

# FINANCIAL SERVICES BOARD



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The Principal Officer  
c/o ABSA Consultants & Actuaries  
Private Bag X43  
HATFIELD  
0028

N Mataboge

CASE NUMBER : 276309

Dear Madam

## REVISED RULES : SOUTH AFRICAN DENTAL TECHNICIAN EMPLOYEES UMBRELLA FUND

Your e-mail message dated 07 December 2011 refers. Enclosed is a copy of the revised rules duly approved and registered in terms of section 12(4) of the Pension Funds Act, No 24 of 1956.

Yours faithfully

For REGISTRAR OF PENSION FUNDS

Enclosure

---

Board Members: Abel Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime  
Prof PJ Sutherland D Turpin H M H Ratshefola D Msomi M Mnyande (Alternate)  
I Momonial O Makhubela (Alternate) Executive Officer: DP Tshidi

**SABS**  
150 9001



**REPUBLIEK VAN SUID-AFRIKA - REPUBLIC OF SOUTH AFRICA  
WET OP PENSIOENFONDSE, 1956 - PENSION FUNDS ACT, 1956**

Kantoor van die Registrateur van Pensioenfondse  
Office of the Registrar of Pension Funds

Pretoria

**SERTIFIKAAT VAN NAAMSWERANDERING  
CERTIFICATE OF ALTERATION OF NAME**

Hierby sertifiseer ek dat 'n wysiging van die statute van  
I hereby certify that an amendment to the rules of

**SOUTH AFRICAN DENTAL TECHNICIAN EMPLOYEES PENSION FUND**

kragtens artikel 12(4) van die Wet op Pensioenfondse, No. 24 van 1956,  
have been registered under section 12(4) of the Pension Funds Act, No. 24 of 1956,

geregistreeer is waarvolgens die naam van die fonds verander is na  
in terms of which the name of the fund has been changed to

**SOUTH AFRICAN DENTAL TECHNICIAN EMPLOYEES UMBRELLA FUND**

en dat die nuwe naam in die register van pensioenfondse aangeteken is.  
and that the new name has been entered in the register of pension funds.

Gedateer te Pretoria op/ Dated at Pretoria on 07/12/2011

*A. J. J.*

**VIR REGISTRATEUR VAN PENSIOENFONDSE  
FOR REGISTRAR OF PENSION FUNDS**

Board Members: Abel Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime  
Prof PJ Sutherland D Turpin H M H Ratshefola D Msomi M Mnyande (Alternate)  
I Momoniat O Makhubela (Alternate) Executive Officer: DP Tshidi

**SABS**  
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**RULES**  
**OF THE**  
**SOUTH AFRICAN DENTAL TECHNICIAN EMPLOYEES**  
**UMBRELLA FUND**

## RESOLUTION

Extract from the minutes of a meeting of the board of management of the South African Dental Technician Employees Umbrella Fund, held at ...PRETORIA..... on the...20<sup>th</sup> day of ...July..... 2011.....

### RESOLVED THAT:

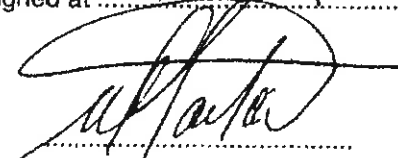
The RULES of the FUND be revised with effect from 1 July 2011.

### CERTIFIED THAT:

The above is a true extract and that the accompanying RULES are the RULES of the FUND which will be effective from 1 July 2011.

The decision to adopt these RULES as the RULES of the FUND was duly taken in accordance with the provisions of the RULES of the FUND.


Signed at ...PRETORIA..... on this ...20<sup>th</sup> day of ...July..... 2011.....

1. 

CHAIRPERSON: BOARD OF MANAGEMENT

1. 

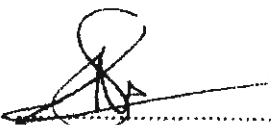
WITNESS

2. 

BOARD MEMBER

2. 

WITNESS

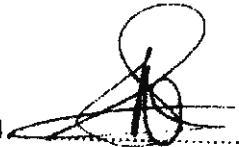
3. 


PRINCIPAL OFFICER

3. 

WITNESS

DEUR MY GEREgistREER OP HEDE DIE REGISTERED BY ME ON THIS THE
..... <u>7th</u> ..... DAG VAN <u>December</u> 20 <u>11</u> DAY OF
<u>Apulley</u> Registateur van Pensioenfondse Registrar of Pension Funds

4.   
ON BEHALF OF FOUNDER

4.   
WITNESS

REGISTRAR  
CAPACITY

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## **1 INTRODUCTION**

### **1.1 NAME AND INCEPTION DATE**

The South African Dental Mechanics Employees Pension Fund was established on 1 November 1951 as an underwritten pension fund. With effect from 1 May 1982, the FUND became a privately-administered pension fund and its name was changed to the South African Dental Technician Employees Pension Fund. With effect from 1 October 1995, the RULES of the FUND were revised. With effect from 1 January 2004, the RULES of the FUND were again revised. The FUND changed to an umbrella fund with effect from 1 July 2011, the name of the FUND was thus changed to the South African Dental Technician Employees Umbrella Fund and the RULES were again revised. If registration of the RULES takes place after 1 July 2011, the RULES shall be deemed to have taken effect from 1 July 2011.

### **1.2 OBJECTIVE OF THE FUND**

The FUND was established with the objective of providing its MEMBERS and BENEFICIARIES with the benefits described in the RULES.

### **1.3 LEGAL CAPACITY AND POWERS**

The FUND is an independent legal entity, existing separately from its MEMBERS and BENEFICIARIES and is, in its own name, capable in law of suing and of being sued, of acquiring, holding and alienating movable and immovable property, and of acquiring rights and obligations.

#### **1.4 REGISTERED OFFICE**

The registered office of the FUND is at Hatfield Gardens Block G, 333 Grosvenor Street, Hatfield, Pretoria, 0083. The postal address of the FUND is at Private Bag X43, Hatfield, 0028.

#### **1.5 FUND IS TO BE GOVERNED IN ACCORDANCE WITH THE RULES**

The FUND will be governed in accordance with the RULES which will be binding on the FUND, its MEMBERS, the PARTICIPATING EMPLOYER and upon persons who claim in terms of the RULES or whose claim is so derived from a person so claiming.

#### **1.6 INTERPRETATION AND DEFINITIONS**

1.6.1 In the RULES, unless inconsistent with the context, words defined in the ACT and not in the RULES will bear the meanings thus assigned to them in the ACT and words and expressions denoting the singular will include the plural and vice versa. Headings and subheadings are solely for ease of reference and will not be taken into account in the interpretation of the RULES.

1.6.2 Unless inconsistent with the context, the following definitions will bear the meanings assigned to them below:

##### **ACT**

The Pension Funds Act, 1956 (Act 24 of 1956) and the regulations and directives promulgated thereunder;

**ACTUARY**

A person admitted as a fellow member of the Actuarial Society of South Africa or any other institution approved by the Minister of Finance by notice in the Government Gazette and appointed as valuator in terms of RULE 12.14;

**ADJUDICATOR**

The Pension Funds Adjudicator or Deputy Pension Funds Adjudicator and any acting Pension Funds Adjudicator appointed in terms of Section 30C(1) of the ACT;

**ADMINISTRATOR**

The person, including a legal person, approved as a retirement fund administrator by the REGISTRAR in terms of the provisions of Section 13B of the ACT and authorised in terms of such approval to administer the disposition of the benefits payable by the FUND and who is appointed in terms of RULE 12.8;

**APPROVED FUND**

A fund that is recognised or has been approved by the South African Revenue Services in terms of the INCOME TAX ACT as a pension fund, a provident fund, a pension preservation fund or a retirement annuity fund and in respect of which a MEMBER meets the eligibility requirements for admission to membership thereof;

**AUDITOR**

An auditor registered under the Auditing Profession Act, 2005 (Act 26 of 2005) and appointed in terms of RULE 12.9;

**BENEFICIARY**

A NOMINEE or a DEPENDANT who is entitled to a benefit in terms of the RULES;

**BOARD MEMBER**

A member of the BOARD OF MANAGEMENT appointed or elected in terms of RULE 12.1.2;

**BOARD OF MANAGEMENT**

The persons appointed or elected as such in terms of RULE 12.1.2, including any alternate BOARD MEMBERS;

**BONUS DECLARED INVESTMENT PORTFOLIO**

An INVESTMENT PORTFOLIO providing for the vesting of the assets in such INVESTMENT PORTFOLIO by way of a declaration of INVESTMENT RETURN and/or INTERIM INVESTMENT RETURN, as applicable, by the relevant INVESTMENT MANAGER or the ACTUARY;

**CHAIRPERSON**

The chairperson appointed by the BOARD OF MANAGEMENT in terms of RULE 12.2.2;

**COMPLAINANT**

Any person or group of persons who is or who claims to be:

- (a) a MEMBER or former MEMBER;
- (b) a BENEFICIARY or former BENEFICIARY;
- (c) the PARTICIPATING EMPLOYER;
- (d) a BOARD MEMBER; or
- (e) a person who has an interest in a COMPLAINT;

**COMPLAINT**

An allegation made by and in respect of a COMPLAINANT relating to the administration of the FUND, the investment of its assets or the interpretation and/or application of the RULES and alleging:

- (a) that a decision of the FUND or any person purportedly taken in terms of the RULES was in excess of the powers of the FUND or such person or constituted an improper exercise of the powers of the FUND or such person;
- (b) that the COMPLAINANT has sustained or may sustain prejudice in consequence of the maladministration of the FUND by the FUND or any person, whether by act or omission;

- (c) that a dispute of fact or law has arisen in relation to the FUND between the FUND or any person and the COMPLAINANT; or
- (d) that the PARTICIPATING EMPLOYER has not fulfilled its duties in terms of the RULES;

provided that an allegation that does not relate to a specific COMPLAINANT will not constitute a COMPLAINT;

### **CONTRIBUTIONS**

The amounts paid or payable (depending on the context) by a MEMBER or a PARTICIPATING EMPLOYER to the FUND, as the case may be, in terms of the RULES;

### **DATA AND PROCESSING RESERVE ACCOUNT**

A separate account established in the books of the FUND in terms of RULE 4.5 to make provision for data and/or processing contingencies;

### **DEPENDANT**

In relation to a MEMBER:

- (a) a person in respect of whom the MEMBER is legally liable for maintenance;
- (b) a person in respect of whom the MEMBER is not legally liable for maintenance, if such person:
  - (i) was, in the opinion of the BOARD OF MANAGEMENT, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;



- (ii) is the SPOUSE of the MEMBER;
  - (iii) is a child of the MEMBER, including a posthumous child, an adopted child and a child born out of wedlock;
- (c) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died;

#### **DISABILITY INCOME POLICY**

A separate disability income insurance policy that is maintained by the PARTICIPATING EMPLOYER for the benefit of the MEMBERS;

#### **EMPLOYEE**

A registered dental technician who is in the full-time permanent service of a dentist or dental technician contractor, including a member of a close corporation or a full-time working director, in respect of whom the PARTICIPATING EMPLOYER has notified the FUND as such in writing and who is not in receipt of benefits that are payable in accordance with the provisions of the RULES;

#### **EQUITABLE SHARE**

In respect of any MEMBER, the amount determined in terms of RULE 4.1;

#### **FOUNDER**

South African Dental Technicians Council;

**FUND**

South African Dental Technician Employees Umbrella Fund;

**FUND ANNIVERSARY**

The first day of January in each year;

**FUND YEAR**

A period of 12 (twelve) calendar months or such other period as may be approved by the REGISTRAR, commencing on the FUND ANNIVERSARY and terminating on the day before the subsequent FUND ANNIVERSARY;

**INCEPTION DATE**

1 November 1951;

**INCOME TAX ACT**

The Income Tax Act, 1962 (Act 58 of 1962);

**INSURER**

An insurer registered under the Long-Term Insurance Act, 1998 (Act 52 of 1998) to transact long-term insurance business;

**INTERIM INVESTMENT RETURN**

The rate or rates as determined from time to time by the INVESTMENT MANAGER or ACTUARY, as the case may be, and as approved by the BOARD OF MANAGEMENT,

after taking into account the net yield expected to be earned on the investment of the FUND'S assets in the relevant INVESTMENT PORTFOLIO. Such rate or rates once determined will, where applicable, be utilised as the BOARD OF MANAGEMENT, in consultation with the ACTUARY, will determine;

### **INVESTMENT MANAGER**

An institution approved as a retirement fund administrator by the REGISTRAR in terms of the provisions of Section 13B of the ACT and authorised in terms of such approval to administer the investment of retirement fund assets and which is appointed in terms of RULE 12.15;

### **INVESTMENT PORTFOLIO**

An investment account which is operated by an INVESTMENT MANAGER, including any deposit account in the name of the FUND with any financial institution, on behalf of the FUND and which is approved by the BOARD OF MANAGEMENT for the purposes of the investment of the assets of the FUND;

### **INVESTMENT RETURN**

The rate or rates as determined by the INVESTMENT MANAGER or ACTUARY, as the case may be, and as approved by the BOARD OF MANAGEMENT, after taking into account the net yield achieved on the investment of the FUND'S assets in the relevant INVESTMENT PORTFOLIO. Such rate or rates will, where applicable, be utilised as the BOARD OF MANAGEMENT, in consultation with the ACTUARY, will determine;

**MEMBER**

An EMPLOYEE who has been admitted to membership of the FUND in terms of the RULES and who has not ceased to be a MEMBER in terms of the RULES, including a PENSIONER, a person in receipt of a disability income benefit from the DISABILITY INCOME POLICY and an EMPLOYEE temporarily absent from the service of his or her PARTICIPATING EMPLOYER in terms of RULE 9;

**MEMBER SURPLUS ACCOUNT**

A separate account established in the books of the FUND in terms of RULE 4.6 to provide for the allocation of future surplus under the FUND;

**NOMINEE**

In respect of any MEMBER, a person, other than a DEPENDANT, designated in writing, including an electronic format as approved by the BOARD OF MANAGEMENT, by the MEMBER to receive benefits in accordance with RULE 14.4 upon the MEMBER'S death;

**NON-MEMBER SPOUSE**

A person who is no longer the SPOUSE of a MEMBER due to the dissolution or confirmation of the dissolution of the relationship by a court order and to whom the court ordering or confirming the dissolution of the relationship has granted a share of the MEMBER'S pension interest in the FUND;

**NORMAL RETIREMENT AGE**

Age 65 (sixty-five) years;

**NORMAL RETIREMENT DATE**

The first day of the month coinciding with or immediately following attainment of the NORMAL RETIREMENT AGE;

**PARTICIPATION DATE**

The INCEPTION DATE; provided that in relation to a PARTICIPATING EMPLOYER who is admitted to the FUND subsequent to such date, PARTICIPATION DATE will mean the date as from which such PARTICIPATING EMPLOYER is admitted to the FUND;

**PARTICIPATING EMPLOYER**

An employer whose participation in the FUND has been approved by the BOARD OF MANAGEMENT in accordance with the RULES. In respect of any MEMBER, PARTICIPATING EMPLOYER means the PARTICIPATING EMPLOYER in whose service the MEMBER is at that point in time or by whom the MEMBER was last so employed, as the case may be;

**PENSIONABLE SALARY**

- (a) In respect of any MEMBER, that part of the MEMBER'S monthly or weekly remuneration that such MEMBER receives from the PARTICIPATING EMPLOYER including any other regular remuneration as agreed between the

PARTICIPATING EMPLOYER and the MEMBER to be pensionable.

For the purpose of calculating benefits and CONTRIBUTIONS, a MEMBER'S PENSIONABLE SALARY will be determined when membership of the FUND commences and thereafter on the first day of any month coinciding with or immediately following the date of any PENSIONABLE SALARY adjustment.

In the event of a reduction in the MEMBER'S PENSIONABLE SALARY, a MEMBER may, with the consent of the PARTICIPATING EMPLOYER and the BOARD OF MANAGEMENT, elect to retain such higher PENSIONABLE SALARY amount as was applicable immediately prior to the reduction and all benefits and CONTRIBUTIONS will be based on such previous higher PENSIONABLE SALARY.

- (b) In respect of a disabled MEMBER who is receiving a disability income benefit from the DISABILITY INCOME POLICY, the MEMBER'S PENSIONABLE SALARY at the commencement of disablement, increased by the same percentage as that by which the disability income benefit is increased from time to time.
- (c) In respect of a MEMBER who receives remuneration in a foreign currency, the MEMBER'S PENSIONABLE SALARY in paragraph (a) above as expressed in South African currency before conversion to the foreign currency, as notified in writing to the MEMBER by the PARTICIPATING EMPLOYER;

**PRINCIPAL OFFICER**

The person appointed in terms of RULE 12.4 to fulfil the function of principal officer as defined in the ACT:

**QUALIFYING PARTNER**

In respect of a deceased PENSIONER, a person who renders proof to the satisfaction of the BOARD OF MANAGEMENT that, on the date of such PENSIONER'S death, such person was the SPOUSE of the PENSIONER.

If more than one QUALIFYING PARTNER is recognised in respect of a deceased PENSIONER, the benefit shall be divided between the QUALIFYING PARTNERS as the BOARD OF MANAGEMENT deems appropriate;

**REALISATION DATE**

The date on which an individual MEMBER'S assets in the FUND, representing such MEMBER'S benefit in the FUND, is to be paid to the FUND in terms of RULES 4.3.6.1 or 4.4.5.1, whichever is applicable, as a result of such MEMBER'S retirement in terms of the RULES or as a result of such MEMBER'S termination of membership of the FUND;

**REGISTRAR**

The Registrar of Pension Funds as appointed in terms of the Financial Services Board Act, 1990 (Act 97 of 1990);

### **RETIREMENT DATE**

In respect of a MEMBER who retires prior to or after the NORMAL RETIREMENT DATE, the 1<sup>st</sup> (first) day of the month coinciding with or immediately following the date on which the MEMBER ceases to be an EMPLOYEE;

### **RULES**

The rules of the FUND as amended from time to time and as registered by the REGISTRAR, and will include:

- (a) the act, charter, deed of settlement, memorandum of association, or other document by which the FUND is constituted;
- (b) the articles of association or other rules for the conduct of the business of the FUND; and
- (c) the provisions relating to any rights, obligations or benefits which may be granted or imposed by and the CONTRIBUTIONS which may become payable to the FUND, or provisions in accordance with which the rights, obligations and benefits will be calculated or determined;

### **SPOUSE**

A person who is the permanent life partner or spouse or civil union partner of a MEMBER in accordance with the Marriage Act, 1961 (Act 68 of 1961), the Recognition of Customary Marriages Act, 1998 (Act 120 of 1998), or the Civil Union Act, 2006 (Act 17 of 2006), or the tenets of a religion;



**SURPLUS APPORTIONMENT DATE**

1 January 2004;

**UNIT**

In respect of any UNITISED INVESTMENT PORTFOLIO, the measurement used by the INVESTMENT MANAGER to allocate the assets in the UNITISED INVESTMENT PORTFOLIO proportionally to MEMBERS, on the understanding that the underlying net value in any UNITISED INVESTMENT PORTFOLIO will be represented by the total number of UNITS in the UNITISED INVESTMENT PORTFOLIO, multiplied by the relevant UNIT PRICE as determined by the INVESTMENT MANAGER;

**UNITISED INVESTMENT PORTFOLIO**

An INVESTMENT PORTFOLIO providing for the allocation of UNITS by the relevant INVESTMENT MANAGER at a specific UNIT PRICE;

**UNIT PRICE**

The price of the UNITS at any given time, calculated in terms of the rules of the specific UNITISED INVESTMENT PORTFOLIO, and as provided by the relevant INVESTMENT MANAGER;

## **2 MEMBERSHIP**

### **2.1 MEMBERSHIP QUALIFICATION**

- 2.1.1 Any person qualifies for membership of the FUND on the date on which such person becomes an EMPLOYEE; provided that such person has attained the age of 16 (sixteen) years and has not yet attained the NORMAL RETIREMENT AGE as at such date.
- 2.1.2 Any EMPLOYEE who is in service immediately prior to the PARTICIPATION DATE will have the non-recurrent, irrevocable option to become a MEMBER of the FUND on such date or within 12 (twelve) months of such date. If any such EMPLOYEE does not join the FUND within the stipulated 12 (twelve)-month period, the right to become a MEMBER of the FUND will be forfeited. The PARTICIPATING EMPLOYER may stipulate that a shorter period than 12 (twelve) months will apply.
- 2.1.3 Any person who becomes an EMPLOYEE on or after the PARTICIPATION DATE and who is eligible for membership of the FUND will become a MEMBER on the date on which such EMPLOYEE qualifies for membership of the FUND in terms of RULE 2.1.1.

### **2.2 CESSATION OF MEMBERSHIP**

- 2.2.1 A MEMBER'S membership of the FUND will cease only:
- 2.2.1.1 upon such MEMBER'S death; or
- 2.2.1.2 upon such MEMBER ceasing to be an EMPLOYEE, unless the MEMBER remains entitled to a benefit payable in terms of the

RULES or the rules of the DISABILITY  
INCOME POLICY; or

2.2.1.3 upon the dissolution of the FUND,

whichever event occurs first.

## **2.3 EVIDENCE OF HEALTH**

Every EMPLOYEE who becomes a MEMBER after the PARTICIPATION DATE shall produce such evidence of health as the BOARD OF MANAGEMENT may require within 30 (thirty) days of becoming a MEMBER.

If the BOARD OF MANAGEMENT requires such person to undergo a medical examination, such examination shall be performed at the PARTICIPATING EMPLOYER'S expense by a medical practitioner approved by the BOARD OF MANAGEMENT.

## **2.4 LIMITATION OF BENEFITS**

If the evidence of health submitted by a MEMBER in terms of RULE 2.3 is not satisfactory to the BOARD OF MANAGEMENT, it may impose such conditions on and limitations to the benefits which may become payable to or in respect of such MEMBER as the BOARD OF MANAGEMENT deems necessary. Such restricted benefit shall, in the case of a MEMBER who dies before attaining the NORMAL RETIREMENT DATE, not be less in value than the benefit in terms of RULE 8.2.

The BOARD OF MANAGEMENT shall notify the MEMBER in writing of any condition or limitation imposed in terms of this RULE.

## 2.5 NON-DISCLOSURE

- 2.5.1 If a MEMBER fails to undergo a medical examination when requested to do so by the BOARD OF MANAGEMENT, if such MEMBER makes a false declaration or knowingly fails to disclose, when being medically examined, that he has suffered or is suffering from an illness or condition that would have caused the BOARD OF MANAGEMENT to impose any condition on or limitation to the benefit as provided in RULE 2.4, the benefit payable to or in respect of such MEMBER shall be determined by the BOARD OF MANAGEMENT as if such condition or limitation had been imposed as provided in RULE 2.4.
- 2.5.2 If, on the date on which he becomes an EMPLOYEE, a MEMBER makes a false declaration or knowingly fails to disclose to the PARTICIPATING EMPLOYER that he has suffered or is suffering from an illness or condition that would have caused the PARTICIPATING EMPLOYER to require him to undergo a medical examination or produce further evidence as to the state of his health, the provisions of RULE 2.5.1 shall apply *mutatis mutandis*.
- 2.5.3 The provisions of RULE 2.5.1 shall also apply *mutatis mutandis* in the event of a MEMBER making a false declaration with regard to his age.

## 2.6 PROOF OF EXISTENCE

The BOARD OF MANAGEMENT shall, from time to time, request satisfactory evidence that will enable it to determine whether a BENEFICIARY who is entitled to the payment of a pension in terms of RULES 5 and 6 is still alive or still qualifies in terms of the

provisions of the RULES for the payment of a pension to such BENEFICIARY, as the case may be.

If such evidence is not submitted to the FUND within the period laid down by the BOARD OF MANAGEMENT, the BOARD OF MANAGEMENT shall have the right to cease, suspend or change the payment of such pension, as the case may be, subject to the applicable provisions of RULES 5 and 6.

### **3 CONTRIBUTIONS**

#### **3.1 CURRENT MEMBER CONTRIBUTIONS**

- 3.1.1 Every MEMBER who is an EMPLOYEE will each month contribute 7% (seven per cent) of such MEMBER'S monthly PENSIONABLE SALARY to the FUND; on condition that a contribution which is made by the DISABILITY INCOME POLICY in respect of a MEMBER who is receiving a disability benefit from the DISABILITY INCOME POLICY, will be regarded as a CONTRIBUTION made by the MEMBER personally.
- 3.1.2 When a MEMBER is on authorised leave of absence from the PARTICIPATING EMPLOYER'S service and receives his full salary or a reduced salary, his CONTRIBUTIONS to the FUND continue to be payable and shall be based on his PENSIONABLE SALARY applicable immediately prior to the commencement of his absence.
- 3.1.3 When a MEMBER resumes his duties after a period of authorised leave of absence from the PARTICIPATING EMPLOYER'S service during which such MEMBER received no salary the MEMBER shall, subject to the PARTICIPATING EMPLOYER'S approval, have the right to remit CONTRIBUTIONS in respect of such period of absence; provided that the MEMBER notifies the BOARD OF MANAGEMENT in writing of the MEMBER'S intention to do so within 1 (one) month of resuming duties. The arrear CONTRIBUTIONS shall be paid within a period determined by the BOARD OF MANAGEMENT.

### **3.2 ADDITIONAL MEMBER CONTRIBUTIONS**

- 3.2.1 A MEMBER may transfer to the FUND any lump sum benefits arising from membership of another APPROVED FUND and may, with the consent of the BOARD OF MANAGEMENT, make additional CONTRIBUTIONS to the FUND on such basis as may be mutually agreed upon by the MEMBER and the BOARD OF MANAGEMENT.
- 3.2.2 Such lump sums and/or additional CONTRIBUTIONS will be applied to increase the MEMBER'S EQUITABLE SHARE.

### **3.3 PARTICIPATING EMPLOYER CONTRIBUTIONS**

The PARTICIPATING EMPLOYER will contribute to the FUND each month in respect of each MEMBER who is an EMPLOYEE an amount equal to 7% (seven per cent) of each MEMBER'S monthly PENSIONABLE SALARY less the cost of the contributions made by the PARTICIPATING EMPLOYER to the DISABILITY INCOME POLICY. If applicable, the PARTICIPATING EMPLOYER CONTRIBUTIONS will include the amounts, as calculated by the ACTUARY, required to maintain the balance in the DATA AND PROCESSING RESERVE ACCOUNT in respect of BONUS DECLARED INVESTMENT PORTFOLIOS at an acceptable level as determined by the ACTUARY.

- 3.3.1 If a PARTICIPATING EMPLOYER'S participation in the FUND commences subsequent to the INCEPTION DATE, or if members of another APPROVED FUND join the FUND, the BOARD OF MANAGEMENT, in consultation with the ACTUARY, may make such arrangements or

impose such conditions as it may deem fit, to ensure that the admission of the EMPLOYEES of such new PARTICIPATING EMPLOYER will not be to the disadvantage of the existing MEMBERS. The BOARD OF MANAGEMENT may in particular require such PARTICIPATING EMPLOYER to pay such additional CONTRIBUTIONS or initial CONTRIBUTION to the FUND as the ACTUARY certifies as necessary.

- 3.3.2 The PARTICIPATING EMPLOYER may make such additional CONTRIBUTIONS as the ACTUARY may recommend.
- 3.3.3 Notwithstanding anything to the contrary in the RULES, payment of CONTRIBUTIONS by the PARTICIPATING EMPLOYER in terms of RULES 3.3.1 and 3.3.2 will be subject to the prior written approval of the South African Revenue Services.

#### **3.4 PAYMENT OF CONTRIBUTIONS**

- 3.4.1 CONTRIBUTIONS will be rounded off to the nearest cent and will be paid to the FUND monthly in arrear in a lump sum by the PARTICIPATING EMPLOYER; provided that CONTRIBUTIONS payable in respect of any month will be paid to the FUND within a period of 7 (seven) days of the end of the month in respect of which such CONTRIBUTIONS are being paid.
- 3.4.2 If a MEMBER'S membership of the FUND commences before the 15th (fifteenth) day of the month or ceases on or after the 15th (fifteenth) day of the month, the full CONTRIBUTION will be payable for that month. If a MEMBER'S membership of the FUND commences on or after the 15th (fifteenth) day of the month or ceases before



the 15th (fifteenth) day of the month, no CONTRIBUTION will be payable in respect of that month.

### **3.5 ALLOCATION OF CONTRIBUTIONS**

The remainder of the total value of the CONTRIBUTIONS received by the FUND in terms of RULES 3.1, 3.2 and 3.3 will be allocated to a MEMBER'S EQUITABLE SHARE, after the ADMINISTRATOR has taken into account the value of the CONTRIBUTIONS (excluding, if applicable, the PARTICIPATING EMPLOYER CONTRIBUTIONS, as calculated by the ACTUARY, required to maintain the balance in the DATA AND PROCESSING RESERVE ACCOUNT in respect of a BONUS DECLARED INVESTMENT PORTFOLIOS at an acceptable level as determined by the ACTUARY), required in respect of the estimated cost of management of the FUND in terms of RULE 12.10, the amounts required in respect of the cost of death benefits in terms of RULE 6 and any operational costs of the FUND, as determined by the ACTUARY on an equitable basis.

### **3.6 INTEREST ON LATE OR UNDERPAID CONTRIBUTIONS**

The FUND will recover interest on CONTRIBUTIONS from the PARTICIPATING EMPLOYER that are paid late or that are not paid in full at a rate prescribed in terms of the ACT.

## 4 EQUITABLE SHARE, INVESTMENTS AND RESERVE AND SURPLUS ACCOUNTS

### 4.1 EQUITABLE SHARE

4.1.1 In respect of any MEMBER, EQUITABLE SHARE will comprise of the total amount of all unitised shares, if any, as calculated in terms of the provisions of RULE 4.1.2, plus all bonus declared shares, if any, as calculated in terms of the provisions of RULE 4.1.3.

#### 4.1.2 Unitised Shares

4.1.2.1 An amount as calculated by the ADMINISTRATOR, equal in value to the total number of UNITS purchased with the value of that part of the MEMBER'S EQUITABLE SHARE as at the date that the MEMBER joined the FUND or the FUND ANNIVERSARY, as the case may be, earmarked to be invested in a specific UNITISED INVESTMENT PORTFOLIO(S), plus the total number of UNITS, purchased monthly from one FUND ANNIVERSARY until the next FUND ANNIVERSARY with that part of the CONTRIBUTIONS in respect of such MEMBER allocated in terms of RULE 3.5 earmarked to be invested in a UNITISED INVESTMENT PORTFOLIO(S), adjusted proportionally with:

- (a) the number of UNITS required in respect of the MEMBER'S UNITISED INVESTMENT PORTFOLIO-related expenses;

- (b) the number of UNITS purchased or redeemed in respect of amounts released from or allocated to the FUND'S reserve accounts and the MEMBER SURPLUS ACCOUNT, as calculated by the ACTUARY, on a basis deemed equitable and as approved by the BOARD OF MANAGEMENT;
- (c) the number of UNITS redeemed as a result of deficits that may arise in the FUND from time to time, as calculated by the ACTUARY, on a basis deemed equitable and as approved by the BOARD OF MANAGEMENT;
- (d) the number of UNITS purchased in respect of interest on late or underpaid CONTRIBUTIONS in terms of RULE 3.6;
- (e) if applicable, the number of UNITS required for the reasonable and proportionate cost of management of the FUND attributable to the evaluation and processing of the MEMBER'S divorce order in terms of RULE 14.12.1.4 and a deduction in terms of RULE 14.12.1.5;
- (f) if applicable, the number of UNITS required for the deduction and payment of a debt owed to the FUND or the PARTICIPATING EMPLOYER in terms of RULE 14.12.1.1, the deduction and payment of the NON-MEMBER SPOUSE'S portion of the pension interest in terms of RULE 14.12.1.4, and the

deduction and payment of the allocated amount to a person in terms of RULE 14.12.1.5; and

- (g) if applicable, the number of UNITS required for the cost of obtainment of tax directives in respect of the lump sum benefits payable in terms of RULES 5, 6 and 8,

multiplied by the UNIT PRICE.

#### **4.1.3 Bonus Declared Shares**

4.1.3.1 An amount as calculated by the ACTUARY, equal to the total value of that part of the MEMBER'S EQUITABLE SHARE as at the date that the MEMBER joined the FUND or the FUND ANNIVERSARY, as the case may be, earmarked to be invested in a BONUS DECLARED INVESTMENT PORTFOLIO, plus that part of the CONTRIBUTIONS allocated in respect of such MEMBER in terms of RULE 3.5 that is earmarked to be invested in a BONUS DECLARED INVESTMENT PORTFOLIO adjusted on a basis deemed equitable by the ACTUARY, taking into account:

- (a) INVESTMENT RETURN and/or INTERIM INVESTMENT RETURN, as applicable;
- (b) the MEMBER'S BONUS DECLARED INVESTMENT PORTFOLIO-related expenses;

- (c) amounts released from or allocated to the FUND'S reserve accounts and the MEMBER SURPLUS ACCOUNT, as calculated by the ACTUARY, on a basis deemed equitable and as approved by the BOARD OF MANAGEMENT;
- (d) interest on late or underpaid CONTRIBUTIONS in terms of RULE 3.6;
- (e) if applicable, the reasonable and proportionate cost of management of the FUND attributable to the evaluation and processing of the MEMBER'S divorce order in terms of RULE 14.12.1.4 and a deduction in terms of RULE 14.12.1.5;
- (f) if applicable, the deduction and payment of a debt owed to the FUND or the PARTICIPATING EMPLOYER in terms of RULE 14.12.1.1, the deduction and payment of the NON-MEMBER SPOUSE'S portion of the pension interest in terms of RULE 14.12.1.4, and the deduction and payment of the allocated amount to a person in terms of RULE 14.12.1.5;
- (g) if applicable, the cost of obtainment of tax directives in respect of the lump sum benefits payable in terms of RULES 5, 6 and 8.

## 4.2 CHOICE OF INVESTMENT PORTFOLIO(S)

- 4.2.1 With effect from a date to be determined by the BOARD OF MANAGEMENT, and thereafter at the intervals as determined by the BOARD OF MANAGEMENT from time to time, each MEMBER will have the right to elect the INVESTMENT PORTFOLIO(S) in which such MEMBER'S EQUITABLE SHARE, as well as the CONTRIBUTIONS allocated in respect of such MEMBER in terms of RULE 3.5, will be invested.
- 4.2.2 Subject to the provisions of RULE 4.2.1, should a MEMBER fail to exercise the investment choice in the manner determined for this purpose by the BOARD OF MANAGEMENT and within the period as the BOARD OF MANAGEMENT may determine from time to time, it will be deemed that the MEMBER has selected to remain in the INVESTMENT PORTFOLIO(S) that the MEMBER elected previously, or that the MEMBER has elected the INVESTMENT PORTFOLIO(S) as determined by the BOARD OF MANAGEMENT from time to time for the investment of such MEMBER'S EQUITABLE SHARE, as well as the CONTRIBUTIONS allocated in respect of such MEMBER in terms of RULE 3.5, as the case may be.
- 4.2.3 A MEMBER'S choice of INVESTMENT PORTFOLIO(S) as contemplated in RULE 4.2.1 will be subject to the express conditions that:
- 4.2.3.1 the MEMBER'S choice of INVESTMENT PORTFOLIO(S) will be notified in writing to the BOARD OF MANAGEMENT in the format prescribed by the BOARD OF MANAGEMENT from time to time;

4.2.3.2 the BOARD OF MANAGEMENT may from time to time determine the number, extent and nature of any INVESTMENT PORTFOLIOS from which the MEMBER may choose to invest; and

4.2.3.3 the BOARD OF MANAGEMENT will have the right to change the MEMBER'S choice of INVESTMENT PORTFOLIO(S), should it deem it necessary.

4.2.4 The BOARD OF MANAGEMENT will take all reasonable steps to ensure that all MEMBERS are sufficiently informed regarding the INVESTMENT PORTFOLIOS available to them. The BOARD OF MANAGEMENT will not advise, influence and/or assist MEMBERS in the exercise of their investment choice. The MEMBERS themselves should obtain such advice from their own personal financial advisers.

4.2.5 Although the BOARD OF MANAGEMENT must take all reasonable steps to ensure that the interests of all the MEMBERS are protected, the BOARD OF MANAGEMENT and the FUND will not be liable for any loss, damage or prejudice suffered by, or alleged to be suffered by any person as a result of or in connection with any investment choice made by a MEMBER.

#### **4.3 GENERAL PROVISIONS REGARDING UNITISED INVESTMENT PORTFOLIOS**

##### **4.3.1 PAYMENTS TO INVESTMENT MANAGER(S)**

4.3.1.1 The net CONTRIBUTIONS in respect of retirement benefits that are earmarked to be

invested in an UNITISED INVESTMENT PORTFOLIO, will be paid to the INVESTMENT MANAGER(S) by the ADMINISTRATOR within a period as agreed between the ADMINISTRATOR and the BOARD OF MANAGEMENT from time to time, which amount will be applied to purchase UNITS in the UNITISED INVESTMENT PORTFOLIOS as specified.

#### **4.3.2 INVESTMENT OF ASSETS**

4.3.2.1 The INVESTMENT MANAGER will be instructed by the BOARD OF MANAGEMENT to invest the assets of the FUND which are earmarked to be invested in an UNITISED INVESTMENT PORTFOLIO, in the UNITISED INVESTMENT PORTFOLIO specified by the BOARD OF MANAGEMENT within such period following receipt of payment thereof by the INVESTMENT MANAGER, as agreed upon with the BOARD OF MANAGEMENT.

4.3.2.2 The ADMINISTRATOR will be instructed by the BOARD OF MANAGEMENT to maintain a register reflecting the UNIT allocation of each MEMBER'S UNITISED INVESTMENT PORTFOLIO in which such MEMBER'S assets are invested on a daily basis.

#### **4.3.3 DISINVESTMENT OF ASSETS**

4.3.3.1 Should the BOARD OF MANAGEMENT deem it necessary to disinvest the assets of the FUND in respect of any MEMBER or group of MEMBERS invested in a specific UNITISED



INVESTMENT PORTFOLIO, the INVESTMENT MANAGER will calculate the value of such UNITS on the date of such disinvestment and will pay the proceeds to the FUND within such period as agreed between the BOARD OF MANAGEMENT and the INVESTMENT MANAGER from time to time.

#### **4.3.4 VALUATION OF UNITISED INVESTMENT PORTFOLIOS**

4.3.4.1 The value at any given time of a MEMBER'S UNITS in any specific UNITISED INVESTMENT PORTFOLIO selected or deemed to have been selected by the MEMBER will be calculated by the ADMINISTRATOR using the UNIT PRICE as provided by the relevant INVESTMENT MANAGER in accordance with criteria mutually agreed upon between such INVESTMENT MANAGER and the BOARD OF MANAGEMENT in respect of that specific UNITISED INVESTMENT PORTFOLIO.

#### **4.3.5 TRANSFERS FROM UNITISED INVESTMENT PORTFOLIOS**

4.3.5.1 When the value of a MEMBER'S UNITS in a specific UNITISED INVESTMENT PORTFOLIO is to be transferred to any other INVESTMENT PORTFOLIO, such transfer will be effected by no later than a date as determined by the BOARD OF MANAGEMENT from time to time following receipt by the relevant INVESTMENT MANAGER of written notification thereof, unless the BOARD OF MANAGEMENT specifies that such transfer be effected at a later date.

#### **4.3.6 PAYMENTS FROM UNITISED INVESTMENT PORTFOLIOS**

4.3.6.1 When the value of a MEMBER'S UNITS which is invested in the specific UNITISED INVESTMENT PORTFOLIO, are disinvested because of the termination of such MEMBER'S membership of the FUND for whatever reason in terms of the RULES, such payment will be effected by the relevant INVESTMENT MANAGER into the FUND'S bank account by no later than a date as determined by the BOARD OF MANAGEMENT from time to time following receipt by such INVESTMENT MANAGER of written notification thereof, unless the BOARD OF MANAGEMENT specifies that such payment be effected at a later date.

#### **4.3.7 PAYMENT**

4.3.7.1 The ADMINISTRATOR will effect payment of the MEMBER'S benefit after receipt thereof by the INVESTMENT MANAGER in terms of RULE 4.3.6.1, increased with a rate of interest as determined by the BOARD OF MANAGEMENT from time to time, from the FUND'S bank account and make payment to the MEMBER or relevant BENEFICIARY within a period as agreed upon between the BOARD OF MANAGEMENT and the ADMINISTRATOR from time to time, or make payment on behalf of the MEMBER or relevant BENEFICIARY to another APPROVED FUND.

#### **4.4 GENERAL PROVISIONS REGARDING BONUS DECLARED INVESTMENT PORTFOLIOS**

##### **4.4.1 PAYMENTS TO INVESTMENT MANAGER(S)**

4.4.1.1 The net CONTRIBUTIONS in respect of retirement benefits that are earmarked to be invested in a BONUS DECLARED INVESTMENT PORTFOLIO, will be paid to the INVESTMENT MANAGER(S) by the ADMINISTRATOR within a period as agreed between the ADMINISTRATOR and the BOARD OF MANAGEMENT from time to time.

##### **4.4.2 INVESTMENT OF ASSETS**

4.4.2.1 The INVESTMENT MANAGER will be instructed by the BOARD OF MANAGEMENT to invest the assets of the FUND which are earmarked to be invested in a BONUS DECLARED INVESTMENT PORTFOLIO, in the BONUS DECLARED INVESTMENT PORTFOLIO specified by the BOARD OF MANAGEMENT within such period following receipt of payment thereof by the INVESTMENT MANAGER, as agreed upon with the BOARD OF MANAGEMENT.

##### **4.4.3 VALUATION OF BONUS DECLARED INVESTMENT PORTFOLIOS**

4.4.3.1 The value at any given time of a MEMBER'S assets in any specific BONUS DECLARED INVESTMENT PORTFOLIO selected or deemed to have been selected by the

MEMBER will be determined by the ACTUARY in consultation with the relevant INVESTMENT MANAGER in accordance with criteria mutually agreed between such INVESTMENT MANAGER and the BOARD OF MANAGEMENT, in consultation with the ACTUARY, in respect of that specific BONUS DECLARED INVESTMENT PORTFOLIO.

**4.4.4 TRANSFERS FROM BONUS DECLARED INVESTMENT PORTFOLIOS**

4.4.4.1 When the value of a MEMBER'S assets in any BONUS DECLARED INVESTMENT PORTFOLIO is to be transferred to any other INVESTMENT PORTFOLIO, such transfer will be effected within a period as agreed upon between the relevant INVESTMENT MANAGER and the BOARD OF MANAGEMENT from time to time.

**4.4.5 PAYMENTS FROM BONUS DECLARED INVESTMENT PORTFOLIOS**

4.4.5.1 When the value of a MEMBER'S assets in the FUND which are invested in any BONUS DECLARED INVESTMENT PORTFOLIO, are to be paid to the FUND because of the termination of such MEMBER'S membership of the FUND for whatever reason in terms of the RULES, such payment will be effected by the relevant INVESTMENT MANAGER to the FUND'S bank account within a period as agreed between the INVESTMENT MANAGER and the BOARD OF MANAGEMENT from time to time.

#### 4.4.6 PAYMENT

4.4.6.1 The ADMINISTRATOR will effect payment of the MEMBER'S benefit paid in terms of RULE 4.4.5.1, increased with a rate of interest as determined by the BOARD OF MANAGEMENT from time to time, from the FUND'S bank account and make payment to the MEMBER or relevant BENEFICIARY within a period as agreed upon between the BOARD OF MANAGEMENT and the ADMINISTRATOR from time to time, or make payment on behalf of the MEMBER or relevant BENEFICIARY to another APPROVED FUND.

#### 4.5 DATA AND PROCESSING RESERVE ACCOUNT

4.5.1 The DATA AND PROCESSING RESERVE ACCOUNT will be debited or credited with the following amounts, as the case may be, in consultation with the ACTUARY:

##### 4.5.1.1 Credits

- (a) an initial balance as on the SURPLUS APPORTIONMENT DATE, as determined by the BOARD OF MANAGEMENT;
- (b) the inflow of any amounts from any data and/or processing contingencies that may arise in the FUND from time to time;
- (c) if applicable, in respect of UNITISED INVESTMENT PORTFOLIOS, the value of the number of Unitised Shares in terms of RULE 4.1.2 allocated from MEMBERS'

EQUITABLE SHARES required to maintain the balance in this account at an acceptable level as determined by the ACTUARY;

- (d) if applicable, in respect of BONUS DECLARED INVESTMENT PORTFOLIOS, the PARTICIPATING EMPLOYER CONTRIBUTIONS, as calculated by the ACTUARY, required to maintain the balance in this account at an acceptable level;
- (e) any amounts transferred to this account from a data and processing reserve account in another APPROVED FUND, if applicable; and
- (f) INVESTMENT RETURN and/or INTERIM INVESTMENT RETURN, as applicable, on the credit balance in this account.

#### 4.5.1.2 Debits

- (a) the cost of any possible data and/or processing contingencies financed from this account; and
- (b) the release of any excess amount not required to protect the FUND against adverse data and/or processing contingencies.

- 4.5.2 In the event of a partial dissolution of the FUND in terms of RULE 13.1, a proportionate share of the DATA AND PROCESSING RESERVE ACCOUNT, as calculated by the ACTUARY will be distributed amongst the affected MEMBERS, and in the event of a total dissolution of the FUND in terms of RULE 13.2, any remaining credit balance in the DATA AND PROCESSING RESERVE ACCOUNT, will be distributed proportionally to all the MEMBERS' EQUITABLE SHARES.

#### **4.6 MEMBER SURPLUS ACCOUNT**

- 4.6.1 The MEMBER SURPLUS ACCOUNT will be credited and debited with the following amounts, in consultation with the ACTUARY, as the case may be:

##### **4.6.1.1 Credit**

- Any surplus arising after the SURPLUS APPORTIONMENT DATE and allocated to this account from time to time;
- INVESTMENT RETURN and/or INTERIM INVESTMENT RETURN, as applicable, on the credit balance in this account.

##### **4.6.1.2 Debit**

Amounts allocated to the MEMBERS' EQUITABLE SHARES as decided from time to time by the BOARD OF MANAGEMENT.

4.6.2 In the event of a partial dissolution of the FUND in terms of RULE 13.1, a proportionate share of the MEMBER SURPLUS ACCOUNT, as calculated by the ACTUARY will be distributed amongst the affected MEMBERS, and in the event of a total dissolution of the FUND in terms of RULE 13.2, any remaining credit balance in the MEMBER SURPLUS ACCOUNT, will be distributed proportionally to all the MEMBERS' EQUITABLE SHARES.



## **5 RETIREMENT**

### **5.1 RETIREMENT BENEFITS**

At receipt of satisfactory proof of the retirement of a MEMBER and subject to the provisions of RULE 14.13, a MEMBER will retire in terms of RULE 5.2, 5.3, 5.4 or 5.5, as the case may be.

### **5.2 NORMAL RETIREMENT**

A MEMBER will retire on the NORMAL RETIREMENT DATE and will become entitled to a pension from an INSURER that can be secured by the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.

### **5.3 VOLUNTARY EARLY RETIREMENT**

Subject to the written consent of the PARTICIPATING EMPLOYER, a MEMBER may elect to retire at any time after attaining the age of 55 (fifty-five) years. In this event, the MEMBER will be entitled to a pension from an INSURER that can be secured by such MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.

### **5.4 ILL-HEALTH EARLY RETIREMENT**

Notwithstanding the provisions of RULE 5.3, if in the opinion of the PARTICIPATING EMPLOYER, subject to the agreement of the BOARD OF MANAGEMENT and subject to the submission of satisfactory medical proof, a MEMBER, who is not in receipt of a disability income benefit from the DISABILITY INCOME POLICY, is unable to perform such MEMBER'S duties as an EMPLOYEE on account of ill health, such MEMBER may retire at any time prior to the NORMAL RETIREMENT DATE. In this event, the MEMBER will be entitled to a pension from an INSURER that can be secured by the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.

## **5.5 LATE RETIREMENT**

Subject to the written consent of the PARTICIPATING EMPLOYER, which will lapse 12 (twelve) months after it was granted unless it is renewed by the PARTICIPATING EMPLOYER, a MEMBER may remain in the service of the PARTICIPATING EMPLOYER after the NORMAL RETIREMENT DATE, but not later than the date on which the MEMBER attains the age of 70 (seventy) years. In this event, CONTRIBUTIONS will continue to be payable after the NORMAL RETIREMENT DATE. When such MEMBER retires the MEMBER will be entitled to a pension from an INSURER that can be secured by such MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.

## **5.6 CASH OPTION**

5.6.1 A MEMBER will be entitled to take up to 1/3 (one-third) of such MEMBER'S EQUITABLE SHARE in cash as at the REALISATION DATE; provided that if the total pension that can be purchased from an INSURER, before any portion thereof is taken in cash, is less than the maximum pension that may be taken in cash in terms of relevant statutory provisions, the whole of such pension will be taken in cash.

5.6.2 If the whole of the MEMBER'S EQUITABLE SHARE is taken in cash, such benefit will be paid to the MEMBER by the FUND whereafter the former MEMBER will have no further claim against the FUND.

## **5.7 PURCHASE OF PENSION**

5.7.1 The pension to which a MEMBER who retired on or after 1 January 2004 is entitled in terms of the provisions of

RULE 5.2, 5.3, 5.4 or 5.5 will be purchased from a domestic INSURER of the MEMBER'S choice, in the name of the MEMBER and for the MEMBER'S sole cost and account, on the basis that the MEMBER becomes the owner of the pension.

5.7.2 Upon the retirement of a MEMBER referred to in RULE 5.7.1, such MEMBER'S EQUITABLE SHARE as at the REALISATION DATE, less any portion thereof that is taken in cash in terms of RULE 5.6, will be used to purchase the pension as provided in RULE 5.7.1.

5.7.3 The annual amount of the MEMBER'S pension as well as the conditions applicable to the payment thereof will be mutually agreed between the MEMBER and the relevant INSURER at the time of purchase thereof.

5.7.4 The purchase of the MEMBER'S pension in terms of this RULE will be subject to the express conditions that:

5.7.4.1 such pension must be a lifelong pension in the name of the MEMBER or the MEMBER and another person;

5.7.4.2 such pension or right to such pension may not be reduced, transferred or otherwise ceded, or pledged or hypothecated, or be liable to be attached or subject to any form of execution under judgment or order of a court of law, except to the extent permitted in terms of the ACT;

5.7.4.3 such pension may not be taken in cash during the lifetime of the MEMBER; and

5.7.4.4 the MEMBER'S EQUITABLE SHARE, or the remainder thereof as contemplated in RULE 5.7.2, that is applied to purchase the MEMBER'S pension as provided in RULE 5.7.1, will be transferred directly to the relevant INSURER on the MEMBER'S behalf, whereafter the former MEMBER will have no further claim against the FUND.

## **5.8 PAYMENT OF PENSIONS TO PENSIONERS**

Pensions to PENSIONERS are payable monthly in arrear. The first instalment is payable on the last day of the month in which the PENSIONER retires. Each monthly instalment is equal to 1/12<sup>th</sup> (one-twelfth) of the annual pension.

All pensions are paid for as long as the PENSIONER is alive and no pension shall be payable in respect of the month in which the PENSIONER dies, subject to the provisions of RULE 6.

## **6 DEATH BENEFITS AFTER RETIREMENT**

### **6.1 PENSIONERS WHO RETIRED BEFORE 1 JANUARY 2004**

#### **6.1.1 PENSION GUARANTEE**

The pension payable to a PENSIONER in terms of RULE 5 shall cease upon the PENSIONER'S death, unless his death occurs within 5 (five) years of the PENSIONER'S retirement date, in which event the outstanding instalments of the PENSIONER'S pension until expiry of the said 5 (five) year period shall be applied in accordance with RULE 14.4.

#### **6.1.2 PARTNER'S PENSION**

If a PENSIONER is survived by a QUALIFYING PARTNER, the QUALIFYING PARTNER shall be entitled to a pension equal to 50% of the pension that the PENSIONER would have received, had the PENSIONER not taken in cash a part thereof in terms of RULE 5.6.

#### **6.1.3 CONDITIONS RELATING TO PAYMENT OF DEATH BENEFITS AFTER RETIREMENT**

- (a) The partner's pension shall be payable monthly in arrear. The first instalment is payable on the last day of the month that follows the month in which the last pension instalment is paid in terms of RULE 6.1. Each monthly instalment shall be equal to  $1/12^{\text{th}}$  (one-twelfth) of the annual amount of the partner's pension.

- (b) A partner's pension shall be payable for as long as the QUALIFYING PARTNER lives and the final instalment shall be payable in respect of the month in which the QUALIFYING PARTNER dies.
- (c) A partner's pension may not be taken in cash. However, if the total value of the pension prior to its conversion to cash is less than the maximum amount that is permitted to be taken in cash from time to time in terms of the INCOME TAX ACT, the whole amount of such pension may be taken in cash as determined by the ACTUARY.
- (d) Apart from the evidence required in terms of RULES 14.4.9 and 2.6, every QUALIFYING PARTNER who becomes entitled to a pension in terms of this RULE must provide the FUND with satisfactory proof that such QUALIFYING PARTNER satisfied the requirements for recognition as a QUALIFYING PARTNER on the date of the PENSIONER'S death. No benefit shall be paid to a QUALIFYING PARTNER until such proof has been submitted.

## **6.2 PERSONS WHO RETIRED ON OR AFTER 1 JANUARY 2004**

The conditions relating to the payment of benefits after the death of a person whose pension has been purchased from an INSURER as provided in RULE 5.7 shall be as mutually agreed between such person and the INSURER at the time of purchase of such pension.

## **7 DEATH BENEFITS BEFORE RETIREMENT**

### **7.1 DEATH BENEFITS**

If a MEMBER who has not yet retired in terms of the RULES dies, the death benefit will be payable; provided that satisfactory proof of the death of the MEMBER is submitted to the FUND and subject to the provisions of RULE 14.13.

### **7.2 BENEFIT ON DEATH BEFORE THE NORMAL RETIREMENT DATE**

7.2.1 A lump sum benefit equal to the total of:

7.2.1.1 3 (three) times the deceased MEMBER'S annual PENSIONABLE SALARY as at the date of death; and

7.2.1.2 the deceased MEMBER'S EQUITABLE SHARE as at the REALISATION DATE,

adjusted with the rate of interest as determined by the BOARD OF MANAGEMENT from time to time, taking into account the investment vehicle in which and the period during which the assets representing the benefit are invested and all other relevant facts, until the actual date of payment of the benefit and the cost, as approved by the BOARD OF MANAGEMENT, that was necessary to trace the BENEFICIARIES in terms of RULE 14.4, will become payable.

### **7.3 BENEFIT ON DEATH ON OR AFTER THE NORMAL RETIREMENT DATE**

If a MEMBER dies on or after attaining the NORMAL RETIREMENT DATE but before such MEMBER'S retirement in terms of the RULES, a lump sum benefit equal to the deceased MEMBER'S EQUITABLE SHARE as at the REALISATION DATE , adjusted with the rate of interest as determined by the BOARD OF MANAGEMENT from time to time, taking into account the investment vehicle in which and the period during which the assets representing the benefit are invested and all other relevant facts, until the actual date of payment of the benefit and the cost, as approved by the BOARD OF MANAGEMENT, that was necessary to trace the BENEFICIARIES in terms of RULE 14.4, will become payable.

### **7.4 INSURANCE**

7.4.1 The FUND will insure the benefit set out in RULE 7.2.1.1 with an INSURER of its choice. Should the INSURER for any reason, fail to insure or pay the full benefit to which a MEMBER is entitled in terms of the RULES or fail to pay the benefit in respect of a MEMBER to the full extent to which such benefit has been insured, the FUND will have the right to reduce the MEMBER'S benefits; provided that the reduced benefits will be at least equal in value to the amount paid to the FUND in respect of the MEMBER by the INSURER and the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.

7.4.2 The BOARD OF MANAGEMENT will notify the MEMBER in writing of any condition or limitation imposed in terms of this RULE.



## **7.5 CONDITIONS APPLICABLE TO THE PAYMENT OF DEATH BENEFITS**

7.5.1 The total of or any portion of the lump sum benefit to which a BENEFICIARY is entitled in terms of the provisions of RULE 7.2 or RULE 7.3, may be converted into a pension if so elected by the BENEFICIARY within a period as determined by the BOARD OF MANAGEMENT from time to time, and will be purchased from a domestic INSURER of the BENEFICIARY'S choice and in the name of the BENEFICIARY, on a basis that the BENEFICIARY becomes the owner of the pension.

7.5.2 The purchase of the BENEFICIARY'S pension in terms of RULE 7.5.1 will be subject to the express conditions that:

7.5.2.1 the annual amount of the BENEFICIARY'S pension as well as the conditions applicable to the payment thereof will be mutually agreed between the BENEFICIARY and the relevant INSURER at the time of purchase thereof.

7.5.2.2 such pension must be a lifelong pension in the name of the BENEFICIARY except if the BENEFICIARY is a minor in which case it must be a pension until such BENEFICIARY has at least reached the age of majority;

7.5.2.3 such pension or right to such pension may not be reduced, transferred or otherwise ceded, or pledged or hypothecated, or be liable to be attached or subject to any form of execution under judgment or order of a court of law, except to the extent permitted in terms of the ACT;

- 7.5.2.4 such pension may not be taken in cash during the lifetime of the BENEFICIARY; and
  - 7.5.2.5 the benefit in terms of RULES 7.2 or 7.3 that is applied to purchase the BENEFICIARY'S pension as provided in RULE 7.5.1, will be transferred directly to the relevant INSURER on the BENEFICIARY'S behalf, whereafter the BENEFICIARY will have no further claim against the FUND.
- 7.5.3 The lump sum benefits will be paid in accordance with the provisions of RULE 14.4.
- 7.5.4 In addition to the proof of age that must be submitted in terms of RULE 14.4.9, every person who qualifies to receive a benefit in terms of this RULE will submit proof that such person complies with the requirements to qualify as a BENEFICIARY on the date of the MEMBER'S death. No benefit will be paid to a BENEFICIARY until such proof has been submitted to the FUND.

## **8 WITHDRAWAL**

### **8.1 WITHDRAWAL BENEFITS**

If a MEMBER leaves the service of the PARTICIPATING EMPLOYER before reaching NORMAL RETIREMENT DATE and is not entitled to any other benefit in terms of the RULES or the rules of the DISABILITY INCOME POLICY, the MEMBER will be entitled to one of the options available under RULES 8.2, 8.3 or 8.4, as the case may be, subject to the provisions of RULE 14.13; provided that a MEMBER'S withdrawal benefit in terms of this RULE 8 will only become payable by the FUND on receipt of the MEMBER'S completed withdrawal form in the written format prescribed by the BOARD OF MANAGEMENT from time to time.

### **8.2 CASH BENEFIT**

A lump sum benefit equal to the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE will be paid by the FUND, whereafter the former MEMBER will have no further claim against the FUND.

### **8.3 PRESERVATION BENEFIT**

8.3.1 A MEMBER will have the right, subject to the provisions of RULE 14.13.1, to request the BOARD OF MANAGEMENT to transfer the whole or any portion of the benefit to which such MEMBER is entitled in terms of RULE 8.2 to another APPROVED FUND chosen by the MEMBER. In this event, the FUND will transfer the MEMBER'S benefit, or such portion thereof as requested by the MEMBER, directly to such other APPROVED FUND on the MEMBER'S behalf, whereafter the former MEMBER will have no further claim against the FUND.

- 8.3.2 If any such transfer is to an APPROVED FUND that has been approved by the South African Revenue Services as a pension preservation fund, such transfer will be conducted in compliance with the requirements of the INCOME TAX ACT.

#### **8.4 SECTION 197-TRANSFER**

In the event that the service of a group of MEMBERS with a PARTICIPATING EMPLOYER is terminated as a result of a Section 197-transfer in terms of the Labour Relations Act, 1995 (Act 66 of 1995), such MEMBERS may be permitted to remain MEMBERS for such period and on such conditions as the BOARD OF MANAGEMENT may determine as reasonable; provided that, for that period, the employer of such MEMBERS will be regarded as a PARTICIPATING EMPLOYER in respect of those MEMBERS for the purposes of the RULES. At the expiry of the aforementioned period, such MEMBERS will not become entitled to a benefit in terms of RULE 8.2 or 8.3. Such MEMBERS will transfer the value of their benefit in terms of RULE 8.2 to the new employer's APPROVED FUND subject to the provisions of Section 14 of the ACT; provided that if the new employer's APPROVED FUND is a provident fund as defined in the INCOME TAX ACT, the MEMBERS and the new employer may agree to transfer the MEMBERS' benefits to any other APPROVED FUNDS approved by the BOARD OF MANAGEMENT. In the event that the employer is not participating in an APPROVED FUND to which the MEMBERS can transfer their benefits, the MEMBERS' benefits will be paid in accordance with the provisions of RULE 13.1.

## **8.5 RECOMMENCEMENT OF SERVICE**

- 8.5.1 In the event that a MEMBER'S service with a PARTICIPATING EMPLOYER is terminated only to commence service with another PARTICIPATING EMPLOYER within a period of 30 (thirty) days from termination of such service, such MEMBER will not become entitled to a benefit in terms of RULE 8.2 or 8.3 and the MEMBER'S membership of the FUND will continue.
- 8.5.2 If a former MEMBER recommences service with the PARTICIPATING EMPLOYER before receiving payment of a withdrawal benefit in terms of this RULE 8, the break in such MEMBER'S service may, at the sole discretion of the BOARD OF MANAGEMENT, be condoned, whereupon such former MEMBER will be reinstated on such terms and conditions as may be stipulated by the BOARD OF MANAGEMENT from time to time.

## **8.6 DEFERRED BENEFIT**

- 8.6.1 A MEMBER shall at the date of termination of service have the right to elect to receive a deferred retirement benefit equal to the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE.
- 8.6.1.1 No further CONTRIBUTIONS are payable by or on behalf of such deferred MEMBER after the date of termination of service, unless the MEMBER is employed by the EMPLOYER before the NORMAL RETIREMENT DATE and again become a MEMBER of the FUND.

8.6.1.2 The benefit in terms of RULE 8.6.1 shall be payable on the NORMAL RETIREMENT DATE. The MEMBER may however choose to receive such deferred retirement benefit or any part thereof at any time after attaining the early retirement age in terms of RULE 5.3.

8.6.1.3 If such deferred MEMBER dies after termination of service, but prior to the deferred benefit becoming payable, the MEMBER'S EQUITABLE SHARE as at REALISATION DATE, shall be paid in accordance with RULE 14.4. The benefits in terms of RULE 7 shall not be applicable to the deferred MEMBER.

## 9 TEMPORARY ABSENCE

- 9.1 Subject to the provisions of RULE 9.3, if a MEMBER is temporarily absent from service with the consent of the PARTICIPATING EMPLOYER, and:
- 9.1.1 the full CONTRIBUTIONS are continued, the maximum period of approved absence will be 24 (twenty-four) months and the MEMBER'S membership of the FUND and the benefits payable in respect of such MEMBER will not be affected; provided that any such benefits which are insured with an INSURER will be subject to such limitations and conditions as the relevant INSURER may impose;
  - 9.1.2 only partial CONTRIBUTIONS are made, the maximum period of approved absence will be 24 (twenty-four) months and the MEMBER'S membership of the FUND and the benefits payable in respect of such MEMBER will either not be affected or reduced partially, as the case may be; provided that any such benefits which are insured with an INSURER will be subject to such limitations and conditions as the relevant INSURER may impose;
  - 9.1.3 the payment of CONTRIBUTIONS are suspended, the maximum period of approved absence will be 24 (twenty-four) months and no retirement benefits will accrue to the MEMBER in respect of such period of absence. The MEMBER will cease to be eligible for the benefits provided for in RULE 6 after a period of 30 (thirty) days has expired and should such MEMBER die during the period of absence subsequent to the 30 (thirty)-day period, the provisions of RULE 5 or 8 will apply, as the case may be.

- 9.2 Subject to the provisions of RULE 9.3, if a MEMBER is temporarily absent from service, for such period as stipulated by the PARTICIPATING EMPLOYER from time to time, without the consent of the PARTICIPATING EMPLOYER, the MEMBER will become entitled to the benefit provided for in terms of RULES 5 or 8, as the case may be, at the end of such period.
- 9.3 If a MEMBER is temporarily absent from service due to the MEMBER'S participation in a strike or due to the PARTICIPATING EMPLOYER'S right to lock-out striking EMPLOYEES in terms of Section 64 of the Labour Relations Act, 1995 (Act 66 of 1995), the PARTICIPATING EMPLOYER may exercise its right in terms of Section 67(3) of the Labour Relations Act, 1995 (Act 66 of 1995) and suspend payment of CONTRIBUTIONS in respect of such MEMBERS for the duration of the strike or lock-out and no retirement benefits will accrue to the MEMBER in respect of such period of absence; provided that the CONTRIBUTIONS required in respect of the cost of death benefits in terms of RULE 7.2.1.1 will continue to be payable by the PARTICIPATING EMPLOYER for the duration of the strike or lock-out. The CONTRIBUTIONS required in respect of the cost of death benefits in terms of RULE 7.2.1.1 will however cease if the strike or lock-out continues for a period of more than 30 (thirty) days and the MEMBER will cease to be eligible for the benefits provided for in RULE 6 after expiry of the 30 (thirty)-day period and should such MEMBER die during the period of absence subsequent to the 30 (thirty) day-period, the provisions of RULE 5 or 8 will apply, as the case may be.
- 9.4 Subject to the provisions of RULE 9.1, at expiry of the 24 (twenty-four) month period, a MEMBER who is still absent from service, will become entitled to the benefit provided for in terms of RULES 5 or 8, as the case may be.



- 9.5 The PARTICIPATING EMPLOYER may revise a MEMBER'S PENSIONABLE SALARY during the period of approved absence: provided that the PENSIONABLE SALARY for the purposes of benefits insured with an INSURER will be subject to such limitations and conditions as the relevant INSURER may impose.

## 10 CONTINUOUS INSURANCE OPTION

- 10.1 Subject to RULE 10.2, a MEMBER who ceases to be an EMPLOYEE on or before the NORMAL RETIREMENT DATE, will have the option to effect ordinary whole life insurance with the INSURER assuring the death benefits in terms of RULE 7.2.1.1, without proof of insurability, but subject to such terms and conditions as the relevant INSURER may impose.
- 10.2 It is a proviso that the option in terms of RULE 10.1 may be exercised only if such option is available in terms of the FUND'S agreement with the relevant INSURER. It is a further proviso that the option in terms of RULE 10.1 must be exercised within such period as specified in the FUND'S agreement with the relevant INSURER.
- 10.3 Should the former MEMBER concerned die during the period during which such former MEMBER is entitled to effect the said insurance and the INSURER pays the relevant amount available under the option in terms of RULE 10.1 to the FUND, the FUND will regard such amount as the proceeds of an individual insurance policy which the former MEMBER effected with the INSURER. In so much as such amount is not a benefit in terms of the RULES, the FUND, as agent of the INSURER, will pay the amount into the former MEMBER'S estate.

## **11 PENSION INCREASES**

The BOARD OF MANAGEMENT shall increase any pension payable by the FUND in terms of the RULES from time to time in terms of the FUND'S pension increase policy established in accordance with the provisions of section 14B of the ACT.

The financial implications of any such increase in pensions shall be determined by the ACTUARY and if necessary, the cost involved in such increase shall be paid by the PARTICIPATING EMPLOYER to the FUND in such manner as the BOARD OF MANAGEMENT and the PARTICIPATING EMPLOYER may agree.

## **12 MANAGEMENT OF THE FUND**

### **12.1 CONSTITUTION AND APPOINTMENT OF THE BOARD OF MANAGEMENT**

- 12.1.1 The BOARD MEMBERS or proper alternates will be responsible for the management of the FUND and will perform all necessary actions on behalf of the FUND.
- 12.1.2 The BOARD OF MANAGEMENT shall comprise 6 (six) persons appointed by the FOUNDER, of whom 1 (one) shall be employed by the FOUNDER in a registrar or deputy-registrar's position, 2 (two) shall be laboratory owners and 2 (two) shall be registered dental technicians. The remaining BOARD MEMBER must be a person independent from the business of the FOUNDER or any organisation associated with the business of the FOUNDER, as determined by the REGISTRAR.
- 12.1.3 The FOUNDER will appoint an alternate for the BOARD MEMBERS appointed by it, to act on behalf of any BOARD MEMBER appointed by it, as the need arises.
- 12.1.4 The FOUNDER may discharge a BOARD MEMBER from his/her office before the expiration of his/her term of office. The provisions of RULE 12.1.8 shall apply to a vacancy arising among the BOARD OF MANAGEMENT in terms of this RULE.
- 12.1.5 Subject to RULES 12.1.4 and 12.1.7, the BOARD MEMBERS and their alternates will hold office for a term of 5 (five) years; provided that they will be eligible for re-appointment or re-election, as the case may be, upon the expiry of their term of office. The BOARD MEMBERS and their alternates will only vacate office at the first BOARD

OF MANAGEMENT'S meeting following the expiry of their term of office when the new BOARD MEMBERS and their alternates commence with their duties as BOARD OF MANAGEMENT.

- 12.1.6 The BOARD OF MANAGEMENT will appoint a secretary who need not be a BOARD MEMBER.
- 12.1.7 Any BOARD MEMBER will cease to be such upon:
  - 12.1.7.1 ceasing to be a BOARD MEMBER in terms of RULE 12.1.4 or 12.1.5; or
  - 12.1.7.2 resigning by giving 1 (one) month's written notice to the CHAIRPERSON; or
  - 12.1.7.3 failing to attend 2 (two) consecutive BOARD OF MANAGEMENT'S meetings without leave of the other BOARD MEMBERS and without good cause shown by such BOARD MEMBER; or
  - 12.1.7.4 becoming a person without full legal capacity; or
  - 12.1.7.5 becoming mentally or physically incapable of performing the duties or functions of a BOARD MEMBER; or
  - 12.1.7.6 such BOARD MEMBER'S estate being sequestrated or given over to the BOARD MEMBER'S creditors and who has not been rehabilitated; or
  - 12.1.7.7 being found guilty by a competent court, in the Republic of South Africa or elsewhere, of theft, fraud, forgery or any similar offence; or

12.1.7.8 being dismissed from an office of trust on account of misconduct; or

12.1.7.9 being found guilty by a competent court on any charge and sentenced to imprisonment without the option of a fine, or

12.1.7.10 becoming unfit to be a director of a company in terms of the Companies Act, 1973 (Act 61 of 1973); or

12.1.7.11 the FUND being dissolved, subject however, to the provisions of RULE 13;

provided that a person who has previously been removed from the office of BOARD MEMBER in terms of this RULE 12.1.7, other than in terms of RULES 12.1.7.1 or 12.1.7.2, will be prohibited from being appointed or elected as a BOARD MEMBER, as the case may be, in the absence of proof to the satisfaction of the other BOARD MEMBERS that such person should again be allowed to act as a BOARD MEMBER.

12.1.8 A casual vacancy amongst the BOARD OF MANAGEMENT will be filled at the next meeting of the BOARD OF MANAGEMENT following the occurrence of such casual vacancy by:

12.1.8.1 an alternate BOARD MEMBER, in the case of a BOARD MEMBER, or

12.1.8.2 substitute appointed by the remaining BOARD MEMBERS, in the case of an alternate BOARD MEMBER;

Provided that such alternate BOARD MEMBER or substitute will cease to hold office as a BOARD MEMBER or alternate BOARD MEMBER upon the expiry of the term of office of the person in whose stead the alternate BOARD MEMBER or substitute is appointed.

## **12.2 MEETINGS OF THE BOARD OF MANAGEMENT**

- 12.2.1 A quorum of the BOARD OF MANAGEMENT will consist of 4 (four) BOARD MEMBERS; provided that the independent BOARD MEMBER shall always form part of the quorum. The quorum will be authorised to perform all necessary actions on behalf of the FUND.
- 12.2.2 The BOARD OF MANAGEMENT will appoint the CHAIRPERSON from its own ranks. The CHAIRPERSON will hold office for 4 (four) years. In the absence of the CHAIRPERSON at any meeting the BOARD OF MANAGEMENT will appoint an acting chairperson from the BOARD MEMBERS present at the meeting.
- 12.2.3 The BOARD OF MANAGEMENT will meet as often as is necessary to conduct the business of the FUND, but at least twice in every FUND YEAR; provided that at least 15 (fifteen) days prior written notification of ordinary meetings of the BOARD OF MANAGEMENT will be given to each BOARD MEMBER by the PRINCIPAL OFFICER.
- 12.2.4 The decision of the majority of the BOARD MEMBERS present at a meeting of the BOARD OF MANAGEMENT will be binding, provided that a quorum is present at such meeting. In the event of an equality of votes, the CHAIRPERSON will not have a casting vote in addition to a deliberative vote. In the event of a deadlock arising at any meeting of the BOARD OF MANAGEMENT due to an equality of votes, the matter under dispute will be deferred

to the following meeting of the BOARD OF MANAGEMENT or to a special meeting of the BOARD OF MANAGEMENT convened for the specific purpose of reconsidering the matter under dispute.

- 12.2.5 Either prior to or at the commencement of such subsequent meeting of the BOARD OF MANAGEMENT, the BOARD MEMBERS may consult with and receive such advice or evidence from such independent persons having expert knowledge of the matter under dispute, as the BOARD OF MANAGEMENT deems appropriate. If, after reconsidering the matter under dispute, the matter remains deadlocked due to an equality of votes, the matter under dispute will be referred to an independent third party agreed upon by the BOARD MEMBERS, who is knowledgeable on the matter under dispute, to make a decision on the matter, which decision will be binding on the BOARD OF MANAGEMENT. If the BOARD OF MANAGEMENT is unable to agree upon whom the third party should be, the Association under whose jurisdiction the matter would be best suited, would be requested to assist with the appointment of such person.
- 12.2.6 Any BOARD MEMBER may request the CHAIRPERSON in writing to arrange a meeting of the BOARD OF MANAGEMENT to discuss such matters as are set out in the request. Should the CHAIRPERSON regard the request as reasonable, the CHAIRPERSON will arrange a meeting as soon as possible; provided that, if the request is supported by the majority of BOARD MEMBERS and the CHAIRPERSON fails to arrange a meeting within 30 (thirty) days from the date on which the request was received, they may arrange the meeting themselves after notifying the CHAIRPERSON of their decision. Should a quorum be present, the decision of the majority will be binding.



- 12.2.7 Minutes will be kept of the meetings of the BOARD OF MANAGEMENT. At every meeting the minutes of the previous meeting will be signed by the CHAIRPERSON and such other persons authorised by the BOARD OF MANAGEMENT in terms of RULE 12.5, after being approved by the BOARD OF MANAGEMENT.
- 12.2.8 A resolution approved by a quorum of the BOARD OF MANAGEMENT will be as effective as if it had been passed at a meeting of the BOARD OF MANAGEMENT duly convened and held. Any resolution passed in terms of this RULE will be minuted at the first meeting of the BOARD OF MANAGEMENT held after the passing of such resolution.
- 12.2.9 A BOARD MEMBER will bear in mind in all dealings with matters of the FUND that such BOARD MEMBER does not represent any party in the FUND but that such BOARD MEMBER represents the FUND as a whole and acts together with the other BOARD MEMBERS to achieve the objective of the FUND. BOARD MEMBERS are required to exercise good faith and a high standard of care. A BOARD MEMBER who has a direct or indirect financial interest, other than by way of employment by a PARTICIPATING EMPLOYER, in a decision to be taken by the BOARD OF MANAGEMENT, will disclose this interest before discussion of the matter and will refrain from voting thereon.

### **12.3 POWERS OF THE BOARD OF MANAGEMENT**

- 12.3.1 Subject to the provisions of the ACT, the BOARD OF MANAGEMENT is authorised to give effect to the objective of the FUND in terms of the RULES and, without in any way detracting from the generality of this RULE, the

BOARD OF MANAGEMENT will have the following powers:

- 12.3.1.1 to make any arrangements and regulations for the administration of the FUND and do anything not inconsistent with the ACT or the RULES that, in its opinion, would be for the benefit or protection of the MEMBERS;
- 12.3.1.2 to receive, administer and apply money of the FUND;
- 12.3.1.3 to raise or borrow money at interest or otherwise for purposes of the FUND; provided that borrowing will be limited to temporary loans necessitated by short-term cash shortages or for taking advantage of attractive investment opportunities;
- 12.3.1.4 to purchase, sell, let, borrow, lend or otherwise acquire or dispose of movable or immovable property for purposes of the FUND;
- 12.3.1.5 to invest in an INVESTMENT PORTFOLIO or to delegate its powers to make investments to a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001 (Act 28 of 2001) or an INVESTMENT MANAGER, place on deposit, advance or otherwise deal with any money not immediately required for running expenses of the FUND, against such securities and in such manner as the BOARD OF MANAGEMENT may determine, and to realise, change, reinvest or otherwise deal with such securities as the BOARD OF

MANAGEMENT may determine and in particular:

- (a) to grant a loan to a MEMBER to enable such MEMBER to purchase a dwelling or to purchase land and erect a dwelling on it, for occupation by the MEMBER or the MEMBER'S DEPENDANT(S), or
  - (b) to grant a loan to a MEMBER to enable such MEMBER to make additions or alterations to or to maintain or repair a dwelling belonging to such MEMBER or the MEMBER'S SPOUSE and which is occupied or to be occupied by the MEMBER or the MEMBER'S DEPENDANT(S), or
  - (c) on security of a pledge by the MEMBER of the MEMBER'S benefit to the FUND, to furnish a guarantee to a third party in respect of a housing loan to the MEMBER by such third party, as contemplated in Section 19(5) of the ACT;
- 12.3.1.6 to recover such amounts from a MEMBER'S benefits as are described in RULE 14.12 in the circumstances provided for in that RULE;
- 12.3.1.7 to prescribe and rescind regulations as to how a claim should be submitted to and dealt with by the FUND;
- 12.3.1.8 to institute legal action or process for the FUND and to conduct, abandon or settle such action

or process and to defend or settle legal action or process instituted against the FUND;

- 12.3.1.9 to obtain expert advice on matters in respect of which the BOARD OF MANAGEMENT may lack sufficient expertise;
- 12.3.1.10 to establish a trust contemplated in the Trust Property Control Act, 1988 (Act 57 of 1988) for the purpose of the distribution of death benefits in terms of RULE 14.4;
- 12.3.1.11 to transfer money to a beneficiary fund, registered as such in terms of the ACT, for the purpose of the distribution of death benefits in terms of RULE 14.4;
- 12.3.1.12 to effect policies of insurance issued to the FUND by an INSURER;
- 12.3.1.13 to ensure that the FUND'S investments will be made in accordance with sound financial principles and in accordance with the investment policy and strategy developed by the BOARD OF MANAGEMENT;
- 12.3.1.14 to delegate the exercise of its powers and the performance of its functions to a sub-committee or other person or persons, subject to such conditions as it may determine, provided that the BOARD OF MANAGEMENT will ratify the decisions of such sub-committee or other person or persons and retain full responsibility for any sub-committee to whom the BOARD OF MANAGEMENT'S exercise of its powers and the performance of its functions in terms of the

RULES has been delegated and provided further that such delegation is lawful and consistent with the exercise of the BOARD OF MANAGEMENT'S fiduciary obligations; and

12.3.1.15 to take such other steps as are necessary for achieving the FUND'S objective.

#### **12.4 PRINCIPAL OFFICER**

The BOARD OF MANAGEMENT will appoint a PRINCIPAL OFFICER for the FUND. If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform the duties of a principal officer for more than 30 (thirty) days, the BOARD OF MANAGEMENT will, within 30 (thirty) days, appoint a new PRINCIPAL OFFICER. The BOARD OF MANAGEMENT will inform the REGISTRAR of the name of the PRINCIPAL OFFICER.

#### **12.5 SIGNING POWERS**

The BOARD OF MANAGEMENT may authorise a person or persons from time to time to sign such contract or other document that binds the FUND or any document that authorises any action on behalf of the FUND; provided that any document to be submitted to the REGISTRAR, will be signed in such manner as prescribed by the ACT.

#### **12.6 BOOKS OF ACCOUNTS**

The BOARD OF MANAGEMENT will cause such accounts, registers and records to be kept as are necessary for the proper management of the FUND and as are required in terms of the ACT. The books of account will be made up at the end of each FUND YEAR and will be audited by the AUDITOR or the ADMINISTRATOR, as the case may be.

## **12.7 BANK ACCOUNT**

The BOARD OF MANAGEMENT will arrange for an account to be opened in the name of the FUND at a registered banking institution approved by the REGISTRAR. All money received by or on behalf of the FUND will be deposited in such account.

## **12.8 ADMINISTRATOR**

The BOARD OF MANAGEMENT will appoint an ADMINISTRATOR to administer the FUND. Such appointment will remain in force for a period as agreed between the BOARD OF MANAGEMENT and the ADMINISTRATOR in terms of an administration agreement between the FUND and the ADMINISTRATOR. The duties and responsibilities of the ADMINISTRATOR will be determined by the BOARD OF MANAGEMENT from time to time and will be recorded in the administration agreement between the FUND and the ADMINISTRATOR.

## **12.9 AUDITOR**

Subject to the approval of the REGISTRAR, and if required by the REGISTRAR the BOARD OF MANAGEMENT will appoint an AUDITOR. Such appointment will remain in force for a period as agreed upon between the BOARD OF MANAGEMENT and the AUDITOR, unless the BOARD OF MANAGEMENT rescinds the appointment or it is relinquished by the AUDITOR prior to the expiry of the aforementioned period, whichever event occurs first. The AUDITOR will have access, at all reasonable times, to all books, accounts, vouchers and other documents pertaining to the FUND and will certify the result of each audit in writing.

## **12.10 COST OF MANAGEMENT OF THE FUND**

The FUND will bear all expenses arising from the management of the FUND.

## **12.11 PERSONAL LIABILITY**

The BOARD OF MANAGEMENT, the PRINCIPAL OFFICER and any other officer of the FUND will not be personally liable for any loss suffered by the PARTICIPATING EMPLOYER, the FUND, the MEMBERS or BENEFICIARIES, even where such loss is the result of an act or omission of the BOARD OF MANAGEMENT, the PRINCIPAL OFFICER or any other officer of the FUND; provided that such loss does not result from such officer's or BOARD MEMBER'S negligence, dishonesty or fraud and is in accordance with the RULES.

## **12.12 INDEMNIFICATION**

12.12.1 The BOARD OF MANAGEMENT will ensure that insurance is effected for such an amount as it regards as sufficient protection against losses which may arise as a result of the negligence, recklessness, intentional unlawful acts, dishonesty or fraud of any of the FUND'S officers (including the PRINCIPAL OFFICER and BOARD MEMBERS) who receive and handle monies of the FUND.

12.12.2 The BOARD OF MANAGEMENT will ensure that all the FUND'S service providers effect and maintain insurance to adequately indemnify the FUND against losses which may arise as a result of the negligence, recklessness, intentional unlawful acts, dishonesty or fraud of any person employed by such service provider.

### **12.13 REGISTRATION AND SAFE CUSTODY OF DOCUMENTS**

12.13.1 All title deeds and securities belonging to the FUND will be registered in the name of the FUND or in the name of a nominee company approved by the REGISTRAR. No security will be transferred, varied, disposed of, or otherwise alienated, except with the written approval of the BOARD OF MANAGEMENT.

12.13.2 The documents of title in connection with any investment or asset of the FUND will be kept in safe custody:

12.13.2.1 at the registered office of the FUND; or

12.13.2.2 at the registered office of the ADMINISTRATOR, if the ADMINISTRATOR is a legal person; or

12.13.2.3 at the registered office of a nominee company which holds assets on behalf of the FUND; or

12.13.2.4 at a registered financial institution approved by the REGISTRAR; or

12.13.2.5 at a registered bank or deposit-taking institution approved by the REGISTRAR,

as decided by the BOARD OF MANAGEMENT.

### **12.14 ACTUARY AND ACTUARIAL VALUATION**

12.14.1 Subject to the approval of the REGISTRAR, the BOARD OF MANAGEMENT will appoint an ACTUARY as valuator of the FUND. Such appointment will remain in force until



rescinded by the BOARD OF MANAGEMENT or relinquished by the ACTUARY, whichever event occurs first. The BOARD OF MANAGEMENT will cause such records to be maintained as are necessary to enable the ACTUARY to perform actuarial calculations for purposes of the FUND at any time.

- 12.14.2 The FUND will be valued at least once every 3 (three) years to determine its financial condition. A copy of the ACTUARY'S report will be submitted to the REGISTRAR within the period and in the manner stipulated in the ACT. A copy of such report will also be furnished to the PARTICIPATING EMPLOYER.
- 12.14.3 If any valuation of the FUND reveals a surplus, such surplus will be applied in such manner as determined by the BOARD OF MANAGEMENT in consultation with the ACTUARY, which will not be inconsistent with the provisions of the ACT and the RULES.
- 12.14.4 If any valuation of the FUND reveals a deficit, such deficit will be dealt with in a manner as agreed upon by the BOARD OF MANAGEMENT on advice from the ACTUARY, which will not be inconsistent with the provisions of the ACT and the RULES.

## **12.15 INVESTMENT MANAGER**

The BOARD OF MANAGEMENT will appoint an INVESTMENT MANAGER to perform whatever acts may be necessary with regard to investments on behalf of the FUND. Such appointment will remain in force until rescinded by the BOARD OF MANAGEMENT or relinquished by the INVESTMENT MANAGER, whichever event occurs first; provided that an INVESTMENT MANAGER'S appointment will terminate immediately upon such INVESTMENT MANAGER ceasing to be approved as such in terms of the Securities

Services Act, 2004 (Act 36 of 2004), or the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002) and Section 13B of the ACT.

#### **12.16 EXPENSES INCURRED BY THE BOARD OF MANAGEMENT**

The BOARD OF MANAGEMENT will receive from the FUND a refund of the expenses incurred by it, if any, whilst performing any service in his or her capacity as a BOARD MEMBER on behalf of the FUND, in accordance with decisions taken by the BOARD OF MANAGEMENT in this regard, from time to time. Any such payments will be regarded as an expense in terms of RULE 12.10 and will be reflected as such in the FUND'S financial statements.

#### **12.17 REMUNERATION OF THE BOARD OF MANAGEMENT AND THE PRINCIPAL OFFICER**

12.17.1 The independent BOARD MEMBER will be entitled to remuneration for the services performed by such BOARD MEMBER in his or her office as BOARD MEMBER in accordance with the BOARD OF MANAGEMENT'S remuneration policy.

12.17.2 The PRINCIPAL OFFICER will be entitled to remuneration for the services performed by such PRINCIPAL OFFICER in his or her office as PRINCIPAL OFFICER in accordance with the BOARD OF MANAGEMENT'S remuneration policy.

## 13 DISSOLUTION OR AMALGAMATION OF THE FUND

### 13.1 PARTIAL DISSOLUTION

- 13.1.1 A PARTICIPATING EMPLOYER may discontinue participation in the FUND at any time; provided that 2 (two) months written notice of such intention is given to the BOARD OF MANAGEMENT. Benefits which are in the process of being paid in terms of the RULES at the time of such partial dissolution will not be affected by such partial dissolution.
- 13.1.2 Should a PARTICIPATING EMPLOYER discontinue its participation in the FUND, the MEMBERS employed by such PARTICIPATING EMPLOYER will become members of another APPROVED FUND; provided that if such other APPROVED FUND is a fund in which the PARTICIPATING EMPLOYER participates, the MEMBERS must be eligible for membership of such other APPROVED FUND and the APPROVED FUND must be a pension fund as defined in the INCOME TAX ACT. If there is no such other APPROVED FUND in which the PARTICIPATING EMPLOYER participates, or if a MEMBER does not meet the eligibility criteria for participation in such other APPROVED FUND, such MEMBER(S) will become a member(s) of an APPROVED FUND that is either a pension preservation fund as defined in the INCOME TAX ACT or a retirement annuity fund as defined in the INCOME TAX ACT, of his or her choice. The exercising of this choice by a MEMBER is subject to the express condition that such choice, including full details of the APPROVED FUND to which the benefit is to be transferred, will be submitted in writing to the ADMINISTRATOR within a period of 90 (ninety) days

following the date of termination of the PARTICIPATING EMPLOYER'S participation in the FUND. If such written instruction is not submitted within the specified period, such MEMBER will become a member of an APPROVED FUND that is either a pension preservation fund as defined in the INCOME TAX ACT or a retirement annuity fund as defined in the INCOME TAX ACT, of the BOARD OF MANAGEMENT'S choice from time to time.

The BOARD OF MANAGEMENT will make such arrangements and enter into such agreements as it may deem necessary for the transfer to such APPROVED FUND of the EQUITABLE SHARES as at the REALISATION DATE, as well as the proportionate shares of the DATA AND PROCESSING RESERVE ACCOUNT and the MEMBER SURPLUS ACCOUNT, of such MEMBERS who acquire membership of such APPROVED FUND, in accordance with the recommendations of the ACTUARY. Such transaction is, however, subject to the prior obtainment of certificates issued by the REGISTRAR to the relevant APPROVED FUNDS to authorise the transaction.

- 13.1.3 If a MEMBER does not meet the eligibility criteria for participation in any pension preservation fund as defined in the INCOME TAX ACT or a retirement annuity fund as defined in the INCOME TAX ACT, the liquidation provisions as set out in RULE 13.2 will be mutatis mutandis applicable in respect of the assets and liabilities of the FUND attributable to such MEMBER.

## **13.2 TOTAL DISSOLUTION**

- 13.2.1 The FUND will be dissolved if the BOARD OF MANAGEMENT decides that it should be dissolved after giving 6 (six) months' written notice to all the

PARTICIPATING EMPLOYERS; or if all the EMPLOYERS jointly decide or the sole remaining EMPLOYER decides to terminate the payment of CONTRIBUTIONS to the FUND after having given 3 (three) months' written notice to the BOARD OF MANAGEMENT, or such PARTICIPATING EMPLOYER(S) discontinue business operations, or such PARTICIPATING EMPLOYER(S) are wound up, whether voluntarily or not; provided that should such PARTICIPATING EMPLOYER(S) be liquidated and reconstituted in a similar or altered form, the FUND will not be dissolved, unless the reconstituted employer decides not to become a PARTICIPATING EMPLOYER in the FUND.

13.2.2 Upon the dissolution of the FUND, the BOARD OF MANAGEMENT will retain its duties and powers for the purpose of attending to matters relating to the dissolution of the FUND. The BOARD OF MANAGEMENT will appoint a liquidator whose appointment will be subject to the approval of the REGISTRAR. Once the appointment of the liquidator has been approved by the REGISTRAR, the BOARD OF MANAGEMENT will cease to hold office and the powers, duties and functions conferred upon it in terms of the RULES will devolve upon the liquidator.

13.2.3 The liquidator will consult the ACTUARY as to the value of each MEMBER'S and BENEFICIARY'S entitlement in the FUND and will apply the assets of the FUND in an equitable manner to ensure that:

13.2.3.1 benefits, excluding benefits payable in terms of RULE 8, in respect of MEMBERS and BENEFICIARIES in respect of whom benefits became payable prior to the date of the FUND'S dissolution but who have not yet received payment thereof, will be purchased

from an INSURER or other APPROVED FUND; provided that benefits payable in terms of RULE 8 will be paid to a MEMBER in a lump sum or be transferred on behalf of the MEMBER to another APPROVED FUND. Such benefits are subject to a maximum amount equal to the value of the assets of the FUND immediately prior to the date of the FUND'S dissolution. The benefits provided in terms hereof and the provisions in accordance with which the benefits will be paid to MEMBERS and BENEFICIARIES by the INSURER or other APPROVED FUND will correspond as closely as possible with those that would have applied had the FUND not been dissolved;

- 13.2.3.2 the balance of the assets of the FUND (if any) after payment of benefits envisaged in RULE 13.2.3.1, is utilised to purchase deferred retirement benefits for the remaining MEMBERS from an INSURER or other APPROVED FUND. Such deferred retirement benefits will be purchased with the amount equal to each MEMBER'S EQUITABLE SHARE as at the REALISATION DATE, as well as each MEMBER'S proportionate share of the DATA AND PROCESSING RESERVE ACCOUNT and the MEMBER SURPLUS ACCOUNT. At the request of any such MEMBER, the liquidator may pay such MEMBER'S EQUITABLE SHARE, as well as such MEMBER'S proportionate share of the DATA AND PROCESSING RESERVE ACCOUNT and the MEMBER SURPLUS ACCOUNT, to the MEMBER in a lump sum;

- 13.2.3.3 the liquidator may regard EMPLOYEES who left the PARTICIPATING EMPLOYER'S service during the immediately preceding 12 (twelve) months, as MEMBERS as at the date of the FUND'S dissolution; provided that any benefits already paid to them will be taken into account in calculating the benefits to which they may become entitled.
- 13.2.4 If the FUND is terminated or dissolved under Section 28 of the ACT, monies remaining unclaimed for a reasonable period as determined by the liquidator from the date on which payment of benefits by the liquidator commenced after completion of all necessary formalities, will be paid into an APPROVED FUND that has been approved by the South African Revenue Services to accept unclaimed benefits for the account of the MEMBER or BENEFICIARY concerned and thereafter there will be no claim against the FUND in respect of such monies. The liquidator will indicate in the final liquidation and distribution account the amount thus paid and simultaneously furnish the REGISTRAR with a certificate to the effect that all reasonable steps were taken to trace the MEMBERS or BENEFICIARIES in question.
- 13.2.5 If the FUND is wound-up under Section 29 of the ACT and the winding-up order does not specifically make Section 410 of the Companies Act, 1973 (Act 61 of 1973) applicable or direct otherwise regarding unclaimed monies, the provisions of RULE 13.2.4 will apply to unclaimed monies.

### **13.3 AMALGAMATION**

Should a PARTICIPATING EMPLOYER or all the PARTICIPATING EMPLOYERS merge with or become affiliated to any other body,

take over or be taken over by another body, then, notwithstanding the relevant provisions of RULES 13.1 and 13.2, the relevant parties may agree that the FUND not be dissolved but be continued or, in consultation with the ACTUARY, make such arrangements or enter into such agreements as may be decided upon for the merging of the FUND with the APPROVED FUND of the employees of such other body.



## 14 GENERAL

### 14.1 NON-ASSIGNABILITY OF BENEFITS

- 14.1.1 Save to the extent permitted by the ACT, the INCOME TAX ACT, the Maintenance Act, 1998 (Act 99 of 1998), the Divorce Act, 1979 (Act 70 of 1979) and RULES 14.4 and 14.12, no benefit or right thereto provided for in the RULES (including an annuity purchased or to be purchased by the FUND from an INSURER for a MEMBER or BENEFICIARY) or right in respect of CONTRIBUTIONS, will be capable of being reduced, transferred, ceded, pledged, hypothecated, attached or subjected to any form of execution under a judgment or order of a court of law.
- 14.1.2 If a MEMBER or BENEFICIARY attempts to transfer, cede, pledge or hypothecate a benefit or right thereto, the BOARD OF MANAGEMENT may direct that payment of such benefit be withheld or suspended or that payment of such benefit be effected in accordance with RULE 14.4.4, 14.4.5 or 14.4.6, as the case may be.
- 14.1.3 Subject to the provisions of Section 37B of the ACT, if the estate of a MEMBER or BENEFICIARY who is entitled to a benefit is sequestrated or surrendered, such benefit will not be regarded as an asset in such MEMBER'S or BENEFICIARY'S insolvent estate and may in no manner whatsoever be attached or appropriated by the curator of the insolvent estate or the MEMBER'S or BENEFICIARY'S creditors, notwithstanding anything to the contrary contained in any law relating to insolvency.
- 14.1.4 Subject to the provisions of Section 37C of the ACT, a benefit payable in respect of a deceased MEMBER will not

be regarded as an asset in such deceased MEMBER'S estate.

## **14.2 GREATER BENEFITS**

In consultation with the PARTICIPATING EMPLOYER, the BOARD OF MANAGEMENT may grant greater benefits to MEMBERS and BENEFICIARIES than those provided for in the RULES; provided that the cost of such greater benefits, as determined by the ACTUARY, will be paid by the PARTICIPATING EMPLOYER to the FUND in such manner as agreed upon by the BOARD OF MANAGEMENT and the PARTICIPATING EMPLOYER.

## **14.3 TRANSFERS TO OR FROM OTHER FUNDS**

14.3.1 The FUND is empowered to receive transfers of monies and business from other APPROVED FUNDS or to effect transfers of monies and business to other APPROVED FUNDS subject to the relevant provisions of the INCOME TAX ACT and Section 14 of the ACT and on such terms and conditions as the BOARD OF MANAGEMENT in consultation with the ACTUARY may decide; provided that any such transfer to or from an APPROVED FUND that has been approved by the South African Revenue Services as a pension preservation fund will be conducted in compliance with the INCOME TAX ACT. The FUND is also empowered to receive transfers of monies and business from any other retirement funding arrangement being operated in a country other than the Republic of South Africa and approved as such by that country's relevant authorised regulators.

14.3.2 Notwithstanding any other contrary provisions in the RULES, the following provisions will be applicable to a MEMBER who is transferred to another APPROVED

FUND, from the effective date of the transfer until the actual date of payment of the MEMBER'S assets in the FUND to the said APPROVED FUND:

- 14.3.2.1 No further CONTRIBUTIONS are payable to the FUND after the effective date of the transfer.
- 14.3.2.2 If such MEMBER retires prior to the completion of the transfer, the MEMBER will become entitled to a pension that can be secured by the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE and the provisions of RULE 5 will apply *mutatis mutandis*.
- 14.3.2.3 If such MEMBER dies prior to the completion of the transfer, the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE, adjusted with the rate of interest as determined by the BOARD OF MANAGEMENT from time to time, taking into account the investment vehicle in which and the period during which the assets representing the benefit are invested and all other relevant facts, until the actual date of payment of the benefit and the cost, as approved by the BOARD OF MANAGEMENT, that was necessary to trace the BENEFICIARIES in terms of RULE 14.4, will be paid in terms of the provisions of RULE 14.4.
- 14.3.2.4 If such MEMBER'S service is terminated prior to the completion of the transfer, the MEMBER'S EQUITABLE SHARE as at the REALISATION DATE will be paid to the MEMBER, and the provisions of RULE 8 will apply *mutatis mutandis*.

14.3.2.5 Any amount already paid to the MEMBER by the FUND prior to the completion of the transfer will be deducted from the amount allocated towards the MEMBER in the transfer.

14.3.2.6 A MEMBER'S benefit in terms of this RULE may be increased by such proportionate share of any reserve account and/or surplus account, as determined by the BOARD OF MANAGEMENT, in consultation with the ACTUARY, from time to time.

#### **14.4 PAYMENT OF BENEFITS**

14.4.1 Subject to the provisions of RULES 14.12.3.1 and 14.13.2, the BOARD OF MANAGEMENT will take a decision from time to time to cause the amount, representing a benefit that becomes payable in terms of the RULES, to remain in the current INVESTMENT PORTFOLIO(S) it is invested in immediately prior to the benefit becoming payable, or to be disinvested and be invested in another product or investment vehicle, as determined by the BOARD OF MANAGEMENT until the date of receipt of the MEMBER'S completed election form as provided for in RULE 8.1 or the date of disinvestment as decided by the BOARD OF MANAGEMENT from time to time.

14.4.2 Subject to the provisions of RULES 14.4.4, 14.4.5, 14.4.6 and 14.12, the FUND will pay any benefits that are payable in terms of the RULES in respect of any person who is still living, to such MEMBER or BENEFICIARY. Such MEMBER or BENEFICIARY will be deemed to have requested payment thereof by means of an electronic bank transfer to such MEMBER'S or BENEFICIARY'S bank account, the details of which the MEMBER or

BENEFICIARY will notify the BOARD OF MANAGEMENT of in writing. However, at the request of the MEMBER or BENEFICIARY, the BOARD OF MANAGEMENT may agree to the payment of the benefit in some other specified manner.

14.4.3 Subject to the provisions of RULES 14.4.4 and 14.4.6, a benefit which becomes payable upon a MEMBER'S death, will be dealt with by the BOARD OF MANAGEMENT as follows:

14.4.3.1 Should the existence of a DEPENDANT(S) of the MEMBER become known to the FUND and such DEPENDANT(S)' whereabouts determined within 12 (twelve) months of the death of the MEMBER, the benefit will be paid to such DEPENDANT or if there is more than one DEPENDANT, to any one such DEPENDANT or in proportions to some or all of such DEPENDANTS, as may be deemed equitable by the BOARD OF MANAGEMENT.

14.4.3.2 Should the existence of a DEPENDANT of the MEMBER not become known to the FUND, or should the FUND be unable to trace any such DEPENDANT within 12 (twelve) months of the death of the MEMBER and the MEMBER has designated to the FUND a NOMINEE to receive the benefit, or such portion of the benefit as is specified by the MEMBER, the benefit or such portion of the benefit will be paid to such NOMINEE; provided that where the aggregate of the debts in the estate of the MEMBER exceeds the aggregate of the assets in the estate of the MEMBER, so much of the benefit as is equal to the difference between such

aggregate amount of debts and such aggregate amount of assets will be paid into the estate of the MEMBER and the balance of such benefit or the balance of such portion of the benefit as specified by the MEMBER will be paid to the NOMINEE.

14.4.3.3 If a MEMBER has a DEPENDANT(S) and the MEMBER has also designated in writing, including an electronic format as approved by the BOARD OF MANAGEMENT, to the FUND a NOMINEE to receive the benefit or such portion of the benefit as is specified by the MEMBER, the FUND will within 12 (twelve) months of the death of such MEMBER pay the benefit or such portion thereof to such DEPENDANT(S) or NOMINEE in such portions as the BOARD OF MANAGEMENT may deem equitable. It is a further proviso that, in respect of a designation of a NOMINEE made on or after such date, the BOARD OF MANAGEMENT may pay the benefit to a DEPENDANT and/or NOMINEE contemplated in this paragraph or if there is more than one such DEPENDANT or NOMINEE, in proportions to any or all of such DEPENDANTS and NOMINEES.

14.4.3.4 Should the existence of a DEPENDANT(S) of the MEMBER not become known to the FUND or should the FUND be unable to trace any such DEPENDANT(S) within 12 (twelve) months of the death of the MEMBER, and if the MEMBER has not designated in writing a NOMINEE, or if the MEMBER has designated in writing to the FUND a NOMINEE to receive a

portion of the benefit to the FUND, the benefit or the remaining portion of the benefit after payment to the NOMINEE will be paid into the estate of the MEMBER, or if no inventory in respect of the MEMBER has been received by the Master of the High Court in terms of the Estates Act, 1965 (Act 66 of 1965), it will be paid into the Guardian's Fund.

- 14.4.4 Notwithstanding the provisions of RULES 14.4.2 and 14.4.3, the FUND will pay a lump sum benefit payable to a BENEFICIARY who is a minor in a lump sum to such minor's legal guardian, or in such instalments as the BOARD OF MANAGEMENT may from time to time consider appropriate and in the best interests of such BENEFICIARY to such minor's legal guardian or caregiver, as defined in the Children's Act, 2005 (Act 38 of 2005). It is a proviso that where a benefit is paid in instalments, the following conditions will apply:
- 14.4.4.1 INTERIM INVESTMENT RETURN or INVESTMENT RETURN, as applicable, will be added to the outstanding balance from time to time; and
- 14.4.4.2 any balance owing to such BENEFICIARY as at the date on which the BENEFICIARY attains majority or dies, whichever occurs first, will be paid in full to such BENEFICIARY or to such BENEFICIARY'S estate, as the case may be.
- 14.4.5 Should the BOARD OF MANAGEMENT decide that there are sound and adequate reasons why a benefit should not be paid to a MEMBER, it may, notwithstanding the provisions of RULE 14.4.2, pay the benefit:

- 14.4.5.1 wholly or partially to the MEMBER'S DEPENDANT(S) or to a legal guardian for the benefit of such DEPENDANT(S), if the MEMBER attempts to contravene the provisions of RULE 14.1.1; or
  - 14.4.5.2 to the MEMBER'S curator for the benefit of the MEMBER, subject to the provisions of Section 37B of the ACT; or
  - 14.4.5.3 to a trustee contemplated in the Trust Property Control Act, 1988 (Act 57 of 1988) for the benefit of the MEMBER.
- 14.4.6 Should the BOARD OF MANAGEMENT decide that there are sound and adequate reasons why a benefit which has arisen as a result of a MEMBER'S death should not be paid to a BENEFICIARY, it may, notwithstanding the provisions of RULES 14.4.2, 14.4.3, 14.4.4 and 14.4.7, pay the benefit:
- 14.4.6.1 wholly or partially to the BENEFICIARY'S dependant(s) or to a legal guardian or caregiver, as defined in the Children's Act, 2005 (Act 38 of 2005), for the benefit of such dependant(s), if the BENEFICIARY attempts to contravene the provisions of RULE 14.1.1; or
  - 14.4.6.2 to the BENEFICIARY'S curator for the benefit of the BENEFICIARY, subject to the provisions of Section 37B of the ACT; or
  - 14.4.6.3 to a trustee contemplated in the Trust Property Control Act, 1988 (Act 57 of 1988) for the benefit of the BENEFICIARY; or



14.4.6.4 to a beneficiary fund registered as such in terms of the ACT.

14.4.7 Notwithstanding any contrary provision contained in RULE 14.4, the BOARD OF MANAGEMENT may pay a lump sum benefit payable to a BENEFICIARY who is not a minor in instalments if such BENEFICIARY has consented thereto in writing; provided that:

14.4.7.1 the amount and frequency of the instalments, the rate at which interest is to be added and any other terms and conditions will be disclosed in a written agreement between the FUND and the BENEFICIARY concerned;

14.4.7.2 the agreement may be cancelled by the FUND or the BENEFICIARY on written notice not exceeding 90 (ninety) days; and

14.4.7.3 if the agreement is cancelled, the balance of the benefit will be paid to the BENEFICIARY in full.

14.4.8 A decision of the BOARD OF MANAGEMENT in accordance with RULES 14.5 and 14.6 (other than a decision to make payment to a trust or a decision to pay a lump sum benefit in instalments) may be amended from time to time; provided that such new decision does not contravene the provisions of the ACT.

14.4.9 The BOARD OF MANAGEMENT has the right to require satisfactory proof of age in respect of any BENEFICIARY or deceased MEMBER, and the FUND will not be obliged to pay benefits to or in respect of such BENEFICIARY or deceased MEMBER until such proof has been submitted.

## 14.5 LATE PAYMENT OF BENEFITS

- 14.5.1 Any amount to be transferred to another APPROVED FUND in terms of RULE 8.3 will be transferred to such other APPROVED FUND within 60 (sixty) days of receipt by the FUND of the MEMBER'S written instruction, indicating that he or she has elected to transfer his or her benefit to such other APPROVED FUND; provided that such transfer is permissible in terms of the ACT and the INCOME TAX ACT. Interest at a rate as prescribed in terms of the ACT will be paid to such other APPROVED FUND in respect of any benefit transferred after the aforementioned 60 (sixty) day-period and will be calculated from the expiry of the 60 (sixty) day-period until the date of payment of the benefit.
- 14.5.2 Any amount to be transferred to another APPROVED FUND in terms of RULE 14.3 will be transferred to such other APPROVED FUND within 60 (sixty) days of the approval by the REGISTRAR of such transfer. Interest at a rate as determined by the BOARD OF MANAGEMENT from time to time will be paid to such other APPROVED FUND in respect of any benefit transferred after the aforementioned 60 (sixty) day-period and will be calculated from the expiry of the 60 (sixty) day-period until the date of payment of the benefit to such other APPROVED FUND.
- 14.5.3 Subject to the provisions of RULES 14.5.1 and 14.5.2, the BOARD OF MANAGEMENT may determine from time to time the period in which any benefit payable by the FUND must be paid, as well as the rate of interest to be added to the benefit if the benefit is paid after the expiry of such period.

## **14.6 CURRENCY**

CONTRIBUTIONS and benefits payable in terms of the RULES are payable in the legal currency of the Republic of South Africa. However, in special circumstances, the BOARD OF MANAGEMENT may authorise payments outside the Republic of South Africa on such conditions as may be determined by the BOARD OF MANAGEMENT from time to time.

## **14.7 DISPUTES AND COMPLAINTS**

14.7.1 A decision of the BOARD OF MANAGEMENT as to the meaning of or interpretation of the RULES or of any particular RULE or part of a RULE, will be final and binding on the PARTICIPATING EMPLOYERS and any MEMBER or BENEFICIARY, subject to the provisions of Section 30A of the ACT.

14.7.2 In the event of a COMPLAINT arising, other than a COMPLAINT by the BOARD OF MANAGEMENT against another person, the COMPLAINANT may lodge a written complaint with the BOARD OF MANAGEMENT at the registered office of the FUND or such other address as designated by the BOARD OF MANAGEMENT for this purpose.

14.7.3 The BOARD OF MANAGEMENT will deal with all COMPLAINTS lodged with it. For this purpose, the BOARD OF MANAGEMENT may request the COMPLAINANT or any other person for such additional information relating to the COMPLAINT as it may deem necessary to enable it to properly deal therewith.

14.7.4 The BOARD OF MANAGEMENT will furnish the COMPLAINANT with its written decision regarding the

COMPLAINT within 30 (thirty) days, or such other period as mutually agreed in writing with the COMPLAINANT, of receipt of the COMPLAINT.

- 14.7.5 If the COMPLAINANT is not satisfied with the decision of the BOARD OF MANAGEMENT, the COMPLAINANT will have the right to appeal against such decision within a period of 30 (thirty) days of receipt thereof. In this event, the BOARD OF MANAGEMENT may revise or uphold its initial decision.
- 14.7.6 If the BOARD OF MANAGEMENT fails to respond to the COMPLAINT within the period stipulated in RULE 14.7.4 or if the COMPLAINANT is not satisfied with the outcome of the appeal in terms of RULE 14.7.5, the COMPLAINANT will have the right to submit the COMPLAINT to the ADJUDICATOR.
- 14.7.7 Subject to the provisions of RULE 14.7.8, any determination of the ADJUDICATOR regarding a COMPLAINT will be deemed to be a civil judgment of any court of law had the COMPLAINT been heard by such court and will be legally binding on the parties thereto.
- 14.7.8 If either the BOARD OF MANAGEMENT or the COMPLAINANT are aggrieved by the determination of the ADJUDICATOR, the aggrieved party will have the right, within a period of 6 (six) weeks following the date of the ADJUDICATOR'S determination, to apply to the division of the High Court which has jurisdiction, for relief. The aggrieved party will give simultaneous written notice to the other party of its intention to lodge such application.
- 14.7.9 For purposes of the foregoing provisions, all written notifications as contemplated therein will be transmitted to the BOARD OF MANAGEMENT or the COMPLAINANT,

as the case may be, by pre-paid registered post, facsimile transmission or physical delivery. Receipt thereof will be deemed to have taken place on the 10th (tenth) working day following the date of posting, if sent by post, or the day following the date of physical delivery or facsimile transmission.

- 14.7.10 The foregoing provisions will, *mutatis mutandis*, be applicable if the BOARD OF MANAGEMENT lodges a COMPLAINT on behalf of the FUND; provided that nothing herein contained will limit the rights of the BOARD OF MANAGEMENT to resort to such other remedies as it may deem appropriate in order to protect the interests of the FUND and its MEMBERS and BENEFICIARIES.

#### **14.8 AMENDMENTS TO THE RULES**

The BOARD OF MANAGEMENT will have the right to amend the RULES at any time; provided that such amendments are not inconsistent with the provisions of the INCOME TAX ACT, the ACT and all other applicable legislation, and are registered by the REGISTRAR and approved by the South African Revenue Services; provided that any amendment to the RULES which, in the opinion of the ACTUARY, changes the PARTICIPATING EMPLOYER'S financial obligation and liability in terms of the RULES, will be subject to the prior approval of the specific PARTICIPATING EMPLOYER.

#### **14.9 MEMBERS AND BENEFICIARIES ARE DEFERRED CREDITORS**

MEMBERS and BENEFICIARIES will be regarded as deferred creditors and their claims against the FUND in their capacity as MEMBERS or BENEFICIARIES will not be settled until the claims of ordinary creditors have been settled.

**14.10 INSPECTION OF DOCUMENTS OF THE FUND**

A MEMBER has the right to inspect the FUND'S financial statements and the RULES at any reasonable time. Upon payment of a fee as determined by the BOARD OF MANAGEMENT from time to time, a MEMBER may obtain a copy of the FUND'S financial statements, the RULES and the FUND'S latest valuation report prepared by the ACTUARY.

**14.11 CONDITIONS OF SERVICE NOT OTHERWISE AFFECTED**

Nothing contained in the RULES will limit the right of the PARTICIPATING EMPLOYER to dismiss any EMPLOYEE from service, or the right of an EMPLOYEE to terminate such EMPLOYEE'S service with the PARTICIPATING EMPLOYER, subject to the EMPLOYEE'S conditions of service.

**14.12 MONIES DUE TO THE PARTICIPATING EMPLOYER, THE FUND, A BENEFICIARY OR ANY OTHER PERSON**

14.12.1 Subject to the provisions of the ACT, the ADMINISTRATOR will, at the request of the PARTICIPATING EMPLOYER, the FUND, the MEMBER, the BENEFICIARY or any other person, as the case may be, recover the following amounts from benefits payable in terms of the RULES and where necessary, pay such amounts to the person or body to whom the amounts are due:

14.12.1.1 debts owing to the FUND or the PARTICIPATING EMPLOYER as a result of:

- (a) a loan granted to the MEMBER by the FUND or the PARTICIPATING EMPLOYER to enable the MEMBER to:
- (i) redeem a loan which was granted to the MEMBER by a person other than the FUND or the PARTICIPATING EMPLOYER as security over immovable property that belongs to the MEMBER or the MEMBER'S SPOUSE upon which a dwelling has been erected or is to be erected and is occupied or is to be occupied, as the case may be, by the MEMBER or a DEPENDANT(S) of the MEMBER; or
  - (ii) purchase a dwelling, or to purchase land and erect a dwelling on it, for occupation by the MEMBER or a DEPENDANT(S) of the MEMBER; or
  - (iii) make additions or alterations to or maintain or repair a dwelling which belongs to the MEMBER or to the MEMBER'S SPOUSE and that is occupied or will be occupied by the MEMBER or a DEPENDANT(S) of the MEMBER;
- (b) an amount for which the FUND or the PARTICIPATING EMPLOYER is liable under a guarantee furnished in respect of a loan granted by some other person to a MEMBER for a purpose as intended in RULE 14.12.1.1(a);

14.12.1.2 compensation for any loss suffered by the PARTICIPATING EMPLOYER as a result of theft, misconduct, fraud or dishonesty by the MEMBER and in respect of which the MEMBER has admitted liability in writing or in respect of which a court judgment sounding in money against the MEMBER has been obtained;

14.12.1.3 any amount that the FUND, by arrangement with and on behalf of a MEMBER or BENEFICIARY, has paid or will pay from time to time in respect of:

(a) such MEMBER'S or BENEFICIARY'S contributions to a medical scheme, registered otherwise than provisionally in terms of the Medical Schemes Act, 1998 (Act 131 of 1998);

(b) an insurance premium payable by a MEMBER or BENEFICIARY to an INSURER; or

(c) any purpose approved by the REGISTRAR, on the terms and conditions determined by the REGISTRAR, upon the written request from the FUND;

14.12.1.4 any part of the MEMBER'S pension interest in the FUND as defined in Section 7(8) of the Divorce Act, 1979 (Act 70 of 1979) allocated to a NON-MEMBER SPOUSE in terms of a valid court order issued by a competent court; provided that the MEMBER'S EQUITABLE SHARE will be reduced by such allocated



portion and paid to such NON-MEMBER SPOUSE or transferred to another APPROVED FUND on behalf of the NON-MEMBER SPOUSE, as elected by the NON-MEMBER SPOUSE; and

14.12.1.5 any amount, other than an amount in terms of RULE 14.12.1.4, of the MEMBER'S EQUITABLE SHARE allocated to a person in terms of Section 37D(1)(d) of the ACT; provided that such allocated amount will be deemed to have accrued to the MEMBER and the MEMBER'S EQUITABLE SHARE will be reduced by such allocated amount and paid to such person.

14.12.2 It is a proviso that the amounts in terms of RULE 14.12.1.1 will be limited to a sum not exceeding the maximum which may be taken by a MEMBER or BENEFICIARY as a lump sum benefit in terms of the INCOME TAX ACT.

14.12.3 The BOARD OF MANAGEMENT will have the right to withhold payment of benefits to which a MEMBER or BENEFICIARY is entitled in terms of the RULES pending the determination or acknowledgement of liability in terms of RULE 14.12.1.2; subject to such withholding period being reasonable taking into account the relevant circumstances and subject to the following provisions; provided that INVESTMENT RETURN or INTERIM INVESTMENT RETURN, as applicable, will be added to the benefit during the withholding period:

14.12.3.1 the BOARD OF MANAGEMENT, at the written instructions of a MEMBER whose benefit is withheld, may permit the value of the MEMBER'S benefit at the time of such

request, to be invested in another investment vehicle available from the range of investment vehicles available to MEMBERS of the FUND, subject to the conditions applicable to such investment vehicle;

14.12.3.2 the amount being withheld will not exceed the amount that may be deducted in terms of Section 37D(1)(b)(ii) of the ACT;

14.12.3.3 the BOARD OF MANAGEMENT in its reasonable discretion is satisfied that the PARTICIPATING EMPLOYER has made out a *prima facie* case against the MEMBER concerned and there is reason to believe that the PARTICIPATING EMPLOYER has a reasonable chance of succeeding in the proceedings that have been instituted;

14.12.3.4 the BOARD OF MANAGEMENT is satisfied that at any stage of the proceedings, the PARTICIPATING EMPLOYER is not responsible for any undue delay in the prosecution of the proceedings; and

14.12.3.5 once the proceedings have been determined, settled or withdrawn, any benefit to which the MEMBER is entitled will forthwith be paid.

#### **14.13 UNCLAIMED BENEFITS**

14.13.1 If a MEMBER or BENEFICIARY does not claim monies payable to such MEMBER or BENEFICIARY in terms of the RULES or if a MEMBER fails to exercise a choice in terms of RULE 8.1, such monies will be retained in the FUND or be transferred after expiry of a period of 24 (twenty-four) months to an APPROVED FUND that has

been approved by the South African Revenue Services to accept unclaimed benefits, whereafter the former MEMBER will have no further claim against the FUND.

- 14.13.2 For the first 24 (twenty-four) months from the date that the benefit becomes payable in terms of RULE 14.13.1, such benefit will remain in the INVESTMENT PORTFOLIO(S) it was invested in immediately prior to the benefit becoming unclaimed, and at the expiry of the said 24 (twenty-four) month-period, an unclaimed benefit that is retained in the FUND will be disinvested and be invested in another product or investment vehicle, as determined by the BOARD OF MANAGEMENT from time to time.
- 14.13.3 The benefit payable in terms of RULES 5, 6 or 8 as the case may be, that remains unclaimed in the FUND, will be adjusted with the following, as approved by the BOARD OF MANAGEMENT:
- 14.13.3.1 the rate of interest as determined by the BOARD OF MANAGEMENT from time to time, taking into account the investment vehicle in which and the period during which the assets representing the benefit are invested and all other relevant facts, until the date of payment of the benefit;
  - 14.13.3.2 the reasonable cost that was incurred to trace or endeavour to trace the MEMBER or BENEFICIARY; and
  - 14.13.3.3 the proportionate share of the cost of management of unclaimed benefits.

14.13.4 Notwithstanding the provisions of RULE 14.13.1, the BOARD OF MANAGEMENT will make payment of monies referred to in RULE 14.13.1 that have not yet been transferred to an APPROVED FUND that has been approved by the South African Revenue Services to accept unclaimed benefits, to a MEMBER or BENEFICIARY if such person satisfies the BOARD OF MANAGEMENT of his or her right to claim such monies.

#### **14.14 UNFORESEEN CIRCUMSTANCES**

On the occurrence of an event which has not been provided for in the RULES then, subject to the provisions of RULE 14.7, the decision of the BOARD OF MANAGEMENT, if not inconsistent with the provisions of the RULES, will be final and conclusive.