAGER: RETIREMENT FUNDS SUPERVISION: REVIEWS & AUTHORISATIONS
for THE FINANCIAL SECTOR CONDUCT AUTHORITY

Enclosure

Executive Committee:

Commissioner: U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

Revised RULES of the

THE TRANSPORT SECTOR RETIREMENT FUND

Registration number 12/8/37811

with effect from date of registration

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE TRANSPORT SECTOR RETIREMENT FUND HELD AT PARKTOWN ON 20 MAY 2025.**

RESOLVED THAT the Rules of the Fund be replaced with the attached consolidated set of Rules.

The effective of these Rules will be from the date of registration hereof



CHAIRPERSON, BOARD OF TRUSTEES



TRUSTEE

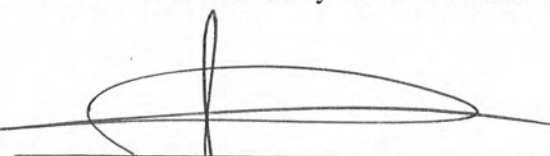


PRINCIPAL OFFICER

20 May 2025
DATE

The reason for the revised Rules is to ensure that the Fund's Rules are updated to include rule amendments 1 – 10 .

It is recorded that no salary sacrifice scheme is sought to be created by the Rule amendment.



PRINCIPAL OFFICER

ACTUARY'S CERTIFICATE

In my capacity as Actuary to the Transport Sector Retirement Fund, I certify that these revised Rules are financially sound.

A handwritten signature in dark ink, appearing to read 'GM Barnard', is written over a horizontal line.

GM BARNARD, FASSA

ACTUARY

13 JUNE 2025

DATE

THE RULES GOVERNING THE TRANSPORT SECTOR RETIREMENT FUND

PREAMBLE

1. The National Bargaining Council for the Road Freight Industry Provident Fund was established by the National Bargaining Council for the Road Freight Industry under the provisions of a collective agreement published in the ***Government Gazette*** R3146, dated 20 December 1991, which has been amended several times since then.
2. With effect from 27 March 2008, the Bargaining Council for the Road Freight Industries Provident Fund changed its corporate name from the Road Freight Industry Provident Fund to the Road Freight and Logistics Industry Provident Fund, and was registered under the Pension Funds Act 24 of 1956.
3. With effect from the EFFECTIVE DATE, the Road Freight and Logistics Industry Provident Fund will be called the TRANSPORT SECTOR RETIREMENT FUND.

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1. INTRODUCTION

1.1 Establishment

- 1.1.1 The Transport Sector Retirement Fund was established with effect from 27 March 2008, and is governed by these RULES. These RULES are the revised RULES of the FUND which are effective from the EFFECTIVE DATE.
- 1.1.2 These RULES replace the previous reviewed rules of the FUND and the amendments thereto from the EFFECTIVE DATE.
- 1.1.3 The registered office of the FUND is situated at 24 Wellington Road Parktown Johannesburg 2192.
- 1.1.4 The postal address of the FUND is PO. Box 72402 Parkview Johannesburg 2121.

1.2 Objective of the FUND

The main objectives of the FUND are to provide –

- 1.2.1 retirement benefits to MEMBERS when they retire, whether they have reached their NORMAL RETIREMENT AGE, have elected to become a LATE RETIREE, or have retired early, due to DISABILITY or otherwise;
- 1.2.2 benefits for the DEPENDANTS of MEMBERS who have died; and
- 1.2.3 benefits to MEMBERS whose employment by PARTICIPATING EMPLOYERS terminates before their retirement; and
- 1.2.4 SAVINGS WITHDRAWAL BENEFITS to MEMBERS.¹

1.3 Nature of the FUND

The FUND is a legal entity, distinct from its MEMBERS, that owns its own assets and is responsible for meeting its own liabilities in terms of the RULES. It can engage in litigation in its own name.

¹ Amendment 10.

1.4 **Nature and Effect of these RULES**

1.4.1 These RULES of the FUND are binding on the FUND'S MEMBERS, DEFERRED MEMBERS, and DEPENDANT and BENEFICIARIES, PARTICIPATING EMPLOYERS and all other persons who claim that they are entitled to a benefit in terms of the RULES. The RULES are also binding on the BOARD and on its PRINCIPAL OFFICER and DEPUTY PRINCIPAL OFFICER.

1.4.2 The payment of all benefits contemplated in these RULES shall be made in terms of the RULES in force on the date on which the benefit accrued to the MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE, or BENEFICIARY.

1.5 These RULES will take effect from that EFFECTIVE DATE.

1.6 The headings of the RULES are for ease of reference and shall not be accounted in the interpretation of the RULES.

1.7 The benefits and special conditions applicable to each PARTICIPATING EMPLOYER and the MEMBERS in its employ may be selected by the PARTICIPATING EMPLOYER and are set out in the SPECIAL RULES for its enrolled MEMBERS.

1.8 In the event of a conflict between any provision in the RULES and that of the SPECIAL RULES, the provisions in the RULES, shall prevail.

2. **INTERPRETATION AND DEFINITIONS²²**

In these RULES words defined in the ACT but not defined in this RULE 2 shall bear the meanings assigned to them in the ACT and, unless inconsistent with the context, all words and expressions importing the masculine gender shall include the other genders; words signifying the singular number shall include the plural and vice versa; and

ACCOUNTS means those accounts referred to in RULE 8;

ACT shall mean the Pension Funds Act 24 of 1956, as amended;

²² The numbering of the definitions were removed by amendment 3.

ACTUARY shall mean a natural person admitted as a fellow member of the Actuarial Society of South Africa or any other institution approved by the AUTHORITY³ by notice in the Government Gazette and appointed by the BOARD who has been approved by the AUTHORITY as a valuator.

ADJUDICATOR means the Pension Funds Adjudicator or Deputy Pension Funds Adjudicator and any acting Pension Funds Adjudicator appointed in terms of the ACT;

ADMINISTRATION AGREEMENT means the written agreement entered into between the FUND and the ADMINISTRATOR in the event that the FUND appoints an ADMINISTRATOR, recording the specific arrangements for the required administration of the FUND;

ADMINISTRATOR means an administrator duly appointed by the BOARD to administer the FUND in terms of RULE 16.3;

ADVISORY BODY means the entity referred to in RULE 16.6;

ALTERNATE TRUSTEE means a person elected or appointed to serve, as the occasion requires, as a BOARD MEMBER in substitution for a particular elected or appointed BOARD MEMBER with the same obligations, responsibilities and duties as the BOARD MEMBERS and the provisions of RULE 15.9 shall apply *mutatis mutandis* to ALTERNATE TRUSTEES;

ANNUITY STRATEGY shall mean a strategy, as determined by the BOARD, setting out the manner in which a MEMBER'S retirement savings may be applied, with the MEMBER'S consent, to provide an annuity or annuities by the FUND or to purchase an annuity on behalf of the MEMBER from an external provider, which annuity or annuities may either be in the name of the MEMBER or in the name of the FUND and which complies with the requirements of regulation 39 to the ACT and any conditions that may be prescribed from time to time.⁴

APPROVED FUND means an APPROVED PENSION FUND, an APPROVED PENSION PRESERVATION FUND, an APPROVED PROVIDENT FUND, an APPROVED PROVIDENT PRESERVATION FUND or an APPROVED RETIREMENT ANNUITY FUND as defined in the TAX ACT;

APPROVED PENSION FUND means a fund, other than an APPROVED PRESERVATION PENSION FUND, as defined in the TAX ACT;

³ Amendment 3.

⁴ Amendment 3.

APPROVED PENSION PRESERVATION FUND means a fund, other than an APPROVED PENSION FUND, as defined in the TAX ACT;

APPROVED PROVIDENT FUND means a fund, other than a preservation provident fund, as defined in the TAX ACT;

APPROVED PROVIDENT PRESERVATION FUND means a fund, other than a preservation provident fund, as defined in the TAX ACT;

APPROVED RETIREMENT ANNUITY FUND means a fund as defined as such in the TAX ACT. A transfer of benefits from an APPROVED FUND into an Approved Retirement Annuity Fund is permissible, however, a transfer of benefits out of an Approved Retirement Annuity Fund is only permissible to another Approved Retirement Annuity Fund, subject to the provisions of the TAX ACT;⁵

AUDITOR shall mean a person registered in terms of the Public Accountants' and Auditors' Act, 1991 and appointed by the BOARD in terms of RULE 16.5;

AUTHORITY means the Financial Sector Conduct Authority as defined in the ACT. All references to AUTHORITY appearing in the RULES shall be replaced accordingly⁶.

BARGAINING COUNCIL or COUNCIL means the National Bargaining Council for the Road Freight and Logistics Industry;

BENEFICIARY means any person who is entitled to a portion of or to the entire amount of the MEMBER SHARE of a MEMBER in terms of these RULES;

BOARD means the board of trustees of the FUND as constituted in terms of these RULES;

BOARD MEMBER means, for the purposes of the FUND, a member of the BOARD or his alternate;

BONUS means the amount allocated at the end of the FUND YEAR to the MEMBER SHARE ACCOUNT, as determined by the BOARD on the recommendations of the VALUATOR;

CALCULATION DATE means the date, in terms of the practice of the FUND as agreed from time to time, on which a MEMBER'S or DEFERRED MEMBER'S benefit is calculated on his retirement, death or his

⁵ Amendment 2.

⁶ Amendment 3.

leaving SERVICE or in order to transfer the MEMBER'S or DEFERRED MEMBER'S benefit from the FUND in any of the circumstances contemplated in these RULES;

CATEGORY A MEMBER means:

- a) an ELIGIBLE EMPLOYEE who is employed in the INDUSTRY and for whom wages are determined in terms of the MAIN AGREEMENT negotiated in the BARGAINING COUNCIL⁷; and
- b) whose MEMBER SHARE is utilised to provide a retirement benefit as contemplated in RULE 9.5⁸.

Provided, however, that an Employee who earns less than the prescribed minimum wage as specified in the MAIN AGREEMENT shall not be eligible to join the FUND.⁹

CATEGORY B MEMBER shall mean either:

- a) an ELIGIBLE EMPLOYEE who is employed in the INDUSTRY by a PARTICIPATING EMPLOYER and for whom wages are not determined in terms of a collective agreement negotiated in the BARGAINING COUNCIL; and / or
- b) an ELIGIBLE EMPLOYEE who is not employed in the INDUSTRY;
- c) Special provisions are contained in Schedule 1 to these RULES of CATEGORY B MEMBERS

CATEGORY C MEMBER shall mean a CATEGORY A or CATEGORY B MEMBER who is or was employed by a PARTICIPATING EMPLOYER that is in liquidation or under business rescue, and with which, the Fund has agreed to a part payment as a settlement of outstanding CONTRIBUTIONS for the MEMBER. Rule 5.4 contains special provisions for CATEGORY C MEMBERS¹⁰.

CHAIRPERSON shall mean the person appointed to chair the meetings of the FUND in terms RULE 15.7;

COMMENCEMENT DATE means the commencement date of the FUND, being 27 November 2008;

COMMISSIONER means the commissioner for the SARS;

⁷ Amendment 5.

⁸ Amendment 5.

⁹ Amendment 5.

¹⁰ Amendment 8.

COMPANIES ACT means the Companies Act 71 of 2008, as amended;

COMPONENT means the RETIREMENT COMPONENT, SAVINGS COMPONENT or VESTED COMPONENT of a MEMBER.¹¹

CONTRIBUTION BREAK shall mean the period for which the BOARD resolves that due to an unforeseen and unavoidable disaster beyond the control of the FUND, no CONTRIBUTIONS shall be payable to the FUND. Furthermore, MEMBER will be entitled to the same FUND benefits as enjoyed the day prior to the CONTRIBUTION BREAK for the period of the disaster.¹²

CONTRIBUTIONS means the contributions which must be paid to the FUND by MEMBERS and PARTICIPATING EMPLOYERS for the benefit of MEMBERS in terms of the RULES,;

CONTRIBUTING MEMBER means a MEMBER on behalf of who CONTRIBUTIONS are received timeously, in accordance with RULE 5.3.

DATA ERROR CONTINGENCY RESERVE ACCOUNT means the account established in terms of RULE 8.6 and effective from 28 February 2011;

DEFAULT INVESTMENT PORTFOLIO means an investment portfolio(s) in which the retirement funding contributions of a MEMBER of a FUND must be invested unless the FUND has been instructed by the MEMBER in writing to invest them in another investment portfolio provided in terms of the investment policy statement of the FUND, or options available to MEMBERS of the FUND, and which portfolio:

- a) complies with the requirements set out in regulation 37 to the ACT; and
- b) in respect of its composition, may differ from MEMBER to MEMBER in respect of:
 - i. the age or likely retirement date of each MEMBER;
 - ii. the value of the retirement savings of the MEMBER in the FUND, and
 - iii. the actual or expected retirement funding contributions of the MEMBER;

¹¹ Amendment 10.

¹² Amendment 6.

- c) complies with any conditions that may be prescribed.¹³

DEFERRED MEMBER means a MEMBER whose SERVICE has terminated on resignation or dismissal and who has not chosen to receive his or her benefit and for whom the FUND holds provision for the payment of a benefit to be paid on request or after the date on which the MEMBER turns 55 (fifty five) but not later than NORMAL RETIREMENT AGE; and shall include any person who became a DEFERRED MEMBER in terms of the RULES as they applied prior to 1 March 2019, provided that the DEFERRED MEMBERS shall not be covered for the multiple of PENSIONABLE SALARY in terms of RULES 9.7 and 10;¹⁴

A **DEFERRED MEMBERSHIP CERTIFICATE** means a certificate issued by the FUND or an APPROVED FUND, as the case may be, which records, in a format which may be prescribed, at least the following:

- a) the name, address, registration number and contact details of the issuing fund;
- b) the name, address, registration number and contact details of the FUND'S section 13B ADMINISTRATOR;
- c) the name, address, ID number, tax number, FUND membership number and most recent contact details of the MEMBER or DEFERRED MEMBER, as the case may be;
- d) the date at which the MEMBER or DEFERRED MEMBER became a MEMBER or a DEFERRED MEMBER, and the date on which the certificate was issued;
- e) the value of the MEMBER or DEFERRED MEMBER'S MEMBER SHARE, at the date on which such a member became a MEMBER or DEFERRED MEMBER;
- f) the investment portfolios in which such benefit is invested; and
- g) any other information which may be prescribed from time to time.¹⁵

DEFERRED MEMBER SHARE ACCOUNT means an account established in accordance with RULE 8.11;¹⁶

¹³ Amendment 3.

¹⁴ Amendment 2 update by Amendment 3.

¹⁵ Amendment 3.

¹⁶ Amendment 3.

DEPENDANT means a dependant as defined in the ACT;

DEPUTY CHAIRPERSON shall mean the person appointed to act in the place of the CHAIRPERSON in his absence, appointed in terms RULE 15.7;

DEPUTY PRINCIPAL OFFICER means the deputy principal officer of the FUND appointed in terms of RULE 16.1.3;

DISABLED means a MEMBER who, in the opinion of the relevant REGISTERED INSURER, or the BOARD, where applicable, is suffering from an illness, condition or disability on the basis of which, if conditions set out in the policy adopted by the BOARD or issued by the REGISTERED INSURER are fulfilled, the REGISTERED INSURER will be liable to pay to the FUND an amount or amounts which is then payable to the affected MEMBER in terms of these RULES and “DISABILITY” shall have a corresponding meaning;

DIVORCE ACT means the Divorce Act 70 of 1979 as amended;

EFFECTIVE DATE shall mean the date that these RULES are registered and approved by the AUTHORITY¹⁷ and the REVENUE AUTHORITIES, respectively;

ELECTION DATE means the date on which a MEMBER makes an election to receive a benefit, or become a DEFERRED MEMBER, as the case may be, as contemplated in these RULES;

ELIGIBLE EMPLOYEE means a person in the SERVICE under the NORMAL RETIREMENT AGE who is an employee of a PARTICIPATING EMPLOYER who satisfies the membership qualifications as specified in the RULES or SPECIAL RULES, as the case may be;

FINANCIAL INSTITUTION shall mean a “financial institution” as defined in the Financial Institutions (Protection of Funds) Act 28 of 2001;

FUND means the Transport Sector Retirement Fund governed by these RULES;

FUND ANNIVERSARY means 1 March each year;

FUND YEAR means each successive twelve-month period extending from one FUND ANNIVERSARY to the following FUND ANNIVERSARY;

¹⁷ Amendment 3.

FUNERAL BENEFIT means a funeral benefit to which CONTRIBUTION MEMBERS are entitled by virtue of their membership of the FUND.

HOUSING PURPOSES means

- a) buying land on which a residence has been or will be built, and which is or will be occupied by the MEMBER or a DEPENDANT of the MEMBER;
- b) building a residence on land –
 - i) owned by the MEMBER and/or his or her spouse; or
 - ii) which the MEMBER and/or his or her SPOUSE has the right to own as a result of his or her occupation of the land,

for the MEMBER or his or her DEPENDANT to live in; or
- c) improving or changing or maintaining or repairing a residence which he or she has the right to own as a result of his or her occupation of the residence and which is occupied by the MEMBER or his or her DEPENDANT, if the right to occupy the land or residence arises by operation of any custom or law other than a temporary lease or arrangement;

INDEPENDENT TRUSTEES means professional trustees not employed by a UNION; the COUNCIL or a PARTICIPATING EMPLOYER, and who is not a MEMBER, a DEFERRED MEMBER or PENSIONER of the FUND;

INDUSTRY or **ROAD FREIGHT AND LOGISTICS INDUSTRY** means the sector in which employers and employees are associated for carrying on one or more of the following activities for hire or reward:

- a) the transportation of goods by means of motor transport;
- b) the storage of goods, including the receiving, opening, unpacking, packing, despatching and clearing, or accounting for, of goods if these activities are ancillary or incidental to paragraph a) ; and
- c) the hiring out by temporary employment services of employees for activities or operations which ordinarily or naturally fall within the transportation or storage of goods as contemplated in paragraphs a) and b);

INVESTMENT RETURN means:

- a) any income (received or accrued) and capital gains and losses (realised and unrealised) of the FUND,
- b) less an allowance for any tax (where applicable); and
- c) less such investment related expenses (paid or incurred) as may be determined by the BOARD,
- d) provided that:
- e) such return may be positive or negative; and
- f) where the assets of the FUND, or a portion thereof, are invested in a particular portfolio or portfolios, the calculation of investment return must take into account the investment performance of such portfolio or portfolios.

LABOUR RELATIONS ACT means the Labour Relations Act 66 of 1995, as amended;

LATE RETIREE means a MEMBER who has already reached the age of 65 (sixty five), but, on prior written confirmation from that MEMBER'S relevant PARTICIPATING EMPLOYER to the FUND, is entitled to the benefits as provided for in terms of RULE 9.3;

LEGAL LIABILITY CONTINGENCY RESERVE ACCOUNT means the account established in terms of RULE 8.8;

LIVING ANNUITY means a living annuity as defined in section 1 of the Income Tax Act, 1962(Act No 58 OF 1962) as amended from time to time;¹⁸

MAIN AGREEMENT means the Collective Agreement of the COUNCIL, published in terms of section 32 of the LABOUR RELATIONS ACT under Government Notice No. R. 493 of 30 April 2004, as amended from time to time;

MAINTENANCE ACT means the Maintenance Act 99 of 1998, as amended;

MEMBER means CATEGORY A MEMBERS and CATEGORY B MEMBERS;

¹⁸ Amendment 3.

MEMBER SHARE means, in respect of each MEMBER an amount determined in terms of RULE 8.2, in respect of a DEFERRED MEMBER an amount determined in terms of RULE 8.11 and in respect of a PAID-UP MEMBER an amount determined in terms of RULE 8.12.¹⁹

MEMBER SHARE ACCOUNT means an ACCOUNT established in terms of RULE 8.2;

NON-VESTED BENEFIT means the portion of the VESTED COMPONENT that is subject to annuitisation in terms of the TAX ACT.²⁰

NORMAL RETIREMENT AGE means 65 years of age;

NORMAL RETIREMENT DATE means the date on which a MEMBER elects to retire and in terms of the RULES, becomes entitled to a PENSION, an annuity or a lump sum benefit, as the case may be, before, on or subsequent to attaining NORMAL RETIREMENT AGE;

PAID-UP MEMBER means a MEMBER who has made an election to leave his benefit in the FUND in accordance with the provisions of RULE 7.1 on termination of SERVICE for reasons other than retirement, provided that PAID-UP MEMBERS shall not be covered for the multiple of PENSIONABLE SALARY in terms of RULES 9.7 and 10;²¹

PAID-UP MEMBER SHARE ACCOUNT means an account established in accordance with RULE 8.12.²²

PARTICIPATING EMPLOYER means:

- a) all existing companies, institutions and organisations participating in the FUND as at EFFECTIVE DATE; and
- b) an employer that –
 - i) applies to the BOARD in writing for permission to join the FUND;
 - ii) is accepted by the BOARD as a PARTICIPATING EMPLOYER subject to such conditions as the BOARD may determine; and

¹⁹ Amendment 10.

²⁰ Amendment 10.

²¹ Amendment 3.

²² Amendment 10.

iii) undertakes to be bound by the RULES of the FUND,

will become a participating employer with effect from its PARTICIPATION DATE..

- c) The participation of a PARTICIPATING EMPLOYER in the FUND terminates when -
- d) the FUND is liquidated as contemplated in the GENERAL RULES; or
- e) the participation in the FUND of a PARTICIPATING EMPLOYER is terminated in terms of RULE 21.
- f) In relation to any MEMBER, PARTICIPATING EMPLOYER will mean the PARTICIPATING EMPLOYER by whom he is currently employed;

PARTICIPATION DATE means the date as stated in the SPECIAL RULES from which a PARTICIPATING EMPLOYER starts participating in the FUND;

PARTICIPATION CERTIFICATE means the certificate of participation agreed to between the FUND and a PARTICIPATING EMPLOYER to confirm participation of the PARTICIPATING EMPLOYER in the FUND and the selection of contributions, disability and death benefits pertaining to its ELIGIBLE EMPLOYEES.²³

PENSION means an annual amount, which will be payable in monthly instalments over the lifetime of the PENSIONER by the FUND, and, if applicable, his or her SPOUSE, which PENSION may be increased at the discretion of the BOARD in accordance with the FUND'S pension increase policy as determined from time to time;

PENSIONER means a person entitled to a PENSION in terms of these RULES;

PENSIONER ACCOUNT means an ACCOUNT established in terms of RULE 8.3 to make provision for the FUND'S liabilities in respect of PENSIONERS and SPOUSES entitled to PENSIONS in terms of these RULES;

PENSIONABLE SALARY means the salary such MEMBER and that MEMBER'S PARTICIPATING EMPLOYER may agree from time to time;

POLICY OF INSURANCE means any policy issued to the FUND by a REGISTERED INSURER;

²³ Amendment 3.

PRINCIPAL OFFICER means the person appointed in terms of RULE 16.1.1 to fulfil the function of principal officer;

PROCESSING ERROR RESERVE ACCOUNT means the account established in terms of RULE 8.7 and effective from 28 February 2011;

PROTECTED DISCLOSURE, in addition to the meaning of “protected disclosure” in section 1 of the PROTECTED DISCLOSURES ACT, includes disclosure of information to the AUTHORITY²⁴ in terms of the ACT;

PROTECTED DISCLOSURES ACT means the Protected Disclosures Act 26 of 2000;

REGISTERED INSURER means an insurer registered under the Long-term Insurance Act 52 of 1998;

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RETIREMENT BENEFITS COUNSELLING means the disclosure and explanation, in clear and understandable language, where applicable, including risks, costs and charges, of:

- (a) the available investment portfolios;
- (b) the terms of the FUND'S annuity strategy, in so far as it may be applicable;
- (c) the terms and process by which a fund handles preserved benefits in terms of regulation 38 to the ACT; and
- (d) any other options made available to MEMBERS.²⁶

RETIREMENT COMPONENT means a COMPONENT established in terms of these RULES with effect from 1 September 2024 for each MEMBER, comprising the following transactions:

Credits

- two-thirds of any CONTRIBUTIONS paid by a MEMBER in respect of the period on or after 1 September 2024, in terms of RULE 5.1;

²⁴ Amendment 3.

²⁵ Replaced by Authority in Amendment 3.

²⁶ Amendment 3.

- two-thirds of any CONTRIBUTIONS paid by the PARTICIPATING EMPLOYER, in respect of the period on or after 1 September 2024, in terms of RULE 5.2, excluding any costs, charges, fees or premiums;
- two-thirds of any amount transferred from the RISK RESERVE ACCOUNT towards the provision of DISABILITY benefits as determined by the VALUATOR;
- two-thirds of any amount transferred from any other of the ACCOUNTS;
- any amounts transferred for the benefit of a MEMBER from the Retirement Component, Savings Component or Vested Component of another APPROVED FUND;
- where requested by the MEMBER, any amount allocated to this COMPONENT from the SAVINGS COMPONENT and/or VESTED COMPONENT in terms of RULE 7.3;
- two-thirds of any divorce order amounts transferred on or after 1 September 2024 in favour of the MEMBER in terms of Section 37D(4)(b)(iii) of the ACT;

Debits

- amounts transferred to the Retirement Component of any other APPROVED FUND in terms of RULE 7.2.3;
- amounts payable to the MEMBER or his or her BENEFICIARIES in terms of these RULES;
- amounts re-allocated to the PENSIONERSS ACCOUNT;
- amounts payable to a REGISTERED INSURER selected by a MEMBER when purchasing an annuity in his or her name;
- any amounts allocated to the FUND'S other ACCOUNTS, as recommended by the VALUATOR, and as approved by the BOARD from time to time;
- any amount payable in terms of section 37D of the ACT, deducted proportionally from this COMPONENT and the SAVINGS COMPONENT and VESTED COMPONENT;

and

- any costs for the administration and management of this COMPONENT as determined by the BOARD from time to time on the advice of the VALUATOR.

The amount standing to the credit of this account shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested.

Provided that a MEMBER who was a MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021, may not make CONTRIBUTIONS to the RETIREMENT COMPONENT unless that MEMBER has elected to contribute to the RETIREMENT COMPONENT before 01 September 2025, in which case the above definition of RETIREMENT COMPONENT shall apply from the last day of the month in which the MEMBER's election was made.²⁷

REVENUE AUTHORITIES means the SARS in the Republic of South Africa and any other statutory revenue authority who requires notification of amendments to these RULES;

RISK RESERVE ACCOUNT means the account established in terms of RULE 8.4;

RISK VOLATILITY AND EXPENSE RESERVE ACCOUNT means the account established in terms of RULE 8.5

RULES mean the general rules applicable to, *inter alia*, all PARTICIPATING EMPLOYERS, MEMBERS, DEFERRED MEMBERS, PENSIONERS including any amendments thereto;

SARS means the South African Revenue Service;

SAVINGS COMPONENT means a COMPONENT established in terms of these RULES with effect from 1 September 2024 for each MEMBER, comprising the following transactions:

Credits

- the MEMBER's SEED CAPITAL if the MEMBER was a MEMBER of the FUND on 1 September 2024;
- one-third of any CONTRIBUTIONS paid by a MEMBER in respect of the period on or after 1 September 2024, in terms of RULE 5.1;

²⁷ Amendment 10.

- one-third of any CONTRIBUTIONS paid by the PARTICIPATING EMPLOYER, in respect of the period on or after 1 September 2024, in terms of RULE 5.2, excluding any costs, charges, fees or premiums;
- one-third of any amount transferred from the RISK RESERVE ACCOUNT towards the provision of DISABILITY benefits as determined by the VALUATOR;
- one-third of any amount transferred from any other of the ACCOUNTS;
- any amounts transferred for the benefit of a MEMBER from the Savings Component of another APPROVED FUND;
- one-thirds of any divorce order amounts transferred on or after 1 September 2024 in favour of the MEMBER in terms of Section 37D(4)(b)(iii) of the ACT;

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Debits

- amounts transferred to the Retirement Component or Savings Component of any other APPROVED FUND in terms of RULE 7.2.3;
- amounts payable to the MEMBER or his or her BENEFICIARIES in terms of these RULES;
- any SAVINGS WITHDRAWAL BENEFIT paid to a MEMBER;
- where requested by the MEMBER, any amount allocated from this COMPONENT to the RETIREMENT COMPONENT in terms of RULE 7.3;
- amounts re-allocated to the PENSIONERS ACCOUNT;
- amounts payable to a REGISTERED INSURER selected by a MEMBER when purchasing an annuity in his or her name;
- any amounts allocated to the FUND'S other ACCOUNTS, as recommended by the VALUATOR, and as approved by the BOARD from time to time;

- any amount payable in terms of section 37D of the ACT, deducted proportionally from this COMPONENT and the RETIREMENT COMPONENT and VESTED COMPONENT; and
- any costs for the administration and management of this COMPONENT as determined by the BOARD from time to time on the advice of the VALUATOR.

The amount standing to the credit of this account shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested.

Provided that a MEMBER who was a MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021, may not make CONTRIBUTIONS to the SAVINGS COMPONENT unless that MEMBER has elected to contribute to the SAVINGS COMPONENT before 01 September 2025, in which case the above definition of SAVINGS COMPONENT shall apply from the last day of the month in which the MEMBER's election was made.²⁸

SAVINGS WITHDRAWAL BENEFIT means the MEMBER'S share in the SAVINGS COMPONENT or a portion thereof that the MEMBER has elected to withdraw; provided that:

- only one withdrawal may be made in a tax year;
- the withdrawal amount must be the minimum as prescribed in the TAX ACT, before any charges or transaction costs, and there are no maximum withdrawal limit;
- a second withdrawal may be taken in the same tax year provided the MEMBER has terminated membership in the FUND and the value in the SAVINGS COMPONENT is less than the minimum as prescribed in the TAX ACT;
- the SAVINGS WITHDRAWAL BENEFIT is subject to a tax directive and will be taxed at the rate prescribed in the TAX ACT.²⁹

SECONDMENT means:

- a) the secondment or temporary transfer of service of an ELIGIBLE EMPLOYEE to the service of another organisation, either within or outside the Republic of South Africa, where such organisation is not a PARTICIPATING EMPLOYER; or

²⁸ Amendment 10.

²⁹ Amendment 10.

- b) the secondment or temporary transfer of service of an employee from the service of another organisation either within or outside the Republic of South Africa and which is not a PARTICIPATING EMPLOYER, to a PARTICIPATING EMPLOYER;³⁰

SEED CAPITAL means a once-off amount of 10 per cent of the MEMBER'S VESTED COMPONENT immediately prior to 1 September 2024, limited to R30,000 (thirty thousand rand) deducted proportionally from the MEMBER'S VESTED BENEFIT and NON-VESTED BENEFIT. Such amount may be determined on or after 1 September 2024 however the allocation to this COMPONENT must be backdated to 1 September 2024. Provided that in the case of a MEMBER who was a MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021 and who has elected to contribute towards the SAVINGS COMPONENT and RETIREMENT COMPONENT before 1 September 2025, the SEED CAPITAL of that MEMBER will be determined and allocated on the last day of the month in which the election was made.³¹

SERVICE shall mean employment with one or more PARTICIPATING EMPLOYERS including service while a member of the FUND;

SPOUSE means:

- a) a person who a spouse or civil union partner of a MEMBER or DEFERRED MEMBER in accordance with the Marriage Act, 1961 (Act 68 of 1961), the Recognition of Customary Marriages Act, 1998 (Act 68 of 1997), or the Civil Union Act, 2006 (Act 17 of 2006), or the tenets of a religion; and / or
- b) a person who is the permanent life partner of a MEMBER or DEFERRED MEMBER; and
- c) the BOARD may direct that more than one person may be regarded as a SPOUSE. In such case, the total benefits payable to such persons shall be equal to the benefit which would have been payable to one SPOUSE;

STRIKE PERIOD means the period during which a protected strike takes place in terms of RULE 6.3;

TAX ACT means the Income Tax Act 58 of 1962, and the regulations there under, as amended from time to time;

³⁰ Amendment 2.

³¹ Amendment 10.

UNCLAIMED BENEFIT means -

- a) any benefit that would become payable to a MEMBER who leaves SERVICE but which is not payable for the reason that the MEMBER fails to make an election as is required in these RULES within 24 months of the date on which his SERVICE is terminated; and
- b) any benefit that would become payable to DEFERRED MEMBER but which is not payable for the reason that the DEFERRED MEMBER has not made an election within 24 months after reaching NORMAL RETIREMENT AGE; and
- c) any benefit not paid by the FUND to a MEMBER, DEFERRED MEMBER, PENSIONER, former MEMBER or BENEFICIARY within 24 months of the date on which it in terms of the RULES, became legally due and payable, including:
 - i) a death benefit payable to a BENEFICIARY under section 37C of the ACT not paid within 24 months from the date on which the FUND became aware of the death of the MEMBER, or such longer period as may be reasonably justified by the BOARD in writing;
 - ii) in relation to a benefit payable as a PENSION, any PENSION which has not been paid by the FUND to the PENSIONER or SPOUSE within 24 months after the date on which it became due for payment;
 - iii) in relation to a benefit payable to a former MEMBER who cannot be traced in accordance with section 15B (5) (e) of the ACT, any benefit that has become legally due and payable to a former MEMBER in terms of a surplus apportionment scheme approved in terms of the ACT not paid to that former MEMBER within 24 months of the date on which it became legally due and payable;
 - (iv) any benefit that remained unclaimed or unpaid to a MEMBER, DEFERRED MEMBER, PENSIONER, or former MEMBER or BENEFICIARY if the FUND applies for cancellation of registration in terms of section 27 or where the liquidator is satisfied that benefits remain unclaimed or unpaid;

but does not include a benefit due to be transferred as part of a transfer of business in terms of the ACT, where an annuity is purchased in respect of a pensioner or otherwise in terms of these RULES, the ACT or otherwise;

UNCLAIMED BENEFITS ACCOUNT means the account established in terms of RULE 8.9;

UNIONS shall mean the trade unions that are parties to the BARGAINING COUNCIL;

VALUATOR means an ACTUARY who, in the opinion of the AUTHORITY, has sufficient actuarial knowledge to perform the duties required of a valuator in terms of the ACT;

VESTED BENEFIT means the portion of the VESTED COMPONENT that is not subject to annuitisation in terms of the TAX ACT.³²

VESTED COMPONENT means a COMPONENT established in terms of these RULES with effect from 1 September 2024 for each MEMBER, consisting of benefit to which the MEMBER was entitled in terms of these RULES immediately prior to 1 September 2024 which benefit is made up of the VESTED BENEFIT and/or the NON-VESTED BENEFIT of each member and comprising the following transactions:

Credits

- any CONTRIBUTIONS excluding any costs, charges, fees or premiums, made in respect of the period prior to 1 September 2024 that are paid in respect of the MEMBER after that date in terms of these RULES;
- any amounts transferred for the benefit of a MEMBER from the Vested Component of another APPROVED FUND which will be allocated to the MEMBER'S VESTED BENEFIT or NON-VESTED BENEFIT according to the nature of the benefit transferred;

Debits

- amounts transferred to the Retirement Component or Vested Component of any other APPROVED FUND in terms of RULE 7.2.3;
- amounts payable to the MEMBER or his or her BENEFICIARIES in terms of these RULES;
- where requested by the MEMBER, any amount allocated from this COMPONENT to the RETIREMENT COMPONENT in terms of RULE 7.3;
- amounts re-allocated to the PENSIONERS ACCOUNT;

³² Amendment 10.

- amounts payable to a REGISTERED INSURER selected by a MEMBER when purchasing an annuity in his or her name;
- any amounts allocated to the FUND'S other ACCOUNTS, as recommended by the VALUATOR, and as approved by the BOARD from time to time;
- any amount payable in terms of section 37D of the ACT, deducted proportionally from this COMPONENT and the RETIREMENT COMPONENT and VESTED COMPONENT; and
- any costs for the administration and management of this COMPONENT as determined by the BOARD from time to time on the advice of the VALUATOR.

The amount standing to the credit of this account shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested.

No CONTRIBUTIONS may be allocated to this COMPONENT in respect of the period on or after 1 September 2024; except in respect of a MEMBER who was a MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021, and who has not elected to contribute towards the SAVINGS COMPONENT and RETIREMENT COMPONENT of this FUND before 1 September 2025, in which case such MEMBER shall only have a VESTED COMPONENT and all debits and credits referred to in relation to the RETIREMENT COMPONENT and SAVINGS COMPONENT including CONTRIBUTIONS after 1 September 2024 in respect of that MEMBER, as applicable, shall be debited and credited to this COMPONENT and shall form part of the VESTED BENEFIT.³³

3. **MEMBERSHIP**

3.1 **Commencement of Membership**

3.1.1 Every person who is an ELIGIBLE EMPLOYEE shall become a MEMBER of the FUND; provided that a MEMBER who is a member of another APPROVED FUND may elect not to become a MEMBER of the FUND.

3.1.2 The FUND shall be open to ELIGIBLE EMPLOYEES of PARTICIPATING EMPLOYERS and to all ELIGIBLE EMPLOYEES who are listed in Schedule 5 of the MAIN AGREEMENT.

³³ Amendment 10.

- 3.1.3 The FUND may, subject to BOARD approval, admit to MEMBERSHIP persons who were members of any APPROVED FUND to which a PARTICIPATING EMPLOYER contributed on behalf of such persons. The FUND may also accept the transfer into it of assets for the benefit of such persons in which event the transferred amount shall be credited to the MEMBER'S MEMBER SHARE ACCOUNT in such proportions as the BOARD, in accordance with a method recommended by the ACTUARY, may determine.
- 3.1.4 Each ELIGIBLE EMPLOYEE who enters the SERVICE of a PARTICIPATING EMPLOYER, which may be subject to the relevant SPECIAL RULES, on or after the PARTICIPATING DATE, shall become a MEMBER of this FUND.

3.2 Termination of Membership

- 3.2.1 A MEMBER'S and a DEFERRED MEMBER'S membership of the FUND will end as soon as he has received all the benefits owed to him in terms of these RULES –
- 3.2.1.1 when he reaches the NORMAL RETIREMENT DATE;
- 3.2.1.2 when he is no longer an employee of a PARTICIPATING EMPLOYER;
- 3.2.1.3 when his PARTICIPATING EMPLOYER stops participating in the FUND;
- 3.2.1.4 if he no longer falls within the definition of an ELIGIBLE EMPLOYER RULES 5.1.1, 5.1.2, 5.2.1 AND 5.2.2 shall apply to these MEMBERS;³⁴
- 3.2.1.5 if the DEFERRED MEMBER has made an election to receive his benefit or to have it transferred to another APPROVED FUND³⁵; or
- 3.2.1.6 if the PAID-UP MEMBER has made an election to have it transferred to another APPROVED FUND.³⁶

3.3 DEFERRED MEMBER

- 3.3.1 Notwithstanding the other provisions of these RULES, a MEMBER who becomes entitled to a MEMBER SHARE in terms of RULE 11.1 and has not attained his NORMAL

³⁴ Amendment 1.

³⁵ Amendment 3.

³⁶ Amendment 3.

RETIREMENT AGE will become a DEFERRED MEMBER where the MEMBER does not elect payment to the transfer of his benefit in accordance with RULES 11.1.2.1 and 11.1.2.2, and may elect in a form and manner prescribed by the BOARD not to receive his benefit but to remain a MEMBER of the FUND.³⁷

4. INFORMATION TO THE BOARD

- 4.1 Every MEMBER shall produce to the BOARD a birth certificate or other satisfactory evidence of his age and such other information as they may require for purposes of the FUND, provided that, if satisfactory evidence of age is not produced for any reason, in the sole and reasonable discretion of the BOARD, the BOARD shall determine the MEMBER'S date of birth for the purpose of the FUND. In particular, each MEMBER shall from time to time give the BOARD particulars of his DEPENDANTS and shall nominate in writing for the guidance of the BOARD, who shall not be bound by the nomination, a BENEFICIARY to receive the benefits or a portion of the benefits in terms of RULE 10.
- 4.2 If a REGISTERED INSURER requires specific information in order for the BOARD to obtain a POLICY OF INSURANCE which the BOARD requires from a MEMBER or PENSIONER, the relevant MEMBER or PENSIONER must give the BOARD the requested information.
- 4.3 Each PENSIONER must give notice, in writing, to the FUND of his postal address and the address of his place of residence and any change in that address including any information which may be requested from him or her in terms of RULE 4.4.
- 4.4 Each PENSIONER will provide such evidence of his survival or continued eligibility as the BOARD may require. If such evidence is not produced, the BOARD may direct that payment of the PENSION be suspended until such evidence is produced or, if applicable, the BOARD may impose such financial penalty as they may determine from time to time on a PENSIONER who fails to produce such evidence within the time period stipulated by the BOARD; provided that if the FUND is advised or becomes aware of the death of a PENSIONER payment of the PENSION will be suspended immediately thereafter.
- 4.5 If a MEMBER or PENSIONER does not comply with this RULE 4, the BOARD may withhold payment of benefits to him or his DEPENDANTS or other BENEFICIARIES until all documents and/or information required by the BOARD is provided. Any loss suffered by a MEMBER or PENSIONER as a consequence of the BOARD'S withholding of a benefit in terms of this RULE

³⁷ Amendment 3. Rule 3.3.2 was deleted by amendment 3.

will not be recoverable by the MEMBER or PENSIONER from any one or more of the BOARD MEMBERS or from the FUND.

- 4.6 If the information provided to the FUND or the REGISTERED INSURER is delayed, false or wrong the FUND will not be liable for any loss suffered by a MEMBER, DEFERRED MEMBER, PENSIONER, DEPENDANT or other BENEFICIARY as a result thereof.

5. CONTRIBUTIONS

5.1 Contributions by the MEMBER

- 5.1.1 CATEGORY A MEMBERS shall contribute to the FUND at the rate of 10%, or another amount that may be determined by the COUNCIL from time to time; Provided, however that should a MEMBER cease to fall within the definition of an ELIGIBLE EMPLOYEE in terms of RULE 3.2.1.4, contributions shall continue to be paid by the MEMBER until the MEMBER transfers to the PARTICIPATING EMPLOYER'S fund which caters for such MEMBERS, unless the PARTICIPATING EMPLOYER provides confirmation of CONTRIBUTIONS to the other fund in which the PARTICIPATING EMPLOYER participates, commencing on the first day of the month following the date the MEMBER ceased to fall within the definition of an ELIGIBLE EMPLOYEE;³⁸
- 5.1.2 CATEGORY B MEMBERS shall contribute to the FUND at the rate set out in Schedule 1 as selected by the MEMBER in the PARTICIPATING EMPLOYER'S PARTICIPATION CERTIFICATE. Provided, however, that should a MEMBER cease to fall within the definition of an ELIGIBLE EMPLOYEE in terms of RULE 3.2.1.4, contributions shall continue to be paid by the MEMBER until the MEMBER transfers to the PARTICIPATING EMPLOYER'S fund which caters for such MEMBERS, unless the PARTICIPATING EMPLOYER provides confirmation of CONTRIBUTIONS to the other fund in which the PARTICIPATING EMPLOYER participates, commencing on the first day of the month following the date the MEMBER ceased to fall within the definition of an ELIGIBLE EMPLOYEE;³⁹
- 5.1.3 The relevant PARTICIPATING EMPLOYER will deduct these contributions from the MEMBER'S salary or wages and pay it to the FUND.

³⁸ Amendment 1 updated by Amendment 3.

³⁹ Amendment 1 updated by Amendment 3.

- 5.1.4 A MEMBER may, subject to the approval of the BOARD, undertake to pay additional contributions to the FUND for the purpose of adding to his benefits. However, the tax-deductible amount will be determined by SARS from time to time and the FUND will not be liable for any losses incurred as a result of a MEMBER'S decision to pay additional contributions to the FUND.
- 5.1.5 The MEMBER will have the right to elect annually on or before the FUND ANNIVERSARY to increase his or her contribution rate with effect from the FUND YEAR. The MEMBER'S notification must be received by the FUND before the FUND ANNIVERSARY and it is the MEMBER'S responsibility to ensure that he receives confirmation of the receipt of his instruction. Whilst the BOARD will take reasonable steps to ensure that the interests of all MEMBERS are protected, the BOARD and the FUND will 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 an instruction to increase the contribution rate which has or has not been given effect to.
- 5.1.6 MEMBERS shall, on being admitted to membership, be entitled to transfer amounts into the FUND from another APPROVED FUND in accordance with RULE 7.
- 5.1.7 A MEMBER shall continue to contribute to the FUND on his full PENSIONABLE SALARY while on leave with full pay or with pay less than full pay.
- 5.1.8 MEMBER shall not CONTRIBUTE to the FUND for the duration of the CONTRIBUTION BREAK.⁴⁰

5.2 Contributions by the PARTICIPATING EMPLOYER

- 5.2.1 PARTICIPATING EMPLOYERS of CATEGORY A MEMBERS shall contribute to the FUND at the rate of 10%, or another amount that may be determined by the COUNCIL from time to time. Provided, however, that should a MEMBER cease to fall within the definition of an ELIGIBLE EMPLOYEE in terms of RULE 3.2.1.4, contributions in respect of this MEMBER shall continue to be paid by the PARTICIPATING EMPLOYER until the MEMBER transfers to the PARTICIPATING EMPLOYER'S fund which caters for these MEMBERS, unless the PARTICIPATING EMPLOYER provides confirmation of CONTRIBUTIONS to the other fund in which the PARTICIPATING EMPLOYER

⁴⁰ Amendment 6. Incorrectly numbered in the approved amendment as 5.1.8.7 should read 5.1.8.

participates, commencing on the first day of the month following the date the MEMBER ceased to fall within the definition of an ELIGIBLE EMPLOYEE.⁴¹

5.2.2 Each PARTICIPATING EMPLOYER of CATEGORY B MEMBERS must contribute to the FUND at the rate set out in Schedule 1 as selected by the PARTICIPATING EMPLOYER. Provided, however that should a MEMBER cease to fall within the definition of an ELIGIBLE EMPLOYEE in terms of RULE 3.2.1.4, contributions in respect of this MEMBER shall continue to be paid by the PARTICIPATING EMPLOYER until the MEMBER transfers to the PARTICIPATING EMPLOYER'S fund which caters for these MEMBERS unless the PARTICIPATING EMPLOYER provides confirmation of CONTRIBUTIONS to the other fund in which the PARTICIPATING EMPLOYER participates, commencing on the first day of the month following the date the MEMBER ceased to fall within the definition of an ELIGIBLE EMPLOYEE.⁴²

5.2.3 The costs associated with the provision of risk benefits and expenses payable in terms of these RULES shall be deducted from the CONTRIBUTIONS payable by the PARTICIPATING.

5.2.4 The PARTICIPATING EMPLOYER, at its discretion and for any reason permitted by the ACT, may make additional contributions to the FUND which will be credited, if made in respect of a specific MEMBER, as follows:

5.2.4.1 a record shall be maintained in respect of each PARTICIPATING EMPLOYER'S additional contributions to the FUND, to which, after deduction of any administration expenses, shall be added such interest as the BOARD, acting on the advice of the ACTUARY, determine; and

5.2.4.2 when a MEMBER leaves the SERVICE, the amount of his additional contributions and interest attributable to that MEMBER shall be added to the benefit payable in respect of him.

5.2.5 PARTICIPATING EMPLOYER shall not CONTRIBUTE to the FUND for the duration of the CONTRIBUTION BREAK.⁴³

⁴¹ Amendment 1 updated by Amendment 3

⁴² Amendment 1 updated by Amendment 3.

⁴³ Amendment 6.

5.3 **Payment of CONTRIBUTIONS into the FUND**

- 5.3.1 All CONTRIBUTIONS due in terms of CATEGORY A MEMBERS shall be paid into the FUND by the 20th day of the following month in respect of which the CONTRIBUTIONS were made, in accordance with the MAIN AGREEMENT.
- 5.3.2 All CONTRIBUTIONS due in terms of CATEGORY B MEMBERS shall be paid into the FUND no later than 7 (seven) days after the end of the month in respect of which contributions were due, in accordance with the provisions of section 13A of the ACT.
- 5.3.3 CONTRIBUTIONS not paid within the periods stipulated in RULE 5.3.1 and 5.3.2 above shall be subject to the penalty interest payable in terms of the ACT. Any interest payable to the FUND in terms of the ACT shall be credited to the MEMBER SHARE ACCOUNT of the MEMBERS employed by the relevant PARTICIPATING EMPLOYERS in relation to the value of the CONTRIBUTIONS on the date of receipt of such interest and shall be allocated to the RETIREMENT COMPONENT, SAVINGS COMPONENT and/or VESTED COMPONENT according to which COMPONENT the CONTRIBUTIONS were payable.⁴⁴
- 5.3.4 Should the FUND receive any arrear CONTRIBUTIONS following having taken enforcement action, the portion that would have been allocated for the provision of risk benefits will be retrospectively allocated to the extent that the risk event has not yet occurred. Where the risk event has occurred, the portion of the CONTRIBUTIONS that would have been allocated for the provision for risk benefits will be transferred to the MEMBER SHARE ACCOUNT.

5.4 **Settlement of CONTRIBUTIONS in PARTICIPATING EMPLOYER liquidation or business rescue⁴⁵**

- 5.4.1 In the event of a PARTICIPATING EMPLOYER that is in voluntary or compulsory liquidation or under business rescue, the FUND shall take all reasonable steps to recover all outstanding CONTRIBUTIONS and penalty interest payable in terms of the ACT, which have not been paid by the PARTICIPATING EMPLOYER, in accordance with the provisions of Rules 5.1, 5.2 and 5.3.⁴⁶

⁴⁴ Amendment 2, updated by Amendment 10. The approved amendment incorrectly refers to rule 5.5.3 and should read 5.3.3.

⁴⁵ Amendment 8.

⁴⁶ Amendment 8.

- 5.4.2 The FUND shall submit claims to the liquidator or business rescue practitioner for outstanding CONTRIBUTIONS and penalty interest payable in terms of the ACT, in order to recover these in full on behalf of MEMBERS of the FUND⁴⁷.
- 5.4.3 Should the liquidator or business rescue practitioner make an offer to settle part of the outstanding CONTRIBUTIONS and penalty interest payable, the FUND will consider the reasonability of such an offer and shall be authorised to agree to the settlement proposal, which may require a reduction of the rate of either the MEMBER'S or the PARTICIPATING EMPLOYER'S CONTRIBUTION. Any reasonable offer of payment, whether in full or in part, will be considered having due regard to the financial circumstances of the PARTICIPATING EMPLOYER, and with the aim of recovering as much as possible for the affected MEMBERS.⁴⁸
- 5.4.4 CATEGORY A or CATEGORY B MEMBERS, who are or were employed by the relevant PARTICIPATING EMPLOYER in liquidation or under business rescue, and from which the FUND is accepting a payment in settlement in accordance with the provisions of this RULE, shall be classified as CATEGORY C MEMBERS.⁴⁹
- 5.4.5 Any CONTRIBUTIONS received in settlement of claims for CATEGORY C MEMBERS, will be allocated according to the agreement reached between the FUND and the liquidator or business rescue practitioner, taking into account, amounts due in respect of risk benefit allocations, FUND expenses and contributions to the MEMBER'S retirement savings.⁵⁰
- 5.4.6 Any CONTRUBUTIONS allocated in accordance with the provisions of RULE 5.4.5, shall be reflected as an adjustment of the MEMBER'S CONTRIBUTION and/or the PARTICIPATING EMPLOYER'S CONTRIBUTION, and will be reflected as a full and final settlement in respect of the CONTRIBUTIONS.⁵¹

6. TEMPORARY ABSENCE

6.1 Absence from Work with PARTICIPATING EMPLOYER Permission

- 6.1.1 If a MEMBER is absent from work with the permission of a PARTICIPATING EMPLOYER and his CONTRIBUTIONS are being paid while he is in receipt of his full

⁴⁷ Amendment 8.

⁴⁸ Amendment 8.

⁴⁹ Amendment 8.

⁵⁰ Amendment 8.

⁵¹ Amendment 8.

PENSIONABLE SALARY from the PARTICIPATING EMPLOYER, his membership of the FUND and the benefits payable will not be affected by a MEMBER'S absence.

- 6.1.2 If a MEMBER is absent from work with the permission of the PARTICIPATING EMPLOYER, but without any CONTRIBUTIONS being paid, then CONTRIBUTIONS in respect of a MEMBER so temporarily absent from work may, subject to the consent of the PARTICIPATING EMPLOYER, be suspended during the MEMBER'S absence for a period not exceeding 6 consecutive months. Such temporary absence and suspension of CONTRIBUTIONS shall be notified in writing to the FUND by the PARTICIPATING EMPLOYER prior to the commencement of the period of absence. Additionally, the MEMBER will not be entitled to death or DISABILITY benefits for the period during which CONTRIBUTIONS are suspended.
- 6.1.3 Where the period of absence in respect of MEMBERS in terms of RULE 6.1.2 exceeds 6 months, membership shall be deemed to cease on the expiry of the 6 months period unless the PARTICIPATING EMPLOYER has requested an extension of the period and such extension has been agreed to by the FUND in writing.
- 6.1.4 If a MEMBER is absent from work with the permission of the PARTICIPATING EMPLOYER with less than his full PENSIONABLE SALARY, then he will remain a MEMBER of the FUND and his MEMBER'S SHARE will be credited with any CONTRIBUTIONS actually paid to, and received by, the FUND, during such period of absence.
- 6.1.5 Notwithstanding this RULE 6.1, the PARTICIPATING EMPLOYER, may, at its sole discretion, make CONTRIBUTIONS in such amount as may be required to ensure that, if the MEMBER dies or becomes DISABLED during the temporary absence with permission, a benefit will be payable on his death or DISABILITY.

6.2 Absence from Work without the PARTICIPATING EMPLOYER'S Permission

- 6.2.1 If a MEMBER is absent from work without the PARTICIPATING EMPLOYER'S consent and does not receive his PENSIONABLE SALARY or any portion thereof during the period during which he is so absent without the permission of the a PARTICIPATING EMPLOYER, the MEMBER will remain a MEMBER of the FUND for so long as he remains an ELIGIBLE EMPLOYEE, but no benefit other than his MEMBER SHARE will be payable on his death or DISABILITY.

- 6.2.2 During any period of unauthorised leave of absence without pay a MEMBER shall, if his PARTICIPATING EMPLOYER so decides, contribute on the basis of his PENSIONABLE SALARY for the calendar month immediately preceding the commencement of such leave; provided that, if his PARTICIPATING EMPLOYER does not so decide, he may elect to contribute on that basis and pay the PARTICIPATING EMPLOYER'S corresponding CONTRIBUTIONS, which shall be deemed to be CONTRIBUTIONS by him.

6.3 Absence from Work during a Protected Strike

- 6.3.1 If a MEMBER participates in a strike which is considered to be a 'protected strike' as contemplated in the LABOUR RELATIONS ACT, but without any CONTRIBUTIONS being paid, then the provisions of RULE 6.1.2 and 6.1.3 will apply.
- 6.3.2 If a MEMBER participates in a strike which is considered to be a 'protected strike' as contemplated in the LABOUR RELATIONS ACT, with remuneration but less than his full normal remuneration, then the provisions of RULE 6.1.4 will apply.
- 6.3.3 Notwithstanding this RULE 6.3, the PARTICIPATING EMPLOYER, may, at its sole discretion, make CONTRIBUTIONS in such amount as may be required to ensure that, if the MEMBER dies or becomes DISABLED during the STRIKE PERIOD, a benefit will be payable on his death or DISABILITY. If the PARTICIPATING EMPLOYER does make such CONTRIBUTIONS and the MEMBER does not die during the STRIKE PERIOD the share of the CONTRIBUTIONS which are allocated to his MEMBER SHARE in the equivalent number of months immediately following the STRIKE PERIOD will be reduced by the equivalent of the CONTRIBUTIONS paid each month by the EMPLOYER in respect of death benefits during the STRIKE PERIOD.

6.4 Absence Due to Participation in Unprotected Strike

If a MEMBER participates in a strike which is not a protected strike and is not entitled to any portion of his PENSIONABLE SALARY during the period during which he does so, the provisions of RULE 6.2 will apply.

6.5 Temporary Suspension from Employment without Remuneration

- 6.5.1 If a MEMBER has been placed on temporary suspension by the PARTICIPATING EMPLOYER with remuneration then the MEMBER'S membership and CONTRIBUTIONS will be governed by RULE 6.1.

6.5.2 If a MEMBER has been placed on temporary suspension by the PARTICIPATING EMPLOYER without remuneration then the MEMBER'S membership and CONTRIBUTIONS will be governed by RULE 6.2.

6.5.3 If a MEMBER is dismissed for whatever reason by the PARTICIPATING EMPLOYER his membership will be deemed to have terminated on the same day irrespective of whether the MEMBER decides to dispute the fairness or other aspects of his dismissal. If a benefit has been paid to a MEMBER following his dismissal by the PARTICIPATING EMPLOYER before retirement, then, if the MEMBER is thereafter reinstated, he will be treated as a new MEMBER of the FUND with effect from the date which the PARTICIPATING EMPLOYER is ordered to re-instate the MEMBER.

6.6 Re-Employment of Membership

If a MEMBER leaves SERVICE and returns to SERVICE and becomes an ELIGIBLE EMPLOYEE within twelve months or more thereafter and before any benefit has been paid to him or her by the FUND, or if a benefit has been paid to him or her and it is refunded to the FUND together with interest at a rate determined by the BOARD in consultation with the ACTUARY, he will become a MEMBER of the FUND from the first day of the month coincident with or next following him or her becoming an ELIGIBLE EMPLOYEE, and his MEMBER SHARE will be reinstated.

6.7 Change of PARTICIPATING EMPLOYER other than in terms of Section 197 of the LABOUR RELATIONS ACT

If a MEMBER ceases to be employed by a PARTICIPATING EMPLOYER and, immediately afterwards starts working for another PARTICIPATING EMPLOYER, he will remain a MEMBER of the FUND and his new PARTICIPATING EMPLOYER must pay to the FUND all CONTRIBUTIONS payable by and in respect of the MEMBER for the period of his membership after the change, provided that the MEMBER does not exercise his rights to transfer to an APPROVED FUND. In such event the MEMBER'S membership will be deemed not to have ceased and he will remain entitled to such benefits and on such conditions as provided for in the RULES.

6.8 Assignment of Employment to New Employer in terms of Section 197 of the LABOUR RELATIONS ACT

6.8.1 If the employment of a MEMBER is assigned to a new employer in terms of section 197 of the LABOUR RELATIONS ACT but other MEMBERS employed by the MEMBER'S former PARTICIPATING EMPLOYER will remain MEMBERS of the FUND, then -

6.8.1.1 if the MEMBER'S new employer has a retirement fund to which the MEMBER is required to belong in terms of his contract of employment with the new employer, then if the AUTHORITY⁵² has approved the transfer, the FUND must transfer his MEMBER SHARE to that retirement fund;

6.8.1.2 if the MEMBER'S new employer does not have a retirement fund to which the MEMBER is required to belong in terms of his or her contract of employment with the new employer, the MEMBER must be invited to instruct the FUND to⁵³:

6.8.1.2.1 pay his or her VESTED COMPONENT to him or her in cash and to pay the remainder of his or her benefit to another APPROVED FUND for the benefit of the MEMBER;⁵⁴

6.8.1.2.2 pay his or her total MEMBER'S SHARE to another APPROVED FUND for the benefit of the MEMBER⁵⁵; or

6.8.1.2.3 elect to become a DEFERRED MEMBER in terms of RULE 11.2⁵⁶

and the FUND must comply with that instruction.⁵⁷

6.9 On the payment of a MEMBER'S SHARE to him or to an APPROVED FUND the MEMBER will cease being a MEMBER of the FUND and the FUND will have no further liability towards him or his DEPENDANTS.

⁵² Amendment 3.

⁵³ Amendment 10.

⁵⁴ Amendment 10.

⁵⁵ Amendment 10.

⁵⁶ Amendment 10.

⁵⁷ Amendment 10.

7. ALLOCATION OF CONTRIBUTIONS AND TRANSFERS TO AND FROM OTHER FUNDS

7.1 Transfers into the FUND

- 7.1.1 If a MEMBER was a member of any other APPROVED FUND before he became a MEMBER of the FUND, the FUND may accept the payment to it of an amount from that APPROVED FUND for the benefit of the MEMBER.
- 7.1.2 Any such amount plus interest as determined from time to time received after the 7th calendar day must, at the end of the month in which it has been received in the FUND'S bank account, be credited to the MEMBER SHARE of the MEMBER concerned.
- 7.1.3 The BOARD may, after consultation with the ACTUARY and on conditions determined by them, approve special arrangements for the preservation of transferred pension rights.
- 7.1.4 If in respect of a person who becomes a MEMBER an amount is transferred to the FUND from an APPROVED FUND, from an APPROVED FUND, that amount shall be credited to the MEMBER'S MEMBER SHARE as follows⁵⁸:
 - 7.1.4.1 the transfer of the Savings Component from the transferring (transferor) fund may only be allocated to either the SAVINGS COMPONENT or RETIREMENT COMPONENT, as indicated in the transfer documents⁵⁹;
 - 7.1.4.2 the transfer of the Vested Component from the transferring (transferor) fund may only be allocated to the either the VESTED COMPONENT or RETIREMENT COMPONENT, as indicated in the transfer documents⁶⁰; and
 - 7.1.4.3 the transfer of the Retirement Component from the transferring (transferor) fund may only be allocated to the RETIREMENT COMPONENT⁶¹.
- 7.1.5 A DEFERRED MEMBER and a PAID-UP MEMBER may, prior to becoming entitled to a benefit contemplated in RULE 9, elect to transfer into the FUND, from an APPROVED FUND, and benefit to which he or she may be entitled in terms of the rules of that

⁵⁸ Amendment 10.

⁵⁹ Amendment 10.

⁶⁰ Amendment 10.

⁶¹ Amendment 10.

APPROVED FUND and such amount shall be allocated to his or her MEMBER'S SHARE as follows⁶²:

7.1.5.1 the transfer of the Savings Component from the transferring (transferor) fund may only be allocated to either the SAVINGS COMPONENT or RETIREMENT COMPONENT, as indicated in the transfer documents⁶³;

7.1.5.2 the transfer of the Vested Component from the transferring (transferor) fund may only be allocated to the either the VESTED COMPONENT or RETIREMENT COMPONENT, as indicated in the transfer documents⁶⁴; and

7.1.5.3 the transfer of the Retirement Component from the transferring (transferor) fund may only be allocated to the RETIREMENT COMPONENT⁶⁵.

7.1.6 Any person who becomes a MEMBER of the FUND must on request, within four(4) months of joining the FUND, provide the FUND with a list of DEFERRED MEMBERSHIP CERTIFICATES and whether the MEMBER wishes to have any savings held in respect of each DEFERRED MEMBERSHIP CERTIFICATE to be transferred into the FUND to be credited to his or her MEMBER SHARE ACCOUNT, as contemplated in RULE 8.2.⁶⁶

7.2 Transfers out of the FUND

7.2.1 If a MEMBER ceases to be employed by a PARTICIPATING EMPLOYER, then:

7.2.1.1 If the MEMBER becomes a member of an APPROVED FUND, the FUND shall on request of the MEMBER pay the MEMBER'S SHARE to that APPROVED FUND⁶⁷; or

7.2.1.2 If the MEMBER'S benefit is not transferred as provided for in RULE 7.2.1.1 and if the MEMBER has not made an election to receive his benefit as a lump sum payment, the MEMBER shall become a DEFERRED MEMBER of the FUND.⁶⁸

⁶² Amendment 3, updated by Amendment 10.

⁶³ Amendment 10.

⁶⁴ Amendment 10.

⁶⁵ Amendment 10.

⁶⁶ Amendment 3.

⁶⁷ Amendment 3.

⁶⁸ Amendment 3.

7.2.2 A DEFERRED MEMBER may elect at any time to transfer into any other APPROVED FUND the value of his DEFERRED MEMBER SHARE ACCOUNT.⁶⁹

7.2.3 In respect of the transfer of any benefit due to a MEMBER, including a DEFERRED MEMBER and a PAID-UP MEMBER, to another APPROVED FUND in terms of this RULE or in any other scenario envisaged in terms of these RULES, the following shall apply to the COMPONENTS⁷⁰:

7.2.3.1 Any amount in the SAVINGS COMPONENTS of a MEMBER may only be transferred to a Savings Component or Retirement Component in the APPROVED FUND, as elected by the MEMBER⁷¹;

7.2.3.2 Any amount in the VESTED COMPONENTS of a MEMBER may only be transferred to a Vested Component or Retirement Component in the APPROVED FUND, as elected by the MEMBER⁷²; and

7.2.3.3 Any amount in the RETIREMENT COMPONENTS of a MEMBER may only be transferred to a Retirement Component in the APPROVED FUND⁷³.

7.3 Transfers between COMPONENTS

7.3.1 A MEMBER of the FUND may elect at any time to transfer any amount in:

7.3.1.1 their SAVINGS COMPONENT in the FUND to their RETIREMENT COMPONENT in the FUND⁷⁴;

7.3.1.2 their VESTED COMPONENT in the FUND to their RETIREMENT COMPONENT in the FUND⁷⁵;

Provided that once such amount has been transferred in terms of this RULE, such transfer cannot be reversed. ⁷⁶

⁶⁹ Amendment 3.

⁷⁰ Amendment 10.

⁷¹ Amendment 10.

⁷² Amendment 10.

⁷³ Amendment 10.

⁷⁴ Amendment 10.

⁷⁵ Amendment 10.

⁷⁶ Amendment 10.

8. FINANCIAL PROVISIONS

8.1 Structure of the FUND'S ACCOUNTS

- 8.1.1 The BOARD shall have the power to establish and maintain such ACCOUNTS as are permitted in terms of legislation and the requirements of the AUTHORITY⁷⁷ as specified from time to time and as may be required by the FUND.
- 8.1.2 The monies allocated to the various ACCOUNTS will be invested in the portfolio as decided by the BOARD from time to time and in the manner provided for in the FUND'S investment policy statement.
- 8.1.3 All CONTRIBUTIONS received by the FUND must be paid into its bank account and thereafter allocated to one of the following ACCOUNTS in the books of the FUND.

8.2 MEMBER SHARE ACCOUNT

- 8.2.1 A MEMBER SHARE ACCOUNT must be established for each MEMBER. The following transactions will be recorded in this account:

Credits:

- 8.2.1.1 CONTRIBUTIONS paid by a MEMBER, in terms of RULE 5.1;⁷⁸
- 8.2.1.2 CONTRIBUTIONS paid by the PARTICIPATING EMPLOYER in terms of RULE 5.2;⁷⁹
- 8.2.1.3 transfers from the RISK RESERVE ACCOUNT towards the provision of death and DISABILITY benefits as determined by the VALUATOR;⁸⁰
- 8.2.1.4 any amount transferred from any other of the ACCOUNTS⁸¹; and

⁷⁷ Amendment 3.

⁷⁸ Amendment 2 updated by Amendment 3.

⁷⁹ Amendment 2 updated by Amendment 3.

⁸⁰ Amendment 2.

⁸¹ Amendment 3.

8.2.1.5 any amounts transferred for the benefit of a MEMBER from another APPROVED FUND⁸²;and

8.2.1.6.⁸³⁸⁴

Debits

8.2.1.6 amounts transferred to any other APPROVED FUND; ⁸⁵

8.2.1.7 any lump sum payment on retirement in terms of RULE 9.7;⁸⁶

8.2.1.8 amounts payable on withdrawal from the FUND in terms of RULE 11⁸⁷;

8.2.1.9 amounts payable on death of a MEMBER in terms of RULE 10⁸⁸; and

8.2.1.10 amounts payable for DISABILITY in terms of RULE 9.7⁸⁹;

8.2.1.11 amounts re-allocated to the PENSIONS ACCOUNT;⁹⁰

8.2.1.12 amounts payable to a REGISTERED INSURER selected by a MEMBER when purchasing an annuity in his or her name;⁹¹

8.2.1.13 any amounts allocated to the FUND'S other ACCOUNTS, as recommended by the VALUATOR, and as approved by the BOARD from time to time;⁹²

8.2.1.14 any costs for the administration and management of this account as determined by the BOARD from time to time on the advice of the VALUATOR;⁹³

⁸² Amendment 2 updated byAmendment 3.

⁸³ Amendment 2.

⁸⁴ Rule 8.2.1.6 removed by amendment 3.

⁸⁵ Amendment 3.

⁸⁶ Amendment 3.

⁸⁷ Amendment 3.

⁸⁸ Amendment 3.

⁸⁹ Amendment 3.

⁹⁰ Amendment 3.

⁹¹ Amendment 3.

⁹² Amendment 3.

⁹³ Amendment 3.

provided that, the amount standing to the credit of this account shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested;⁹⁴

and in respect of a PAID-UP MEMBER, means the value of the PAID-UP MEMBER'S withdrawal benefit at the date of discontinuance of CONTRIBUTIONS; provided that, the amount standing to the credit of this account shall be

- decreased within the costs of the administration and management of this account as determined by the BOARD from time to time on the advice of the VALUATOR;
- increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested.⁹⁵

8.3 PENSIONER ACCOUNT

The PENSIONER ACCOUNT comprises an account in respect of all PENSIONS in the course of payment to PENSIONERS and to SPOUSES of PENSIONERS. The following transactions shall be recorded in this account:

Credits:

- 8.3.1 amounts transferred from the MEMBER SHARE ACCOUNT;
- 8.3.2 any amounts transferred from the FUND'S other ACCOUNTS, as recommended by the VALUATOR, on a basis deemed equitable and as approved by the BOARD;

Debits:

- 8.3.3 PENSIONS and other regular or special instalments payable in terms of the RULES;
- 8.3.4 any amount payable in terms of RULE 9.6.3.;
- 8.3.5 any costs for the administration and management of this account as determined by the BOARD from time to time on the advice of the VALUATOR;

⁹⁴ Amendment 3.

⁹⁵ Amendment 3.

8.3.6 any amounts allocated to the FUND'S other ACCOUNTS, as recommended by the VALUATOR, on a basis deemed equitable and as approved by the BOARD;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.3.7 In order to ensure the financial soundness of the pensions account the BOARD will implement a pension increase policy that closely monitors the affordability of any pension increase to be granted, where increases will only be granted if on the advice of the ACTUARY these increases would not result in a greater likelihood of the account becoming financially unsound;

8.3.8 The investment policy statement of the FUND will take cognisance of the nature of the PENSIONS ACCOUNT and will implement appropriate investment strategies aimed at matching the nature of the FUND'S liability towards PENSIONERS;

8.3.9 The BOARD may purchase a policy of full or partial insurance in the FUND'S name in respect of the PENSIONS in payment on such basis as shall be determined by the BOARD on the advice of the ACTUARY such that the policies of insurance would assist the FUND in ensuring the solvency of the PENSIONS ACCOUNT.

8.3.10 The BOARD on the advice of the ACTUARY will establish and maintain a solvency reserve within the PENSIONS ACCOUNT funded only from assets within the PENSIONS ACCOUNT and aimed at ensuring the financial soundness of the account.

8.4 **RISK RESERVE ACCOUNT(CATEGORY A MEMBERS)⁹⁶**

The following transactions will be recorded in this account:

Credits

8.4.1 such amount from the PARTICIPATING EMPLOYER'S contributions, including the costs of unapproved benefits, in terms of RULE 5.2.3, as may be recommended by the BOARD, on the advice of the VALUATOR;⁹⁷

⁹⁶ Amendment 3 Updated by Amendment 5.

⁹⁷ Amendment 3 Updated by Amendment 5.

- 8.4.2 any amount transferred from the FUND'S other ACCOUNTS as recommended by the VALUATOR and approved by the BOARD from time to time;⁹⁸
- 8.4.3 positive INVESTMENT RETURNS on the portfolio in which the assets in this ACCOUNT are invested.⁹⁹

Debits

- 8.4.4 payments made on the death or disablement of MEMBERS, including unapproved benefits where approved by the BOARD;¹⁰⁰
- 8.4.5 amounts re-allocated to the FUND'S other ACCOUNTS when the BOARD on the advice of the VALUATOR determine to do so;¹⁰¹
- 8.4.6 amounts deducted in respect of administration fees;¹⁰²
- 8.4.7 such other amounts in respect of medicals;¹⁰³
- 8.4.8 at the BOARD'S discretion, such other amounts required for the purpose of re-skilling and/or re-training a MEMBER who becomes disabled while active on the FUND, or to provide for medical or other treatment programmes in respect of such a MEMBER in order to assist him or her to resume their own or any other occupation¹⁰⁴;
- 8.4.9 negative INVESTMENT RETURNS on the portfolio in which the assets in this ACCOUNT are invested.¹⁰⁵

8.5 RISK VOLATILITY AND EXPENSE RESERVE ACCOUNT

The purpose of the RISK VOLATILITY AND EXPENSE RESERVE ACCOUNT is:

⁹⁸ Amendment 3, Updated by Amendment 5.

⁹⁹ Amendment 3, Updated by Amendment 5.

¹⁰⁰ Amendment 3, Updated by Amendment 5.

¹⁰¹ Amendment 3, Updated by Amendment 5.

¹⁰² Amendment 3, Updated by Amendment 5.

¹⁰³ Amendment 3, Updated by Amendment 5.

¹⁰⁴ Amendment 5

¹⁰⁵ Inserted with amendment 3 as rule 8.4.8, Updated by Amendment 5 to 8.4.9.

- to protect the FUND against mortality fluctuations in order to enable the FUND to continue to provide the risk benefits provided for in these RULES; and
- to provide for the expenses that the FUND may incur and to which amounts may be credited and from which amounts may be debited as follows:

Credits

- 8.5.1 an opening balance as determined by the BOARD after consultation with the VALUATOR;
- 8.5.2 such amount from the PARTICIPATING EMPLOYER'S contributions in terms of RULE 5.2.3 as may be recommended by the BOARD on the advice of the VALUATOR;
- 8.5.3 penalty interest paid by the PARTICIPATING EMPLOYER in terms of RULE 5.3.3; and
- 8.5.4 any amounts transferred from the FUND'S other ACCOUNTS, as recommended by the VALUATOR, on a basis deemed equitable and as approved by the BOARD.

Debits

- 8.5.5 transfers to the RISK RESERVE ACCOUNT in the event of negative mortality fluctuations depleting the RISK RESERVE ACCOUNT, on the advice of the VALUATOR;
- 8.5.6 administration expenses incurred by the FUND including, but not limited to, expenditure on rent, the remuneration of staff, the purchase and maintenance of information technology systems, communication with MEMBERS and suchlike;
- 8.5.7 amounts paid to suppliers of products and services to the FUND;
- 8.5.8 amounts re-allocated to the FUND'S other ACCOUNTS when the BOARD on the advice of the VALUATOR determine to do so;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.6 **DATA ERROR CONTINGENCY RESERVE ACCOUNT**

A DATA ERROR CONTINGENCY RESERVE ACCOUNT is established to minimise the impact on the FUND of decisions or actions taken on the basis of incorrect information. Amounts may be debited from or credited to this contingency reserve account as follows:

Credits

- 8.6.1 an opening balance determined by the BOARD on the advice of the VALUATOR; and
- 8.6.2 amounts re-allocated from the FUND'S other ACCOUNTS when the BOARD on the advice of the VALUATOR determine to do so;

Debits

- 8.6.3 amounts required to provide for any liability of the FUND for which no provision has been made in any other ACCOUNT;
- 8.6.4 amounts re-allocated to the FUND'S other ACCOUNTS when the BOARD on the advice of the VALUATOR determine to do so;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.7 **PROCESSING ERROR RESERVE ACCOUNT**

The purpose of the PROCESSING ERROR RESERVE ACCOUNT is to provide for mismatching and timing differences in the investment and disinvestments of the assets of the FUND and shall reflect the impact of any miscellaneous mismatches which arise in the day to day administration of the FUND. The balance in the PROCESSING ERROR RESERVE ACCOUNT shall be reviewed from time to time by the VALUATOR and the following transactions shall be recorded in the PROCESSING ERROR RESERVE ACCOUNT:

Credits

- 8.7.1 an opening balance as determined by the BOARD after consultation with the VALUATOR;

- 8.7.2 transfers from other accounts of the FUND from time to time if so decided by the BOARD on the advice of the VALUATOR.

Debits

- 8.7.3 such amounts as may be required from time to time on the advice of the VALUATOR, having regard to the purpose of this account in terms of the introductory paragraph;
- 8.7.4 transfers to other accounts of the FUND from time to time if so decided by the BOARD on the advice of the VALUATOR;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.8 LEGAL LIABILITY CONTINGENCY RESERVE ACCOUNT

A LEGAL LIABILITY CONTINGENCY RESERVE ACCOUNT is established to provide for:

- amounts for which the BOARD, on expert advice, decide that the FUND is liable; and/or
- amounts for which the court or ADJUDICATOR or other body exercising a judicial function has found the FUND to be liable;
- amounts for which the FUND is liable in terms of agreements by which legal disputes to which the FUND is a party are settled;
- legal and related costs incurred by the FUND in relation to litigation in which it has been involved which it is unable to recover from another party to the litigation, and for which no provision is made elsewhere in the ACCOUNTS of the FUND.

Amounts may be debited from or credited to this account as follows:

Credits

- 8.8.1 an opening balance decided by the BOARD on the advice of the VALUATOR;

- 8.8.2 amounts re-allocated from any other ACCOUNT when the BOARD on the advice of the VALUATOR decides that they are needed to make proper provision for the FUND'S contingent liabilities for which this account was established; and

Debits

- 8.8.3 amounts payable by the FUND to a MEMBER or former MEMBER or any other person for which no provision has been made in any other ACCOUNT;
- 8.8.4 amounts re-allocated to other ACCOUNTS when the BOARD on the advice of the VALUATOR determine such amounts are needed;
- 8.8.5 when the BOARD on the advice of the VALUATOR determine they are not needed to make proper provision for the FUND'S contingent liabilities for which this account was established;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.9 UNCLAIMED BENEFITS RESERVE ACCOUNT

An UNCLAIMED BENEFITS RESERVE ACCOUNT will be established to provide for amounts payable in terms of RULE 13.

The following transactions will be recorded in this account:

Credits

- 8.9.1 any UNCLAIMED BENEFITS in terms of RULE 13; and
- 8.9.2 amounts re-allocated from other ACCOUNTS when the BOARD on the advice of the VALUATOR so determines;

Debits

- 8.9.3 any expenses and costs relative to the maintenance of this reserve account as decided by the BOARD;

- 8.9.4 any tax payable;
- 8.9.5 any amount incurred by the FUND in tracing a MEMBER or his or her BENEFICIARY for purposes of paying an UNCLAIMED BENEFIT to him or her;
- 8.9.6 payment of UNCLAIMED BENEFITS to MEMBERS and/or BENEFICIARIES;
- 8.9.7 amounts re-allocated to other ACCOUNTS when the BOARD on the advice of the VALUATOR determine such amounts are needed;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.10 **BENEFICIARY ACCOUNT**

A BENEFICIARY ACCOUNT will be established to provide for amounts payable in terms of RULE 12.11.

The following transactions will be recorded in this account:

Credits

- 8.10.1 any BENEFICIARY benefits payable in terms of RULE 12.11; and
- 8.10.2 amounts re-allocated from other ACCOUNTS when the BOARD on the advice of the VALUATOR so determines;

Debits

- 8.10.3 any amounts payable in terms of RULE 12.11;
- 8.10.4 any tax payable;
- 8.10.5 any expenses incurred in the payment of amounts payable in terms of rule 12.11;
- 8.10.6 amounts re-allocated to other ACCOUNTS when the BOARD on the advice of the VALUATOR determine such amounts are needed;

provided that, the amount standing to the credit of this ACCOUNT shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this ACCOUNT are invested.

8.11 DEFERRED MEMBER SHARE ACCOUNT

8.11.1 A DEFERRED MEMBER SHARE ACCOUNT must be established for each DEFERRED MEMBER which account shall compromise the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of that MEMBER, other than in respect of a DEFERRED MEMBER who was a MEMBER or DEFERRED MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021, and who has not elected to contribute towards the SAVINGS COMPONENT and RETIREMENT COMPONENT of this FUND before 1 September 2025, in which case such DEFERRED MEMBER shall only have a VESTED COMPONENT.¹⁰⁶

8.11.2 The DEFERRED MEMBER SHARE ACCOUNT will be credited with the following amounts:¹⁰⁷

8.11.2.1 the amount standing to the credit of the MEMBER SHARE ACCOUNT of the MEMBER on becoming a DEFERRED MEMBER;

8.11.2.2 any amounts transferred into the FUND in accordance with RULE 7.1

8.11.2.3 the amount or amounts, if any, allocated to this account from any other ACCOUNT.

8.11.3 The DEFERRED MEMBER SHARE ACCOUNT will be debited with the following amounts:¹⁰⁸

8.11.3.1 transfers to APPROVED FUNDS as contemplated in RULE 7.2;

8.11.3.2 benefits paid to the DEFERRED MEMBER in terms of the RULES;

8.11.3.3 such reasonable expenses incurred by the FUND and approved by the BOARD;

¹⁰⁶ Amendment 3, updated with Amendment 10.

¹⁰⁷ Amendment 3.

¹⁰⁸ Amendment 3.

8.11.3.4 an amount (if any and if applicable) incurred by the FUND in tracing a DEFERRED MEMBER for the purpose of paying a benefit to that person.

Provided that the amount standing to the credit of this account shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets in this account are invested.¹⁰⁹

8.12. PAID-UP MEMBER SHARE ACCOUNT

8.12.1 A PAID-UP MEMBER SHARE ACCOUNT must be established for each PAID-UP MEMBER which account shall compromise the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of that MEMBER, other than in respect of a PAID-UP MEMBER who was a MEMBER or PAID-UP MEMBER of this FUND on 28 February 2021 and was aged 55 or older on 1 March 2021, and who has not elected to contribute towards the SAVINGS COMPONENT and RETIREMENT COMPONENT of this FUND before 1 September 2025, in which case such PAID-UP MEMBER shall only have a VESTED COMPONENT.¹¹⁰

9. RETIREMENT BENEFITS

9.1 Normal retirement

9.1.1 A MEMBER who has attained the NORMAL RETIREMENT AGE shall have the right to retire from SERVICE or may be required by his PARTICIPATING EMPLOYER to retire from SERVICE, provided that he may, if he and his PARTICIPATING EMPLOYER agree and with the approval of the BOARD, continue in SERVICE and remain a MEMBER of the FUND for a further period, as contemplated in RULE 9.3.

9.1.2 A MEMBER who retires in terms of this RULE 9.1 shall, subject to the provisions of RULE 9.5 and RULE 9.6, from his NORMAL RETIREMENT DATE be entitled to his MEMBER SHARE, the value of which benefit shall be determined at the CALCULATION DATE.

¹⁰⁹ Amendment 3.

¹¹⁰ Amendment 10.

9.2 Early Retirement

9.2.1 Voluntary Early Retirement

9.2.1.1 With the prior consent of the PARTICIPATING EMPLOYER, a MEMBER may retire from SERVICE on the last day of any month during the ten-year period prior to but ending on his NORMAL RETIREMENT AGE.¹¹¹

9.2.1.2 A MEMBER who retires in terms of this RULE, subject to the provisions of RULES 9.5 and 9.6, shall from NORMAL RETIREMENT DATE be entitled to his MEMBER SHARE, the benefit value of which shall be determined at the CALCULATION DATE.¹¹²

9.2.2 Ill-health Early Retirement

A MEMBER who, as a result of ill-health, is unable to continue in the employment of the PARTICIPATING EMPLOYER and who is not entitled to a disability benefit in terms of RULE 9.7, may, with the consent of the PARTICIPATING EMPLOYER, retire from SERVICE at any time prior to his NORMAL RETIREMENT AGE and shall be entitled to his MEMBER SHARE, the benefit value of which shall be determined at the CALCULATION DATE.¹¹³

9.3 Late Retirement

9.3.1 A MEMBER who has attained his NORMAL RETIREMENT AGE must retire from SERVICE; provided that, if on the attainment of his NORMAL RETIREMENT AGE, a MEMBER'S contract of employment with the PARTICIPATING EMPLOYER is extended or renewed, he will continue to be a MEMBER until he leaves the SERVICE of the PARTICIPATING EMPLOYER.

9.3.2 A MEMBER who has attained his NORMAL RETIREMENT AGE will no longer be entitled to the benefits as provided for in RULES 9.7. The MEMBER shall, however, be covered for benefits in terms of RULE 10 until NORMAL RETIREMENT DATE. Provided however, that a MEMBER, who transferred into the FUND from another Fund

¹¹¹ Amendment 4.

¹¹² Amendment 4.

¹¹³ Amendment 4.

and was aged over NORMAL RETIREMENT AGE at the date of entry into the FUND, shall not be covered for benefits in terms of RULES 9.7.¹¹⁴

9.3.3 In such case the MEMBER and the PARTICIPATING EMPLOYER shall continue to contribute in terms of RULES 5.1 and 5.2, respectively and on his NORMAL RETIREMENT DATE after leaving SERVICE of the PARTICIPATING EMPLOYER the MEMBER will, subject to the provisions of RULE 9.5 and RULE 9.6, be entitled to his MEMBER SHARE, the value of which benefit shall be determined at the CALCULATION DATE.

9.4 **Notice required on Retirement**

A MEMBER who retires in terms of RULE 9.1, 9.2, or 9.3 must give at least 3 (three) calendar months' written notice to the BOARD of his NORMAL RETIREMENT DATE. The BOARD in consultation with the PARTICIPATING EMPLOYER may waive or reduce the period of notice required.¹¹⁵

9.5 **Utilization of the MEMBER'S MEMBER SHARE to provide a retirement benefit**

9.5.1 This RULE 9.5 shall be applicable to all CATEGORY A MEMBERS and all CATEGORY B MEMBERS save for those CATEGORY B MEMBERS who elected to receive a benefit contemplated in RULE 9.6 on becoming a MEMBER¹¹⁶.

9.5.2 A MEMBER referred to RULE 9.5.1 will be entitled to commute for a cash lump sum a maximum benefit equal to the full value of his or her VESTED BENEFIT in the VESTED COMPONENT and up to one-third of value of his or her NON-VESTED BENEFIT in the VESTED COMPONENT and the full value of his or her SAVINGS COMPONENT, the value of which will be determined on the CALCULATION DATE following the MEMBER'S NORMAL RETIREMENT DATE, provided that the balance of his or her MEMBER SHARE after any such commutation, alternatively the full MEMBER'S SHARE where the MEMBER does not make an election as contemplated this RULE, must be utilised¹¹⁷ -

¹¹⁴ Amendment 2.

¹¹⁵ Amendment 2 updated by Amendment 3.

¹¹⁶ Amendment 10.

¹¹⁷ Amendment 10.

- 9.5.2.1 to provide for a PENSION payable to the MEMBER by the FUND for the rest of his or her life. The PENSION payable shall be based on a factor applicable to his or her age on the MEMBER'S ELECTION DATE as approved by BOARD from time to time after consultation with VALUATOR¹¹⁸; or
- 9.5.2.2 subject to compliance with the TAX ACT and General Notes issued by SARS as may be applicable, provide a PENSION payable to the MEMBER by the FUND for the rest of his or her life or a LIVING ANNUITY in terms of the ANNUITY STRATEGY. The PENSION payable shall be based on a factor applicable to his or her age on the MEMBER'S ELECTION DATE as approved by the BOARD from time to time after consultation with the VALUATOR, or to purchase an annuity or LIVING ANNUITY policy, in terms of the ANNUITY STRATEGY, in the name of the MEMBER from a REGISTERED INSURER, which¹¹⁹ -
- 9.5.2.2.1 must be a compulsory annuity in terms of which the REGISTERED INSURER undertakes to pay an annuity to the MEMBER for the rest of his or her life¹²⁰;
- 9.5.2.2.2 in the event that the annuity does not provide for a pension to the SPOUSE on the death of the MEMBER, the SPOUSE must consent to the purchase¹²¹;
- 9.5.2.2.3 may not be convertible to a lump sum¹²²; and
- 9.5.2.2.4 may not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors.¹²³
- 9.5.2.3 If the annuity policy purchased has been bought for the MEMBER from a REGISTERED INSURER, as contemplated in RULE 9.5.2.2 he or she will stop being a MEMBER of the FUND and the FUND will have no further liability towards the MEMBER or their DEPENDANTS¹²⁴.

¹¹⁸ Amendment 10.

¹¹⁹ Amendment 10.

¹²⁰ Amendment 10.

¹²¹ Amendment 10.

¹²² Amendment 10.

¹²³ Amendment 10.

¹²⁴ Amendment 10.

9.5.2.4 The calculation of these may be reduced by any amounts deducted in terms of these RULES and the ACT¹²⁵.

9.5.3 If at the MEMBER'S retirement two-thirds of the value of his or her NON-VESTED BENEFIT in his or her VESTED COMPONENT plus the value of his or her RETIREMENT COMPONENT does not exceed the *de minimis* amount as prescribed in terms of the TAX ACT, the value of which will be determined on the CALCULATION DATE following the MEMBER'S NORMAL RETIREMENT DATE, the entire amount of the MEMBER'S SHARE may be commuted and paid as a cash lump sum.¹²⁶

9.6 Utilization of MEMBER'S MEMBER SHARE to provide a pension on retirement:

9.6.1 This RULE 9.6 will be applicable all CATEGORY B MEMBERS who elected to receive a benefit as contemplated in this RULE 9.6 on becoming a MEMBER of the FUND.¹²⁷

9.6.2 A MEMBER referred to RULE 9.6.1 will be entitled to commute for a cash lump sum a maximum benefit equal to one-third of the value of his or her VESTED COMPONENT and the full value of his or her SAVINGS COMPONENT, the value of which will be determined on the CALCULATION DATE following the MEMBER'S NORMAL RETIREMENT DATE, provided that the balance of his or her MEMBER SHARE after any such commutation, alternatively the full MEMBER'S SHARE where the MEMBER does not make an election as contemplated this RULE, must be utilised¹²⁸ -

9.6.2.1 to provide for a PENSION payable to the MEMBER by the FUND for the rest of his or her life. The PENSION payable shall be based on a factor applicable to his or her age on the MEMBER'S ELECTION DATE as approved by BOARD from time to time after consultation with VALUATOR¹²⁹; or

9.6.2.2 subject to compliance with the TAX ACT and General Notes issued by SARS as may be applicable, provide a PENSION payable to the MEMBER by the FUND for the rest of his or her life or a LIVING ANNUITY in terms of the ANNUITY STRATEGY. The PENSION payable shall be based on a factor applicable to his or her age on the MEMBER'S ELECTION DATE as approved by the BOARD from time to time after consultation with the VALUATOR, or to purchase an

¹²⁵ Amendment 10.

¹²⁶ Amendment 10.

¹²⁷ Amendment 10. The word 'member' does not appear in the amendment as it should have and has been included here.

¹²⁸ Amendment 10.

¹²⁹ Amendment 10.

annuity or LIVING ANNUITY policy, in terms of the ANNUITY STRATEGY, in the name of the MEMBER from a REGISTERED INSURER, which ¹³⁰-

9.6.2.2.1 must be a compulsory annuity in terms of which the REGISTERED INSURER undertakes to pay an annuity to the MEMBER for the rest of his or her life¹³¹;

9.6.2.2.2 in the event that the annuity does not provide for a pension to the SPOUSE on the death of the MEMBER, the SPOUSE must consent to the purchase¹³²;

9.6.2.2.3 may not be convertible to a lump sum¹³³; and

9.6.2.2.4 may not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors¹³⁴.

9.6.2.3 If the annuity policy purchased has been bought for the MEMBER from a REGISTERED INSURER, as contemplated in RULE 9.6.2.2 he or she will stop being a MEMBER of the FUND and the FUND will have no further liability towards the MEMBER or their DEPENDANTS¹³⁵.

9.6.2.4 The calculation of these may be reduced by any amounts deducted in terms of these RULES and the ACT.¹³⁶

9.6.3 If at the MEMBER'S retirement two-thirds of the value of his or her VESTED COMPONENT plus the value of his or her RETIREMENT COMPONENT does not exceed the *de minimis* amount as prescribed in terms of the TAX ACT, the value of which will be determined on the CALCULATION DATE following the MEMBER'S NORMAL RETIREMENT DATE, the entire amount of the MEMBER'S SHARE may be commuted and paid as a cash lump sum¹³⁷.

¹³⁰ Amendment 10.

¹³¹ Amendment 10.

¹³² Amendment 10.

¹³³ Amendment 10.

¹³⁴ Amendment 10.

¹³⁵ Amendment 10.

¹³⁶ Amendment 3 incorrectly referred to Rule 9.6.4.2, updated by Amendment 10.

¹³⁷ Amendment 10.

9.7 DISABILITY

9.7.1 If BOARD decides, after taking medical advice, that a CONTRIBUTING MEMBER is totally and permanently incapable of performing his or her own or any other occupation for which he or she reasonably qualified or suited taking into account the degree of his or her DISABILITY and his or her knowledge, training, education ability and experience, due to an injury or disease not caused by his or her own intent, the BOARD shall notify the CONTRIBUTING MEMBER in writing of their decision and the CONTRIBUTING MEMBER shall receive the following benefits¹³⁸:

9.7.1.1 his or her MEMBER SHARE which shall include:

9.7.1.1.1 in respect of a CATEGORY A MEMBER a lump sum benefit equal to 3 (three) times his or her PENSIONABLE SALARY at the date of becoming DISABLED¹³⁹; or

9.7.1.1.2 in respect of a CATEGORY B MEMBER an amount equal to a lump sum benefit selected by the PARTICIPATING EMPLOYER from Schedule 1 to the RULES in Schedule 1 to these RULES¹⁴⁰;

provided that the total benefit payable in terms of this RULE shall be paid in accordance with RULE 9.5 or RULE 9.6 as applicable¹⁴¹.

9.7.2 The BOARD shall have the discretion to refuse to insure MEMBERS and, if the BOARD refuse to insure a MEMBER, shall notify the MEMBER as soon as practicable of the refusal.

9.7.3 In the event that the benefits in this RULE 9.7 are insured by a REGISTERED INSURER then the premiums under the POLICY OF INSURANCE shall be paid by the FUND from the CONTRIBUTIONS paid by the PARTICIPATING EMPLOYERS in terms of RULE 5.2; provided that if any MEMBER is not insured for the amount so recommended, because of his refusal to meet the REGISTERED INSURER'S requirements, or if the REGISTERED INSURER declines to pay the amount insured, the benefit payable in terms

¹³⁸ Amendment 10.

¹³⁹ Amendment 10.

¹⁴⁰ Amendment 10.

¹⁴¹ Amendment 10.

of this RULE shall be reduced as the BOARD, acting on the advice of the VALUATOR, decide.

9.7.4 The BOARD shall notify the MEMBER as soon as practical that the REGISTERED INSURER has refused to insure him or the BOARD has declined to pay the extra premium.

9.7.5 For the purposes of this RULE, the BOARD or the REGISTERED INSURER, as the case may be, on advice of independent medical experts, will be the sole arbiters as to whether a MEMBER qualifies for a benefit in terms of this RULE 9.5.

10. DEATH

10.1 On the death of a CONTRIBUTING MEMBER while in SERVICE (including the death of a CONTRIBUTING MEMBER after NORMAL RETIREMENT AGE, but prior to NORMAL RETIREMENT DATE), the following benefit will be payable:

10.1.1 In the case of a CATEGORY A MEMBER a lump sum amount equal to at least 3 (three) times his annual PENSIONABLE SALARY at the date of his death and in the case of a CATEGORY B MEMBER an amount equal to a lump sum benefit selected by the PARTICIPATING EMPLOYER from Schedule 1 to the RULES;
These benefits shall be distributed in terms of Section 37C of the ACT¹⁴²; and

10.1.2 if the CONTRIBUTING MEMBER is not survived by a SPOUSE, a lump sum benefit equal to the CONTRIBUTING MEMBER'S MEMBER SHARE as at CALCULATION DATE shall be distributed in accordance with Section 37C of the ACT; ¹⁴³or

10.1.3 if the CONTRIBUTING MEMBER is survived by a SPOUSE, the SPOUSE shall have the option of:

- (a) selecting the lump sum benefits in RULES 10.1.1 and 10.1.2 above, which shall be distributed in accordance with Section 37C of the ACT; or
- (b) selecting the benefit in RULE 10.1.1 and the CONTRIBUTING MEMBER'S MEMBER SHARE as at CALCULATION DATE, which will be utilised to, where the benefit is the minimum amount which the ADMINISTRATOR is prepared to hold as a PENSION benefit:

¹⁴² Amendment 1 updated by Amendment 2.

¹⁴³ Amendment 2.

- 10.1.3.1 secure a PENSION, as determined by the ACTUARY, from the FUND for the SPOUSE; or
- 10.1.3.2 to purchase an annuity or annuities in the name of the SPOUSE from a REGISTERED INSURER;¹⁴⁴
- 10.1.4 An annuity contemplated in RULE 10.1.3.2 -
 - 10.1.4.1 must be a compulsory annuity in terms of which the REGISTERED INSURER undertakes to pay an annuity to the SPOUSE for the rest of his life;
 - 10.1.4.2 may not be convertible to a lump sum; and
 - 10.1.4.3 may not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors.¹⁴⁵
- 10.1.5 If an annuity policy has been bought for a SPOUSE, the FUND will have no further liability towards him or his DEPENDANTS.¹⁴⁶
- 10.1.6 PENSIONS payable in terms of Rule 10.1.3.1
 - 10.1.6.1 PENSIONS that are payable in accordance with the provisions of RULE 10.1.3.1, will be paid monthly in arrears on or before the last day of each month. The first instalment will be payable on the last day of the month following the month in which the MEMBER died. Each monthly instalment will be equal to 1/12 (one-twelfth) of the annual PENSION.¹⁴⁷
 - 10.1.6.2 The PENSION, or part of the PENSION, payable to a SPOUSE in terms of RULE 10.1.3.1 will be payable for the lifetime of that SPOUSE and the last instalment will be payable at the end of the month in which the SPOUSE dies¹⁴⁸.
 - 10.1.6.3 After the last payment of a SPOUSE'S PENSION has been made, the BOARD will deduct the total amount paid to the SPOUSE from the amount of the

¹⁴⁴ Amendment 2.

¹⁴⁵ Amendment 2.

¹⁴⁶ Amendment 2.

¹⁴⁷ Amendment 2.

¹⁴⁸ Amendment 2.

MEMBER'S MEMBER SHARE at date of the MEMBER'S death. Should there be any positive difference, such positive difference will be distributed in accordance with section 37C of the ACT.¹⁴⁹

10.1.7 The value of the amount that is available in order to secure a PENSION or annuity, as contemplated in RULES 10.1.4 and 10.1.6 above, will be the same whether the MEMBER is survived by one SPOUSE or multiple SPOUSES.¹⁵⁰

10.1.8 Where the MEMBER is survived by more than one SPOUSE, the BOARD, in its sole discretion, shall determine how and in what proportion to apply the MEMBER'S MEMBER SHARE as at CALCULATION DATE in order to secure one or more of the MEMBER'S SPOUSES with a PENSION, as contemplated in RULE 10.1.6, or an annuity, as contemplated in RULE 10.1.4, as the case may be.¹⁵¹

10.1.9 Lump sum benefit payable in terms of RULE 10.1.1

10.1.9.1 The BOARD shall, subject to RULE 10.1.9.3, effect and keep in force a POLICY OF INSURANCE with a REGISTERED INSURER for the amounts referred to in RULE 10.1.1 above.

10.1.9.2 The premiums under the POLICY OF INSURANCE shall be paid by the FUND from the CONTRIBUTIONS paid by the PARTICIPATING EMPLOYERS in terms of RULE 5.2; provided that if any CONTRIBUTING MEMBER is not insured for the amount so recommended, because of his refusal to meet the REGISTERED INSURER'S requirements, or if the REGISTERED INSURER declines to pay the amount insured, the benefit payable in terms of this RULE shall be reduced as the BOARD, acting on the advice of the ACTUARY, decide. The BOARD shall notify the CONTRIBUTING MEMBER as soon as practicable that the REGISTERED INSURER has refused to insure him or the BOARD has declined to pay the extra premium.

10.1.9.3 The BOARD may decide to self-insure the amount to in RULE 10.1.1 above, if they are of the view that it will be in the best interest of the FUND to do so.

¹⁴⁹ Amendment 2.

¹⁵⁰ Amendment 2.

¹⁵¹ Amendment 2.

10.2 Death of a PENSIONER

- 10.2.1 Where a PENSIONER in receipt of a PENSION as contemplated in RULE 9.6 dies his surviving SPOUSE shall be entitled to receive a PENSION equal to 75% (seventy five percent) of the PENSION payable to the PENSIONER immediately prior to his death.
- 10.2.2 The PENSION, or part of the PENSION, payable to a SPOUSE in terms of this RULE will be payable for the lifetime of that SPOUSE.
- 10.2.3 If the deceased PENSIONER leaves more than one SPOUSE, the BOARD must decide to which of them and in what proportion the benefit contemplated in RULE 10.2.1 will be paid, provided that the total SPOUSES' PENSIONS payable will be equal to the PENSION that would have been payable had there been only one SPOUSE.
- 10.2.4 A surviving SPOUSE will only qualify for the benefit contemplated in RULE 10.2.1 where that SPOUSE was a SPOUSE of the PENSIONER on the date on which the PENSIONER became a PENSIONER.

10.3 Death of a LATE RETIREE

- 10.3.1 If the LATE RETIREE is not survived by a SPOUSE, a lump sum benefit equal to the MEMBER'S SHARE shall be distributed in accordance with section 37C of the ACT;
- 10.3.2 If the LATE RETIREE is survived by a SPOUSE the LATE RETIREE'S MEMBER SHARE as at date of death will be applied to:
 - 10.3.2.1 secure a PENSION, as determined by the ACTUARY, from the FUND for the SPOUSE; or
 - 10.3.2.2 purchase an annuity or annuities in the name of the SPOUSE from a REGISTERED INSURER;
- 10.3.3 An annuity contemplated in RULE 10.3.2.2-
 - 10.3.3.1 must be a compulsory annuity in terms of which the REGISTERED INSURER undertakes to pay an annuity to the SPOUSE for the rest of his life;
 - 10.3.3.2 may not be convertible to a lump sum; and

- 10.3.3.3 may not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors.
- 10.3.4 If an annuity policy has been bought for a SPOUSE, the FUND will have no further liability towards him or his DEPENDANTS.
- 10.3.5 PENSIONS payable in terms of Rule 10.3.2.1
- 10.3.5.1 PENSIONS that are payable in accordance with the provisions of RULE 10.3.2.1, will be paid monthly in arrears on or before the last day of each month. The first instalment will be payable on the last day of the month following the month in which the LATE RETIREE died. Each monthly instalment will be equal to 1/12 (one-twelfth) of the annual PENSION.
- 10.3.5.2 The PENSION, or part of the PENSION, payable to a SPOUSE in terms of RULE 10.3.2.1 will be payable for the lifetime of that SPOUSE and the last instalment will be payable at the end of the month in which the SPOUSE dies.
- 10.3.5.3 After the last payment of a SPOUSE'S PENSION has been made, the BOARD will deduct the total amount paid to the SPOUSE from the amount of the MEMBER'S MEMBER SHARE at date of the MEMBER'S death. Should there be any positive difference, such positive difference will be distributed in accordance with section 37C of the ACT.
- 10.3.6 The value of the deceased LATE RETIREE'S MEMBER SHARE that is available in order to secure a PENSION or annuity, as contemplated in RULES 10.3.3 and 10.3.5 above, will be the same whether the LATE RETIREE is survived by one SPOUSE or multiple SPOUSES.
- 10.3.7 Where the LATE RETIREE is survived by more than one SPOUSE, the BOARD, in its sole discretion, shall determine how and in what proportion to apply the LATE RETIREE'S MEMBER SHARE as at date of death in order to secure one or more of the LATE RETIREE'S SPOUSES with a PENSION, as contemplated in RULE 10.3.5, or an annuity, as contemplated in RULE 10.3.3, as the case may be.

10.4 FUNERAL BENEFIT

10.4.1 On the death of a CONTRIBUTING MEMBER a funeral benefit will be payable. The nature of this benefit will be in accordance with a POLICY OF INSURANCE procured by the Fund, alternatively at the discretion of the BOARD where the FUND decides to self-insure.

10.4.2 The BOARD shall have the discretion to refuse to insure MEMBERS and, if the BOARD refuse to insure a MEMBER, shall notify the MEMBER as soon as practicable of the refusal.

10.4.3 In the event that the benefits in this RULE 10.4 are insured by a REGISTERED INSURER then the premiums under the POLICY OF INSURANCE shall be paid by the FUND from the CONTRIBUTIONS paid by the PARTICIPATING EMPLOYERS in terms of RULE 5.2; provided that if any MEMBER is not insured for the amount so recommended, because of his refusal to meet the REGISTERED INSURER'S requirements, or if the REGISTERED INSURER declines to pay the amount insured, the benefit payable in terms of this RULE shall be reduced as the BOARD, acting on the advice of the VALUATOR, decide.

10.4.4 The BOARD shall notify the MEMBER as soon as practical that the REGISTERED INSURER has refused to insure him or the BOARD has declined to pay the extra premium.

10.5 On the death of a PAID-UP MEMBER before his benefit falls due, his MEMBER SHARE at the date of his death shall be payable to his estate.¹⁵²

11. TERMINATION OF SERVICE

11.1 **Withdrawal Benefit on Resignation, Dismissal or Termination of Employment**

11.1.1 When a MEMBER'S employment with a PARTICIPATING EMPLOYER terminates or is to be terminated then, if the MEMBER is not entitled to benefits under any other RULE, his MEMBER SHARE, or MINIMUM INDIVIDUAL RESERVE, whichever is the higher, will be available to provide a benefit in terms of this RULE for him.

11.1.2 The MEMBER must be allowed to make a choice in writing whether the FUND must¹⁵³:

¹⁵² Amendment 3.

¹⁵³ Amendment 10.

- 11.1.2.1 pay his or her VESTED COMPONENT to him or her and/or to pay his or her SAVINGS COMPONENT to him or her in terms of RULE 11.2.4 and to transfer the balance of his or her MEMBER SHARE to an APPROVED FUND for his or her benefit¹⁵⁴;
- 11.1.2.2 transfer the full value of his or her MEMBER SHARE to an APPROVED FUND for his or her benefit¹⁵⁵;
- 11.1.2.3 where no election as contemplated in RULES 11.1.2.1, 11.1.2.2 or 11.1.2.4 is received by the FUND, preserve his or her MEMBER SHARE as provided for in RULE 11.2¹⁵⁶; or
- 11.1.2.4 elect to leave his or her benefit in the FUND until retirement or death.¹⁵⁷

11.2 **Preservation Benefit**

- 11.2.1 Where a MEMBER elects in writing to preserve any amount of his entitlement in terms of RULE 11.1.2.3, or makes no election, such MEMBER will become a DEFERRED MEMBER and his benefits must be determined as follows¹⁵⁸:
 - 11.2.1.1 the value of the MEMBER'S entitlement at the date of withdrawal will form the opening balance of his MEMBER'S SHARE at the date of becoming a DEFERRED MEMBER, the value of which benefit must be determined on the first day of the month following the ELECTION DATE;
 - 11.2.1.2 no further CONTRIBUTIONS will be payable by or on behalf of the DEFERRED MEMBER on or after the date of his withdrawal from SERVICE;
 - 11.2.1.3 the amount referred to in RULE 11.2.1.1 shall be increased or decreased by the INVESTMENT RETURN on the portfolio in which the assets are invested;
 - 11.2.1.4 the amount referred to in RULE 11.2.1.1 will continue to be reduced by such amount as determined by the ACTUARY and approved by the BOARD from

¹⁵⁴ Amendment 10.

¹⁵⁵ Amendment 10.

¹⁵⁶ Amendment 3 updated by Amendment 10.

¹⁵⁷ Amendment 3 updated by Amendment 10.

¹⁵⁸ Amendment 3.

time to time being required to fund the expenses in relation to the benefit provided for in this RULE;

11.2.1.5 upon the DEFERRED MEMBER'S attainment of age 55 (fifty five) but not later than 65 (sixty five) he will be entitled to retirement benefits in terms of RULE 9.5 or RULE 9.6, and where applicable he will become a PENSIONER of the FUND, provided he had not elected to withdraw his benefit prior to attaining these ages¹⁵⁹;

11.2.1.6 on the death of a DEFERRED MEMBER before receiving a benefit as contemplated in RULE 9.5 or RULE 9.6, the DEFERRED MEMBER'S MEMBER SHARE will be payable in accordance with section 37C of the ACT subject to any contradictory prevailing legislation, be paid to the DEFERRED MEMBER'S estate;¹⁶⁰

11.2.1.7 the DEFERRED MEMBER may at any time prior to attainment of age 55 (fifty-five) or NORMAL RETIREMENT AGE, request that his or her VESTED COMPONENT be paid out to him or her in cash and/or to pay his or her SAVINGS COMPONENT to him or her in terms of RULE 11.2.4 and the balance of his or her MEMBER SHARE be transferred to another APPROVED FUND¹⁶¹; and

11.2.1.8 Prior to any payment or transfer the DEFERRED MEMBER will be given access to RETIREMENT BENEFITS COUNSELLING, as contemplated in regulations 38 and 39 to the ACT;¹⁶²

11.2.2 A DEFERRED MEMBER will be responsible for providing the FUND with details of his latest address.

11.2.3 If any doubt arises in any particular case in which this RULES 11.2 applies, the decision of the BOARD shall be final and binding upon the MEMBER and the FUND.

¹⁵⁹ Amendment 3.

¹⁶⁰ Amendment 3.

¹⁶¹ Amendment 3 updated by Amendment 10.

¹⁶² Amendment 3.

11.2.4 PAYMENT OF A SAVINGS WITHDRAWAL BENEFIT

11.2.4.1 A MEMBER may elect to receive any amount in the SAVINGS COMPONENTS once every tax year, provided the value is more than the minimum as set out in the TAX ACT¹⁶³.

11.2.4.2 If the MEMBER has already elected and received an amount from the SAVINGS COMPONENTS in a tax year, that MEMBER may elect to receive the balance from the SAVINGS COMPONENTS provided that the MEMBER has terminated membership in the FUND and the value in the SAVINGS COMPONENTS is less than the minimum as set out in the TAX ACT¹⁶⁴.

11.2.4.3 The BOARD may, in accordance with the provisions of section 37D of the ACT, suspend or refuse the payment of a SAVINGS WITHDRAWAL BENEFIT to a MEMBER in order to give effect to or in order to ensure that the FUND is able to give effect to a deduction contemplated in RULE 12 and/or section 37D of the ACT, in the circumstances set out in section 37D of the ACT¹⁶⁵.

11.2.5 ACCESS AT EMIGRATION FROM THE REPUBLIC OF SOUTH AFRICA

At the MEMBER'S written request, the MEMBER may prior to his or her retirement elect to receive his or her interest in his or her RETIREMENT COMPONENT and VESTED COMPONENT as a lump sum if¹⁶⁶:

11.2.5.1 he or she is a person who is not a resident in the Republic for an uninterrupted period of three years or longer on or after 1 March 2021¹⁶⁷; or

11.2.5.2 departed from the Republic at the expiry of a visa obtained for the purposes of¹⁶⁸—

¹⁶³ Amendment 10.

¹⁶⁴ Amendment 10.

¹⁶⁵ Amendment 3 update with Amendment 10.

¹⁶⁶ Amendment 10.

¹⁶⁷ Amendment 10.

¹⁶⁸ Amendment 10.

- 11.2.5.2.1 working as contemplated in paragraph (i) of the definition of ‘visa’ in section 1 of the Immigration Act, 2002 (Act No. 13 of 2002)¹⁶⁹; or
- 11.2.5.2.2 a visit as contemplated in paragraph (b) of the definition of ‘visa’ in section 1 of the Immigration Act, 2002 (Act No. 13 of 2002), issued in terms of paragraph (b) of the proviso to section 11 of that Act by the Director-General, as defined in that Act¹⁷⁰; or
- 11.2.5.2.3 is or was a resident who emigrated from the Republic and that emigration is recognised by the South African Reserve Bank for purposes of exchange control in respect of application for that recognition received on or before 28 February 2021 and approved by the South African Reserve Bank or an authorised dealer in foreign exchange for the delivery of currency on or before 28 February 2022¹⁷¹.

12. DEDUCTIONS FROM BENEFITS

The payment of benefits is subject to the following conditions:

12.1 Deductions

The calculation of benefits in terms of these RULES will be reduced by any amounts deducted in terms of these RULES and section 37D of the ACT. Such reduction will be applied proportionally in relation to the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of a MEMBER¹⁷².

12.2 Choices must be Exercised Timeously or Forfeited

If in terms of these RULES a MEMBER has a choice in relation to the treatment of the benefit payable to him on termination of employment. He must make that choice by notice in writing to the FUND within a reasonable period as determined by the BOARD, failing which the choice will be made for him by the BOARD.

¹⁶⁹ Amendment 10.

¹⁷⁰ Amendment 10.

¹⁷¹ Amendment 10.

¹⁷² Amendment 10.

12.3 **Withholding of Benefit on Receipt of Compensation Notice**

12.3.1 When a MEMBER retires, resigns from employment or has been dismissed or retrenched, his PARTICIPATING EMPLOYER may give the FUND a written notice ("**Compensation Notice**") that -

12.3.1.1 it believes that the MEMBER must compensate the PARTICIPATING EMPLOYER for damage caused to the PARTICIPATING EMPLOYER by reason of any theft, dishonesty, fraud or misconduct by the MEMBER or DEFERRED MEMBER; and in respect of which the PARTICIPATING EMPLOYER intends to either -

12.3.1.1.1 obtain from the MEMBER a written acknowledgment by him; or

12.3.1.1.2 obtain from a court an order declaring that the MEMBER owes a specified amount of compensation to the PARTICIPATING EMPLOYER for that alleged loss.

12.3.2 If the FUND has been given a Compensation Notice, then, before the FUND has either -

12.3.2.1 paid a benefit to a MEMBER; or

12.3.2.2 paid an amount to an APPROVED FUND for his benefit, and

12.3.2.3 on the basis of the information given to him by the PARTICIPATING EMPLOYER, the PRINCIPAL OFFICER is satisfied that the PARTICIPATING EMPLOYER has reasonable prospects for success in its claim against the MEMBER for compensation, the FUND may withhold payment or part payment until the PARTICIPATING EMPLOYER has given the FUND a certified copy of a written acknowledgment of debt referred to in RULE 12.3.1.1.1 or a court order referred to in RULE 12.3.1.1.2.

12.3.3 If at any time after the FUND has received the Compensation Notice:

12.3.3.1 the BOARD, in its sole discretion, form the opinion that the PARTICIPATING EMPLOYER is not taking meaningful steps to obtain the acknowledgment of debt or court order; or

12.3.3.2 on the basis of new information given to them the BOARD in its sole discretion form the opinion that the PARTICIPATING EMPLOYER'S prospects for success in its claim for compensation are poor,

the FUND must in writing advise the PARTICIPATING EMPLOYER of this, stating that if within the next four weeks from the date of such notice:

12.3.3.3 it does not take meaningful steps to obtain the acknowledgement of debt or court order; and /or

12.3.3.4 it does not persuade the BOARD that its prospects for success in its claim for compensation could reasonably be successful,

the FUND will cease withholding payment of the benefit.

12.4 Withholding of Benefit as Provision for Member's Maintenance Liabilities

12.4.1 If, when a MEMBER retires or leaves SERVICE, the FUND has been served with a copy of a valid court order granted in terms of the MAINTENANCE ACT, stating that:

12.4.1.1 the FUND must withhold payment of a part or the whole of a MEMBER'S benefit to him or to an APPROVED FUND in terms of these RULES;

12.4.1.2 the MEMBER failed to comply with an order in terms of which he is required to pay maintenance to any person in terms of the MAINTENANCE ACT,

the FUND must withhold payment for so long as it is required by the order to do so.

12.5 Deductions of Amounts Due by Member in terms of a Maintenance Order

12.5.1 If required to do so in terms of a valid order granted in terms of the MAINTENANCE ACT, and served on the FUND as provided for in the MAINTENANCE ACT, the FUND must deduct from the balance of the MEMBER SHARE, if any, remaining after the deduction of -

12.5.1.1 tax due to SARS; and

12.5.1.2 amounts due by the MEMBER in terms of any orders for divorce granted in terms of the DIVORCE ACT, and/or maintenance orders granted in terms of the MAINTENANCE ACT, granted before the valid order referred to in this RULE.

12.5.2 The FUND must then pay that amount to the SPOUSE, former SPOUSE or CHILD, as the case may be.

12.6 Court Orders against the FUND

As provided for in Section 37D of the ACT, the FUND shall comply with any valid order properly issued by a court in terms of the DIVORCE ACT and the MAINTENANCE ACT by deducting any amount of a MEMBER, in terms of the order, from the MEMBER'S MINIMUM INDIVIDUAL RESERVE or benefit, and by paying it to the relevant party in terms of the order.

12.7 Deduction of Tax

The tax, if any, payable in respect of an amount to be paid to a MEMBER, DEFERRED MEMBER, DEPENDANT or other BENEFICIARY or to be paid or transferred to an APPROVED FUND will be deducted from that amount by the FUND and paid to SARS. Any dispute which a MEMBER, DEFERRED MEMBER, DEPENDANT or other BENEFICIARY may have regarding the amount paid to SARS will be a matter between that person and SARS. The BOARD will have no responsibility and/or liability to resolve such a dispute.

12.8 Deduction of Share of 'Pension Interest' Due to a Member's Former Spouse in terms of a Divorce Order

12.8.1 If required to do so in terms of a valid order granted by a court on the divorce of a MEMBER or DEFERRED MEMBER, the FUND must deduct from his MEMBER SHARE, an amount equivalent to the share of the MEMBER'S or DEFERRED MEMBER'S 'pension interest' as defined in section 1 of the DIVORCE ACT, and, provided that it does so in compliance with the ACT and TAX ACT, pay that amount, less any tax deductible from it, to the former SPOUSE.

12.8.2 The amount stipulated in 12.8.1 above will only be paid either:

12.8.2.1 directly to the former SPOUSE; or

12.8.2.2 into another APPROVED FUND selected by the former SPOUSE.

12.8.3 No deduction will be made if it is contrary to any applicable legislation and if the benefit has already been paid to the affected MEMBER.¹⁷³

12.9 Deduction of Amount Due by MEMBER or PARTICIPATING EMPLOYER to FUND

Subject to the provisions of the ACT, when a benefit is payable to or in respect of a MEMBER, and there is an amount due by that MEMBER to the FUND other than as a result of a failure by the PARTICIPATING EMPLOYER to deduct any CONTRIBUTION due by the MEMBER from his remuneration and pay it to the FUND, the amount of the benefit may be reduced by that amount.

12.10 Payment and Protection of Benefits

12.10.1 Money payable to any person in terms of these RULES will be paid by means of an electronic funds transfer unless the FUND and the person agree that payment will take place by other means.

12.10.2 Payments must be made to the MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE, DEPENDANT or BENEFICIARY directly except if the MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE, DEPENDANT or BENEFICIARY provides the BOARD with written request to pay it into a third party account. The BOARD will however retain full discretion as to whether the request complies with the provisions of the ACT, and if they will agree to make the payment to such third party account and may insist on an indemnification prior to considering such request.¹⁷⁴

12.10.3 The BOARD will be entitled to request proof to their satisfaction as to the identity and right of any BENEFICIARY to receive any benefit before payment of any benefit is made to such BENEFICIARY.

12.10.4 Unless specifically permitted in terms of the ACT, the DIVORCE ACT, the MAINTENANCE ACT, the TAX ACT, or any other applicable legislation no benefit payable in terms of the RULES may be reduced, transferred, ceded, pledged or hypothecated or be attached or sold in satisfaction of a debt. If a BENEFICIARY attempts to transfer, cede, pledge or hypothecate a benefit, the FUND will suspend the payment of the benefit and may pay it directly to a DEPENDANT of the BENEFICIARY or to a guardian or trustee for the benefit of the BENEFICIARY.

¹⁷³ Amendment 2.

¹⁷⁴ Amendment 2.

12.10.5 Subject to the provisions of the ACT, if the estate of a BENEFICIARY is sequestrated or surrendered, the benefit will be deemed not to form part of the assets in the estate and may not be attached or sold by the curator of the estate or the BENEFICIARY'S creditors.

12.11 Payment of Benefits to BENEFICIARIES

12.11.1 If, a person entitled to benefits in terms of these RULES:

12.11.1.1 is under the age of 18 (eighteen); or

12.11.1.2 is in the opinion of the BOARD, incapable of managing his financial affairs, provided that the BOARD shall base their opinion on factual documentation provided by relevant stakeholders, if any;

12.11.2 the BOARD may decide in their sole discretion that the FUND must pay those benefits:

12.11.2.1 to persons responsible for supplying goods and/or services necessary for the maintenance of the person and/or his DEPENDANTS; or

12.11.2.2 to a curator or guardian for the benefit of the person and/or his DEPENDANTS;

12.11.2.3 to a trustee of a trust established for the benefit of the person to whom the benefit is payable;

12.11.2.4 to a fund approved by the AUTHORITY¹⁷⁵ and SARS to receive such benefit;

12.11.2.5 to his DEPENDANTS.

12.11.3 The BOARD is entitled to request proof to their satisfaction as to the identity and right of any BENEFICIARY to any benefit before payment of any benefit is made to such BENEFICIARY.

¹⁷⁵ Amendment 3.

13. UNCLAIMED BENEFITS

- 13.1 The BOARD will ensure that the FUND maintains a separate record in respect of each UNCLAIMED BENEFIT in the UNCLAIMED BENEFIT ACCOUNT which will be invested in the manner decided by the BOARD from time to time.
- 13.2 If a potential MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE or BENEFICIARY approaches the FUND to claim a benefit at any stage, the BOARD will consider his claim and if satisfied that the claim has been proved, the BOARD must pay to the MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE or BENEFICIARY, from the UNCLAIMED BENEFIT ACCOUNT, that part of the UNCLAIMED BENEFIT, increased with INVESTMENT RETURN less any costs incurred by the FUND in the administration of such benefit.
- 13.3 If any costs are incurred as a consequence of the BOARD having to trace any potential MEMBER, DEFERRED MEMBER, PENSIONER, SPOUSE or BENEFICIARY, the costs associated with doing so may be deducted from the benefits payable to such MEMBER, former MEMBER, PENSIONER, SPOUSE or BENEFICIARY.
- 13.4 The BOARD may develop an unclaimed benefits policy which will be binding on the BOARD, MEMBERS, DEFERRED MEMBERS, PENSIONERS, SPOUSE and BENEFICIARIES.

14. HOUSING LOAN GUARANTEES

14.1 The FUND as guarantor

- 14.1.1 The BOARD will choose one or more FINANCIAL INSTITUTIONS to which the FUND will bind itself as guarantor for housing loans granted to MEMBERS.
- 14.1.2 The FUND will give a guarantee in favour of these FINANCIAL INSTITUTIONS where they grant a loan to a MEMBER for HOUSING PURPOSES as set out in section 19(5) of the ACT, if all the requirements as set out in this RULE 14, and such other conditions as the BOARD and the specific FINANCIAL INSTITUTION may decide upon from time to time, are met.
- 14.1.3 Prior to binding the FUND as guarantor, the BOARD will ensure that the agreement between the FUND and the FINANCIAL INSTITUTION specifies that the FINANCIAL INSTITUTION warrants that the loan is utilised for HOUSING PURPOSES as set out in section 19(5) of the ACT.

14.1.4 The FUND will ensure that when binding the FUND as guarantor, the agreement with the FINANCIAL INSTITUTION specifies that the FUND may only be called upon to satisfy the guarantee where the FUND has concluded that the deduction of the outstanding amount, that is due to the specific FINANCIAL INSTITUTION for the housing loan guarantee, from the MEMBER'S MEMBER SHARE, is the last resort in terms of which the MEMBER may satisfy the loan granted to him by the FINANCIAL INSTITUTION.

14.1.5 Where the FUND has concluded that the deduction of the outstanding amount, that is due to the specific FINANCIAL INSTITUTION for the housing loan guarantee, from the MEMBER'S benefit, is the last resort in terms of which the MEMBER may satisfy the loan granted to him by the FINANCIAL INSTITUTION the FUND may reduce the MEMBER SHARE equal to the outstanding amount on the day payment is to be made to the FINANCIAL INSTITUTION to satisfy the guarantee granted by the Fund.

14.2 **Amount of housing loan guarantee**

The FUND will only guarantee a housing loan amount if it is equal to or less than the least of –

14.2.1 60% of the MEMBER'S withdrawal benefit at the time of applying for the housing loan guarantee;

14.2.2 the maximum amount or percentage set by the specific FINANCIAL INSTITUTION;

14.2.3 a lesser amount as agreed to between the ADVISORY BODY and the BOARD; or

14.2.4 such other maximum percentage as the BOARD may decide on from time to time.

14.3 **Repayment period**

The maximum period over which the MEMBER must repay the housing loan to the FINANCIAL INSTITUTION is the lesser of –

14.3.1 20 years, or

14.3.2 the outstanding term to the MEMBER'S NORMAL RETIREMENT AGE.

14.4 Responsibility of PARTICIPATING EMPLOYER and FINANCIAL INSTITUTION

14.4.1 The FUND will ensure that when binding the FUND as guarantor, the agreement with the FINANCIAL INSTITUTION specifies that the specific FINANCIAL INSTITUTION:

14.4.1.1 will manage the default risk by approving housing loans only to MEMBERS who can afford repayments; and

14.4.1.2 will ensure, prior to granting the housing loan, that the monies loaned will be used for housing purposes by the MEMBER.

14.4.2 The PARTICIPATING EMPLOYER must deduct the required monthly housing loan repayments from the relevant MEMBERS' salaries and pay the loan repayments to the specific FINANCIAL INSTITUTION.

15. GOVERNANCE AND MANAGEMENT OF THE FUND

15.1 General

The FUND shall be managed by eight (8) BOARD MEMBERS, who are responsible for directing, controlling and overseeing the operation of the FUND, upholding all obligations and duties set out in the RULES and the applicable common law and statutory laws of the Republic of South Africa.

15.2 Appointment of BOARD MEMBERS

15.2.1 Based on the proportional representation system, and in accordance with the appointment policy adopted by the FUND from time to time, the two (2) unions with the first and second largest membership participating in the BARGAINING COUNCIL shall have the right to appoint two (2) BOARD MEMBERS each, based on their skill and experience, provided they are not disqualified as contemplated in RULE 15.12. Provided, however, that the FUND shall submit the request in writing to the BARGAINING COUNCIL for the appointment of the BOARD MEMBERS. The BARGAINING COUNCIL shall submit the details of the appointed BOARD MEMBERS to the FUND within fourteen (14) days of the date of the written request. Should the FUND not receive the details of the appointed BOARD MEMBERS within the aforementioned period of fourteen (14) days, the FUND shall have the option to appoint BOARD MEMBERS of its own choosing to fill the vacancies, until notification is received from the BARGAINING COUNCIL.¹⁷⁶

¹⁷⁶ Amendment 4.

15.2.2

¹⁷⁷

15.2.3 50% of the BOARD MEMBERS shall be INDEPENDENT TRUSTEES, appointed in accordance with RULE 15.6.¹⁷⁸

15.2.4 The BOARD MEMBERS will fill any BOARD MEMBER vacancy within 90 days after the position has become vacant.

15.2.5 BOARD MEMBERS will be required to acquire the necessary levels of skills and training as published by the AUTHORITY¹⁷⁹ from time to time within 6 months of his appointment and further will be required to maintain such level of skill and training through-out his term of office.

15.3 Whistle-blowing:

15.3.1 Any BOARD MEMBER on becoming aware of any material matter relating to the affairs of the FUND which, in the opinion of the BOARD MEMBER, may seriously prejudice the financial viability of the FUND or its members, must inform the AUTHORITY¹⁸⁰ thereof in writing as soon as reasonably possible.

15.3.2 Any BOARD MEMBER, within 21 days of removal as TRUSTEE, for reasons other than the expiration of that BOARD MEMBER's term of appointment or voluntary resignation, must submit a written report to the AUTHORITY¹⁸¹ detailing the BOARD MEMBER's perceived reasons for the termination;

15.4 **Term of office**

15.4.1 The term of office of a BOARD MEMBER will start immediately after the date on which he was appointed. It will end 5 (five) years after the BOARD MEMBERS' date of appointment.

15.4.2 A BOARD MEMBER may be re-appointed.

¹⁷⁷ Amendment 4, Updated by amendment 7, removed by amendment 9.

¹⁷⁸ Amendment 9.

¹⁷⁹ Amendment 3.

¹⁸⁰ Amendment 3.

¹⁸¹ Amendment 3.

- 15.4.3 A BOARD MEMBER'S term of office may be shorter than 5 (five) years in the event that he cease to hold office as referred to in RULE 15.4.4.8 and 15.4.4.9 and if so determined by the BOARD MEMBERS.
- 15.4.4 A BOARD MEMBER'S office will come to an end when –
- 15.4.4.1 his term of office expires as set out in RULE 15.4.1;
 - 15.4.4.2 he resigns by giving one month's written notice to the FUND;
 - 15.4.4.3 he dies;
 - 15.4.4.4 he is absent from 3 consecutive meetings, which will include sub-committee meetings, without the prior approval of the Chairperson;
 - 15.4.4.5 the majority of BOARD MEMBERS vote for his removal;
 - 15.4.4.6 following a peer performance review, it is found that he does not meet the standard of competency determined by the BOARD MEMBERS;
 - 15.4.4.7 he breaches any of the provisions of any code of conduct adopted by the BOARD MEMBERS from time to time;
 - 15.4.4.8 the UNION of which he is a representative is deregistered; OR
 - 15.4.4.9 the UNION of which he is a representative no longer maintains the proportional representation as contemplated in clause 15.1 and 15.2.
- 15.4.5 Where a BOARD MEMBER ceases to hold office for a reason set out in 15.4.4.8 and/or 15.4.4.9 above, a new BOARD MEMBER will be appointed on the same basis as that contemplated in clause 15.2.1 and 15.2.4 however, despite that which is stated in clause 15.4.1, that newly appointed BOARD MEMBER will only be appointed for the remainder of the term of the BOARD MEMBER that he replaced.

15.5 **ALTERNATE TRUSTEES**

15.5.1 The FUND may appoint three (3) ALTERNATE TRUSTEES , one (1) of which must be an INDEPENDENT TRUSTEE, to act during the absence of any BOARD MEMBER or INDEPENDENT TRUSTEE provided that only the alternate INDEPENDENT TRUSTEE may act in the absence of an INDEPENDENT TRUSTEE.

15.5.2 ALTERNATE TRUSTEES will be allowed to attend all meetings but will only have the right to exercise voting powers when acting during the absence of a BOARD MEMBER or INDEPENDENT TRUSTEE.

15.6 **INDEPENDENT TRUSTEES**

15.6.1 The BOARD MEMBERS shall appoint 50% INDEPENDENT TRUSTEES.¹⁸²

15.6.2 An INDEPENDENT TRUSTEE shall cease to hold office:

15.6.2.1 if he is employed by the FUND, by a UNION, a PARTICIPATING EMPLOYER, or the ADMINISTRATOR or is a MEMBER, DEFERRED MEMBER or PENSIONER

15.6.2.2 if he gives written notice of his resignation as a BOARD MEMBER to the FUND;
or

15.6.2.3 if he has failed to attend three (3) consecutive meetings, including sub-committee meetings, without leave from the other BOARD MEMBERS; or

15.6.2.4 if the other BOARD MEMBERS resolve that he be removed from office.

15.7 **The CHAIRPERSON and DEPUTY CHAIRPERSON**

15.7.1 The BOARD MEMBERS shall elect a CHAIRPERSON and a DEPUTY CHAIRPERSON from amongst their number.

15.7.2 The CHAIRPERSON shall officiate at BOARD MEMBER meetings. If the CHAIRPERSON is absent from any meeting, the DEPUTY CHAIRPERSON shall perform all functions of the CHAIRPERSON for that meeting.

¹⁸² Amendment 9.

15.7.3 The election of the CHAIRPERSON and DEPUTY CHAIRPERSON shall take place in the following manner:

15.7.3.1 the PRINCIPAL OFFICER shall call for nominations for a CHAIRPERSON from the BOARD MEMBERS;

15.7.3.2 the PRINCIPAL OFFICER shall conduct a closed ballot vote and each BOARD MEMBER shall have 1 (one) vote;

15.7.3.3 the person with a majority of votes shall be elected as the CHAIRPERSON and the person with the second majority votes will be elected as the DEPUTY CHAIRPERSON.

15.7.4 A CHAIRPERSON and the DEPUTY CHAIRPERSON will hold office until –

15.7.4.1 the expiry of 5 (five) years from date of election, unless there is again an election to hold office, provided that a CHAIRPERSON and a DEPUTY CHAIRPERSON may not serve more than 3 (three) consecutive terms;

15.7.4.2 removed from that office by the vote of not less than two-thirds of the BOARD MEMBERS;

15.7.4.3 there is a resignation from that office on not less than 1 (one) month's written notice to the PRINCIPAL OFFICER unless otherwise agreed between the parties in writing;

15.7.4.4 ceasing to be a BOARD MEMBER in terms of these RULES or when the CHAIRPERSON or DEPUTY CHAIRPERSON's term as a BOARD MEMBER expires notwithstanding the possibility that there may be a re-election or re-appointment as a BOARD MEMBER for a further term;

whichever takes place first, in which event the BOARD MEMBERS must elect another BOARD MEMBER as CHAIRPERSON and or DEPUTY CHAIRPERSON.

15.7.5 As part of his duties the CHAIRPERSON (and the DEPUTY CHAIRPERSON in the CHAIRPERSON's absence) shall –

- 15.7.5.1 proactively lead the BOARD impartially;
- 15.7.5.2 confirm the agenda for the meetings;
- 15.7.5.3 manage BOARD meetings to ensure that sufficient time is allowed for discussion of complex or contentious issues;
- 15.7.5.4 ensure that the performance of the BOARD as a whole, the sub-committees and the PRINCIPAL OFFICER is reviewed and evaluated on a regular basis;
- 15.7.5.5 meet regularly with the PRINCIPAL OFFICER to monitor the operations of the FUND; and
- 15.7.5.6 proactively raise issues of concern, on behalf of the BOARD, the PARTICIPATING EMPLOYERS, the ADMINISTRATOR and other service providers.

15.8 Remuneration

- 15.8.1 The BOARD MEMBERS including INDEPENDENT TRUSTEES and ALTERNATE TRUSTEES will receive from the FUND:
 - 15.8.1.1 a refund of all expenses reasonably incurred by them on behalf of the FUND in accordance with policies and limitations set by the BOARD MEMBERS from time to time; and
 - 15.8.1.2 such remuneration, if any, determined by the BOARD MEMBERS from time to time.
- 15.8.2 Payments to the BOARD MEMBERS in terms of this RULE 15.8 will be regarded as expenses of the FUND.

15.9 Powers and Duties of the BOARD MEMBERS, including INDEPENDENT TRUSTEES and ALTERNATE TRUSTEES

- 15.9.1 The BOARD MEMBERS are responsible for directing, controlling and overseeing the operation of the FUND in accordance with all laws which are applicable to the FUND and in accordance with these RULES.

15.9.2 When the BOARD MEMBERS direct, control and oversee the operation of the FUND, the BOARD MEMBERS must –

15.9.2.1 act with due care and diligence and in the best interests of the FUND;

15.9.2.2 take all reasonable steps to protect the interests of the MEMBERS;

15.9.2.3 act in good faith towards the PARTICIPATING EMPLOYERS and other stakeholders;

15.9.2.4 avoid conflicts of interest;

15.9.2.5 act with impartiality in respect of all MEMBERS, DEFERRED MEMBERS, PENSIONERS and BENEFICIARIES;

15.9.2.6 act independently; and

15.9.2.7 exercise their fiduciary duties to MEMBERS, DEFERRED MEMBERS, PENSIONERS, and BENEFICIARIES in respect of accrued benefits or any amount accrued to provide a benefit, as well as a fiduciary duty to the FUND, to ensure that the FUND is financially sound and is responsibly managed and governed in accordance with the RULES and the ACT.

15.9.3 The BOARD MEMBERS must:

15.9.3.1 ensure that proper registers and records of the operations of the FUND are kept, including, but not limited to, proper minutes of all meetings and of all resolutions passed by the BOARD MEMBERS;

15.9.3.2 ensure that true and full accounts of the FUND are kept in accordance with generally accepted accounting practice and any guidelines issued by the AUDITOR from time to time. Those accounts must be made up to the FINANCIAL YEAR END and must fairly present the FUND'S financial state of affairs and position and must be audited by the AUDITOR;

15.9.3.3 ensure that proper controls are used to protect the assets of the FUND, taking into account the advice of the AUDITOR;

- 15.9.3.4 ensure that adequate and appropriate information is given to the MEMBERS informing them of their rights, benefits and obligations in terms of the RULES of the FUND;
- 15.9.3.5 request each PARTICIPATING EMPLOYER to provide the FUND, in writing, with the identity of the persons contemplated in section 13A(8) of the ACT;
- 15.9.3.6 take all reasonable steps to make sure that CONTRIBUTIONS are paid to the FUND as prescribed in the ACT and these RULES;
- 15.9.3.7 obtain expert advice on matters on which the BOARD MEMBERS do not have the requisite expertise;
- 15.9.3.8 ensure that the FUND operates and is administered in terms of the RULES of the FUND, the ACT and other applicable laws and that the RULES are in compliance with these laws; and
- 15.9.3.9 cause to be developed, adopted and updated as and when necessary, the following:
 - 15.9.3.9.1 a code of conduct;
 - 15.9.3.9.2 an investment policy statement;
 - 15.9.3.9.3 a communication policy;
 - 15.9.3.9.4 a risk-management policy;
 - 15.9.3.9.5 a performance assessment tool for BOARD MEMBERS which should inform their education and training policy;
 - 15.9.3.9.6 an appointment policy.

15.10 Sub-Committees

- 15.10.1 The BOARD MEMBERS may constitute the following sub-committees as they feel appropriate from time to time:

15.10.1.1 Audit and risk sub-committee;

15.10.1.2 Administration sub-committee;

15.10.1.3 PENSIONERS' sub-committee;

15.10.1.4 UNCLAIMED BENEFIT sub-committee;

15.10.1.5 Investment sub-committee;

15.10.1.6 Legal sub-committee;

15.10.1.7 Communication and education sub-committee; and

15.10.1.8 Death and DISABILITY sub-committee.

15.10.2 The list of sub-committees as contained in RULE 15.10.1 shall not be deemed to be an exhaustive list.

15.10.3 When constituting any sub-committee the BOARD MEMBERS may co-opt MEMBERS, PENSIONERS and industry experts to form part of such sub-committee.

15.10.4 The mandate of each sub-committee will specify:

15.10.4.1 when meetings of that sub-committee are to be held;

15.10.4.2 how notice of sub-committee meetings is to be given to the members thereof;

15.10.4.3 how a quorum is to be formed; and

15.10.4.4 the manner in which minutes of meeting will be recorded.

15.11 Delegation of powers and duties

15.11.1 The BOARD MEMBERS shall have the power to delegate all or part of their specific functions to such sub-committees, persons or organisations as set out in these RULES

provided that the BOARD shall retain full responsibility of any function performed by such sub-committee or person to whom such function is being delegated.

15.11.2 The BOARD MEMBERS may decide that any power of decision on any matter that is vested in them shall be delegated, on such terms and conditions as they may specify, to a sub-committee, or subcommittees, comprising such of their number and other persons as they nominate from time to time. The decision of a sub-committee to which a power is so delegated shall, unless the BOARD MEMBERS stipulate that it must be referred to them for ratification, be regarded as a decision made by the BOARD MEMBERS.

15.11.3 For the BOARD to exercise its oversight role properly, those to whom functions are delegated should be required to report back regularly on such delegated functions with sufficient and relevant information to enable the board to make an informed performance assessment.

15.12 Disqualification for holding office as BOARD MEMBERS:

No person in any of the following categories shall be eligible for appointment as a BOARD MEMBER and if a BOARD MEMBER at any time falls in any such category he shall cease to hold office with immediate effect:

15.12.1 under the age of 21 (twenty one);

15.12.2 who has become physically or mentally incapable of performing the functions of a BOARD MEMBER;

15.12.3 whose estate has been sequestrated and who has not been rehabilitated by a court;

15.12.4 who has been convicted by a court of theft, fraud, forgery or any other offence involving dishonesty;

15.12.5 who has been removed by a court from any office of trust on account of misconduct;

15.12.6 who has been convicted of any offence and sentenced to imprisonment without the option of a fine;

15.12.7 has reached the age of 70 (seventy) years;

15.12.8 in respect of whom the BOARD MEMBERS, after hearing representations on the matter, have decided on an ordinary majority:

15.12.8.1 has breached the code of conduct determined by the BOARD MEMBERS from time to time;

15.12.8.2 has failed to attend 3 (three) consecutive meetings, including sub-committee meetings, of the FUND;

15.12.8.3 has failed, due to the person's own actions or omissions, to attain and/or maintain the prescribed level of skill and training as a BOARD MEMBER as published in terms of the ACT and/or as determined by the FUND; and / or

15.12.8.4 is not a fit and proper person to occupy a position of trust.

15.13 Meetings, notice, quorum, minutes and voting

15.13.1 The BOARD MEMBERS must meet at least four times every 12 (twelve) months to conduct the business of the FUND.

15.13.2 The FUND must give the BOARD MEMBERS written notice of a meeting at least 14 (fourteen) days before the date of the meeting, unless otherwise agreed.

15.13.3 A quorum will be formed by 4 (four) BOARD MEMBERS, 1 (one) of whom must be an INDEPENDENT TRUSTEE, save for where the decision is one in which an INDEPENDENT TRUSTEE is appointed or removed in which case the quorum will be formed by 4 (four) BOARD MEMBERS.

15.13.4 The BOARD MEMBERS will make sure that there are proper minutes for all meetings of the BOARD MEMBERS and sub-committees.

15.13.5 All decisions of the BOARD MEMBERS will be made by majority decision and, if the votes are equal, the CHAIRPERSON will have a casting vote in addition to his vote as BOARD MEMBER.

15.13.6 As long as there is a quorum present, the BOARD MEMBERS may act even though there is a temporary vacancy in their midst.

15.13.7

15.14 Indemnity

To the extent that the FUND is sufficiently insured, the FUND indemnifies every current or former BOARD MEMBERS and ALTERNATE TRUSTEE, as well as every other person currently or formerly employed by the FUND, including, but not limited to, the PRINCIPAL OFFICER and DEPUTY PRINCIPAL OFFICER of the FUND, against any claim or legal proceedings or lawsuit of any nature (including arbitration), instituted against them as a result of any alleged cause of action or legal offence which has taken place or has arisen whilst they were involved with the affairs or interests of the FUND. This indemnification includes the reasonable legal costs and related expenses which result from the above.

15.15 Fidelity and Professional Indemnity Insurance

15.15.1 The BOARD MEMBERS must ensure that the FUND is insured by a REGISTERED INSURER. The FUND must be insured by that REGISTERED INSURER against any loss which results from the error or omissions, negligence, recklessness, intentional unlawful acts or dishonesty of –

15.15.1.1 a BOARD MEMBER or an ALTERNATE TRUSTEE;

15.15.1.2 the PRINCIPAL OFFICER, DEPUTY PRINCIPAL OFFICER or any other official of the FUND; or

15.15.1.3 an employee of the FUND (if any);

other than a loss which arises when the FUND sells an asset in accordance with a decision about its investments, or when the FUND receives a lower than expected return on its investments or as a result of the payment of a benefit in terms of the RULES, obtain a written undertaking that any other person or party including a PARTICIPATING EMPLOYER has taken out insurance against losses resulting from the negligence, dishonesty or fraud of any other person having the receipt or charge of moneys or other assets or policies belonging to the FUND.

15.15.2 The BOARD MEMBERS shall take reasonable steps to ensure that:

15.15.2.1 any appointed ADMINISTRATOR, AUDITOR, VALUATOR, consultant, financial institution or any other provider of services to the FUND is adequately insured against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty, fraud of any person employed by such service providers; and

15.15.2.2 that the service level agreement with such ADMINISTRATOR, AUDITOR, VALUATOR, consultant, financial institution or any other provider of services provides that the service provider indemnifies the FUND against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty, fraud of any person employed by such service providers.

15.16 Confidentiality of information

15.16.1 The BOARD and officials of the FUND are only entitled to such information from a PARTICIPATING EMPLOYER that they may reasonably require in order to fulfil their responsibilities in terms of the RULES.

15.16.2 The information so obtained may only be used for the purposes of the administration and management of the FUND in terms of these RULES and it may not be disclosed to any person other than FUND officials, employees or agents of the FUND who may likewise only use the information for the purposes of the administration and management of the FUND in terms of these RULES.

15.16.3 No information regarding the administration and management of the FUND may be disclosed to any other person without the permission of the BOARD.

16. ADMINISTRATION OF THE FUND

The BOARD may, in its absolute discretion appoint such consultants and professional expert advisors to assist the BOARD to perform its duties and functions whenever it considers such an appointment or appointments necessary or prudent.

16.1 PRINCIPAL OFFICER and DEPUTY PRINCIPAL OFFICER

16.1.1 Appointment of PRINCIPAL OFFICER

- 16.1.1.1 The BOARD must appoint a PRINCIPAL OFFICER as required by the ACT and apply to the AUTHORITY¹⁸³ for approval of this appointment.
- 16.1.1.2 Once the AUTHORITY has confirmed the PRINCIPAL OFFICER'S appointment, the PRINCIPAL OFFICER will represent the FUND in all respects as far as its dealings with the AUTHORITY are concerned.
- 16.1.1.3 The BOARD may terminate the service of the PRINCIPAL OFFICER on 3 months' written notice to the PRINCIPAL OFFICER and make another appointment in his place at any time, following the same procedure as set out in RULE 16.1.1.1.
- 16.1.1.4 The PRINCIPAL OFFICER may resign by giving at least 30 days written notice to the BOARD.
- 16.1.2 Functions and duties of the PRINCIPAL OFFICER shall include:
 - 16.1.2.1 ensuring that decisions of the BOARD are executed;
 - 16.1.2.2 ensuring that the FUND complies with the formal requirements of law, including directives from the AUTHORITY, REVENUE AUTHORITIES, and any other relevant regulatory authority;
 - 16.1.2.3 liaising on behalf of the BOARD with service providers to the FUND, unless where there is direct contact between the BOARD and the service provider;
 - 16.1.2.4 ensuring that he has procured adequate insurance cover and remains adequately insured for the duration of his tenure as PRINCIPAL OFFICER;
 - 16.1.2.5 contributing at BOARD meetings even though, as PRINCIPAL OFFICER, he does not have any vote in any decisions of the BOARD.
- 16.1.3 Appointment of a DEPUTY PRINCIPAL OFFICER
 - 16.1.3.1 The BOARD MEMBER must appoint a DEPUTY PRINCIPAL OFFICER who shall perform such functions as delegated to him by the PRINCIPAL OFFICER,

¹⁸³ Amendment 3.

and may withdraw that appointment by giving at least 30 days' written notice to the DEPUTY PRINCIPAL OFFICER.

16.1.3.2 The DEPUTY PRINCIPAL OFFICER must ensure that he has procured adequate insurance cover and remains adequately insured for the duration of his tenure as DEPUTY PRINCIPAL OFFICER.

16.1.3.3 Whenever the DEPUTY PRINCIPAL OFFICER is likely to be acting in place of the PRINCIPAL OFFICER for a period in excess of 30 days, the BOARD must inform the AUTHORITY in writing of that fact and of the DEPUTY PRINCIPAL OFFICER'S name and contact details.

16.1.3.4 If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform his duties, the DEPUTY PRINCIPAL OFFICER will act in the place of the PRINCIPAL OFFICER for the period of his absence or inability and notify the AUTHORITY accordingly.

16.2 **Monitoring Person**

The BOARD may, subject to the provisions of section 13A(6) of the ACT appoint a monitoring person to perform such monitoring and compliance functions as contemplated in section 13A of and regulation 33 to the ACT.

16.3 **Administration of the FUND**

16.3.1 The FUND may either:

16.3.1.1 self-administer on obtaining the required approvals in terms of the ACT; or

16.3.1.2 delegate the administration functions to an ADMINISTRATOR in accordance with the RULES, the ADMINISTRATION AGREEMENT, and the ACT, provided that the BOARD may only appoint an organisation that has been approved by the AUTHORITY¹⁸⁴ as an administrator in terms of the ACT.

16.3.2 The PARTICIPATING EMPLOYERS shall from time to time furnish to the FUND, in respect of those ELIGIBLE EMPLOYEES who are MEMBERS, all necessary particulars affecting their benefits or their entitlement to benefits. The FUND shall be entitled to act

¹⁸⁴ Amendment 3.

upon such particulars without further enquiry and shall not be responsible to any MEMBER or to the PARTICIPATING EMPLOYER or to any other person or body whatsoever for any misstatements or errors or omissions which may be contained in such particulars.

16.3.3 The ADMINISTRATOR must perform its duties and responsibilities in the manner as contained in its agreement with the FUND and the provisions of the ACT.

16.3.4 The ADMINISTRATOR shall keep a complete record of all necessary particulars of the MEMBERS and all persons entitled to benefits and all other matters essential to the operation of the FUND.

16.3.5 The ADMINISTRATOR shall observe the provisions of the Financial Institutions (Protection of Funds) Act 2001 and any other relevant legislation.

16.4 VALUATOR

16.4.1 The BOARD shall appoint VALUATOR to undertake annual actuarial valuations and make annual recommendations to the BOARD on the distribution of investment returns earned in the FUND YEAR and to make such other mortality, actuarial, financial and expense investigations as may be required by the BOARD from time to time.

16.4.2 The FUND must within 30 (thirty) days after the appointment of a VALUATOR provide to the AUTHORITY¹⁸⁵ written notice of the appointment by furnishing the AUTHORITY with the prescribed information in respect of the appointee.

16.4.3 The relationship between the FUND and the VALUATOR shall be governed by a service level agreement signed by the VALUATOR and the PRINCIPAL OFFICER of the FUND.

16.4.4 Where an appointed VALUATOR resigns or where his appointment is terminated by the FUND, the FUND must, within 90 days, appoint another VALUATOR.

16.4.5 On an annual basis the VALUATOR will be required to undertake an annual actuarial investigation into the operation of the FUND and make recommendations regarding the following:

16.4.5.1 the amount to be transferred to the MEMBER SHARE ACCOUNT as part of the final BONUS to be declared for the FUND YEAR;

¹⁸⁵ Amendment 3.

16.4.5.2 the correctness of the MEMBER SHARE ACCOUNTS as at the FINANCIAL YEAR END; and

16.4.5.3 the balances to be held in any CONTINGENCY and/or RESERVE ACCOUNTS

16.4.5.4 the appropriateness of the assets held by the FUND given the facilities.

16.4.6 The VALUATOR shall have:

16.4.6.1 the right to at all reasonable times see and make copies of the MEMBER data and financial records of the FUND;

16.4.6.2 the right to get from the ADMINISTRATOR, asset manager and the relevant REGISTERED INSURER all information that he thinks is necessary;

16.4.6.3 the right to investigate whether there are adequate measures and procedures to ensure that the FUND operates in a sound financial manner; and

16.4.6.4 the right to investigate any aspect of the FUND which could have a bearing on its financial soundness.

16.5 AUDITOR

16.5.1 The BOARD shall appoint an AUDITOR to undertake an annual audit of the FUND, accounting and forensic investigations as maybe required by the BOARD from time to time.

16.5.2 The relationship between the FUND and the AUDITOR shall be governed by a service level agreement signed by the AUDITOR and the PRINCIPAL OFFICER of the FUND.

16.5.3 On an annual basis the AUDITOR will be required to undertake an annual accounting reconciliation of accounts of the FUND and the membership of the scheme the AUDITOR shall:

16.5.3.1 reconcile and verify the contributions received by the FUND in respect of each PARTICIPATING EMPLOYER with the salaries of the MEMBERS.

16.5.3.2 reconcile and verify the claims paid by the FUND in respect of each PARTICIPATING EMPLOYER by type of claim.

16.5.3.3 reconcile and verify any transfers between any of the ACCOUNTS of the FUND.

16.5.3.4 reconcile and verify the membership of the FUND.

16.5.3.5 independently confirm and verify all the investments and any other assets of the FUND.

16.5.4 The AUDITOR shall have:

16.5.4.1 the right to at all reasonable times see and make copies of the accounting records and all books, vouchers, documents and other property of the FUND;

16.5.4.2 the right to get from the BOARD all such information and explanations in relation to the FUND that he thinks are necessary;

16.5.4.3 the right to investigate whether there are adequate measures and procedures to ensure that the FUND operates in a sound, cost-effective and cost-efficient way for the benefit of MEMBERS and their DEPENDENTS; and

16.5.4.4 the right to investigate any aspect of the management of the FUND which has a bearing on the control and use and expenditure of its assets.

16.5.5 Within four months after each FUND ANNIVERSARY, the AUDITOR shall prepare and submit to the BOARD statements of the FUND'S financial affairs in accordance with the provisions of the ACT. The financial statements will then be submitted by the FUND to the AUTHORITY as required by the ACT. The report must state whether, in his opinion:

16.5.5.1 the statements in all material respects fairly present the financial position of the FUND in accordance with generally accepted accounting practice; and

16.5.5.2 that the transactions during the FINANCIAL YEAR in question of which the AUDITOR is aware took place in accordance with:

16.5.5.2.1 the RULES;

16.5.5.2.2 all applicable laws.

16.6 Appointment of ADVISORY BODY

- 16.6.1 Each PARTICIPATING EMPLOYER may appoint an ADVISORY BODY, consisting of at least two persons.
- 16.6.2 The BOARD MEMBERS will from time to time decide on the role and functions of the ADVISORY BODY and inform the ADVISORY BODY accordingly.
- 16.6.3 The ADVISORY BODY is not authorised to appoint BOARD MEMBERS
- 16.6.4 The ADVISORY BODY is not authorised to act for or on behalf of the BOARD MEMBERS or the FUND and will not perform any services for or on behalf of the BOARD MEMBERS or the FUND.
- 16.6.5 Neither the BOARD MEMBERS nor the FUND will under any circumstances or in any manner be liable or responsible for any claim at all because of anything done or not done by the ADVISORY BODY.

16.7 Providing information to the FUND

- 16.7.1 Each PARTICIPATING EMPLOYER must provide the FUND with the information relating to the MEMBERS as the BOARD MEMBERS may reasonably require for the purposes of the FUND. This includes the information required by the COMMISSIONER.
- 16.7.2 Each PARTICIPATING EMPLOYER must inform the FUND of the reason for a MEMBER'S termination of SERVICE. The FUND will be entitled to act on this information without further enquiry to determine the benefit to which the MEMBER is entitled.
- 16.7.3 Each PARTICIPATING EMPLOYER indemnifies the FUND against any loss, damage or liability as a result of the FUND acting on the information given by that PARTICIPATING EMPLOYER.
- 16.7.4 The ADVISORY BODY must give the FUND all the necessary particulars relating to a MEMBER'S benefit or his entitlement to a benefit under the FUND.

16.8 **Expenses, fees and costs relating to the FUND**

Unless it is specified otherwise, the FUND will be responsible for the payment of the following fees, expenses and remuneration in connection with its management and administration and the investment of its moneys:

- 16.8.1 FUND Expenses: this includes the costs relating to any actuarial investigations and/or advice/services provided to the Fund, audit of the FUND, the remuneration of the BOARD MEMBERS, INDEPENDENT BOARD and the PRINCIPAL OFFICER or DEPUTY PRINCIPAL OFFICER, the costs of the fidelity guarantee insurance policy and the professional indemnity insurance policy, levies payable to any institution under any relevant legislation and such other expenses as may be determined by the BOARD MEMBERS.
- 16.8.2 Consulting Fees: this includes the commission or advisory fee payable to any financial adviser.
- 16.8.3 Asset Management Fees: these are the fees charged by any individual or portfolio management company appointed to manage all or a portion of the assets of the FUND.
- 16.8.4 Administration Fees: this includes the costs of administering FUND, costs of administering the housing loan guarantees referred to in RULE 14, fees payable to any institution under any relevant legislation, and such other costs as may be determined by the BOARD MEMBERS from time to time.
- 16.8.5 Insurance Costs: these are the premiums relating to the group risk and the separately insured insurance benefits arranged by any PARTICIPATING EMPLOYER. The FUND receives the premiums of the separately insured insurance benefits merely as an agent for the PARTICIPATING EMPLOYER. The FUND only pays the premium to the INSURER on behalf of the PARTICIPATING EMPLOYER once it has received such premium from the PARTICIPATING EMPLOYER. It is not the FUND'S responsibility to pay the premiums of the separately insured insurance benefits to the INSURER. The FUND is also not responsible for paying any benefits relating to these separately insured insurance benefits when they become due and payable.¹⁸⁶

¹⁸⁶ Amendment 2.

17. INVESTMENT OF THE ASSETS OF THE FUND

17.1 Bank account

All moneys received on account of the FUND must be paid into a banking account opened in the name of the FUND, in terms of the Banks Act 94 of 1990.

17.2 Duties of the BOARD in relation to the FUND'S investments

17.2.1 The BOARD shall develop an investment policy and strategy for the FUND, taking into account the long-term interests of the FUND and its MEMBERS. The policy and strategy must include guidelines on:

17.2.1.1 the investment objectives of the FUND;

17.2.1.2 the nature of investments which are appropriate to those objectives with reference, if appropriate, to different categories of MEMBERS;

17.2.1.3 the types of investments which the FUND is prepared to make and those that are not prepared to make, regular reviews of the performance of the investments; and

17.2.1.4 the extent, if any, to which each MEMBER will be permitted to decide how assets attributable to him will be invested.

17.2.2 The BOARD shall ensure that the FUND'S investments are made in accordance with the policy and strategy and in accordance with sound financial principles:

17.2.2.1 establish effective measures for the control of the investments and to manage the risks associated with the investments of the FUND; and

17.2.2.2 if the investment policy and strategy allows for the investment of assets in a futures contract, an option contract, loan stock or any instrument that the AUTHORITY¹⁸⁷ by notice in the Government Gazette declares to be a financial instrument, take such prudent precautions to control the risks associated with investments in these kinds of instruments.

¹⁸⁷ Amendment 3.

17.3 Powers of the BOARD in relation to the FUND'S investments

17.3.1 The BOARD shall have the power to:

17.3.1.1 invest in and dispose of immovable property;

17.3.1.2 invest, lend, put out at interest, place on deposit, make advances of or otherwise deal with the moneys of the FUND upon such security and in such manner as it may decide from time to time;

17.3.1.3 sell, change, reinvest or otherwise deal with shares and other investments;

17.3.1.4 obtain an overdraft from a bank or borrow from any other party such amount as it decides and on such terms as it thinks fit in order to complete any investment or meet any temporary unforeseen cash shortage. For this purpose it can give such security as it decides as long as together all amounts borrowed by the FUND do not exceed half of the FUND'S total income before deductions from all sources during the previous FUND YEAR unless authorised by the AUTHORITY¹⁸⁸;

17.3.1.5 establish nominee or other companies or trusts or authorise an approved nominee company to hold the assets of the FUND for the purpose of the effective investment of the FUND'S assets; and

17.3.1.6 effect policies of insurance with one or more REGISTERED INSURERS for the purposes of investing the FUND'S moneys in order to meet the cost of providing benefits in terms of these RULES and / or to insure, in whole or in part, the death and DISABILITY benefits payable in terms of these RULES.

17.3.1.7 Due to an unforeseen and unavoidable disaster beyond the control of the FUND, the BOARD may declare a CONTRBUTION BREAK for the period of the disaster.¹⁸⁹

17.3.2 The power of the BOARD MEMBERS to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the BOARD MEMBERS, on such terms and conditions as they may specify, to:

¹⁸⁸ Amendment 3.

¹⁸⁹ Amendment 6.

17.3.2.1 a sub-committee of such of their number as they nominate; or

17.3.2.2 a FINANCIAL INSTITUTION; or

17.3.2.3 a person approved in terms of section 4(1)(a) of the Securities Services Act 36 of 2004.

17.3.3 The BOARD MEMBERS shall not be liable for the negligence, dishonesty or fraud of an institution referred to in RULE 17.3.2.2 or a person referred to in RULE 17.3.2.3.

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

17.3.5 Whilst the BOARD MEMBERS shall take reasonable steps to ensure that the interests of all MEMBERS, SPOUSE, PENSIONERS and BENEFICIARIES are protected, the BOARD MEMBERS and the FUND shall not be liable for any loss, damage or prejudice suffered, or alleged to be suffered, by any MEMBER, SPOUSE, PENSIONER and BENEFICIARIES or other person claiming to be entitled to a benefit under the FUND, as a result of or in connection with any investment choice made by a MEMBER, SPOUSE or BENEFICIARY or on behalf of a MEMBER, SPOUSE, DEPENDENT, PENSIONER or BENEFICIARY.¹⁹⁰

17.4 **Member investment choice**

17.4.1 It is specifically provided that the investment powers of the BOARD may be delegated by it to each MEMBER of the FUND on such terms and conditions and in accordance with such procedures as the BOARD may prescribe from time to time as set out otherwise in these RULES. These terms, conditions and procedures include but are not limited to:

17.4.1.1 the right of the BOARD to determine, in consultation with the relevant REGISTERED INSURER 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 MEMBER SHARE and/or

¹⁹⁰ Amendment 2.

contributions paid by and in respect of him. These portfolios will be distinguished by the risk and expected return offered;

17.4.1.2 the right of the BOARD, in its 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 on a monthly basis; and

17.4.1.3 in the case of a MEMBER who does not elect within such timeframe specified by the BOARD, an investment portfolio in respect of all or part of their MEMBER SHARE and/or contributions paid by and in respect of him, will be invested in the default portfolio as determined by the BOARD in consultation with the REGISTERED INSURER from time to time.

17.4.2 If a MEMBER has made a positive election, his MEMBER SHARE will continue to be invested according to that election unless the MEMBER submits a switch form to the ADMINISTRATOR or the BOARD, as the case may be, in writing.

17.4.3 The MEMBER may exercise an investment choice provided for by the FUND; however, if the particular portfolio has limitations on switching out, these restrictions will apply to any MEMBER that has elected to invest in such portfolio.

17.4.4 If a MEMBER makes a choice it will be implemented effective as provided for in the member investment choice policy.

17.4.5 It is the MEMBER'S responsibility to ensure that the FUND has received his investment switching form.

17.4.6 The MEMBER will be responsible for the administration costs, if any, associated with this switch. The FUND will communicate these costs to the MEMBER.

17.4.7 The BOARD must take reasonable steps to ensure that MEMBERS are adequately informed of their investment choices available to them and the consequences of their decisions. The BOARD will in no way advise, influence or assist MEMBERS in making their choices, and such advice is to be sought and obtained by MEMBERS.

17.4.8 Whilst the BOARD must take reasonable steps to ensure that the interests of all MEMBERS are protected, the BOARD and the FUND will 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.

17.4.9 All the provisions described in this RULE 17.4 will apply *mutatis mutandis* to DEFERRED MEMBERS.

17.5 **Late payment interest on benefits**

17.5.1 Late payment interest may be payable on any lump sum benefit due to a MEMBER or BENEFICIARY on a MEMBER'S retirement, leaving SERVICE or death, subject to the provisions of the ACT.

17.5.2 Late payment interest will only be payable from CALCULATION DATE until date of payment of the benefit.

17.6 **Disinvestment of moneys pending transfer or payment**

17.6.1 Notwithstanding anything to the contrary contained in the RULES, in any of the circumstances envisaged in RULES 9, 10, 11, 12, or 7.2, the BOARD shall within a reasonable period from the date on which the FUND is notified of a retirement, death, withdrawal transfer or liquidation, or within a reasonable time of the happening of the actual event, whichever is the later, arrange for the transfer of the MEMBER SHARE ACCOUNT or the assets or the appropriate portion of the assets of the FUND, may be applicable, to the FUND'S bank account.

17.6.2 Interest earned under RULE 17.5 shall form part of the benefit payable to the MEMBER.

18. **PERSONAL INFORMATION**

18.1 Personal information refers to any information that relates to a living, identifiable person, and includes information relating to a MEMBER and/or BENEFICIARY'S name, age, identity number, address, health, marital status, race, gender and employment.

18.2 The FUND will analyse personal information relating to both MEMBERS and BENEFICIARIES, provided by the MEMBER in his application form for membership, and on any subsequent transfers into the FUND on behalf of the MEMBER, to provide benefits to the MEMBER and the

BENEFICIARIES. The FUND may store personal information on its database for administrative purposes and to comply with applicable laws.

18.3 The FUND may also, from time to time, share personal information relating to MEMBERS and BENEFICIARIES with third party service providers to the FUND, including, without limitation, the REGISTERED INSURER, the AUDITOR and VALUATOR.

18.4 Where personal information is shared as contemplated above, the FUND shall take all reasonable steps to ensure that all its third party providers:

18.4.1 only use the personal information for the administration and management of the FUND;

18.4.2 do not disclose the information to anyone else without the permission of the BOARD; and

18.4.3 comply with applicable data protection legislation, including the Protection of Personal Information Act 4 of 2013.

18.5 The FUND shall take all reasonable precautions to preserve the integrity and prevent any corruption or loss, damage or destruction of personal information.

19. **PROTECTED DISCLOSURES**

19.1 In addition to what is provided in sections 8 and 9 of the PROTECTED DISCLOSURES ACT, a disclosure by a BOARD MEMBER, PRINCIPAL OFFICER, DEPUTY PRINCIPAL OFFICER, VALUATOR or other officer or employee of the FUND to the AUTHORITY¹⁹¹ constitutes a PROTECTED DISCLOSURE.

19.2 A BOARD MEMBER, PRINCIPAL OFFICER, DEPUTY PRINCIPAL OFFICER, VALUATOR or other officer or employee of the FUND who makes a PROTECTED DISCLOSURE in accordance with this RULE and the provisions of the PROTECTED DISCLOSURES ACT may not suffer any occupational or other detriment as a result thereof.

19.3 Any person referred to above who suffers any detriment, including occupational detriment as defined in the PROTECTED DISCLOSURES ACT, may –

19.3.1 seek the remedies provided for in the PROTECTED DISCLOSURES ACT, where occupational detriment has been suffered;

¹⁹¹ Amendment 3.

19.3.2 approach any court having jurisdiction for appropriate relief; or

19.3.3 pursue any other process and seek any remedy provided for in law.

20. MISCELLANEOUS PROVISIONS

20.1 Records

20.1.1 Subject to such fee as the BOARD may determine, a MEMBER shall, on application be entitled to a copy of the following documents:

20.1.1.1 the RULES;

20.1.1.2 the last revenue account and the last balance sheet prepared in terms of the ACT;

20.1.1.3 a copy of the latest actuarial valuation report.

20.1.2 Every MEMBER shall be entitled to inspect without charge at the registered office of the FUND a copy of any of the documents referred to in section 35 of the ACT.

20.1.3 The FUND will, subject to RULE 18, keep a record of all the necessary particulars of MEMBERS and of all persons entitled to benefits in terms of the RULES and of all other matters essential to the operation of the FUND.

20.2 Effect on terms of employment

These RULES are not conditions of employment and shall in no way restrict the right of a PARTICIPATING EMPLOYER to terminate the employment of any MEMBER or affect any agreement between a PARTICIPATING EMPLOYER and an ELIGIBLE EMPLOYEE in regard to conditions of SERVICE.

20.3 Binding nature of the RULES of the FUND

These RULES are binding on the FUND, the MEMBERS, DEFERRED MEMBERS, PENSIONERS, the PARTICIPATING EMPLOYERS, the BOARD MEMBERS, the ADMINISTRATOR, any individual appointed to manage the affairs of the FUND, any service

provider appointed by the BOARD MEMBERS, and any person who asserts a claim or claims under these RULES or whose claim or claims are derived from a person so claiming.

20.4 Prohibition of cession and hypothecation

20.4.1 No right to a benefit payable in terms of these RULES shall be capable of being ceded or hypothecated or be liable to be attached or be subject to any form of execution under a judgment or order of a court of law.

20.4.2 If any person attempts to cede or hypothecate a right to a benefit to which he is entitled in terms of these RULES, the benefit shall be withheld or suspended as the BOARD MEMBERS decide; provided that they may pay the whole or part of the benefit to one or more of his DEPENDANTS during such period as they determine.

20.4.3 If the estate of a MEMBER or BENEFICIARY is sequestrated or assigned, the right to a benefit to which he is entitled in terms of these RULES shall not form part of the assets of his insolvent or assigned estate.

20.4.4 Except as provided in these RULES and the ACT, no right to a benefit in terms of these RULES shall become an asset in the deceased estate of any person.

20.5 Disputes

20.5.1 The FUND is a juristic entity which will continue to exist even when the MEMBERS and the BOARD MEMBERS change. It has all of the legal capabilities and powers that a person with full legal capacity has to the extent that an artificial person can have them. These powers include the powers to -

20.5.1.1 sue and be sued in its own name;

20.5.1.2 conclude agreements;

20.5.1.3 acquire, own, hypothecate, hire, let and dispose of property, whether movable or immovable, and whether the property is physical property or intellectual property; and

20.5.1.4 do all things that it needs to be able to do to achieve its objects and to carry out its functions and duties.

- 20.5.2 The decision of the BOARD MEMBERS 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 PARTICIPATING EMPLOYERS, MEMBERS, DEFERRED MEMBERS, PENSIONERS, BENEFICIARIES and every person claiming to be entitled to a benefit under these RULES, subject to the provisions of Section 30A of the ACT.
- 20.5.3 Any question which may arise with regard to a claim by any person under these RULES shall be decided by the BOARD MEMBERS, subject to the provisions of Section 30A of the ACT.
- 20.5.4 If a MEMBER, BENEFICIARY and/or DEFERRED MEMBER or other stakeholder has a dispute with the FUND, he must either put his complaint in writing and deliver it to the PRINCIPAL OFFICER of the FUND or, if he, or it cannot put it in writing, explain it to the PRINCIPAL OFFICER. The PRINCIPAL OFFICER will then record the details of the complaint given to him in writing, and give the written complaint to the chairperson of the FUND.
- 20.5.5 The CHAIRPERSON and/or the PRINCIPAL OFFICER must try to resolve the dispute.
- 20.5.6 If the dispute is not resolved within 30 (thirty) days after it was received, the PRINCIPAL OFFICER must respond to the complaint in writing. If the complainant is not satisfied with the response, he may refer the matter to the ADJUDICATOR in terms of the ACT.
- 20.5.7 If any person affected by a decision of the BOARD MEMBERS is dissatisfied with the decision, he shall
- 20.5.7.1 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 ADJUDICATOR appointed in terms of the ACT which shall be dealt with in accordance with Sections 30D to 30P of the ACT; or
- 20.5.7.2 have the right to refer the matter to arbitration in accordance with the provisions of the Arbitration Act 42 of 1965. Notice of intention to exercise such right must be given by the person concerned to the BOARD MEMBERS not later than three months from the date of the BOARD MEMBERS' decision and before the arbitration commences the person concerned must furnish such security for the

costs of the arbitration as the BOARD MEMBERS may reasonably require. The costs of the arbitration shall follow the award of the arbitrator.

- 20.5.8 The PARTICIPATING EMPLOYERS, the BOARD MEMBERS, 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.

20.6 Claims Against the FUND

- 20.6.1 No stakeholder has any claim against the FUND or the BOARD MEMBERS, other than a claim that the RULES have not been complied with.
- 20.6.2 No stakeholder has a claim against the FUND in respect of any investments made by the FUND in good faith.

20.7 Currency

All CONTRIBUTIONS and all benefits must be paid in South African Rands.

20.8 Amendments to RULES

- 20.8.1 The BOARD MEMBERS may amend, add to, revise or delete provisions from the RULES.
- 20.8.2 The BOARD MEMBERS may amend the SPECIAL RULES on the request of the ADVISORY BODY.
- 20.8.3 Every proposed amendment to these RULES affecting the financial basis of the FUND shall be submitted to the VALUATOR for his report before being adopted.
- 20.8.4 The FUND must submit any amendment to the AUTHORITY¹⁹² for registration within the period prescribed in the ACT. After confirmation of registration by the AUTHORITY, the amendment must be submitted to the COMMISSIONER for tax approval.
- 20.8.5 Notwithstanding any other provisions to the contrary, if any legislation referred to in the RULES is amended or substituted, then such amended or substituted legislation shall apply

¹⁹² Amendment 3.

to the RULES with effect from the date on which such amendment or substitution to the legislation takes effect.

20.9 Communicating with the FUND

All communications in connection with these RULES and the administration of the FUND must be in writing, addressed to the person and sent to the facsimile number or e-mail address as specified by the FUND.

21. PARTIAL TERMINATION AND AMALGAMATION

21.1 Partial termination of the FUND

21.1.1 If a PARTICIPATING EMPLOYER wants to end its participation in the FUND without transferring to another fund, it must give the BOARD MEMBERS a termination notice. This notice must reach the FUND at least 60 days before the intended termination date, unless the BOARD MEMBERS decide to accept a shorter notice period.

21.1.2 The BOARD has the discretion to elect to terminate a PARTICIPATING EMPLOYER'S participation in the FUND, for reasons including, but not limited to¹⁹³⁻

21.1.2.1 Ceasing to conduct business or going into liquidation, whether or not the status of the PARTICIPATING EMPLOYER has been updated accordingly on the website of the Companies and Intellectual Property Commission;¹⁹⁴ or

21.1.2.2 non-payment of contributions by the PARTICIPATING EMPLOYER in terms of section 13A of the ACT, in circumstances where legal proceedings to recover the arrear contributions have been concluded and subsequent attempts to trace the PARTICIPATING EMPLOYER have failed,¹⁹⁵

The Board shall inform the EMPLOYER and MEMBERS of their intention to terminate the PARTICIPATING EMPLOYER'S participation in the FUND where contact information is available¹⁹⁶.

¹⁹³ Amendment 5.

¹⁹⁴ Amendment 5.

¹⁹⁵ Amendment 5.

¹⁹⁶ Amendment 5.

Provided, however, that the PARTICIPATING EMPLOYER shall be liquidated in terms of RULE 21.1.3 and such liquidation shall be limited to the total assets and liabilities attributed to the MEMBERS related to the terminating PARTICIPATING EMPLOYER as determined by the liquidator in consultation with the VALUATOR.¹⁹⁷

The PARTICIPATING EMPLOYER shall then cease to be a PARTICIPATING EMPLOYER and the MEMBERS related to the terminating PARTICIPATING EMPLOYER shall cease to be MEMBERS and shall have no further claim on the FUND.¹⁹⁸

21.1.3 As soon as the termination notice has been given, the FUND will follow the partial dissolution procedure as set out in the ACT and RULE 22 shall apply, with the necessary changes having been made.

21.1.4 When a PARTICIPATING EMPLOYER'S participation in the FUND has ended:

21.1.4.1 that PARTICIPATING EMPLOYER will stop paying contributions to the FUND from the termination date;

21.1.4.2 the PARTICIPATING EMPLOYER must notify the MEMBERS in its employ of the termination; and

21.1.4.3 the BOARD must by resolution adopt and, within 60 days of the date on which the partial liquidation of the FUND was finalised, apply to the AUTHORITY¹⁹⁹ for the approval of that RULE amendment.

21.2 Transfer of PARTICIPATING EMPLOYER to an APPROVED FUND

21.2.1 If a PARTICIPATING EMPLOYER decides to end its participation in the FUND in respect of all or a portion of the MEMBERS in its employment and to transfer these MEMBERS and the assets and liabilities relating to them to an APPROVED FUND, it must give the BOARD MEMBERS a termination and transfer notice. This notice must reach the FUND at least 1 month before the intended transfer date, unless the BOARD MEMBERS decide to accept a shorter notice period. In this case, the following will apply regarding the MEMBERS forming part of the transfer:

¹⁹⁷ Amendment 5.

¹⁹⁸ Amendment 5.

¹⁹⁹ Amendment 3.

21.2.1.1 the PARTICIPATING EMPLOYER will stop paying contributions to the FUND from the transfer date;

21.2.1.2 the MEMBERS will not be entitled to withdrawal benefits, instead they will be transferred to the other APPROVED FUND under section 14 of the ACT; and

21.2.1.3 if all the assets and liabilities relating to the PARTICIPATING EMPLOYER have been transferred to the APPROVED FUND, the BOARD MEMBERS must apply to the AUTHORITY²⁰⁰ for the cancellation of the registration of the PARTICIPATING EMPLOYER as required under the ACT.

21.3 Amalgamation of the FUND with another APPROVED FUND

If the BOARD MEMBERS decide that the FUND must be amalgamated with another APPROVED FUND, they must notify the PARTICIPATING EMPLOYERS of the amalgamation in writing at least 1 (one) month before the intended date of the amalgamation. The BOARD MEMBERS must then ensure that the assets and liabilities or part of the assets and liabilities of the FUND are transferred to that APPROVED FUND under section 14 of the ACT. If all the assets and liabilities have been transferred to the other APPROVED FUND, the BOARD MEMBERS must apply to the AUTHORITY for the cancellation of the registration of the FUND as required under the ACT.

22. TERMINATION OF FUND

22.1 The FUND must be terminated if -

22.1.1 the BOARD MEMBERS pass a resolution stating that it would be in the best interests of its MEMBERS for it to be terminated; or

22.1.2 the High Court decides that the FUND must be terminated.

22.2 The FUND must be dissolved when the BOARD MEMBERS, in terms of RULE 22.1.1, decide that the FUND must be liquidated. This RULE 22.2 does not apply if a High Court decides that the FUND must be liquidated.

22.3 If the FUND is dissolved in terms of RULE 22.1.1, the BOARD MEMBERS must appoint a liquidator. After the AUTHORITY has approved his appointment, the liquidator must:

²⁰⁰ Amendment 3.

- 22.3.1 realise the assets of the FUND;
- 22.3.2 make provision in the amount determined by a VALUATOR for the liabilities of the FUND towards its creditors other than its MEMBERS;
- 22.3.3 make provision for the FUND'S liabilities in respect of UNCLAIMED BENEFITS;

and then, after payment of all expenses incurred in liquidating the FUND and subject to such directions and authorisations by the AUTHORITY²⁰¹ as he may issue,

- 22.3.4 pay the FUND'S creditors the amounts determined by the liquidator to be due to them;
- 22.3.5 pay an amount equal to the amount of the provision for the FUND'S UNCLAIMED BENEFITS to a fund established for the purpose of holding UNCLAIMED BENEFITS and attempting to trace and pay those persons entitled to them;
- 22.3.6 apportion the balance of the assets of the FUND, including amounts held by it as provision for its contingent liabilities, amongst:

- 22.3.6.1 its MEMBERS; and

- 22.3.6.2 those of its former MEMBERS whose memberships of the FUND terminated within 12 (twelve) months before the date on which the appointment of the liquidator was approved,

on a basis that the BOARD MEMBERS decided would be equitable before the appointment of the liquidator. When the liquidator calculates how much is to be paid to a former MEMBER, the liquidator must take into account the amount which was paid to a former MEMBER when he left the FUND.

- 22.3.7 The amounts apportioned in terms of RULE 22.3.6 must be dealt with as follows:

- 22.3.7.1 the amount available for a MEMBER must be applied to purchase an annuity or annuities for him from a REGISTERED INSURER; provided that:

- 22.3.7.1.1 the annuity or annuities must be purchased in the name of the person entitled to the pension;

²⁰¹ Amendment 3.

- 22.3.7.1.2 the liquidator must attempt to ensure that, insofar as this is affordable, the terms and conditions of an annuity purchased for a MEMBER are as similar as possible to the terms and conditions of the pension that would have been purchased for him in accordance with these RULES;
 - 22.3.7.1.3 the annuity so purchased must comply with conditions determined in terms of the provisions of the TAX ACT and the Long-term Insurance Act 52 of 1998, if applicable, and any requirements specified by SARS from time to time; and
 - 22.3.7.1.4 on purchase of the annuity in terms of this RULE, the FUND will have no further liability in respect of the MEMBER or his DEPENDANTS;
- 22.3.7.2 the amount available for a person prospectively entitled to a pension must, as the liquidator may decide²⁰²:
- 22.3.7.2.1 be transferred for that persons' benefit to an APPROVED FUND²⁰³;
or
 - 22.3.7.2.2 be applied to purchase an annuity for that person from a REGISTERED INSURER in which case the provisions of RULE 22.3.7.1 will apply with the changes required by the context²⁰⁴; or
 - 22.3.7.2.3 be paid to that person in cash provided that any amount in the RETIREMENT COMPONENT of a MEMBER may not be paid to that person in cash but must be transferred for that persons' benefit to an APPROVED FUND²⁰⁵;
- 22.3.7.3 the amount available for a former MEMBER whose membership of the FUND terminated within 12 (twelve) months before the date on which the appointment of the liquidator was approved, must²⁰⁶:

²⁰² Amendment 10.

²⁰³ Amendment 10.

²⁰⁴ Amendment 10.

²⁰⁵ Amendment 10.

²⁰⁶ Amendment 10.

22.3.7.3.1 be paid to an APPROVED FUND, to which he or she belongs as at the date of payment, to be used to increase the benefits to which he or she will be entitled to be granted by that fund²⁰⁷; or,

22.3.7.3.2 if there is no such fund, be paid to him or her in cash provided that any amount in the RETIREMENT COMPONENT of a MEMBER may not be paid to that person in cash but must be transferred for that persons' benefit to an APPROVED FUND; and the amount available for a former MEMBER whose membership of the FUND terminated within 12 (twelve) months before the date on which the appointment of the liquidator was approved must be paid to the REGISTERED INSURER from which an annuity was previously purchased for him or her by the FUND to procure an increase in the annuity or annuities payable to the former MEMBER by the REGISTERED INSURER or the purchase of an additional annuity for the former MEMBER²⁰⁸.

22.4 **Liquidation of the FUND when a Court decides that it must be Liquidated**

If a court decides that the FUND must be liquidated, the liquidator must liquidate the FUND in terms of RULE 22.3 with the changes required by the context and subject to the relevant provisions of the ACT.

23. **BUSINESS RESCUE**

23.1 In accordance with section 18A of the ACT the BOARD MEMBERS are obliged to adhere to and comply with the provisions of Chapter 6 of the COMPANIES ACT dealing with business rescue proceedings.

23.2 When acting in accordance with section 18A of the ACT and Chapter 6 of the COMPANIES ACT, the following acts are subject to the approval of the AUTHORITY:

23.2.1 the resolution of a pension fund or administrator to begin business rescue proceedings;

23.2.2 the appointment of a business rescue practitioner;

²⁰⁷ Amendment 10.

²⁰⁸ Amendment 10.

23.2.3 the adoption of a business rescue plan; and

23.2.4 the exercise of a power by the business rescue practitioner under the COMPANIES ACT.